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Canada

Fresh Deciduous Fruit

Canadian Market for Apples and Pears Remains Strong 1998

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Report Highlights:

A modest production increase in 1998 is forecast for Canada's apple crop but output will remain below the recent five-year average. The import market for fresh apples and pears is expected to remain strong. The economic downturn in Asian economies is adversely impacting Canadian apple exports. A test market trial for imports of U.S. bulk apples for processing was rescinded after it was deemed that the test market provision lacked legal authority.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

* Canada's 1998 apple crop is forecast at 510,000 metric tons, a modest 1.5 percent increase over a year ago but more than 4 percent below the 1993-1997 average. Variable weather conditions in Ontario, the largest apple producing province, and in Quebec, reduced total crop potential, but production in British Columbia is anticipated to be at, or slightly above, that province's long term average.

*A relatively poor outturn of Canadian apples in MY1997/98 resulted in record fresh apple imports. The United States supplied 96,827 metric tons, or 79 percent of total Canadian apple imports of 122,551 metric tons, but U.S. exporters faced stronger competition in the Canadian apple market from southern hemisphere suppliers.

*A smaller domestic crop and the Asian economic downturn combined to lower Canadian fresh apple exports in MY1997/98 to 74,606 metric tons, down nearly 30 percent from the previous year and the lowest level since MY1993/94. Currently, the industry is optimistic that the low value of the Canadian dollar will boost fresh apple exports in MY1998/99.

*Following its launch in late 1997, the Canadian Food Inspection Agency rescinded that part of a test market trial permitting imports of U.S. apples for processing without an accompanying ministerial waiver of the standard container size requirement. According to CFIA officials, the regulations governing test market trials apply to grade and label provisions but not to inspections of produce and the agency lacked the legal basis for the trial action. The test market trial for fresh market apples remains in place and imports in containers up to 200 kg do not require a ministerial waiver.

*Present prospects are for an improved Canadian pear crop over last year's level with production exceeding 16,700 metric tons. There is a trend to reduced area planted to pears among Canadian tree fruit producers.

*Canadian import demand for fresh pears continues to be strong. Total imports in MY1998/99 are expected to exceed 70,000 metric tons for the first time. U.S. exports traditionally capture about 70 percent of the Canadian import market for fresh pears.

*Exchange rates: Prices and values in this report are expressed in Canadian dollars. Exchange rates are: 1994, C\$=US\$.7321; 1995, C\$=US\$.7285; 1996, C\$=US\$.7334; 1997, C\$=US\$.7223; September, 1998, approximately C\$=US\$.6600.

Fresh Apples: Situation and Outlook

Crop conditions for Canadian apples in early September 1998 point to a total Canadian apple crop of about 510,000 metric tons, up about 1.5 percent over the 1997 outturn but more than 4 percent below the previous five-year average. Weather conditions, and subsequently yields, were variable among the five producing provinces. In Ontario, the largest apple producing province, grower representatives expect a yield reduction from last year of about 10 percent reflecting an extremely dry and early spring period and hail damage that reached unprecedented levels with over 2,000 hectares severely affected. The Ontario harvest is at least two weeks earlier than normal. In British Columbia, apple production is reported to be up substantially from the weather-reduced poor outturn of 1997 with production levels anticipated at, or slightly above the 1992-1996 five year average. The 1998 Quebec crop has reportedly suffered a significant yield reduction due to early drought conditions, cool weather at bloom, and hail damage. The year-to-year production decline in the province may be as much as 25 percent. Prolonged dry periods in both Nova Scotia and New Brunswick throughout the 1998 growing season are forecast to reduce the combined production of that region by about 6 percent compared to a year ago.

Apples (metric tons)

PSD Table						
Country:	Canada					
Commodity:	Apples					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1997
Area Planted	32057	31592	31600	30750	0	30000
Area Harvested	29799	29359	29100	27905	0	27000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	483410	512993	506000	503039	0	510000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	483410	512993	506000	503039	0	510000
TOTAL Imports	107354	107340	110000	122551	0	120000
TOTAL SUPPLY	590764	620333	616000	625590	0	630000
Domestic Fresh Consump	305602	357995	316000	350984	0	360000
Exports, Fresh Only	105162	105338	100000	74606	0	85000
For Processing	180000	157000	200000	200000	0	185000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	590764	620333	616000	625590	0	630000

The mid-term outlook (3-5 years) for Canadian apple production is for consistent production in the range of

500,000-525,000 metric tons under normal weather conditions across all regions with the potential for a bumper crop approaching 600,000 metric tons given optimum weather conditions in each region.

