

PURPOSE

To develop a focused approach to trade development, marketing and promotion of value-added food products thus contributing to the goal of strengthening the market position and penetration of Canadian products in foreign markets.

As foreign competition in Canada's domestic markets intensifies, exports are becoming ever more essential to the growth and even the survival of many companies. For these firms, exporting is no longer an option, but is an essential part of their overall businesses activities. As much care and planning must be taken with developing export markets as with any other business investment.

A value added food export strategy is required because Canada's share of global exports of these commodities is declining at a time when their volumes are increasing globally. Canada's share of world value added food exports fell from 4.5 % in 1983 to 3.9 % in 1991. At a time when world trade in traditional agricultural commodities is stagnating, it is crucial to the Canadian Agri-food sector to increase exports of value added foods. The health of its farm sector, as well as the processing, distribution and servicing sectors which depend on farms for their inputs depends on increasing value added food exports.

An export strategy is important for an industry because developing foreign markets is complicated, costly and time consuming. Many Canadian companies in the value-added food products industry are small compared to their foreign competitors, and often do not have the resources available to match their competitors' investments in marketing. Therefore, every dollar spent in developing foreign markets must be spent in the most efficient manner possible. This applies to companies, trade associations, and government. All participants in the export sector must work to develop a cohesive, focused approach. This requires increasing the level of awareness and communication among the different industry players, including: trade associations, producers, their suppliers, transportation companies, banks and various government departments. It also requires actively seeking out areas where participants can combine resources to reduce the cost or increase the effectiveness of their exporting efforts. It is recognized that this will be an ongoing, cumbersome and frustrating exercise.

This document proposes an export strategy for the industry as a whole. It attempts to identify:

- ♠ export opportunities;
- ♠ major participants in the export market;
- ♠ resources available to assist exporting companies;
- ♠ areas of competitive strengths and general areas of weaknesses of Canadian firms with regard to export markets.