



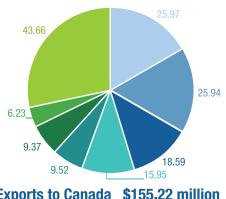
- →Indiana's overall trade with Canada reached \$16.9 billion in 2006, with \$339 million accounted for by agricultural and agri-food trade.
- → As one of the top states for manufacturing, processed food products rank high in terms of Indiana's agriculture and agrifood exports to Canada. In 2006, the top three agri-food exports to Canada were pet and animal foods at \$25.9 million, starches worth \$2.4 million and baked goods worth \$26 million. Other major sales were whiskies, hard liquors, and spring waters.
- → In 2006, Indiana also sold to Canada \$2.36 million worth of popcorn, \$9 million in corn, \$1.2 million in soybean oil, plus \$5 million in pork and poultry meat. Popcorn is a big industry in Indiana, with its corn growers' production estimated at roughly 197 million pounds of popcorn in 2006, and the average yield at 4,100 pounds per acre.
- → Meat and livestock were the backbone of Canada's exports to Indiana in 2006. In that year, Indiana purchased from Canada \$39.5 million in swine, and \$4.9 million in animal foods. Other key imports were \$51 million in baked goods, \$5.6 million in alcoholic beverages, as well as jelly powders, other beverages, tomatoes, mixes and doughs, prepared cereals and maple sugar/syrup.

A COMPLEMENTARY HOG INDUSTRY

Canada's climate and herd size makes Canadian pork highly competitive. USDA researchers have found that the cooler climate up north is a good explanation for Canada's highly efficient hog-breeding industry. Lower density Canadian herds also give each animal more room to grow. In 2006, Canadian producers averaged 1.5 pigs per sow per year more than their American counterparts. While Canada excels at breeding piglets, the U.S. has particularly efficient finishing operations given the availability of high-quality, low-cost feeds, while open borders allow U.S. packers to bid for Canadian slaughter hogs. It is a natural partnership in an integrated market.

CONSIDER THIS

15 percent of the entire U.S. corn crop is directly exported each year, while nearly half is used as livestock feed. Livestock nourished on this feed are often destined for slaughter. According to a report tabled in January 2007 by the lowa Farm Bureau Women's Delegates, at the American Farm Bureau Federation's annual convention, this means that meat exports represent an additional 17 percent of U.S. corn crop usage. A similar story is true for soybeans. Whole bean exports represent approximately 30 percent of soybean use, while almost 40 percent is used for livestock feed. In this case, 12 percent of U.S. soybean production is exported in the value-added form of meat. Thus, the U.S. sells more of its crop production to its major trading partners, including Canada, than meets the eve.





Animal Feed Preparation Baking Related

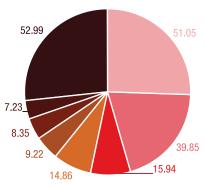
Food Preparation Dextrins and Other

Modified Starches

Cereals Ethyl Alcohol, Undenat, Und80%,

Spirit Beverage

Sugars



Imports from Canada \$199.49 million

Baking Related Swine

Vegetables Food Preparation

Fish and Seafood Pork. Fresh or Frozen **■** Sugars Others

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Pie Chart Data Source: World Trade Atlas (WTA), product group: Agri-food and Seafood, retrieved July 2007. Canada-US state trade data sourced from WTA, product group: Agri-food and Seafood, retrieved Oct. 2007. Additional sources include: Iowa Farm Bureau. Statistics Canada.







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