Apple Production by Province

The following table shows Canadian apple production, by province, for recent years and the post forecast for the 1998 crop.

Canada: Apple Production, by Province				
1996-1997, Post Forecast for 1998				
Units: Metric Tons			Post	
			Forecast	98 as %
Province	1996	1997	1998	'97
Ontario	225,317	262,099	235,120	90%
British Columbia	152,237	105,417	163,500	155%
Quebec	81,862	85,991	65,000	76%
Nova Scotia	48,669	45,042	42,000	93%
New Brunswick	4,436	4,011	3,900	97%
Others	472	479	480	100%
Total	512,993	503,039	510,000	101%
Source: Statistics Canada & post forecast				
provdp98.wk4				

Fresh Pears: Situation and Outlook

Present prospects are for an improved Canadian pear crop over last year's level. Fruit size and load are reported to be favorable in the major pear producing region of Ontario. The British Columbia crop is expected to yield above the most recent five year average. A light crop is anticipated in Nova Scotia due to prolonged dry periods throughout the summer.

Pears (metric tons)

PSD Table						
Country:	Canada					
Commodity:	Fresh Pears					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	1951	2063	1945	1922	0	1850
Area Harvested	1867	1969	1850	1754	0	1700
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	14564	17423	13500	15611	0	16760
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	14564	17423	13500	15611	0	16760
TOTAL Imports	56785	56786	60000	69551	0	72000
TOTAL SUPPLY	71349	74209	73500	85162	0	88760
Domestic Fresh Consump	65591	68451	67700	78904	0	82960
Exports, Fresh Only	658	658	500	958	0	900
For Processing	5100	5100	5300	5300	0	4900

Pear Production, by Province

The following table shows Canadian pear production by province with the post forecast for 1998.

Canada: Pear Production, by Province				
1996-1997, Post Forecast for 1998				
Units: Metric Tons			Post	
			Forecast	98 as %
Province	1996	1997	1998	'97
Ontario	10,230	7,802	9,000	115%
British Columbia	5,608	6,373	6,500	102%
Quebec	423	386	352	91%
Nova Scotia	1,154	1,042	900	86%
Others	8	8	8	100%
Total	17,423	15,611	16,760	107%
Source: Statistics Canada & post forecast				
pearprov.wk4				

Trade: Marketing Year

Apple Imports

In contrast to the relatively flat import market for fresh apples during the previous three crop years, Canadian apple imports reached a record 122,551 metric tons in MY1997/98 (July/June) in response to a below average domestic crop and strong demand. Each of the top four suppliers of fresh apples to Canada expanded their sales to the Canadian market in MY1997/98. In absolute terms, imports from the United States showed the largest increase, rising to 96,827 metric tons. Imports from New Zealand registered the strongest year-to-year percentage increase, growing 66 percent to 9,026 metric tons from 5,447 metric tons in MY1996/97. Other sharp increases were noted for fresh apple imports from South Africa and Chile (see matrix, below).

Canadian Fresh Apple Imports						
Marketing Year, July/June						
Units: metric tons						
HS 0808.10						
						% increase
	1993/94	1994/95	1995/96	1996/97	1997/98	prev. year
United States	80,633	80,737	78,505	90,191	96,827	7.4%
South Africa	4,804	8,650	7,531	6,122	9,046	48%
New Zealand	6,097	5,938	6,564	5,447	9,026	66%
Chile	5,882	4,771	7,700	5,089	7,260	43%
Argentina	586	768	197	400	135	
Korea, South	-	-	44	14	59	
Switzerland	-	-	-	-	42	
France	126	-	117	9	29	
China, P. Rep.	198	-	-	2	22	
Thailand	2	11	16	3	21	
Ecuador	-	-	-	30	1	
Others	87	78	65	34	83	
Total	98,416	100,952	100,739	107,340	122,551	14.2%
Sep 22-98						
appim98.wk4-FAS/Ottawa-Source: Tiers; StatCan.						

Apple Imports from the United States, by Variety

Of total Canadian fresh apple imports from the United States, Red Delicious and Granny Smith remain the two most important varieties as shown on the table below. However, the overall share of these varieties is declining as evidenced by the growth in the newer varieties such as Gala and the steady growth in the "all other" category. Canadian consumers readily accept the introduction of new apple varieties, a development which is enhanced by attractive varietal displays common in Canadian supermarkets and fresh fruit retail stores. Of total apple imports from all countries, the Granny Smith is the varietal leader accounting for nearly one-third of total Canadian apple imports in calendar year 1997 reflecting its predominance among southern hemisphere suppliers.

