

After a year of strong growth, Canada's economy is expected to grow at a more subdued rate in 2001 and 2002. Inflation will be between 3.5 and 4 percent in 2001, subsiding to just over 2 percent in 2002. Retail food prices increased by a modest 1.7 percent in 2000, but are likely to increase by over 4 percent in 2001, declining to around 2 percent in 2002. After falling in 1999, the value of Canadian agri-food exports recovered strongly in 2000, registering an increase of almost 6 percent. This performance is due in part to the low base of 1999 and a depreciating Canadian dollar. Strong export growth—exceeding 10 percent—will be registered in 2001, but will subside in 2002.

Canadian industry is becoming increasingly frustrated by sustained low international commodity prices, brought about by difficulties in key economies, high support levels and export competition elsewhere, and the use of technical impediments to trade. Pressure to match support levels in other affluent nations has been growing. If the incidence and magnitude of such distortions can be held in check, the values of Canadian agri-food exports should strengthen further in 2001 as markets and prices for grains, oilseeds, and livestock products strengthen. However, any continuing weakness in the U.S. economy will adversely affect Canadian exports.

Macroeconomic Situation and Outlook

Canada's economy posted real Gross Domestic Product (GDP) growth of 4.7 per cent in 2000. More subdued rates of growth are anticipated over the next two years, with median predictions for 2001 and 2002 at 1.6 percent and 1.2 percent, respectively. Inflation was around 1.7 percent in 2000, but is expected to be about 2.9 percent in 2001, declining to slightly less than 2 percent in 2002. Disposable income grew by 3.8 percent in 2000, but is expected to increase more modestly through 2001 and 2002, at around 3.2 and 2.6 percent.

Total Canadian exports recovered strongly in 2000, increasing by 9.6 percent. Export growth will be less robust in 2001 and 2002, at around 4 percent. Import growth will be higher at around 6 percent, lowering Canada's net trade surplus. Canada has been and will be affected by the recent, long-anticipated slowdown in the US economy, but both the Canadian and US governments have taken steps to ensure a soft landing. In the first quarter of 2001, a fiscal stimulus actually occurred when it was most needed; Canada's pre-election mini-budget tabled in November 2000 reduced personal income taxes by an estimated \$7.7 billion when it took effect on January 1, 2000—an enormous and timely boost to disposable income. Interest rates have also been lowered considerably in both Canada and the United States, in an effort to avert a recession. Nevertheless, continued high personal-debt-to-earnings ratios, inventory overhangs, erratic stock markets, and growing protectionist sentiment in important economies contribute to downside risk for this prospectus.

Food Prices and Consumption

The CPI for food from stores increased only 1.4 percent in 2000, while prices for food services and restaurant meals increased by 2.1 percent. Red meat prices increased more than 6 percent in 2000 and will strengthen further through the first three-quarters of 2001. Poultry meat prices will increase modestly, largely due to demand cross-substitution. Dairy product prices will remain static. Prices for fresh fruits will increase by around 2-3 percent in aggregate as supplies in most growing areas throughout North America are expected to be relatively stable. Fresh vegetable prices could increase more substantially, as some growing areas experienced adverse conditions this past winter. Edible oil prices and cereal-based products will both increase by around 2-3 percent. Prices for processed fruits and vegetables will also increase 3-5 percent.

With the possible exception of fuel costs, the costs of labor, packaging, and other inputs will remain fairly stable for the next few years. In aggregate, retail price increases for food will be 4 to 5 percent in 2001, with the biggest components of the increase arising from increased energy and logistics costs, and rising red meat prices. Food price increases are likely to be of the order of 2 percent in 2002. In spite of the economic slowdown, restaurant menu inflation will still be in the 2 to 4 percent range, with total expenditures on meals outside the home expected to increase by 5 to 6 percent annually.

Food Processing and Marketing

The Canadian retail grocery industry increased its sales by 3.9 percent in 2000 to C\$56.63 billion. Increases of around 4 and 3 percent respectively are expected in 2001 and 2002. Chain supermarkets and major banner convenience stores increased their sales by around 3.5 percent to C\$32.37 billion in 2000, but their market share declined slightly. Voluntary group stores and franchised independents increased their market share for the first time in almost a decade, with total sales reaching C\$21.6 billion in 2000, up almost 5.9 percent. Unaffiliated independent grocery stores and unaffiliated convenience stores continue to struggle, with sales dropping in absolute terms from C\$2.81 billion in 1999 to C\$2.66 billion in 2000. Smaller unaffiliated stores are increasingly feeling the heat from banner convenience stores; it is now rare to find a gas station without a banner convenience store attached to it. The larger unaffiliated stores also face the challenge of competing with the ever-improving supply chains, efficient and effective marketing techniques, and strategically located stores of the larger chains.

