

*World Food Trade***The Future of the Agri-Food Industry in Canada**

Donald McQ Shaver, leading Canadian exporter of poultry breeding stock, offers the Canadian agri-food producer a piece of advice. "Fashion and refashion your budgets to free up the maximum cents in every dollar that is available for servicing private export activity." In light of the global trend of trade liberalization and "rising world demand for agri-food," his advice is worth heeding.

Canadian economic prosperity depends in part on the international performance of the products we export. Canadian exports account for 22% of our GNP. Of these exports, 8% belong to agri-food.

Worldwide trade in agriculture reached a record \$208 billion (US) in 1990, after five straight years of

an average 7% growth. Leading this growth is the demand for consumer-oriented agri-food, which have now surpassed world trade of the traditional bulk commodity imports.

In 1991, over half of Canada's \$11 billion on agri-food exports were higher-value products; these included the consumer products such as food preparation and beverages, and intermediate products such as livestock and feed. Canada's exports of higher-value agri-food have been rising—but almost exclusively due to gains in the U.S.

In the U.S. market, Canadian agri-food exports have grown annually at 9.6% since 1988, resulting in both an increased reliance on and rising share of this large market.

Outside the U.S. market, there is

a different story. Ninety-three percent of Canada's bulk commodity exports such as wheat are destined outside the U.S., whereas only 20% of consumer-oriented exports have seen beyond the North American market. These exports have dropped by 4.8%, despite the fact that the majority of world growth is occurring in the Pacific Rim, Latin America and European markets.

These trends beg the question: Will Canada's producers capitalize on the "high-value agri-food opportunities in offshore markets?" With the success of high-value agri-food products in the U.S., and the lead by Canada's internationally recognized grains and oilseed exports, there is good reason to believe they can.

EAITC winter reading benefits exporters to the U.S.

External Affairs and International Trade Canada (EAITC) is getting ready to release a series of three publications dealing with agri-food exports to the U.S. that should be very useful to the Canadian industry.

The Canadian Exporter's Handbook on Doing Business in the U.S. Food and Seafood Markets is designed to assist processors in developing new U.S. sales opportunities. It includes hints on the basics of food marketing in the U.S., the various distribution and regulatory procedures facing the novice exporter and market overviews prepared by the department's U.S. staff.

A Guide to Food Trade Shows in the United States, 1992-1993, lists national and regional U.S. fairs and trade exhibitions.

Finally, the proceedings of a cross-

Canada seminar that ended last month on *How to Identify and Work with U.S. Food Brokers and Distributors* will summarize the salient points of this EAITC-sponsored program which featured presentations by representatives from the National Food Brokers Association in Washington and the Chicago-based National Food Dis-

tributors Association, as well as Canadian marketing officers and provincial trade officers working in the United States.

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Quebec Agri-Food Export Club

In Quebec, food processing companies, farmers and co-op leaders have banded together to pool expertise so that they can break into export markets. Their concerted efforts have led to the creation of the Quebec Agri-Food Export Club (Club Export) which is providing new leadership in export trade development.

Close working relationships with the Food Research and Development Centre at St. Hyacinthe have been established to help exporters adapt products to export market requirements. Other partnerships with provincial and federal departments should lead to identification of new niches in various markets. Many more initiatives are to come.

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