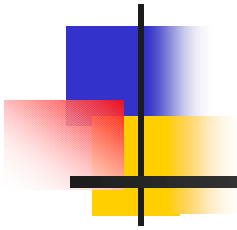


U.S. and Canadian Agricultural Trade Positions: Navigating trade issues



AAEA Extension Section Policy Symposium

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U.S. and Canadian agricultural trade positions: Underlying market factors



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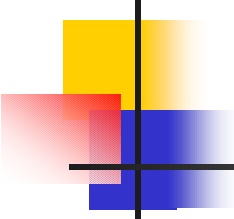
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Agenda

- Background
 - U.S. and Canadian agricultural trade
 - Production and trade for major commodities
- Introduction to issues
 - BSE and other bilateral issues
 - Exchange rates
 - Policy



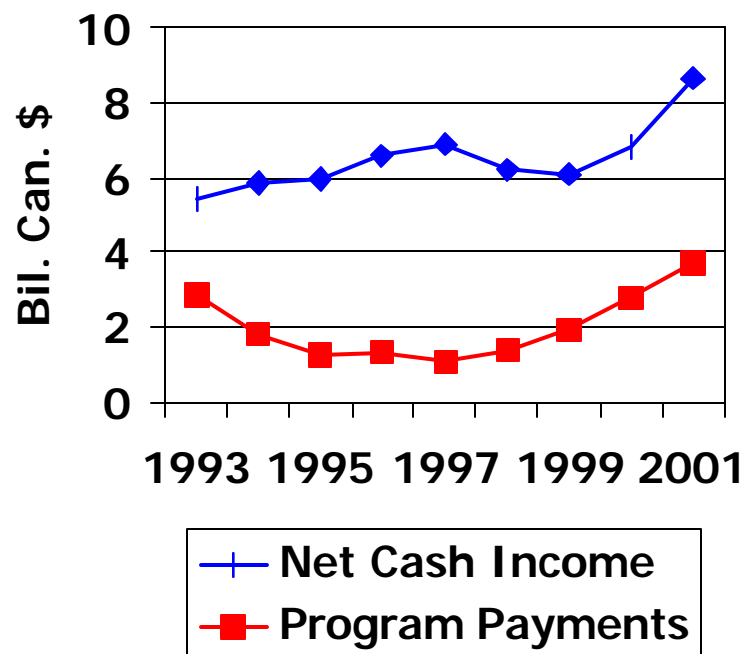
U.S.-Canadian agricultural trade (FY 2002, mil. U.S. \$)

	U.S. exports to Canada	U.S. imports from Canada
Beef	278	1,102
Cattle	128	1,085
Pork	166	730
Hogs	1	320
Poultry products	346	124
Dairy products	233	216
Vegetables and preps	1,766	1,451
Fruits and preps	878	175
Snack foods	687	1,382
Oilseeds and products	760	547
Coarse grains	378	223
Wheat	1	311
All other products	2,966	2,523
Total agricultural trade	8,588	10,190