The Canadian Restaurant and Foodservices Association reports that spending on meals (food and beverages) away from home rose by 5.2 percent in 2000 to reach C\$38.1 billion, up from C\$36.2 billion in 1999. Foodservice sales are expected to continue increasing by around 5 percent in 2001 and 2002, or 2-3 percent in inflation-adjusted terms. Full-service restaurants will continue making gains relative to limited-service restaurants.

Maple Leaf Foods is in the process of buying Schneider's Manitoba fresh pork operations for C\$44 million. The deal, although subject to regulatory approval, will give Maple Leaf Schneider's existing Winnipeg slaughter plant and new processing plant. The Schneider operation will continue on a "business-as-usual basis" for the next several years, but Maple Leaf says it will eventually consolidate primary processing at its own new plant in Brandon, Manitoba, as that plant moves to a second shift. Maple Leaf will then turn the Winnipeg processing plant over to specialized processing of case-ready products and custom cuts for Asian markets.

Industry analysts have placed odds on Canada's poultry processing sector as the next area ripe for consolidation. Profit margins are being squeezed as energy, labor, and other costs rise and the consolidated distribution sector is not receptive to price increases. Processors will be pressed to avoid the squeeze by investing in automation to reduce unit costs or by investing in R&D to develop value-added branded products that can command higher prices. However, neither of these options is viable if a company's production volume or market share is inadequate. Research and marketing efforts in developing new consumer products are unlikely to be sufficiently rewarded if the processor's market is limited to just one region in the country. As most of Canada's 40 poultry processors operate a single plant and employ fewer than 200 workers, some kind of shakeout is anticipated over the next two or three years. Operations like Cuddy Foods and Maple Leaf Poultry are possible acquisition targets as they have diverse selections of value-added and branded further processed products, large processing plants, and national distribution. J.M. Schneider (a Smithfield Foods subsidiary), Tyson Foods, and ConAgra Foods are all said to have an interest in building Canadian poultry processing capacity.

Agricultural Production and Trade

In 2000, grain, oilseed, and special crop receipts fell for the third consecutive year, hitting a six-year low of C\$12.9 billion. Conversely, livestock receipts rose to C\$16.8 billion, up more than 10 percent. Overall, gross farm receipts—including program payments—rose to C\$32.5 billion, up more than 10 percent. Forward selling prices also suggest stronger cash prices for cattle through the third quarter of 2001; these reflect slightly declining North American cattle stocks. In 2001 and 2002, cattle inventories will enter the expansion phase in the cycle.

Canada's agri-food exports expanded by around 5.9 percent in 2000, partly due to depressed 1999 levels and partly due to a depreciating Canadian dollar. Total imports of agri-food products to Canada increased by 5.5 percent. Canadian agri-food exports to NAFTA countries increased by more than 7.4 percent in 2000, as did imports. Agri-food exports to non-NAFTA PECC grew by about 3.5 percent, while imports grew by 4.4 percent. Canadian agri-food exports to Europe and Mercosur declined in 2000, due to both macro and political factors.

In 2000, the value of Canada's exports of bulk commodities grew by 2.1 percent, while imports grew by 2.6 percent. Intermediate product exports were fairly static at 0.4 percent growth, while imports rose

8.4 percent. Higher-value, consumer-oriented food product exports rose by 11.1 percent, while imports rose 5.3 percent.

Until the second quarter of 2001, our analysis suggested that the value of Canadian agri-food exports would continue to register increases from 2001-2004 as international prices for grains, oilseeds, and livestock products and economies elsewhere were expected to improve. Since then, however, the macro-economic outlook has darkened somewhat and various countries have put in place policies and regulations which could significantly increase the cost of engaging in trade. In the short term, grains and oilseeds production (2001) and exports (2002) will be adversely impacted by a serious drought on the prairies, with production in 2001 expected to fall by 15 percent below 2000 levels. In the medium term, bulk exports will decline while increases are expected for consumer-oriented products. Complementarities in production and processing continue to increase bilateral trade with the US.

