

Voluntary Report – Voluntary - Public Distribution

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Report Name: High-Value Exports Reach Highest Level Since 2016

Country: Canada

Post: Ottawa

Report Category: Export Accomplishments - Other, Country/Regional FTA's, Agricultural Situation

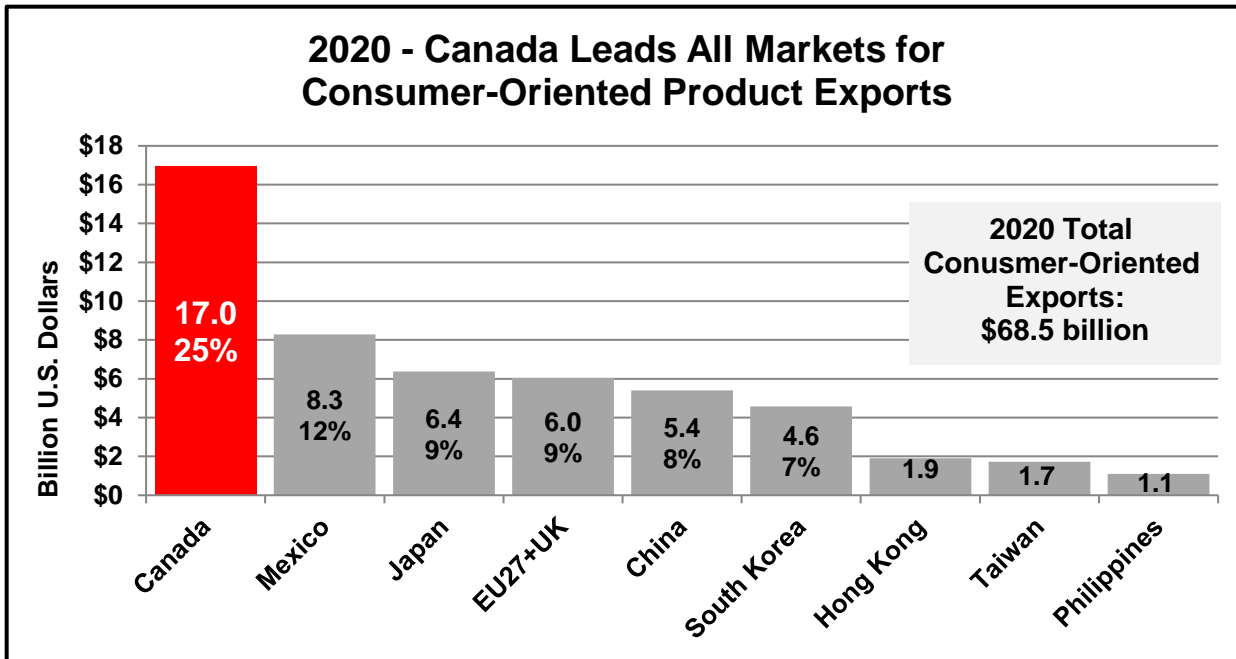
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Report Highlights:

Despite COVID-19 challenges, Canada remained a leading destination for U.S. agricultural exports in 2020, with high-value food and beverage exports to Canada reaching \$17 billion. Pet food and tree nut exports were among the categories that set new record highs in 2020. Reflecting the diversity of trade with Canada, U.S. exports to Canada exceeded \$100 million in 43 different categories, led by prepared foods, fresh fruits, and fresh vegetables.