Apple Imports from the U.S., by Variety					
(Calendar Years 1993-1997)					
Units: metric tons					
HS Code	Variety				
		1994	1995	1996	1997
0808.10.10.60	Red Delicious	23,875	21,586	26,271	24,190
0808.10.10.30	Granny Smith	30,813	23,988	20,855	23,545
0808.10.10.20	Golden Delicious	13,380	15,579	17,991	19,315
0808.10.10.50	MacIntosh	3,401	5,043	2,227	4,982
0808.10.10.70	Gala	na	na	na	1,293
0808.10.10.10	Empire	739	814	450	840
0808.10.10.40	Ida Red	219	92	39	131
0808.10.10.90	Other	11,529	12,981	14,189	19,584
	Totals	83,956	80,083	82,022	93,880
Source: TIERS; StatCan					
usvar.wk4					

Apple Exports

A smaller domestic crop, increased world supplies and the Asian economic downturn combined to lower Canadian fresh apple exports in MY1997/98 to 74,606 metric tons, down nearly 30 percent from the previous year and the lowest level since MY1993/94. Abundant U.S. supplies resulted in a decline in Canadian apple exports to the United States of almost 22 percent from the year earlier level. Sharply lower demand in troubled Asian economies caused dramatic year-to-year declines in Canadian apple exports to the region (see table below). For MY 1998/99 the Canadian apple industry is presently enthusiastic about export prospects to the United Kingdom and Mexico and is hopeful that the weakness in the Canadian dollar will help propel total apple exports well above their poor performance level in MY1997/98. Given prospects for a large U.S. apple outturn and no sign of a quick improvement in Asian markets, post forecasts a moderate increase only in total Canadian apple exports in MY1998/99 to about the 85,000 metric ton level.

Canadian Fresh Apple Exports						
Marketing Year, July/June						
Units: metric tons						
HS 0808.10						
	1993/94	1994/95	1995/96	1996/97	1997/98	%chg
United States	29,886	43,228	71,865	73,059	57,278	-22
United Kingdom	3,974	6,083	4,732	5,157	5,619	+9
Philippines	3,309	8,196	9,813	12,663	4,877	-61
Mexico	1,756	-	-	218	2,068	+100+
Indonesia	2,900	4,073	2,533	4,045	1,173	-71
Colombia	861	780	702	494	750	+52
Singapore	1,564	1,919	1,682	1,024	555	-46
Taiwan	830	1,125	1,483	2,578	523	-80
Hong Kong	1,557	1,618	548	217	191	-12
Thailand	2,108	4,472	3,396	3,903	187	-95
Malaysia	86	515	489	515	101	-79
Others	1,365	4,753	1,987	1,466	1,284	-12
Total	50,196	76,762	99,232	105,338	74,606	-29
Sep-98						
appex98.wk4-FAS/Ottawa-Source: Tiers; StatCan.						

Pear Imports

The U.S. share of the Canadian import market for fresh pears rebounded to the more traditional 70 percent level in MY1997/98 due to stronger demand and lower imports from Chile. With a trend to lower pear production area in Canada, imports in future years are expected to account for an increased share of total Canadian fresh pear demand. Post forecasts total Canadian fresh pear imports during MY1998/99 to exceed the 70,000 metric ton level for the first time.

Canada: Fresh Pear Imports					
Marketing Year, July/June					
Units: metric tons					
HS = 0808.20					
	1993/94	1994/95	1995/96	1996/97	1997/98
United States	38,644	43,441	43,779	38,167	49,575
Argentina	5,439	4,649	3,734	6,767	8,090
Chile	7,094	6,338	7,190	7,465	5,472
South Africa	1,040	2,913	2,502	1,911	3,579
Portugal	472	558	349	655	904
Australia	808	1,010	465	567	728
New Zealand	437	343	250	736	575
Italy	283	214	228	292	265
China, P. Rep.	61	-	77	92	123
Mexico	25	26	25	13	21
France	79	48	-	-	-
Others	60	18	43	122	219
Total	54,442	59,556	58,639	56,786	69,551
28-Sep-98					
pearim98.PRN-FAS/Ottawa-Source: Tiers; StatCan.					