Food and Agricultural Policy

Until 1998, government transfers had been in decline since 1994. However, support to farmers now looks set to increase for the third consecutive year, mainly because of once-off adjustment programs and higher expenditures to address farm financial problems arising from low world commodity prices. Policy support remains the highest for the dairy sector, followed by the poultry sector (OECD 2000, p. 13). Support to red meats, grains and oilseeds, and horticulture sectors is modest in comparison. Pressure continues to build in these sectors to increase support in the face of declining market returns and high support in other nations.

Program payments rose significantly in 2000 and, at C\$2.8 billion, reached their highest level in seven years. About three-quarters of the increase can be attributed to one-time payments made to prairie farmers under adjustment programs, crop insurance, or income safety net programs: crop insurance payments nearly doubled to C\$593 million; payments under the Agricultural Income Disaster Assistance program and related provincial disaster programs reached C\$426 million; the Alberta Farm Income Assistance Program, Canada-Manitoba Adjustment Program, and Canada-Saskatchewan Adjustment program paid out a combined total of C\$669 million; and farmers withdrew C\$456 million from the government portion of the Net Income Stabilization Account.

In July 2000, Federal and Provincial Ministers signed a three-year framework agreement on farm income safety nets worth C\$5.5 billion. This agreement provides the basis for core Safety Net Programs including fall cash advances, the Net Income Stabilization Account (NISA) program, Crop Insurance, province-specific companion programs, and the Canadian Farm Income Program (CFIP). CFIP is a national program designed to target assistance to Canadian producers who have experienced a sudden and severe drop in farming income for reasons beyond their control. The program is in place for the 2000, 2001, and 2002 tax years.

Federal and provincial governments are now exploring new policy thrusts to deal with emerging issues. Efforts are being rekindled to encourage innovation, particularly in the life sciences. Industry leaders are hoping that such efforts will lead to new and expanding market opportunities for innovative, high-quality Canadian products and services. Resource management and environmental stewardship are other areas where policy effort is being renewed, with the government considering making certain types of support contingent upon farmers practicing progressive environmental and resource husbandry. Consumer and societal concerns regarding food safety and environmental husbandry are also being translated into both regulatory and market-based actions.

Water Resource Issues

OVERVIEW. In spite of a high water endowment, high per-capita water usage—coupled with other stressors such as urbanization, economic growth, and population growth—introduces pressures on water resources. While Canada enjoys some of the highest standards for clean water in the world, pollution can be a concern, particularly in the Great Lakes-St. Lawrence Seaway system. A few incidents of contaminated water have increased public awareness of the need to protect our water resources.

WATER SUPPLY. Canada has abundant fresh water resources, amounting to 2,850 cubic kilometers per year. This fact must be tempered by the observation that only a portion of this supply is renewable. Further, location is also of importance: some 90 percent of the population lives in a narrow band close to the Canada-US border, while 60 percent of our water supply flows north to the Arctic. Still, withdrawals amount to only about 45 cubic kilometers per year, or 1.6 percent of total resources. So water availability is generally not a problem in Canada, with the exception of the semi-arid west. In the west, water issues often revolve around considerations of: whether there is enough water, how it will be apportioned, and security of supply. While suitable lands exist to add to the 0.7 million hectares irrigated in the west, not enough water is available to economically irrigate substantially more lands. In 2001, this issue is a major concern as Alberta and Saskatchewan cope with extreme drought.

WATER DEMAND. In Canada, the industrial sector accounts for 70 percent of all freshwater withdrawals. However, industrial sector withdrawals include a significant proportion of non-consumptive industrial uses (like hydropower). The industrial sector accounts for only a small fraction of groundwater withdrawals; the bulk of withdrawals are for domestic and agricultural purposes.

Farmers depend on water for livestock and crop production. Although 99 percent of the farms in Canada depend on natural precipitation, agriculture remains the fourth-largest water user. Water is withdrawn mainly for irrigation (85 percent) and livestock watering (15 percent). Irrigation is primarily needed in the drier parts of Canada, such as Alberta, Saskatchewan, Manitoba, and the Peace River region of British Columbia. Irrigation is also used in Ontario and the Maritimes

for intensive horticultural crops and for frost control. The large number of private wells in rural areas across Canada accounts for the relatively high percentage of domestic groundwater use.