Source: USDA FATUS & BICO data bases

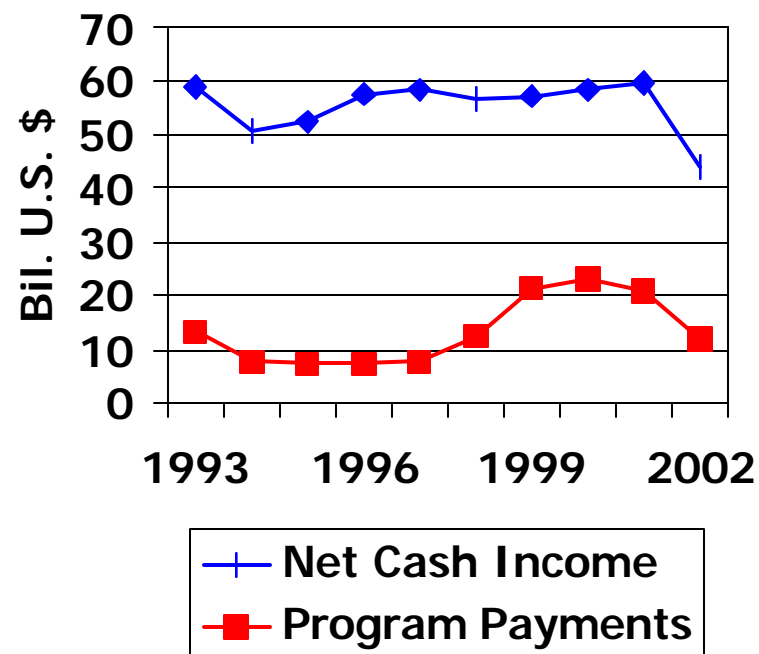
Farm income and program payments

Canada



Source: Statistics Canada

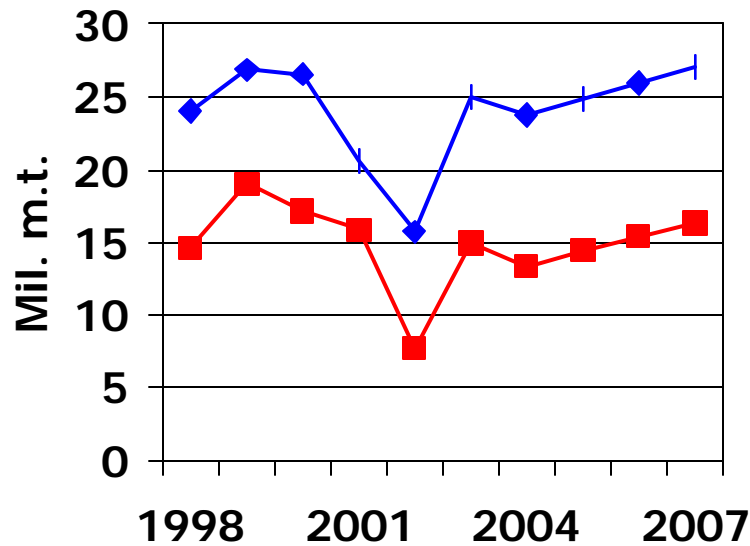
United States



Source: USDA

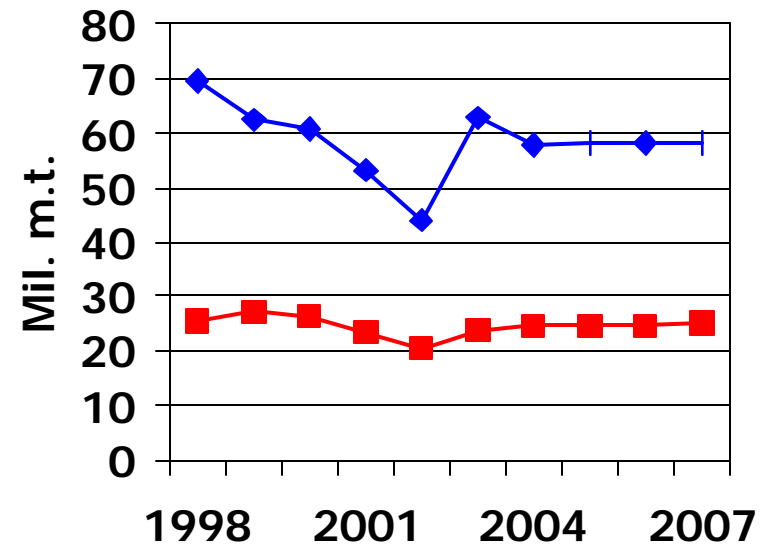
Wheat production and trade

Canada



◆ Production ■ Net Exports

United States

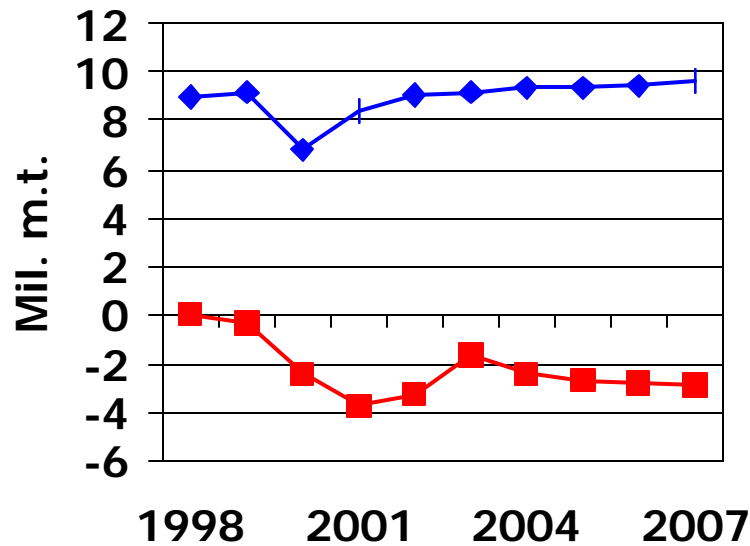


◆ Production ■ Net Exports

