

## SAUCES AND CONDIMENTS

Sauces, salad dressings, condiments, marinades and fruit preserves are products which have experienced large sales volume growth in Canada and the United States in recent years. As part of this trend, many new small and medium-sized, Canadian-based firms, are emerging to serve not only local but also regional markets. Many of these companies are poised for expansion which will require substantial new investment. It should be added that this further-processing activity is of interest to governments because it can be conducted in a wide range of geographic regions throughout Canada and need not be confined to traditional growing regions for fruits and vegetables.

## FISH AND SEAFOOD PRODUCTS

The Canadian fisheries and seafood sectors are undergoing an extensive restructuring, accompanied by the development of new processing methods, new types of fish products and even industrial by-products. With the decline in wild stocks of traditional seafood species, Canadian firms, like those in other countries, have been intensifying R&D efforts to develop new products from alternative species previously regarded as commercially unviable. To this end, Canadian government departments have been actively encouraging new investment in the form of international joint ventures and other types of strategic alliances.

## BEVERAGES

Within the last ten years, North American consumers have responded enthusiastically to a wide range of new beverage products. Among the products that continue to experience significant market growth are flat and carbonated bottled waters, flavoured mineral waters, fruit juices and juice-based soft drinks, concentrates, dietary supplements, crystal-line drink mixes as well as ready-to-serve canned and bottled iced tea. In 1994, ready-to-serve iced tea products were the fastest growing food product category in Canada when measured as a percentage of the previous year's sales.

Although many of these products are dominated by the brand name products of multinational corporations, several Canadian-based beverage manufacturers have established facilities to serve regional markets and are now seeking to reposition themselves to better serve markets in various

Canadian regions as well as the United States. New investment will be essential to their success.

## SPECIALTY AND ETHNIC FOODS

Both Canada and the United States are experiencing rapid growth in ethnic groups within the general population, accelerated by the shift in immigration from traditional European sources to African, Asian and Latin American countries. These distinct ethnic groups have created many niche opportunities for food and beverage products to displace products now being imported from offshore to satisfy ethnic tastes and dietary habits.

***“We saw the need and invested \$35 million in our frozen french fry plant in Manitoba. Today we are the premier supplier of McDonald’s in Canada and, as a result of our excellent quality and cost competitiveness, now supply other key USA markets as well.”***

Frank Cella  
Chairman and CEO  
Nestlé Canada Inc.