Recently, there has been some discussion regarding the export of water resources and changing watercourses to allow them to flow south to meet demand in the United States. Speaking generally, these discussions continue to raise questions among Canadians.

WATER QUALITY. Rural and urban dwellers alike are increasingly concerned with non-point sources of pollution, associated with the application of commercial and organic fertilizers, livestock manures, herbicides and pesticides. A recent *E. coli* outbreak in Walkerton has raised the profile of and sensitivity to water contamination. Rural dwellers are also increasingly concerned with the use of rural areas as dumping grounds for urban waste, including the contamination of rural watercourses and groundwater with sewage overflows (Stoneman, 2000 a, b).

Reverse migration is also becoming an issue. Over the past 25 years, Ontario, Quebec, and the Atlantic provinces have experienced a substantial migration of urban dwellers to the countryside. These transplanted urban dwellers have water-using habits and attitudes that, in many instances, are lowering the water table (http://www2.ec.gc.ca/water/en/info/pubs/fs/e_fsa6.htm). Further, the wastewater produced is stressing the soil's ability to treat septic effluent adequately. More disturbing is the evidence of more than 2 million septic tank systems in Canada, up to 30 percent of which are failing due to poor construction and inadequate or improper maintenance.

WATER UTILITY RATES AND PRICING. Environment Canada suggests that 60 percent of Canadians pay water rates that do not promote conservation (http://www2.ec.gc.ca/water/en/manage/effic/e_rates.htm). A study of rate structures in the mid-1990s showed that 46 percent of the population paid a fixed charge regardless of the amount of water used. In 17 percent of cases, the consumer's bill rose at a slower rate as higher volumes of water were used. Fewer than 40 percent of the population were subject to a rate structure that provided incentives to conserve water: 33 percent were under a rate structure where the consumer's bill climbed uniformly with volume used; only 4 percent were charged a progressively higher price with greater volumes of usage.

REGULATION AND OVERSIGHT. The management and regulation of water resources are shared by federal, provincial, municipal, and basin-level authorities. At the federal level, Environment Canada, Health Canada, Natural Resources Canada, Fisheries and Oceans and Agriculture, and Agri-Food Canada all play important roles. The Canadian Water Quality Guidelines (CWQGs) are developed to provide basic scientific information about water quality parameters and ecologically relevant toxicological threshold values for specific water uses. The CWQGs document includes guidelines for: raw water for drinking water supply; recreational water quality and aesthetics; aquatic life; agricultural uses. The guidelines for drinking and recreational water uses are developed by Health Canada. Environment Canada develops the remaining guidelines for water, soil, sediment, and tissue

residues, with guidance from a federal-provincial Water Quality Guidelines Task Group.

Agriculture and Agri-Food Canada's *Prairie Farm Rehabilitation Administration* (PFRA) works with provincial partner agencies on the Prairies and in B.C.'s Peace River region. PFRA plays a critical role in developing and implementing water development strategies. PFRA develops secure supplies of water, and investigates and promotes practical ways of protecting and improving the quality of water in Western Canada's rural areas. PFRA provides technical assistance in groundwater exploration and mapping, community water conservation and supply projects, water quality and wastewater management and infrastructure, basin studies, and the investigation, design, and implementation of water supply projects.

National Soil and Water Conservation Program. The NSWCP is a program that was put in place to support the "Agriculture in Harmony With Nature: Strategy for Environmentally Sustainable Agriculture and Agri-Food Development" in Canada. On the Prairies, C\$3 million will be provided to eligible organizations for soil and water conservation, focusing on water quality.

Rural Water Development Program. The RWDP is federal-provincial undertaking designed to: alleviate water-related constraints to the viability of prairie agriculture; aid development, expansion, and diversification of agricultural operations; enhance opportunities for rural agri-business and value-added enterprises; and encourage the imple-

mentation of sustainable practices in the development and protection of water resources.

Drought Watch. Drought Watch is a federal-provincial cooperative program geared to providing timely information on the impacts of climatic variability on water supply and agriculture on the Prairies. Its intent is to promote ideas and activities for groups and individuals to reduce drought vulnerability.