Sources: USDA 7/03 WASDE for 1998-2003; FAPRI 1/03 baseline for 2004-2007

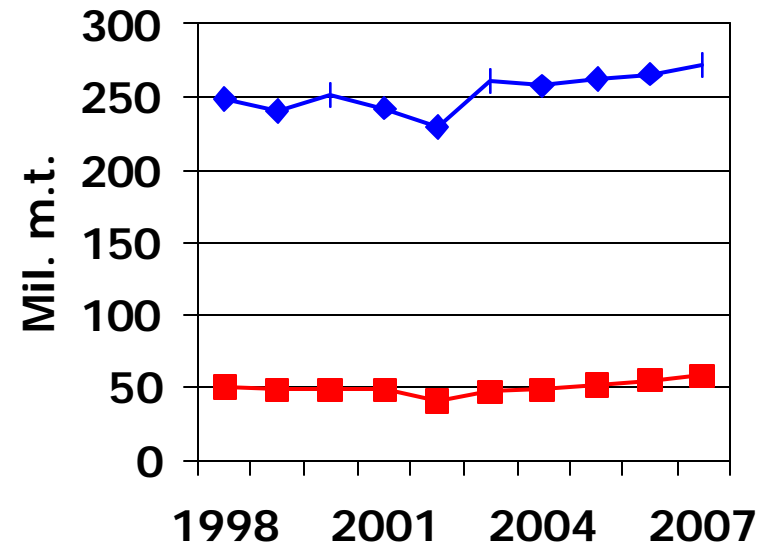
Corn production and trade

Canada



◆ Production ■ Net Exports

United States

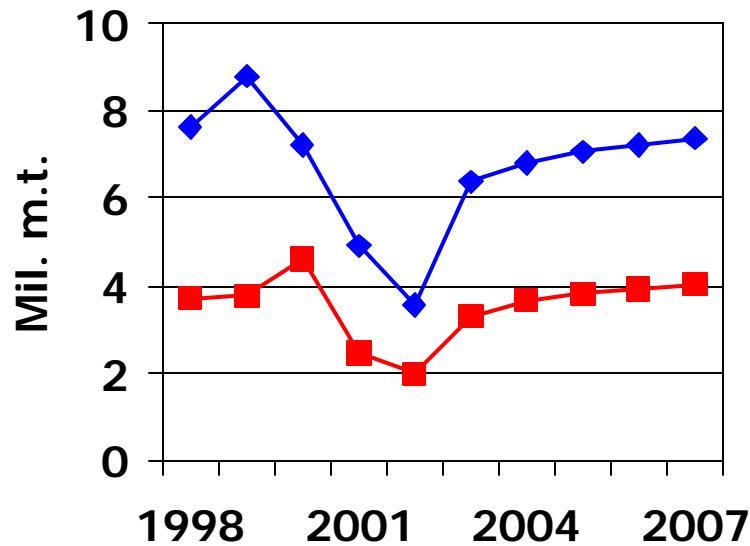


◆ Production ■ Net Exports

Sources: USDA 7/03 WASDE for 1998-2003; FAPRI 1/03 baseline for 2004-2007

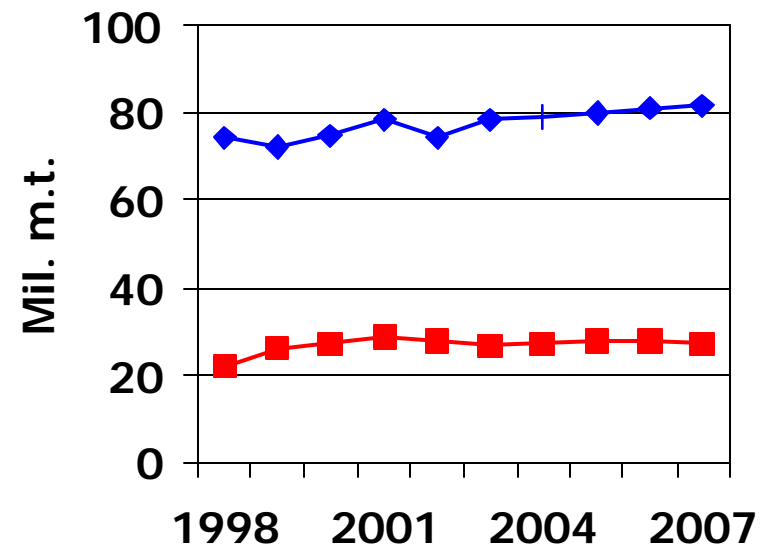
Oilseed production and trade

Canada canola



◆ Production ■ Net Exports

