

China's Agri-Food Demands Poised to Rise

Although wheat accounts for 95 per cent of Canadian agricultural exports to China, there are opportunities to expand the \$925.5 million in Canadian agri-food products China consumed in 1991.

As the fourth-largest supplier of agricultural products to China, Canada's share of the Chinese agri-food market stands at 5 per cent. Unprocessed grains account for more than 99.5 per cent of this; however, Canada supplies only between one-third and one-quarter of China's imported wheat.

Diversifying Canadian exports will be difficult because of regulatory and structural obstacles. However, if economic reforms progress as expected, more resources will be diverted to the production of processed foods, creating a steady or increased demand for some

Canadian products.

The International Programs Directorate's agri-food market assessment of China has identified six areas of opportunity for Canadian agri-food exports:

- wheat (the market is believed to contain potential for continued growth: China having apparently reached yield ceilings, shrinkable usable land and a growing population with more affluent consumption habits);
- malting barley (Canada is well placed to capitalize on an expected expansion in China's brewing industry);
- canola (Canada can export oilseed expertise and technology to improve inefficient crushing methods and technology);
- breeding swine (industry is large and ready to improve quality and

could use Canadian genetics);

- breeding cattle (Canadian genetics could help the drive to increase herd productivity and efficiency of scarce feed); and

- capital equipment and direct investment (rice industry improvements include investment in storage dikes, irrigation, fertilizer, plastic sheeting; also advanced milling technology).

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

Project Leads to Cattle Embryo Sales

In yet another example of Canadian agricultural projects bringing home the rewards of new export sales, a Canadian genetics products company, Boviteq, has recorded one of the largest sales of bovine embryos in several years.

A milk recording project, by McGill University's faculty of agriculture, led to the sale when officials from Brazil's Parana State expressed interest in improving the genetic quality of their cattle. The college was aware of Boviteq's work and brought the two parties together, starting a year of negotiations. Then last May a ministerial delegation from Brazil signed the agreement for 700 embryos, a first for the Brazilian state and its nine dairy cooperatives.

The US\$300,000 deal was one of two major sales for Boviteq last year, which included a repeat order of 400 embryos from Spain, which is hoped will be repeated again this year.

For further information, call Sylvie Des Marchais, Director of Marketing, Boviteq. Tel.: (514) 774-7949 or fax (514) 774-1740.

Holstein Registration System Key to Genetic Exports

Opportunities in Latin America are growing for exports of Holstein genetic products because Canadian classification and registration systems are increasingly becoming the industry standard. The Holstein Association of Canada systems have become a proven marketing tool for Canadian genetics products because the programs require Canadian classifiers, who then have the opportunity to market Canadian genetics to buyers.

"It's like flashing your name in front of the customer," said Alma Stevens, Manager of International Marketing for The Holstein Association of Canada.

"(In many instances) they were using the American classification system, which meant that an American classifier would go in

there, classify their cattle, and talk about all American animals that they could buy. Now, if you get down to the bottom line, our classifiers are going in there," she said.

Argentina and the Dominican Republic are two of the nations using Canadian classification and registration systems. Argentina has subsequently purchased Canadian genetic products and the Dominican Republic purchased live Canadian animals in 1992. Colombia, Brazil, and Ecuador will all embark on Canadian classification and registration systems this year, with Bolivia switching to the association's system of registering animals.

For more information, contact Alma Stevens, The Holstein Association of Canada. Tel.: (519) 756-8300. Fax: (519) 756-5878.

Blueberry Producer Increases Share in Expanding Market

Twenty years after Oxford Frozen Foods introduced Wild Blueberries to Europe and Japan, the company is overcoming cultural limitations on the use of its product. The Oxford, Nova Scotia, company is striving to convince Japanese consumers, for example, that blueberries can be used for more than jam, which is, nevertheless, the third most popular jam type. Similarly, in Germany, blueberries are largely sold in glass jars as toppings.

Loring Wilmot, Marketing Manager for Oxford Frozen Foods, said his company, together with the marketing resources of the Wild Blueberry Association of North America, has been offering products like muffins to consumers in an attempt to increase demand.

"Our broker in England would go out and give samples to bakeries and say look, we think if you take

this case of blueberries and make blueberry muffins that they will sell. And low and behold, slowly, they are. Then you just go out and give them some advertising to go along with it," said Wilmot.

"The muffin is not a big deal over there yet, although it is coming along quite nicely," he said.

Oxford introduced blueberries to Japan and Europe in the late 1960s and early 1970s and since that time it has become the largest supplier to Europe; with Germany being the single largest export market. In 1992, Oxford produced one-third of North America's 132 million-pound crop, which has grown 300 per cent since the late 1970s.

For more information, please contact Loring Wilmot, Marketing Manager, Oxford Frozen Foods. Tel.: (902) 447-2320 or fax: (902) 447-2577.

Strawberry Plants: U.S. Success

Canadian strawberry plant suppliers have all but cornered the U.S. market, with Nova Scotia's strict government quality and growing standards long setting the standard for much of the industry.

More than 20 million plants are shipped from Nova Scotia each year, with some growers exporting as much as 60 per cent of sales.

Nova Scotia's cool and relatively disease-free growing conditions have created a reputation for hearty, quality yield and quality fruit-producing plants which quickly bear fruit.

Government inspectors regularly check fields for disease and insects before offering "red tag" certification, a seal of quality according to grower Allison Woodworth, owner

of Apple Berry Farms, in Berwick.

"It is one thing to have high standards, but it is another thing not to check your fields as often or as readily," he said.

Nova Scotia produces both the northern variety and the increasingly popular southern variety, which is sold primarily to Florida. The state's producers are the second-largest group in the U.S. and their plant orders are on the rise, said Woodworth.

Prompt delivery, customer support, and proper handling also have helped to maintain Nova Scotia's place in the market beside Ontario, P.E.I. and New Brunswick.

For more information, please contact Allan Sorflaten, Agriculture Canada. Tel.: (902) 893-0050 or fax: (902) 893-9851.

Japan

Pheasant Producer Now Rules the Roost

Lorne Neyedly believes he controls the Japanese pheasant market because he has refused to diversify or expand into other markets. By solidifying his initial export success in one niche market, he has managed to transform what was a hobby in 1981 into Tartan Farms, a million-dollar business exporting 58,000 pheasants annually.

"We have had potential in other countries but you have to put all your efforts where you can realize your most success. I think that is a mistake that a lot of would-be exporters do," said Neyedly.

With the help of world-class Winnipeg chef, Takashi Murakami, Tartan Farms gained a foothold in Japan's fine dining restaurants and eventually acceptance into two widely recognized industry reference books. Soon the dominant buyer of pheasants contacted Tartan Farms and exports jumped.

Because Japanese expectations of quality in this market are so high, Tartan Farms has slavishly maintained the standard of pheasant required. As a result, the industry has praised Tartan Farms for single handedly increasing pheasant use in Japan. Tartan Farms now uses three processing facilities and uses four contract growers in B.C., Manitoba and Ontario.

For more information, contact Tartan Farms. Tel.: (204) 757-4532 or fax: (204) 757-4837.