The **Sustainable Water Well Initiative** (SWWI) addresses concerns of declining well yield and water quality deterioration. Its goal is to provide better advice on the diagnosis, prevention, and amelioration of well problems. Because wells are the primary water source for most rural Prairie residents, extending their life and efficiency can result in significant savings in water supply costs to individuals and rural communities.

Several provinces, including Ontario and Quebec, are undertaking integrated watershed management projects. The objective is to conserve and protect the watershed and its land and water resources. Efforts are being made to reduce soil and ditchbank erosion, reduce non-point pollution, and protect water quality. Best management practices are being promoted regarding the use of conservation tillage, vegetated buffer strips along water courses and ditchbanks, grassed waterways, contour cropping, drainage, proper manure storage and application, and improved herbicide and pesticide management.

References

- Agriculture and Agri-Food Canada, Food Bureau. 1999. "The Food Marketing and Distribution Sector in Canada." Ottawa: Market and Industry Services Branch, April.
- Agriculture and Agri-Food Canada, Prairie Farm Rehabilitation Agency. (2000) "Agricultural Practices and Environmental Conservation." Publication 1772E.
- ----- . (2000). "Management of Saline Soils Under Irrigation." Publication 1624E.
- Agriculture and Agri-Food Canada, Strategic Policy Branch. 2001. "Farm Income, Financial Conditions, and Government Assistance Data Book." Farm Income and Adaptation Directorate.
- Black, K. and M. Osborne. 2000. "New Rules Needed for Siting Intensive Livestock Facilities." BETTER FARMING, August, pp.24-25.
- Condon, G. 2001. "National Market Survey - 2000 in Review." CANADIAN GROCER. Maclean Hunter Publishing: January/February.
- Conference Board of Canada. 2001. CANADIAN OUTLOOK. Ottawa, Winter.
- ----- . 2001. PROVINCIAL OUTLOOK. Ottawa, Winter.
- Environment Canada. 2000. FEDERAL WATER POLICY. Ottawa.
- ----- . 2000. GREAT LAKES ATLAS, <http://www.on.ec.gc.ca/great-lakes-atlas/>
- Gleick, P. 1999. "THE HUMAN RIGHT TO WATER." Water Policy. 1(5), pp. 487-503.
- ----- . 2000. "The Changing Water Paradigm." WATER INTERNATIONAL. 25(1), pp. 127-138, March.
- Harker, D.B. 1999. "Water Quantity and Quality Issues in Canada Agriculture and the Nation's Private Lands" Prairie Farm Rehabilitation Administration Publication presented at: The State of North America's Private Land, Soil and Water Conservation Society (SWCS). Chicago, Illinois: January 19-21.
- Heller, W. 2001. "Life's a Stage: Annual Product Preference Study." PROGRESSIVE GROCER. pp. 31-52, March.
- Janoff, B. 2001. "Face-Off: Canadian Food Retailers Jockey for Position." PROGRESSIVE GROCER. pp.14-20, March.

CONTINUED

References (continued)

