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**Induced Innovation in Canadian Agriculture**

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The study re-examines the induced innovation hypothesis from 1958-2006 in Canadian agriculture for two regions in Canada: Central Canada (Provinces of Ontario and Quebec) and Western Canada (Provinces of Alberta Saskatchewan and Manitoba). There is broadly consistent support for the induced innovations hypothesis for Canadian agriculture, especially for Western Canadian Agriculture. In addition, there is support for the notion the US as well as Canadian research expenditures are important to the explanation of input ratio movements in Canadian Agriculture in the long run. This could indicate the existence of spillover effects that run from US agricultural research to Canadian Agriculture.

**Key words:** Induced Innovation; factor substitution; spillover effects; non-stationarity; cointegration

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