

Korea

# Canadian Beef Standards Now Accepted

Korean markets have just been opened to substantial portions of the Canadian beef industry, allowing exporters to capitalize on a market expected to grow by more than 40 per cent in the coming decade.

The announcement came after officials in Seoul accepted the Canadian AA standard, upon completion of tests on carcasses. Financial assistance for these tests was provided by Agriculture Canada. Earlier in the summer, the Korean Livestock Products Marketing Organization had accepted the Canadian AAA standard, which represents about 15 per cent of Canadian beef production. Elwood Hodgins, of the International Programs Directorate at Agriculture Canada, said government had been working closely with the Canada Beef Export Federation for about two years to open the door for the Canadian AA beef. The two grades represent over 55 per cent of Canadian production.

"With the registration of Canada AA graded beef in addition to Canada AAA, Canadian exporters can select from a much larger pool of beef, which will allow them to actively bid for Korea's grain-fed beef market," said Hodgins.

Korea has based its imported beef on U.S. standards for many years. This effectively kept Canadian beef out of Korea. About three years ago some exports of carcasses were made; however, the shipments were challenged as not being equivalent to U.S. grades and Canada has remained with an insignificant share.

"We consider our grades superior. This position is shared by everyone else who does any testing.

But from the buyer's standpoint, the absolute demand for equivalent gives them quite a loophole to get out of a deal," said Hodgins. Registration of our Canadian grades has given Canadian beef exporters the confidence to aggressively pursue the Korean market.

The change in Korean policy was "quite an example of industry and government joint co-operation," Hodgins said.

"There has been a lot of activity by the embassy in Korea and by ourselves here in International Programs in terms of taking every opportunity to remind the Koreans that it is essential for them to accept our standards," he said.

During a trip to Korea in September, Hodgins met with Korean officials who then agreed to test carcasses. Afterwards, Ted Haney, Director of Canadian Operations for the Canada Beef Export Federa-

tion, met with officials in Korea to offer the carcasses and to negotiate the terms by which they would be judged. Technical assistance was provided by the Meat and Poultry Products Division and the Lacombe Research Centre of Agriculture Canada. Follow-up meetings were held between the Canadian Ambassador, Len Edwards and Korean officials to confirm the testing results. At each step communication channels were wide open.

"The one-two punch resulted in this agreement by the Koreans."

Korean beef consumption increased 184 per cent between 1970 and 1989 and is expected to increase from 3.38 kg to 5.7 kg per capita or 267,000 tonnes by 2001.

For more information, please contact Elwood Hodgins, International Programs Directorate, Agriculture Canada. Tel.: (613) 993-6671. Fax: 995-0949.

## SUCCESS — Continued from page 1

and effective marketing have sealed Golden Valley's export success.

The entrance by **Stone County Specialties Inc.** of Don Mills, Ont., into the US\$27 billion specialty food industry has left the company well-placed for expected growth of specialty foods in the 1990s. Stone County's line of *Honeycup Sweet* and *Hot Prepared Mustard* is the largest selling imported mustard in the U.S., with sales in all 50 states. The specialty foods market is expected to grow annually by 10 per cent through the 90s.

**Nature's Path Foods** of Delta, B.C. exports half of its organic breakfast cereals to markets in Europe, the Middle East and the Pacific Rim, and

hopes to increase this by working with the new B.C. Food Marketing Council. The certified organic cereals support small Canadian farms and allow Canadian producers a better return.

**Inniskillin Wines Inc.** of Niagara-on-the-Lake, Ont., has been pioneering the promotion of products at international competition and establishing industry standards.

**Riese-Vermont of La Ronge**, Sask., has increased sales of wild rice by 1,000 per cent over the past three years, since expanding exports to Europe, the U.S., and Asia-Pacific. 90 per cent of sales are exports, with 60 per cent going to Euro-



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