- King, D., G.C. Watson, G.J. Wall, and B.A. Grant. 2000. THE EFFECTS OF LIVESTOCK MANURE APPLICATION AND MANAGEMENT ON SURFACE WATER QUALITY, Land Resource Division, Centre for Land and Biological Resources Research (CLBRR), Guelph, and Upper Thames River Conservation Authority, Ontario http://res2.agr.ca/london/pmrc/download/glwq_10.pdf
- Luciuk, G.M., and E.G. (Ted) O'Brien. 2000. "Adaptation, Agriculture and Water Resources." Prairie Farm Rehabilitation Administration Paper, <http://www.agr.ca/pfra/pub/adaptp.htm>
- MacDonald, K. B, I. Jarvis, and F. Wang. 2000. REGIONAL AGRICULTURAL PRACTICES AND THEIR POTENTIAL FOR LAND AND WATER CONTAMINATION, Ontario Land Resource Unit, C.L.B.R.R., Guelph, Ontario http://res2.agr.ca/london/pmrc/download/glwq_14.pdf
- Martin, F. R. J. 1996. Addendum No. 7 to PFRA Hydrology Report #104, THE DETERMINATION OF GROSS AND EFFECTIVE DRAINAGE AREAS IN THE PRAIRIE PROVINCES. Regina, Saskatchewan, June.
- McRae, T., C.A.S. Smith, and L. J. Gregorich, eds. 2000. ENVIRONMENTAL SUSTAINABILITY OF CANADIAN AGRICULTURE, Agriculture and Agri-Food Canada, Ottawa.
- OECD. 2001. AGRICULTURAL POLICIES IN OECD COUNTRIES. Paris, August.
- ----- . 2001. BUSINESS APPROACHES TO AGRICULTURAL ENVIRONMENTAL MANAGEMENT (draft). Paris, July.
- Perry, C.J., M. Rock, and D. Seckler. 1997. WATER AS AN ECONOMIC GOOD: A SOLUTION, OR A PROBLEM? International Water Management Institute: Colombo, Sri Lanka, Research Report 14.
- Postel, S. 2001. "Safeguarding our Water: Growing More Food with Less Water." SCIENTIFIC AMERICAN. February.
- Prairie Farm Rehabilitation Administration - <http://www.agr.ca/pfra/sitedxe.htm>
- Qiu, Z., and T. Prato. 1999. "Accounting for Spatial Characteristics of Watersheds in Evaluating Water Pollution Abatement Policies." JOURNAL OF AGRICULTURAL AND APPLIED ECONOMICS. 31(1), pp. 161-175.
- Statistics Canada. 2000. "Food Services Competition in the 1990s." THE DAILY. Ottawa, April 14.
- Stoneman, D. 2000a. "The Sewage Double Standard: The Dirty Little Secret of Municipal Bypass Treatments." BETTER FARMING. August, pp.18-23.
- ----- . 2000b. "Sewage Failures: Like Manure, Chlorine Can Kill." BETTER FARMING. December, pp. 26-30.

CANADA

	Units	1997	1998	1999	2000	2001 ^E	2002 ^F
FOOD CONSUMPTION PATTERNS ^a							
Per capita caloric intake	Cal/day	3,127	3,114	3,111	3,127	3,130	3,130
From animal products	Cal/day	906	896	894	906	890	890
From vegetable products	Cal/day	2,221	2,218	2,217	2,221	2,220	2,220
Protein (% of calories)	%	14.5	14.3	14.1	14.1	14.1	14.1
Fat (% of calories)	%	33.3	33.1	32.9	32.9	33.0	33.0
Carbohydrates (% of calories)	%	52.2	52.6	53.0	53.4	53.4	53.4
INCOME AND FOOD PRICES							
Per capita income ^b	US\$/capita	11,600	11,490	11,805	12,160	12,500	12,750
% of disposable income spent on food ^c	%	13.8	14.0	14.2	14.3	14.4	14.3
% spent eating out ^c	%	4.3	4.4	4.7	4.8	4.8	4.8
Food price index ^c	1992=100	108.2	109.7	111.0	112.9	118.0	120.1
General price index (CPI) ^d	1992=100	107.8	109.8	112.1	114.6	117.9	120.2
POPULATION ^e							
Total population	Million	30.0	30.3	30.5	30.8	31.1	31.4
Urban	Million	23.0	23.2	23.4	23.6	23.9	24.2
Nonurban	Million	7.0	7.1	7.1	7.1	7.2	7.2
Share of population in the following age groups							
0–4 years	%	6.4	6.3	6.0	5.8	5.7	5.6
5–14 years	%	13.6	13.5	13.4	13.3	13.3	13.3
15–19 years	%	6.8	6.8	6.8	6.7	6.7	6.7
20–44 years	%	39.3	39.0	38.6	38.2	37.9	37.6
45–64 years	%	21.7	22.2	22.7	23.3	23.8	24.1
65–79 years	%	9.4	9.5	9.6	9.6	9.6	9.7
80–over years	%	2.8	2.8	2.9	3.0	3.0	3.1
Median age of population ^e	Years	35.6	36.0	36.4	36.8	37.1	37.3
Female labor force participation ^f	%	57.4	58.1	58.1	58.2	58.3	58.3
LIFE EXPECTANCY ^g							
Males	Years	75.8	75.9	76.0	76.1	76.1	76.1
Females	Years	81.4	81.6	81.8	81.9	81.9	81.9
FOOD INFRASTRUCTURE							
Trade capacity							
Grain exports ^h	1,000 Tons	29,091	24,341	27,949	27,615	27,000	24,500
Grain imports ^h	1,000 Tons	1,854	1,448	1,659	2,855	1,464	2,300
Total food and agricultural trade ^h	Million US\$	27,037	26,294	25,717	27,200	29,000	28,500
Total food and agricultural exports ^h	Million US\$	16,232	15,248	14,643	15,500	16,200	15,600
Fishery exports ⁱ	Million US\$	2,201	2,162	2,177	2,200	2,300	na
Total food and agricultural imports ^h	Million US\$	10,805	11,046	11,074	11,700	12,800	12,900
Perishable products ^h	Million US\$	4,211	4,550	4,830	5,120	5,376	na
Fishery imports ⁱ	Million US\$	1,143	1,213	1,283	1,400	1,450	na
Port capacity ^j	Million tons	410	413	417	420	420	420
Road access ^k	1,000 Kms	908	912	915	918	918	918
Rail access ^k	1,000 Kms	77	76	75	74	74	74
Telecommunications ^l	Lines	18,051	18,051	18,051	18,051	18,051	18,051
Power Generation ^m	Billion Kwh	551	543	547	552	552	552
Percent of population with refrigerators ^{n/}	%	99.6	99.6	99.6	99.6	99.6	99.6
FOREIGN INVESTMENT IN THE FOOD SECTOR ^o							
Inward FDI in the food sector, total	Million US\$	12,342	12,099	12,500	13,000	13,000	13,900
From other PECC economies	Million US\$	6,379	6,000	6,200	6,200	6,200	na
Outward FDI in the food sector, total	Million US\$	5,956	5,800	7,000	7,000	na	na
To other PECC economies	Million US\$	3,115	3,100	3,200	3,200	3,600	na
ROLE OF AGRICULTURE AND TRADE IN THE ECONOMY							
Agriculture as a share of GDP ^p	%	1.7	1.6	1.6	1.6	1.7	1.7
Self sufficiency in grains	%	1.7	1.8	1.8	1.8	1.6	1.8
Self sufficiency in horticultural products	%	0.9	0.9	0.9	0.9	0.9	0.9
POLICY TRANSFERS							
Consumer subsidy equivalents ^q	%	–14.4	–16.0	–16.0	–16.0	–16.0	–16.0
Total transfers (subsidy/tax) ^q	Million US\$	4,373	4,773	4,800	5,500	5,500	5,000
Total transfers per capita	US\$/capita	143	145	152	154	147	144
MACROECONOMICS INDICATORS ^r							
GDP (Real at 1992 market prices) growth	%	3.8	3.0	4.2	4.7	1.6	1.2
Interest rate	%	5.0	6.6	6.7	7.0	6.5	6.5
Exchange rate	CANS/US\$	1.39	1.48	1.49	1.49	1.55	1.50

