

Canadian promotional activity to date in processed foods has been concentrated on the major European food fairs (i.e. Cologne [ANUGA] and Paris [SIAL] in alternate years).

In 1981 and 1983, there was a Canadian presence at the International Food Exhibition (IFE) in Birmingham (1981) and London (February/March 1983). Past experience has shown that these events are invaluable for established Canadian firms to increase penetration of the market, to introduce new companies to the trade, and to make new contacts. In addition, support through other projects directly tailored to the needs of individual firms can be provided.

Market Considerations

British accession to the EEC has given greater prominence to European products on the retail shelf, at the expense of previous Commonwealth suppliers. From Canada, the range of processed foods for manufacturing, institutional or retail use has steadily contracted due mainly to access problems related to high EC tariffs and/or levies, particularly for meats, sugar and grain related products. Another factor mitigating against Canadian exports to the U.K. has been Canadian raw material costs, which frequently exceed world prices.

Some of the access problems related to price competition are worsened by adverse dollar/pound exchange rates. The main price competition is from EC countries who have no customs charges on entry, and from developing or associated countries who have arranged for lower duties.

Packaging and labelling regulations for imported processed foods are generally, however, not restrictive.

Competition

The large British-owned conglomerates i.e. Unilever, Imperial Foods, Bibby and Sons, the milling groups Ranks, Spillers, etc., and the U.K. subsidiaries of major U.S. conglomerates General Foods Ltd., General Mills Ltd. are major competitors in the U.K. to Canadian products.

Major supplying countries with a market identity in processed foods are France, Denmark, Holland, Germany, Eastern European countries, Spain, Italy and to a lesser extent, the United States. Many of these, including the U.S., continuously promote their national image through their food promotional centres in the U.K.

2. Agricultural Products

Grains and Oilseeds

Canada has long been a traditional supplier of grain and grain products to the U.K., but exports are now limited to the supply of hard milling wheat, some grain by-products including pelleted screenings, and a limited amount of malting barley.

There has been spectacular growth in the domestic U.K. rapeseed crops, with the result that U.K. crushers turn to imported supplies only when EEC supplies are exhausted. Small quantities of flaxseed and mustard seed have been imported from Canada.

Fruits and Vegetables

The U.K. has also been a traditional market for Canadian apples, and is our second principal market (after the United States) for red skinned varieties.

The McIntosh variety is preferred in northern England, Scotland and Northern Ireland and is sold mainly via wholesalers/independents to the greengrocers. Supermarket chains operating in southern England tend to prefer Red Delicious and in recent years the Spartan variety, and there are occasional sales of Ida red and Rome through the greengrocer shops.

Domestic production of fresh onions has been increased in an effort to reduce imports, but there is a continuing demand for Canadian yellow bulb onions, with the U.K. accounting for over 20 per cent of Canadian exports in 1982 and 1983.

There are also opportunities emerging for fresh or frozen blueberries. A major promotion, sponsored jointly by the blueberry industry, the federal and

Table 12
Exports of Selected Agricultural Products to the United Kingdom,
1981-83

	(\$000)		
	1981	1982	1983
Purebred cattle	952	172	1,366
Live animals, other	150	134	1,588
Animal semen	504	553	1,783
Apples	13,174	10,064	7,010
Fresh vegetables	785	993	1,223
White pea beans, dried	11,200	14,013	13,432
Pulses, other	3,308	3,642	4,380
Vegetables dried, NES	2,192	1,804	1,118
Animal feeds	4,866	6,523	8,735
Unmanufactured tobacco	67,006	54,176	39,990
Fur skins	17,962	11,719	7,561
Forage seed	2,996	3,512	1,965

Source: Statistics Canada