Pear Exports

Canadian fresh pear exports, mostly to the United States, increased sharply in MY1997/98 but remained relatively modest.

Canadian Fresh Pear Exports					
Marketing Year, July/June					
Units: metric tons					
HS 0808.20					
	1993/94	1994/95	1995/96	1996/97	1997/98
United States	83	68	581	573	771
Hong Kong	-	-	95	21	79
Colombia	113	15	73	41	60
United Kingdom	134	-	-	-	20
Mexico	92	-	-	-	19
Taiwan	-	-	-	23	9
Brazil	-	-	-	-	-
Costa Rica	-	-	20	-	-
Saint Lucia	11	-	-	-	-
Singapore	-	-	39	-	-
Trinidad-Tobago	11	2	-	-	-
Others	9	0	0	0	0
Total	452	86	809	658	958
29-Sep-98					
perex98.wk4-FAS/Ottawa-Source: Tiers; StatCan.					

Consumption

Per Capita Consumption

The table below shows the per capita consumption data for apples and pears as published by Statistics Canada. Record Canadian apple exports during the marketing of the 1996 crop resulted in a decline in the apparent per capita consumption level for apples. As a result, apples slipped to second place after bananas as the popular fruit of choice among Canadians. Statistics Canada estimates per capita banana consumption during 1996 at 13.61 kg. Pear consumption held relatively steady at 2.19 kg per person in 1996 but the strong demand and increased imports throughout 1997 should propel pear consumption upward for that year.

Per Capita Consumption, Apples & Pears		
Units: kilograms, retail weight*		
Year	APPLES	PEARS
1980	10.78	1.74
1981	12.71	1.92
1982	12.03	1.90
1983	10.57	1.77
1984	12.03	2.04
1985	11.76	1.92
1986	10.66	1.93
1987	9.73	2.20
1988	11.18	2.18
1989	10.95	2.16
1990	12.69	2.14
1991	11.88	2.08
1992	11.46	2.09
1993	10.76	2.11
1994	13.83	2.28
1995	13.29	2.27
1996	11.17	2.19
*incl. fresh equivalent of processed		
Source: StatCan, Handbook of Food Expenditures and Apparent Per Capita Food Consumption		
percap.wk4		

Prices: Wholesale apple prices are steady to mixed from a year ago according to Agriculture and Agri-Food

Canada .

Fresh Apples: Wholesale to Retail Market Prices-TORONTO
September 11, 1998; Prices in \$C, by origin, variety & weight

Product	Origin	Variety	Weight	Grade	Low \$C	High \$C
APPLES	BC	Gala	CTN 100'S	XFCY	34.00	38.00
APPLES	BC	Gala	CTN 125'S	XFCY	30.00	30.00
APPLES	BC	Gala	CTN 88'S	XFCY	36.00	40.00
APPLES	NZ	Gr. Smith	CTN 110'S	1	25.00	25.00
APPLES	ONT	Early Mac	Cell 120'S	XFCY	12.00	24.00
APPLES	ONT	Early Mac	Cell 96'S	XFCY	25.00	30.00
APPLES	ONT	Early Mac	Cel12X3lb	FCY	15.00	17.00
APPLES	So.Africa	Gr. Smith	Cel14X3lb	1	28.00	28.00
APPLES	So.Africa	Gr. Smith	CTN 100'S	1	19.00	20.00
APPLES	So.Africa	Gr. Smith	CTN 110'S	1	22.00	25.00
APPLES	U.S./Cal	Gr. Smith	CTN 100'S	XFCY	30.00	34.50
APPLES	U.S./Cal	Gr. Smith	CTN 113'S	XFCY	27.00	31.00
APPLES	U.S./Cal	Royal Gala	CTN 100'S	XFCY	28.00	28.00
APPLES	U.S./Cal	Royal Gala	CTN 113'S	XFCY	28.00	28.00
APPLES	U.S./Wa	G.Del(CA)	CTN 100'S	XFCY	32.00	34.00
APPLES	U.S./Wa	G.Del(CA)	CTN 113'S	XFCY	27.00	28.00
APPLES	U.S./Wa	R.Del(CA)	CTN 113'S	XFCY	21.00	27.00
APPLES	U.S./Wa	R.Del(CA)	CTN 88'S	XFCY	25.00	31.00
APPLES	U.S./Wa	G. Del	CELL 96'S	XFCY	35.00	41.00
APPLES	U.S./Wa	G. Del	CTN 100'S	XFCY	27.00	34.00
APPLES	U.S./Wa	G. Del	CTN 88'S	XFCY	36.00	37.50
APPLES	U.S./Wa	Royal Gala	CTN 100'S	FCY	28.00	28.00
APPLES	U.S./Wa	Royal Gala	CTN 100'S	XFCY	32.00	36.00
APPLES	U.S./Wa	Royal Gala	CTN 113'S	FCY	22.00	26.50