E = estimate F = forecast

Sources:

a. Basic data from Statistics Canada, conversion ratios from Food and Agricultural Organization.

b. Statistics Canada, Conference Board for Forecasts, KPMG Survey, TD Forecasts.

c. Statistics Canada, Catalogue No 62-555-SPE (Household Surveys Division) and CANSIM Matrix 9957 Agriculture and Agri-Food Canada.

d. Statistics Canada CANSIM Matrices 6544 and 9957, Conference Board for Forecasts.

e. Statistics Canada, CANSIM Matrices 6367-6379, 6231, 6900.

f. Statistics Canada CANSIM Matrix 3472 and Catalogue No 71F0004-XCB.

g. Statistics Canada, Catalogue No. 82-221-XDE.

h. Agriculture and Agri-Food Canada, Agri-Food Trade Highlights, Statistics Canada Merchandise Trade Database, World Trade Atlas.

i. Department of Fisheries and Oceans, Statistics Canada Trade Database.

j. Canadian Transportation Agency, Statistics Canada.

k. Transport Canada, Canada Year Book 1999, Statistics Canada Catalogue No. 52-216-XPB.

l. Statistics Canada, Cansim series D462222.

m. Statistics Canada, Cansim series D372136.

n. Statistics Canada, Cansim series D339998, D339999, D346064, D346065.

o. Statistics Canada, CANSIM Label: 79320, Statistics Canada, Catalogue 67-202-XPB, Agriculture and Agri-Food Canada.

p. Statistics Canada, Cansim 3571, 6548, 6549, 9015-9026, Agriculture and Agri-Food Canada, Medium Term Policy Baseline.

q. OECD Monitoring and Evaluation, Agriculture and Agri-Food Canada.