

PRELIMINARY REMARKS

In Canada, the agri-food sector consists of crop and animal raising (unprocessed primary products intended for human consumption), and the production of processed agricultural products and beverages of all kinds (groups 10 and 11 in Statistics Canada's Standard Industrial Classification).

In the European Community, primary products and processed products are treated quite differently. Primary products are subject to the Common Agricultural Policy (CAP), instituted in 1964, and not directly affected by the advent of the Single European Market referred to as Europe 1992. On the other hand the processing industry, which until now has developed within a national framework shielded by strong non-tariff barriers, is being significantly affected by the Europe 1992 process.

For these reasons, this report concerns itself exclusively with the impact of Europe 1992 on the processing industry. With the exception of slaughterhouse products, insemination products and seed potatoes, it passes over the problems posed for Canada's agriculture and breeding industries by the CAP and the amendments that might be made to it as a result of GATT negotiations.