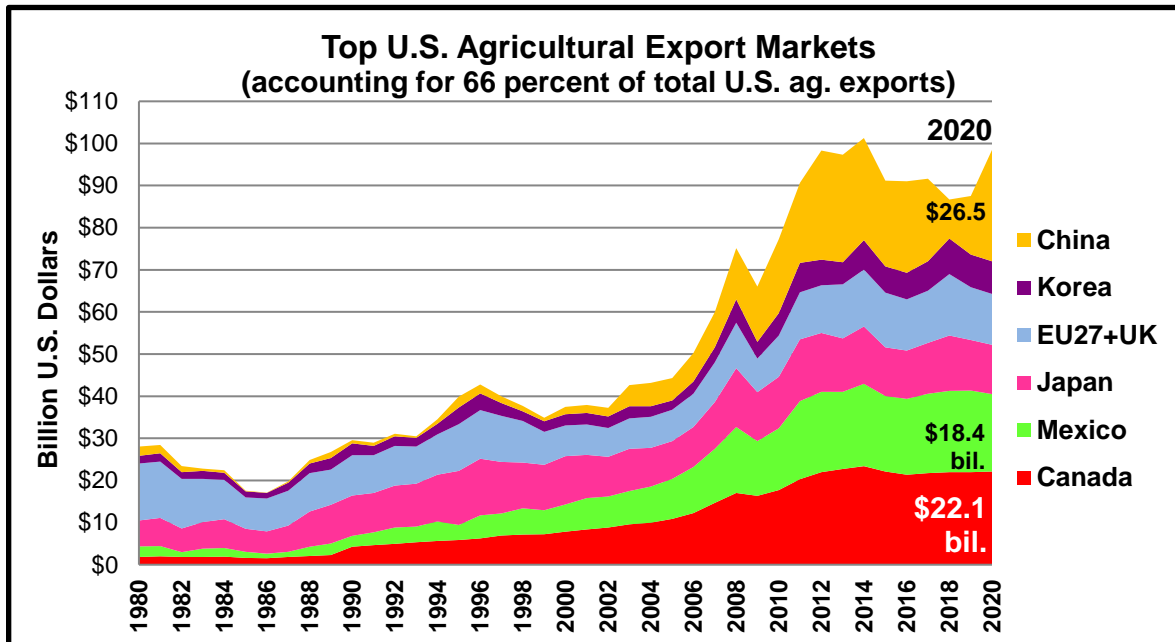
As cross-border trade has continued to flow virtually unimpeded throughout the COVID-19 pandemic, U.S. agricultural exports to Canada totaled over \$22 billion in 2020, making this resilient and mature market the number two export destination for U.S. agricultural products globally. At \$17 billion, Canada remained the leading destination for U.S. exports of consumer-oriented products, typically sold in retail outlets or used in restaurants. These high-value exports support tens of thousands of jobs in the United States. In addition to large companies, many of the U.S. exporters are small- and medium-sized businesses for which shipments to Canada represent their first export opportunity.