U.S. soybeans

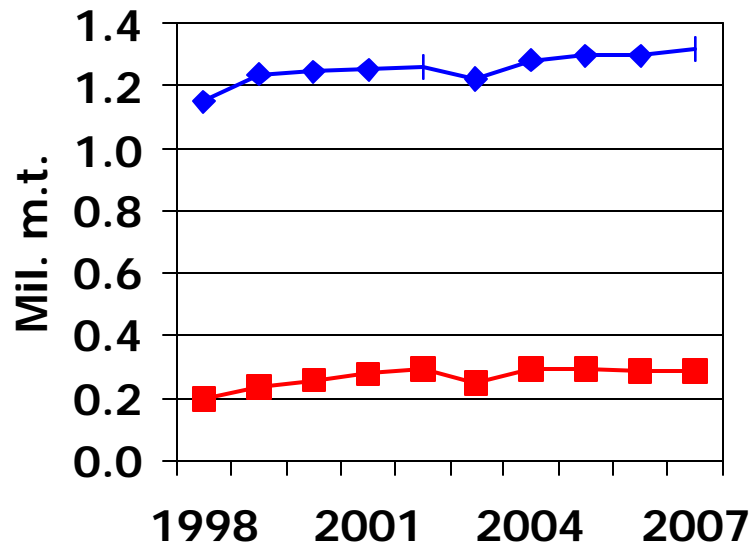


◆ Production ■ Net Exports

Sources: USDA 7/03 for 1998-2002; FAPRI 1/03 baseline for 2003-2007

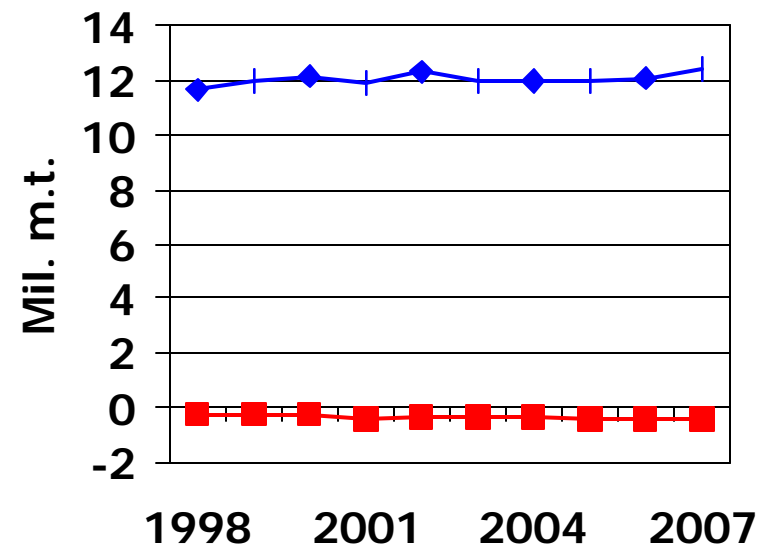
Beef production and trade

Canada



◆ Production ■ Net Exports

United States

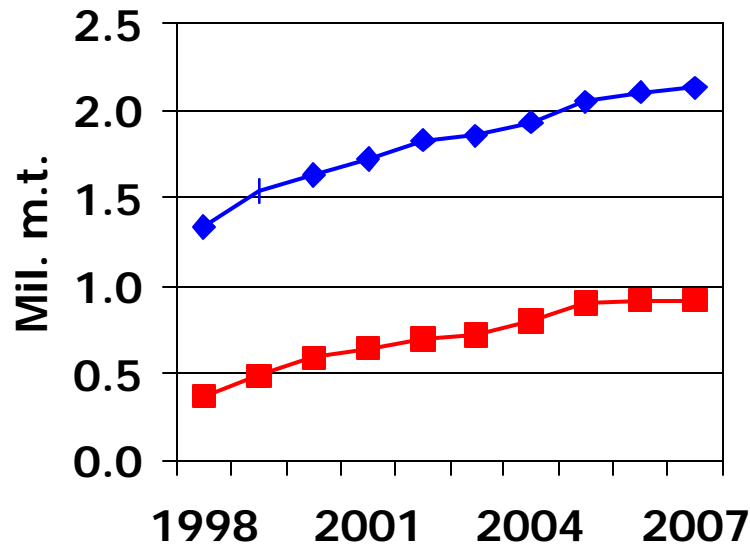


◆ Production ■ Net Exports

Source: FAPRI 1/03 baseline. Note: trade figures exclude substantial live trade.

