

Great outdoors help sell our beer in Japan

1993 was the year of Canadian beer in Japan. Exporters discovered that it pays to market the natural beauty of the Canadian outdoors in the same breath as their product's name.

And with a sweltering 1994 summer parching Japanese throats as temperatures rose about 3°C higher than the 30-year average, the picture looked even better this year for beer imported into the Japanese market.

For the January to June '94 period alone, the market share for imported beer shot up to 3.4 % from 1.6 % in 1993.

The big four brewers in Japan (Kirin, Asahi, Sapporo and Suntory), who «own» 90 % of the Japanese market, also experienced a 3.5 % increase in shipments in January-July 1994 compared to the same period last year.

Several Canadian breweries such as Moosehead, Banff Springs, Pacific Western and Labatt's, have found a niche market that exceeds their sales projections because Japanese consumers identify Canadian products as clean, natural and high quality items.

Drummond Breweries expects to sell over one million cans of beer this year after changing its name to Banff Springs. Banff is well known in Japan and the beer was marketed as being produced with the clean water from the Rockies and barley from the rich soil of the Prairies.

Moosehead is selling 1,000 cases of beer a month by linking it to Canada's natural beauty.

Marketing efforts were also directed at very specific segments of Japanese society. For example, sales of some Canadian beers were targeted at female office workers between 20 and 35 because many young women prefer a lighter beer. Some young men also found these products desirable. Labatt's Ice Beer gained acceptance across the age spectrum with both men and women with its higher alcohol content, but as a rule, Japanese beer drinkers don't like their beer too strong or too weak.

Moosehead has also focused on the "on-premise market" of bars and restaurants because between 70 % and 90 % of imported beer sales take place in these establishments.

Other factors which have led to stronger than expected Canadian beer sales include the strength of the Japanese Yen and the community of thousands of Canadians and Americans living in Japan. Although there are several large breweries in Japan, Canadian companies are expected to create a foothold in the market that will make exporting to Japan a profitable venture.

Expectations have also been raised by a loosening of government restrictions, last April, that make it easier for supermarkets to sell imported beer.

GATT would also see the eventual elimination of the ¥6.40 (8.6¢) per litre duties on imported beer.

Asia choice market for high-value agri-food

Exporters looking outside the U.S. for high value agri-food markets may wish to look at Asia. In the first five months of 1994, Asia has been a market for 51 % of Canada's high value agri-food exports outside the United States. This is more than such exports to Western Europe (24%) and Latin America (14%) combined. High value agri-food exports exclude bulk commodities such as bulk grains and oilseeds.

In the first five months of 1994, Canadian high value agri-food exports to Asia are \$382 million, up 3.5% over last year, and an all time high. Pork and pork products represent 18% of these high value exports to Asia, and are up 4.3% from last year. Hides, skins and furs represent 14% of these exports, and a gain in fur exports offsets a drop in hides and skins. Alfalfa and hay forage products, predominantly from the Prairies, represent 12% of these exports, and are up 5.8% from last year. Malt exports are the only major drawback to these exports, down 26% from last year, representing 7% of high value exports to Asia. Other top products include Canadian whisky exports which are up 72% from the same time last year, and quadruple the value of 1991 exports.

Frozen french fry exports are up 10% to Asia. Ginseng exports to Asia are currently off 9% from last year.

Japan remains the number one market in Asia for Canadian high value agri-food, representing 60% of such exports in 1994. Many individual regions within Japan hold large markets warranting a closer look by exporters. Exports there are currently down 3% from last year. Korea surged into the second largest high value market in Asia, with exports up 64% due to increases in furskins, forage, beef and other exports. Association of South-East Asian Nations (ASEAN) member countries imported 28% more high value agri-food from Canada over last year. High value exports to Taiwan have dropped due to less hides and skin exports, and exports to Hong Kong remain unchanged. High value exports to India have risen from \$1 million to \$18 million in the first five months of 1994 compared with the first five months of 1991, this due to pulses and canola oil exports. Vietnam has emerged as our 10th largest Asian market for high value agri-food so far in 1994, and several indications show future

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