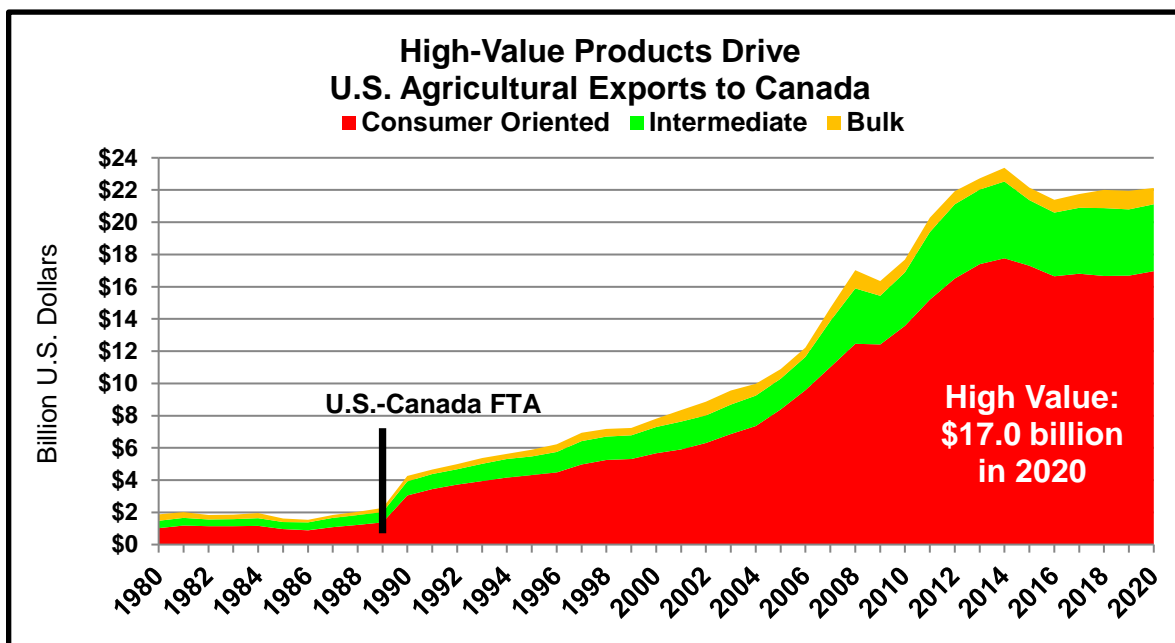
Source: U.S. Census Bureau Trade Data

Over the last three decades, U.S. exports to Canada have grown steadily since the passage of the U.S.-Canada Free Trade Agreement (FTA) in 1988, followed by the North American Free Trade Agreement (NAFTA) in 1994. These trade agreements eliminated nearly all tariffs on U.S. exports to Canada, significantly improving export opportunities for U.S. producers. In July 2020, United States-Mexico-Canada Agreement (USMCA) replaced NAFTA, maintaining the benefits of the previous trade deal and expanding market access opportunities for products not previously covered, like dairy, as well as U.S. grains.

In 2020, total two-way trade in agricultural goods with Canada reached \$47.5 billion. A testament to USMCA’s importance for both countries, deeply integrated supply chains sent over \$900 million of agricultural products across the U.S.-Canada border each week. From live animals and fresh produce, to spices and specialized ingredients, agricultural goods move across the border, are processed, packaged and re-exported back across the border, expanding the range of food and agricultural products available to consumers on both sides of the 49th parallel.



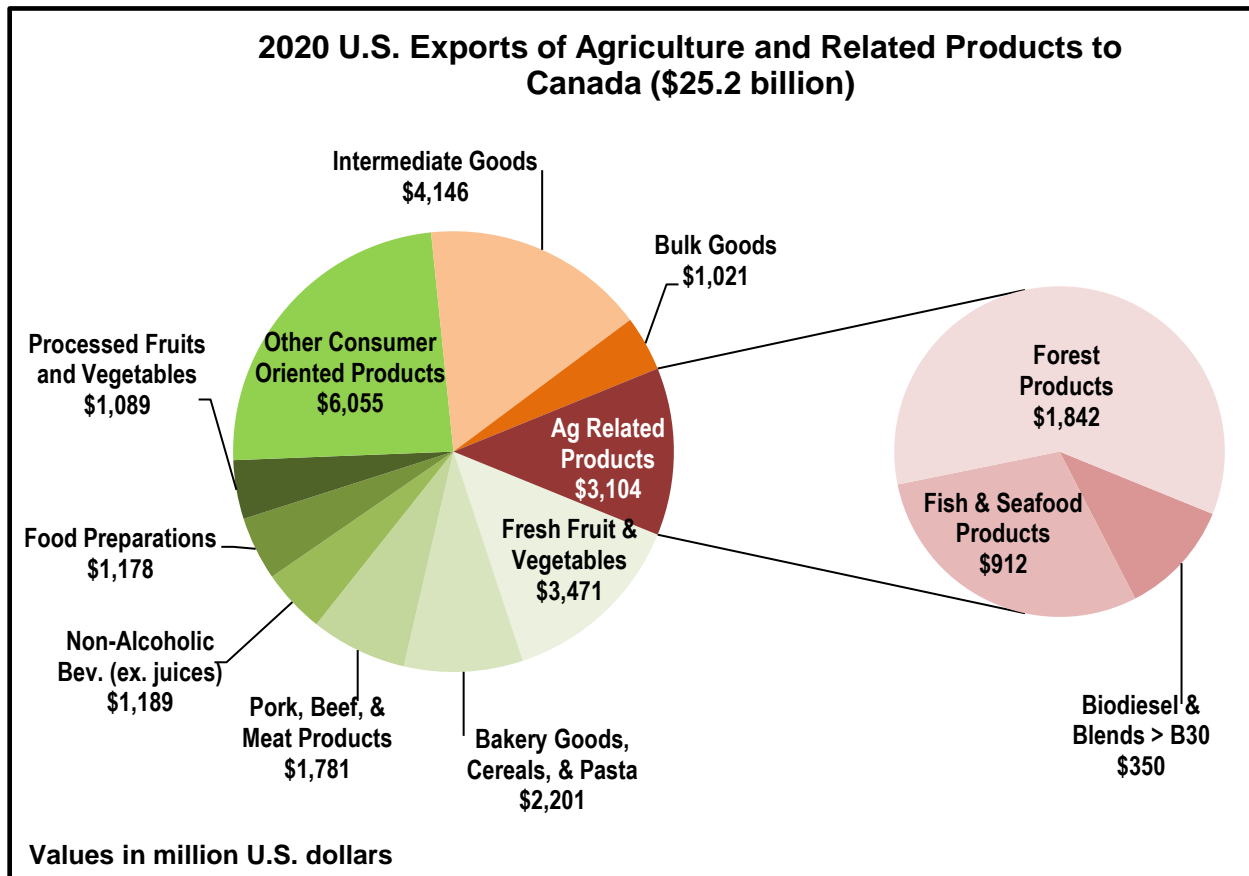
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It is no surprise that the consumer-oriented category dominates U.S. agricultural exports to Canada. Geographic proximity, similar consumer preferences, a high level of disposable income, and familiarity with food items from cross-border shopping in U.S. grocery stores all support Canada's world-leading consumption of U.S. high-value food and beverage items year after year. In addition, the fresh produce category benefits from the complementarity of growing seasons, extending the availability of fresh, North American produce in both countries.