Wholesale fresh pear prices at Toronto in mid-September were sharply stronger than a year earlier with some

offerings as much as 20-30 percent higher from last year. The weaker value of the Canadian dollar (vis-a-vis the U.S. dollar) compared to last year accounted for some of the increase in pear prices.

Wholesale to Retail Market Prices-TORONTO

September 11, 1998; Prices in \$C, by origin, variety & weight

Product	Origin	Variety	Weight	Grade	Low \$C	High \$C
PEARS	Italy	CACTUS	TRAY 20'S	1	10.00	12.00
PEARS	Mexico	CACTUS	CTN 2 LAYER	1	12.00	12.00
PEARS	U.S./Cal	Bartlett	4/5BU 100'S	US#1	28.00	34.00
PEARS	U.S./Cal	Bartlett	4/5BU 120'S	US#1	26.00	34.00
PEARS	U.S./Cal	BOSC	CTN 110'S	US#1	43.00	43.00
PEARS	U.S./Cal	BOSC	CTN 120'S	US#1	38.00	39.00
PEARS	U.S./Cal	Shinseiki	CTN 10'S	1	18.00	24.00
PEARS	U.S./Wa	Bartlett	4/5BU 90'S	US#1	42.00	42.00
PEARS	U.S./Wa	Bartlett	CTN 100'S	US#1	40.00	40.00
PEARS	U.S./Wa	Bartlett	CTN 110'S	US#1	25.00	36.00
PEARS	U.S./Wa	BOSC	110'S 4/5BU	XFCY	30.00	35.00
Source: AAFC, Markets Information Division						

Storage Holdings: Apples

Total Canadian apple storage holdings on June 1, 1998 were 5 percent greater than a year ago on that date. With the 1998 apple harvest in central Canada beginning two weeks early reflecting the spring weather conditions which hastened fruit development stages, growers are expected to require storage facilities for the new crop earlier than normal.

Fresh Apple Storage by Type & Variety - June 1, 1998				
(includes imports in storage)				
Units: '000 lb.				
C.A. = Controlled Atmosphere				
	C.A.	Cold	Common	All Types
Nova Scotia	10,477	0	0	10,477
New Brunswick	1,213	0	0	1,213
Quebec	28,089	0	0	28,089
Ontario	42,191	8,952	500	51,643
British Columbia	7,282	4,746	0	12,028
Canada Totals	89,252	13,698	500	103,450
Last Year (6/1/97)	89,745	18,629	472	108,846
% change 98/97	+1%	+36%	-6%	+5%
Source: AAFC, Infohort				
storag98.wk4				

Additional Canadian apple storage information (by variety, by province) is available on the AAFC web site at:

<http://www.agr.ca/misb/infohort/data/storage/appdistindex.html>

Policy

Update: Bulk Apple Trial

In May 1998, the Canadian Food Inspection Agency rescinded that part of a test market trial permitting imports of processing apples without an accompanying ministerial waiver of the standard container size requirement. According to CFIA officials, the regulations governing test market trials apply to grade and label provisions but not to inspections of produce. As a result, the agency reportedly lacked the legal authority for the trial and rescinded the test market trial designed to remove all weight restrictions on containers of imported apples destined for processing. Consequently, importers of U.S. apples for processing continue to require a ministerial waiver. The test market trial for fresh market apples remains in place. CFIA officials report that the industry intends to meet in late November or early December 1998 to discuss the loss of the two-year test market trial for processing apples and explore possible regulatory options for re-implementation.

