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# Trade in Grain Between Canada and the United States

As neighbours, Canada and the United States share more than a common border with each other. Similar geography, weather conditions and demographics have influenced the trading relationship between the two countries. Since the free trade agreements were implemented, beginning in 1989, the total bilateral agri-food trade has nearly tripled - totalling \$19.5 billion in 2002.

As a result, Canada and the United States enjoy the largest bilateral trading relationship in the world.

## Grains are an important export for both countries

- Grains are just one component of this vast and diverse exchange. For the past decade, Canadian imports of U.S. corn have been increasing, reaching 3.9 million tonnes in 2002, while U.S. imports of Canadian wheat have reached 1.7 million tonnes in the same year.
- The vast quantity of Canadian wheat is largely produced in Western Canada, located relatively close to major U.S. millers in the central and northeastern U.S. markets. Canada exports two-thirds of its wheat production and about 15 million tonnes goes to the U.S. market each year.

Most of it moves by rail to destinations well beyond the Northern Plains. The top importing states are Ohio, New York, Missouri, Minnesota, Illinois and Virginia, which together account for over half of total U.S. imports.

## Transporting U.S. wheat to customers

- Since 1999, Canada facilitates in-transit movement of U.S. grain. By allowing U.S. grain to be transported through Canada, it is easier and less expensive for U.S. grain from 17 states to be delivered to U.S. destinations on the east and west coasts. More than 3.4 million tonnes of U.S. wheat, barley and other grain is shipped in-transit each year.

## Regulating wheat

- Wheat marketing systems in the United States and Canada have not evolved in the same way. Both countries have their own unique regulations and policies. In the United States there is a greater focus on market prices, while in Canada there is a greater focus on regulations related to quality assurance and the grain handling and marketing system.

## For more information

For details on the Canada - U.S. trade in wheat, visit our Web site at [http://www.agr.gc.ca/itpd-dpci/english/country/usadvocacy\\_e.htm](http://www.agr.gc.ca/itpd-dpci/english/country/usadvocacy_e.htm)

All figures are in U.S. dollars

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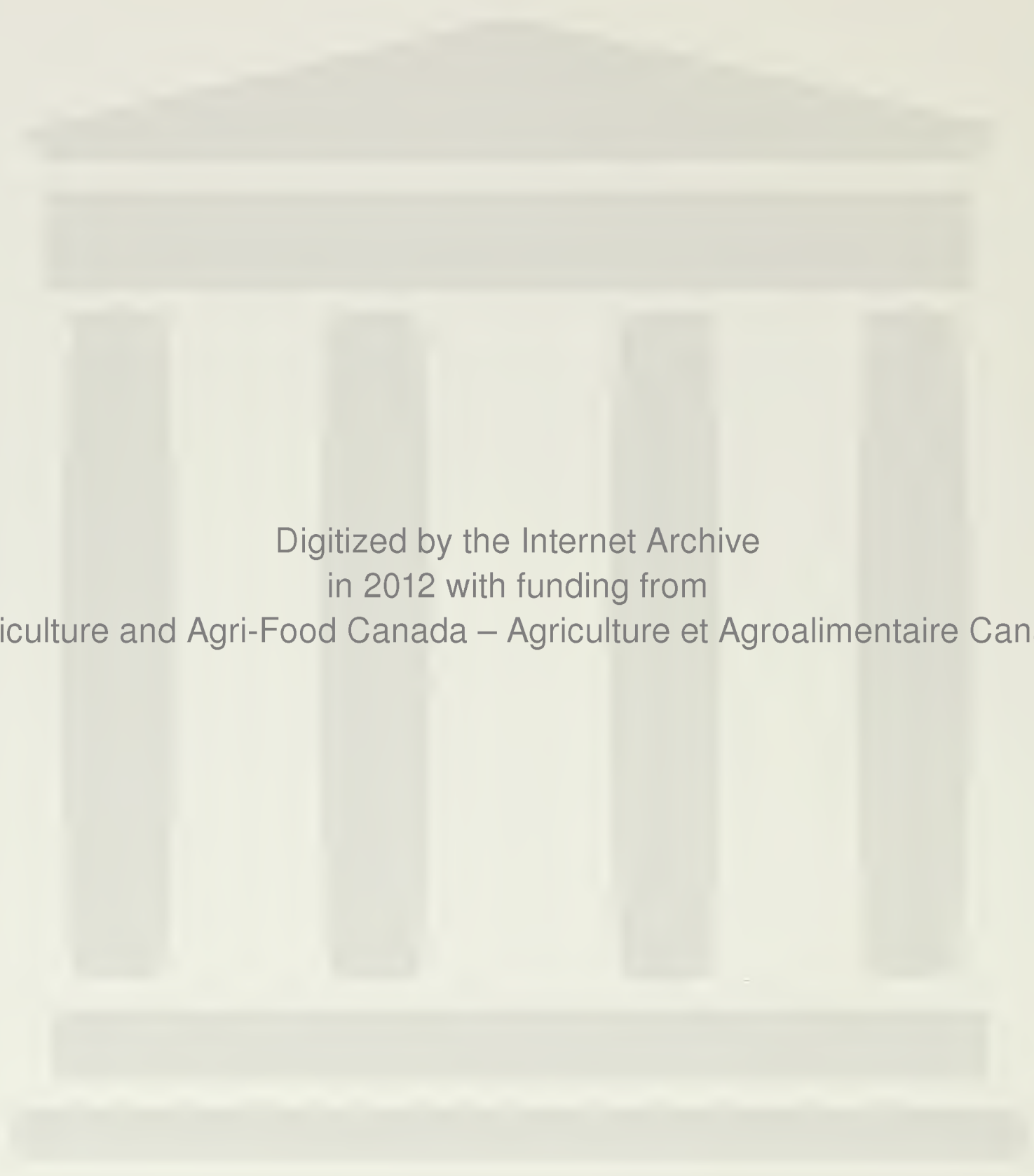


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