Year after year, top export consumer-oriented categories include fresh and processed fruits and vegetables, meat, prepared foods, baked goods, cereals and pasta, and soft drinks. In 2020, COVID-19 confined millions of Canadians in their homes, resulting in unanticipated trends, such as increased pet ownership and the rediscovery of home baking. In addition, many Canadians began working from home with less access to physical exercise opportunities, reinforcing the growth in healthy snacking. Interestingly, all these trends were reflected in trade flows: in 2020, U.S. exports to Canada of pet food, tree nuts (both as snacks and baking ingredients), and chocolate and cocoa products (used in baking) registered record high levels.



Source: U.S. Census Bureau Trade Data

For more detailed information on U.S. exports of agriculture and related products to Canada, please see the table on the next page, and consult the USDA Foreign Agricultural Service's [Global Agricultural Trade System](#).

Top Agriculture and Related Products Categories in 2020

U.S. Exports of Ag & Related Products to Canada Over \$250 million	2020 (million USD)	Year over Year	U.S. Market Share
Bakery Goods, Cereals, & Pasta	\$2,201	-1.2%	75%
Fresh Vegetables	\$1,891	-4.8%	60%
Forest Products	\$1,842	-7.6%	63%
Fresh Fruit	\$1,580	6.4%	39%
Non-Alcoholic Bev. (ex. juices)	\$1,189	-2.1%	61%
Food Preparations	\$1,178	12.2%	78%
Fish and Seafood Products	\$912	-15.9%	30%
Pork & Pork Products	\$853	6.4%	92%
Dog & Cat Food	\$842	12.1%	91%
Chocolate & Cocoa Products	\$753	5.6%	55%
Tree Nuts	\$737	5.7%	68%
Dairy Products	\$735	1.0%	59%
Beef & Beef Products	\$728	11.3%	63%
Condiments & Sauces	\$656	1.5%	76%
Processed Vegetables	\$597	-11.0%	54%
Ethanol (non-bev.)	\$594	3.7%	96%
Processed Fruit	\$492	-3.0%	44%
Wine	\$460	8.2%	22%
Essential Oils	\$419	-2.3%	74%
Soybean Meal	\$409	21.4%	91%
Other Feeds, Meals & Fodders	\$388	2.4%	75%
Sugar, Sweeteners, Bev. Bases	\$375	-3.4%	34%
Fruit & Vegetable Juices	\$361	-0.3%	52%
Planting Seeds	\$359	2.3%	67%
Live Animals	\$357	1.4%	83%
Biodiesel & Blends > B30	\$350	-1.1%	74%
Poultry Meat & Prods. (ex. eggs)	\$349	-1.4%	78%
Dextrins, Peptones, & Proteins	\$315	3.6%	77%
Confectionery	\$295	-7.5%	59%
Corn	\$272	-22.1%	98%
Distilled Spirits	\$251	23.0%	27%

Attachments:

No Attachments.