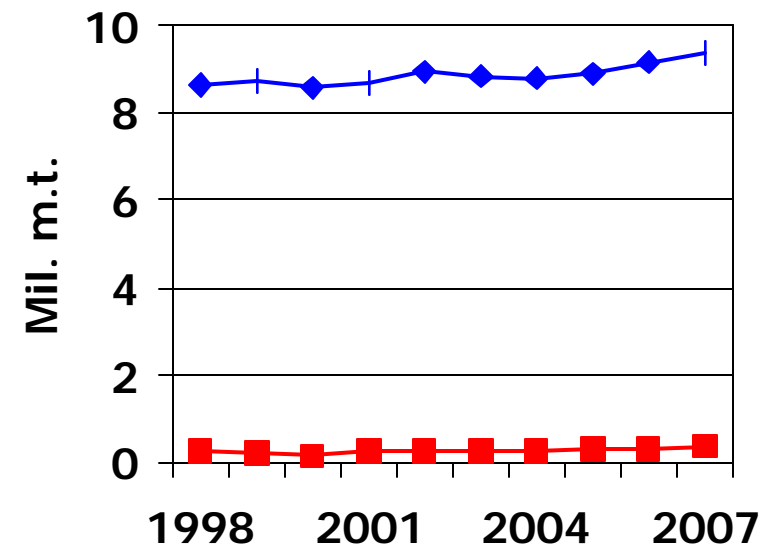
Pork production and trade

Canada



◆ Production ■ Net Exports

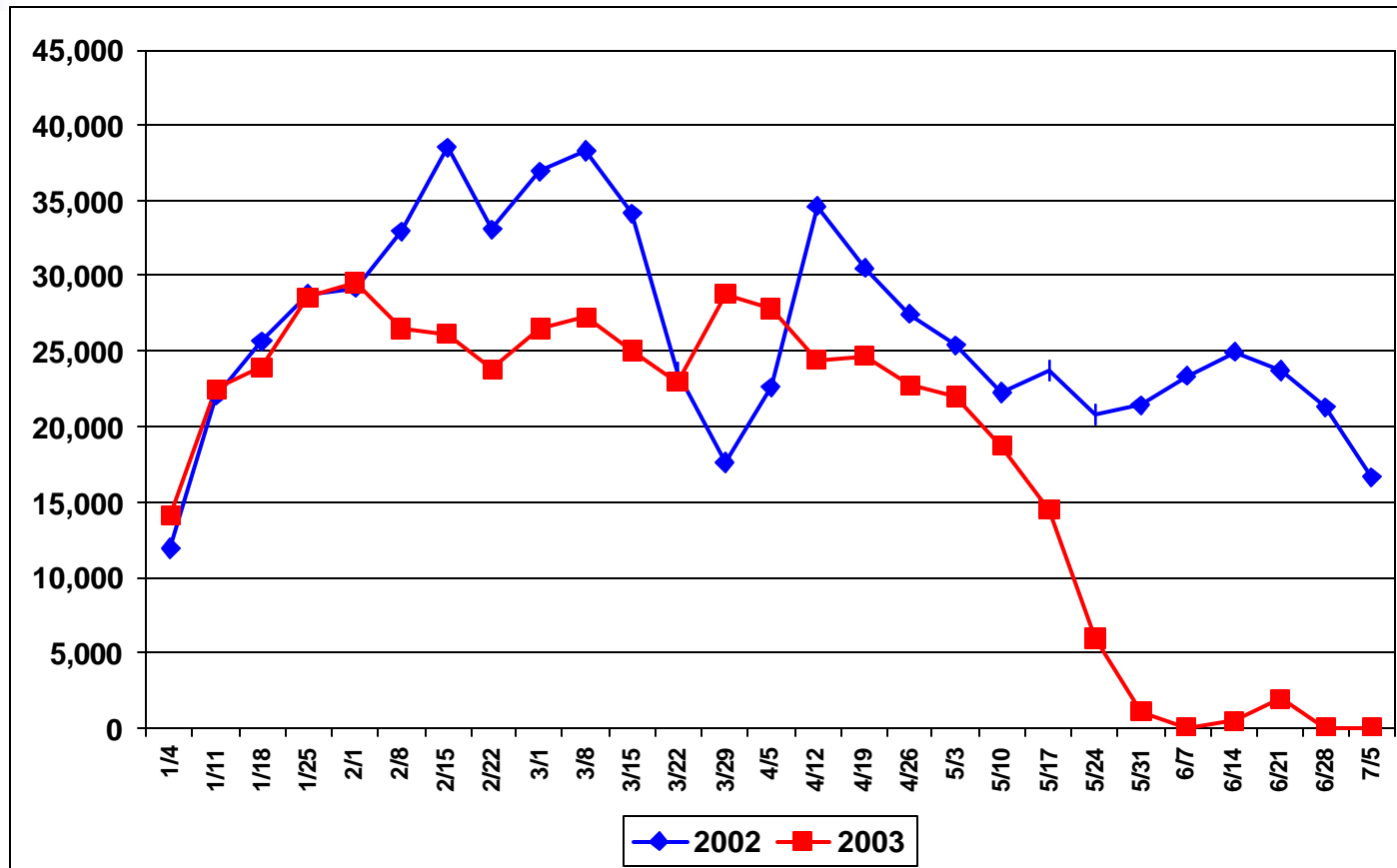
United States



