

B) For pulse crops?

Background:

Among Mexico, Canada and the United States, there exists a large pulse trade. Mexican imports of all pulse crops average about \$40 million per year, with the Canadian market share of only 12.5%. The export potential is particularly notable for beans, canary seed and lentils.

RESPONSE:

- THERE EXISTS A LARGE POTENTIAL FOR THE EXPORT OF PULSE CROPS TO MEXICO GIVEN THE RECENT INCREASES IN POPULATION SIZE AND LIMITED ARABLE LAND. PREDICTABLE, SECURE ACCESS UNDER A NAFTA WILL HELP CANADIAN PULSE GROWERS TO MAINTAIN AND EXPAND SALES TO MEXICO.

AGRICULTURAL SECTOR : QUESTION #11

Given the liberalization of Mexican markets that will occur under the NAFTA, how will the Canadian cattle and pork industries fare?

Background:

Canadian exports to Mexico include beef cattle for breeding purposes, beef (particularly offal), live swine, fresh and frozen pork and pork offal. Despite exporting live cattle and beef to the U.S., Mexico will likely remain a net importer of beef and pork. Beef consumption is currently low (21 kilograms per person per year, compared to the U.S. average of 40 kilograms per person per year), but may rise as disposable income rises.

Pork production in Mexico is in decline due to high feed costs and animal disease outbreaks. Mexican imports of pork from Canada and the United States have been rising rapidly over the last few years.

RESPONSE:

- THE CANADIAN CATTLE INDUSTRY WILL DO WELL IN MEXICO. CANADA HAS A REPUTATION FOR HIGH QUALITY, DISEASE-FREE BREEDING STOCK. CANADIAN EXPORTS WILL LIKELY CONTINUE TO GROW AT LEAST AS FAVOURABLY AS AT PRESENT AS THE NAFTA WILL ENSURE SECURE ACCESS TO A GROWING MEXICAN MARKET.
- PORK PRODUCERS MAY POST SIGNIFICANT EXPORTS ADVANCES TO MEXICO, ALBEIT IN COMPETITION WITH THE UNITED STATES.