
seven different categories of trading houses can be identified according to their size, function and activities. These include:

1. Corporate, co-operative, or single commodity trading houses which may act independently or as the international sales or marketing arm of affiliated producers or co-operative members. These are commonly found in the grain, mine and minerals, pulp, paper, lumber, fish, livestock and agro-food sectors. In most cases, they are export-only oriented and many have sales in excess of \$50 million.
2. Domestic distributors and mass merchandisers. In recent years many companies have created international distributing functions to capitalize on their existing products and financial strengths. To date, most are in the industrial supplies areas (i.e., plumbing, electrical and building hardware). A number of mass merchandisers and food retailers now also have export functions.
3. Agro-food traders. These companies range in size from \$5 to \$50 million and trade a variety of food products. Changing global market conditions require that they be active in exporting, importing and third-country trading.
4. Niche trading houses. These companies are product and/or market oriented. They can be characterized as:

Product focussed: They have a wide knowledge of products in a particular industry sector with established markets or supply for identified opportunities worldwide.

Market focussed: They are frequently staffed by expatriates with business experience and contacts in a particular country or region. They have the advantage of first-hand knowledge of markets, business practices and requirements.

In addition, these companies tend to be independent, small (\$1 to \$25 million in sales), primarily active in end products and fabricated materials, entrepreneurial and opportunity oriented, and relatively young (less than 20 years in business).

This is the category that dominates and holds the most potential; it reflects the greatest growth rates and has the most new entrants and failures.

5. Foreign trading houses of Japanese, Korean and European origin exporting primarily raw materials and commodities and importing