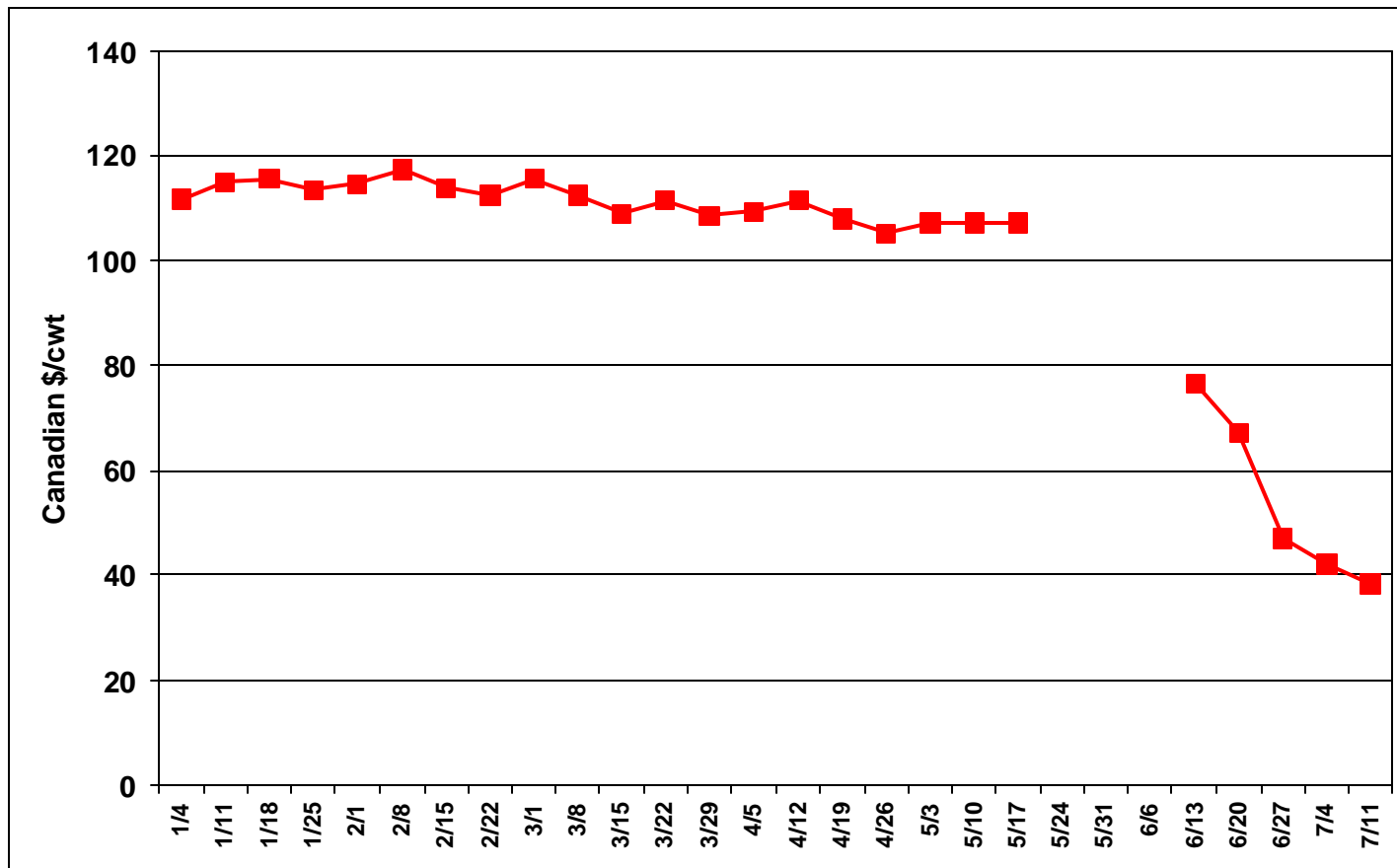
◆ Production ■ Net Exports

Source: FAPRI 1/03 baseline. Note: Trade figures exclude substantial live trade.