Background: In October 1997, following a request by the Canadian industry, the Canadian Food Inspection Agency approved a two-year test market for fresh market apples to move on an interprovincial and import basis in bulk bins with a net weight of 200 kg. or less. In addition to the changes for fresh market apples, the CFIA removed all weight restrictions on containers of imported apples destined for processing under the two-year trial. Canadian regulations stipulate that for imports of apples in containers over 25 kilograms, the importer must apply for a Ministerial waiver of standard package size regulations (other horticultural products are 50 kg). However, waivers are only granted when there are domestic shortages. Changing trends in the retail trade toward cost savings and bulk offerings to consumers, prompted the Canadian apple industry to request the test market application that increased the net weight for apple containers from 25 kg. to 200 kg. for fresh market apples. At the end of the two-year trial (October 1999) the CFIA will assign a study group to determine if the test market trial will be permanently incorporated in to the Fresh Fruit and Vegetable Regulations.

Anti-Dumping Duties; U.S. Red Delicious Apples

Canada has imposed anti-dumping duties on imports of U.S. Red Delicious apples since 1989. The initial case was allowed to expire in early 1994 but the GOC responded with a new anti-dumping investigation which resulted in the renewed application of anti-dumping duties. Since February 1995, if U.S. f.o.b. export prices to Canada are below US\$12.99 per 42 lb. box, Revenue Canada applies a dumping duty equal to the difference between the export price and US\$12.99. Under current legislation, Canada's anti-dumping duties expire after five years unless they are renewed.

Despite the anti-dumping duty, the Red Delicious remains the most popular variety of U.S. fresh apple exports to Canada. The anti-dumping duty, which does not apply to imports between July 1 and September 30 each year, effectively establishes a minimum import price which subsequently increases the cost of all Red Delicious apples to the Canadian consumer.

Income Stabilization Programs

Net Income Stabilization Program (NISA)

NISA is a voluntary program designed to help Canadian farmers stabilize their farming income. Producers can deposit money annually into their NISA account and receive a matching contribution from the federal and provincial governments. Producer deposits also earn 3% interest bonus over and above the competitive rates. By allowing their account to build, they can withdraw money when they need it in lower income years.

For the 1997 stabilization year, producers can deposit up to 3% of their eligible net sales and receive a full matching contribution. The matching government contribution in every province except Alberta is 2% federal, 1% provincial. In Alberta, the federal government contributes the full 3%. The federal government and several provinces may offer enhanced matching contributions over and above the base 3%. As well, producer deposits attract a 3% interest bonus paid jointly by the federal and provincial governments, except in Alberta where it is paid entirely by the federal government. Producers also have the option of depositing an additional 20% of their eligible net sales into their account. These deposits are not matched by governments however, they earn the 3% interest bonus over and above regular interest rates. Additional information on NISA is available on the Agriculture and Agri-Food Canada web site at: <http://www.agr.ca/nisa/n9608e.html>

B.C. Whole Farm Insurance Pilot Project

Following weather-related crop losses in 1997, the B.C. Ministry of Agriculture and Food announced the availability of up to \$C10 million for horticultural and grain producers under a program called the Whole Farm Insurance Pilot Program. Under the program, B.C. producers of berries, tree fruits, vegetables and grain will receive full compensation to help them recover from weather-related financial problems. According to the B.C. Ministry of Agriculture, \$C3.5 million has been paid, to date, to 163 farmers for their 1997 losses. The breakout of payments by commodity is not available. The pilot program is scheduled to run for two years.

Marketing

Most U.S. exports of fresh apples and pears to Canada are destined to major fruit wholesalers, distributors, and retailers in or near major Canadian population centers. A free tariff rate applies to imports of fresh apples from the United States. More than 90 percent of U.S. exports of fresh apples and pears during calendar year MY1997/98 reached markets surrounding the major metropolitan areas of Canada's three most populous provinces, Ontario, Quebec, and British Columbia.

Interested U.S. fresh fruit exporters may obtain a listing of major Canadian fruit wholesalers and distributors licenced by Agriculture and Agri-Food Canada by contacting Marilyn Bailey at the Office of Agricultural Affairs, U.S. Embassy, Ottawa, telephone (613) 238-4470, ext. 267; fax (613) 233-8511. In addition, the Canadian Produce Marketing Association (CPMA) holds an annual trade show and convention attended by major Canadian wholesalers and numerous U.S. produce suppliers and shippers. A significant number of U.S. produce exporters are members of the CPMA. The CPMA Internet web site is <http://www.cpm.ca/>

Web Sites

The web sites for additional information mentioned previously in this report are:

Apple storage information: <http://www.agr.ca/misb/infohort/data/storage/appdistindex.html>

NISA program: <http://www.agr.ca/nisa/n9608e.html>

Canadian Produce Marketing Association: <http://www.cpm.ca/>

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