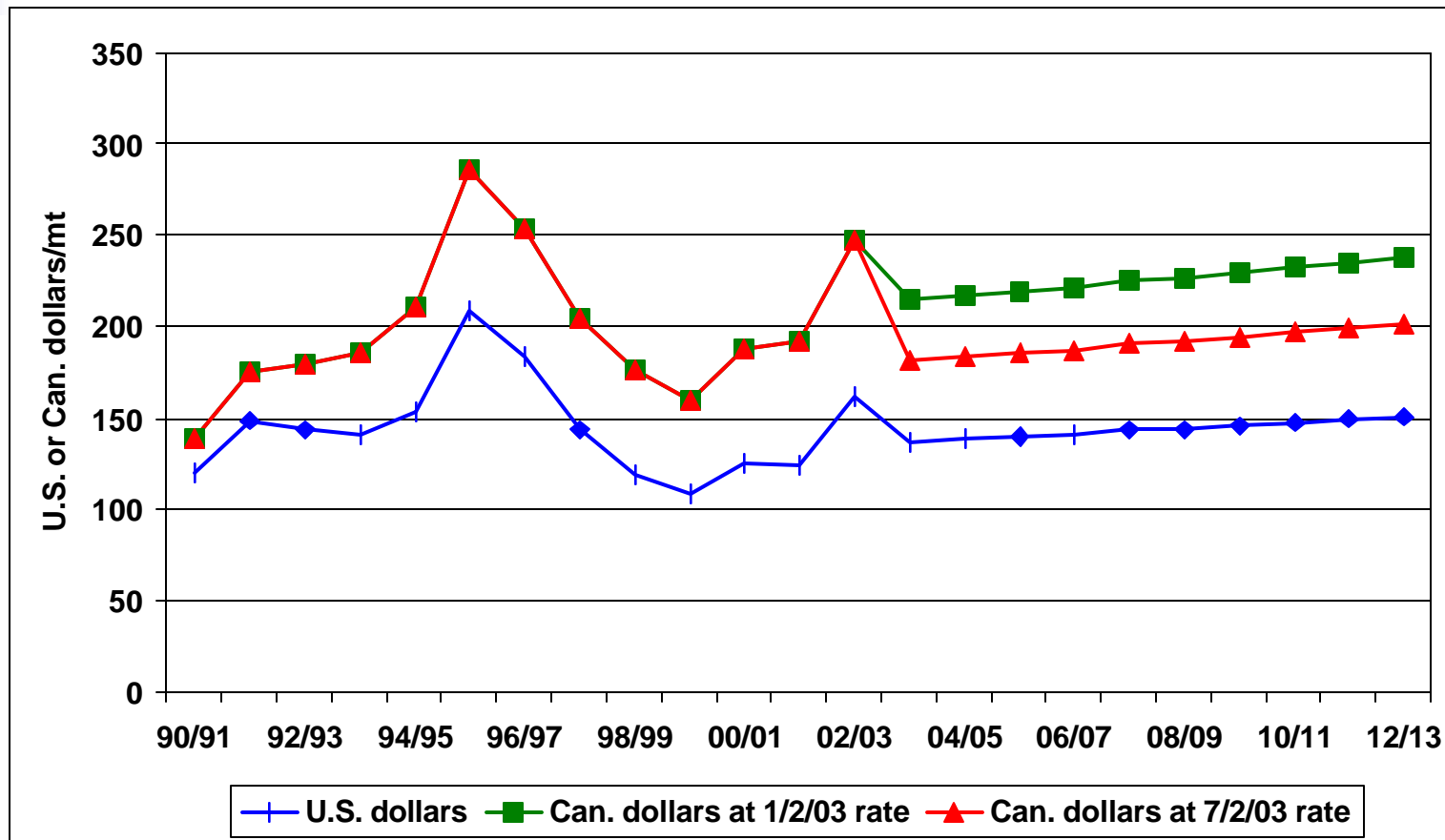
Weekly U.S. cattle imports from Canada (LMIC)



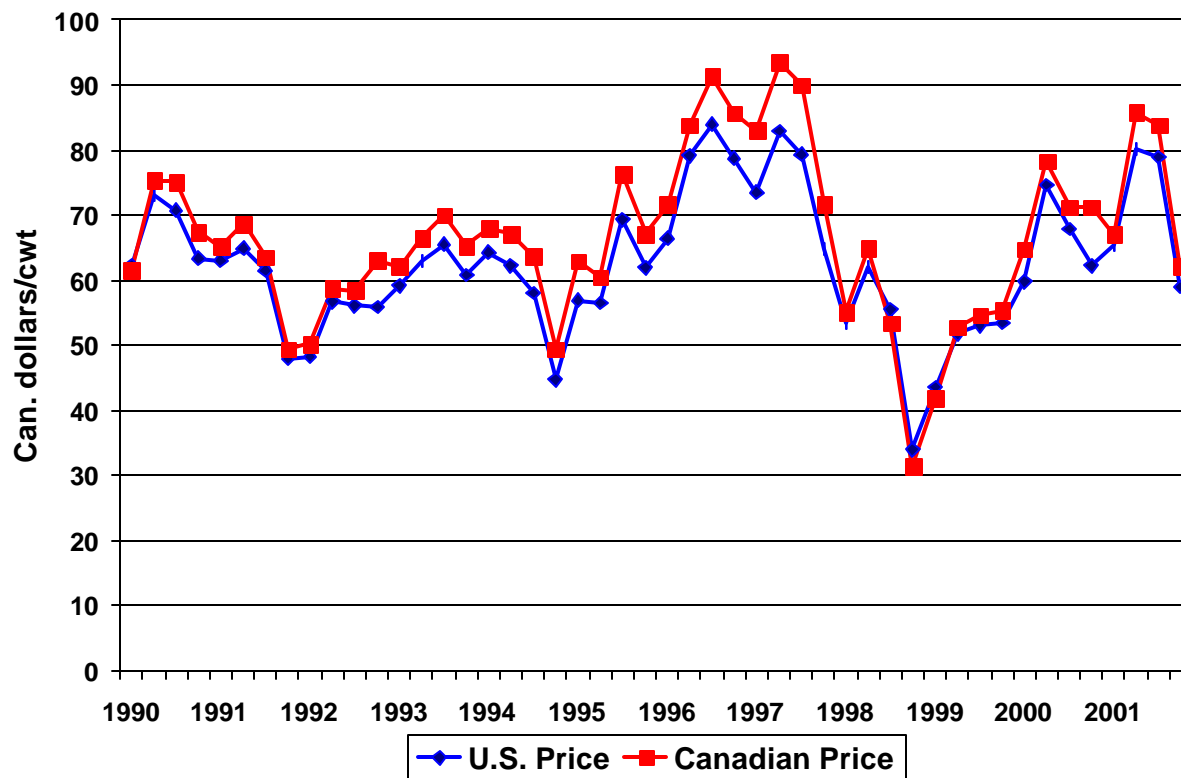
Alberta direct steer price, 2003 (LMIC)



U.S. Gulf price for HRW wheat (FAPRI 1/03 baseline)



U.S. and Canadian hog prices



Source: Wan Yan's M.S. thesis



Pork-sector effects of 10% devaluation of Canadian dollar

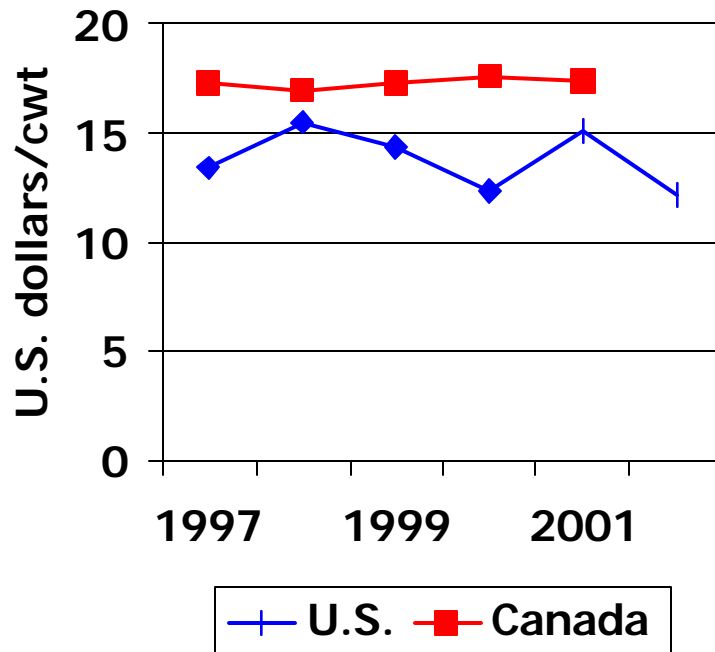
Canadian hog price	+10.6%
Canadian pork production	+0.3%
Canadian hog exports to U.S.	+3.6%
Canadian pork exports to U.S.	+3.9%
U.S. pork retail price	-0.4%
U.S. hog price	-0.9%

12th quarter effects of a sustained change in the exchange rate

Source: Wan Yan's M.S. thesis

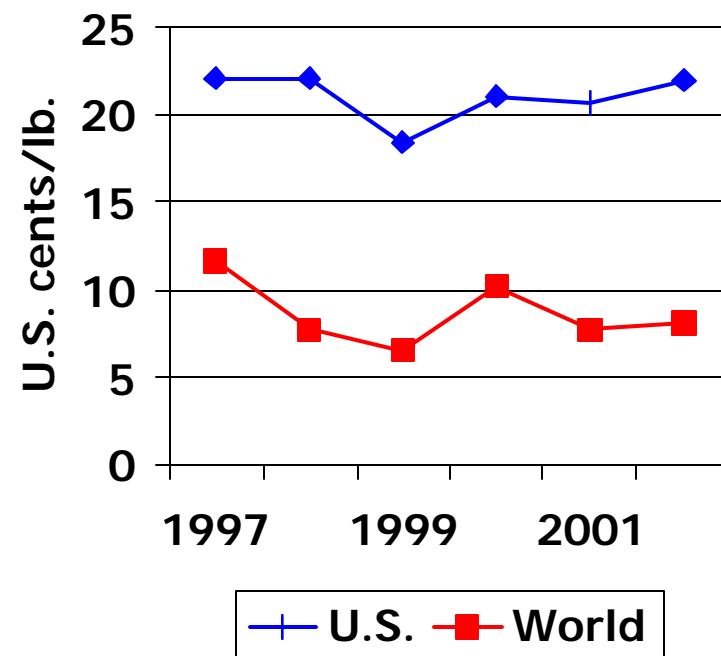
Milk and sugar prices

Milk prices



U.S.--all-milk price; Canada--milk prices paid by processors

Sugar prices



U.S.--NY raw price; World--FOB Caribbean price



Trade issues and positions

- Bilateral issues
 - BSE
 - COOL
 - Trade disputes
- Multilateral issues
 - WTO negotiations
 - FTAA negotiations