



AGEXPORT

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REVENIR A LA MOTIVUE D'ANIS

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TRADE SUCCESS

Maple Leaf Abroad

Some Canadian companies are teaming up with American firms to exchange technology and share profits in their milling operations. Together, **Maple Leaf Foods Inc.** of Canada and the U.S. **ConAgra Inc.** milling sales will reach \$250 million in 1992. Maple Leaf has also expanded its operations in the Caribbean by buying majority control of **Barbados Mills Ltd.**

Clearly Successful

The **Clearly Canadian Beverage Company** of Vancouver, B.C. has successfully extended its business abroad. The bottling water company recently signed an agreement to have its beverages produced under license in Japan using local spring water. The company also plans to launch sales in Latin America in the fall.

Choice Products

Loblaw Companies Ltd. is enjoying tremendous success with its President's Choice products. The premium quality private label products are contributing \$500 million to annual sales and are expected to continue to grow since the company is seeking opportunities in the U.S.

The President's Choice products are now sold in the U.S. through the 209-store Jewel supermarket chain, and Loblaw has an agreement to select and design premium items for the discount giant the Wal-Mart Stores Inc. Last year's sales in the U.S. were \$40 million.

Cracking New Markets

Some Canadian food processors like **Dare** and **Nabisco** have already exported to Mexico or are looking to this market. Dare's exports of its

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A New Voice for Competitiveness

*I am pleased to introduce this new guest to the pages of **CanadExport**. We felt at Agriculture Canada that the time was ripe to give agri-food exporters a corner of their own in this excellent publication.*

During the next decade, agri-food exporters, like the rest of the industry, will have to adapt to the trend towards greater liberalization of agricultural world trade.

The issue today, of course, is competitiveness. Will Canada be able to compete in international trade? Surely we will. We already do in many sectors. But I'll bet we can do better.

"Winning in a Global Market", an Agriculture Canada-sponsored conference to be held in Saskatoon from November 22 to 24 will give all partners in the Agri-food industry a chance to collaborate on common strategies to improve our competitiveness, here and in world markets.

AgExport is one of the ways government can help.

Bill McKnight
Minister of Agriculture

AGRI-FOOD INDUSTRY ASSOCIATIONS DEVELOP TRADE STRATEGIES:

Canada Beef Export Federation

The Canada Beef Export Federation (**CANADA BEEF**) launched in 1989, has a mandate to increase the exports of Canadian beef to recently opened and rapidly growing markets of Japan and Asia. **CANADA BEEF** brings together all sectors of the industry, including producers, packers, exporters, along with the federal and provincial governments.

CANADA BEEF has developed a strategic action plan for 1992-93 focusing on Japan as a primary market and Korea, Taiwan, Hong Kong and Singapore, as secondary

markets. The plan aims at specific market niches suited to the use of Canadian beef. The four-year plan also looks at the long-term success which can only be realized through the development of their members' skills, knowledge and relationships.

The Federation unites resources
Continued on page II — Trade

THIS ISSUE

Foodex in Tokyo
Embryos to Morocco
Selling to the U.S.
Brazilian Partnership

Small company makes it big with embryo exports to Morocco

A small Canadian firm has achieved a first with the sale of a high-tech product — Holstein embryos — to Morocco. To facilitate the sale, the Canadian International Development Agency and the Quebec government paid the costs to train Moroccan technicians in Canada and to send a veterinarian to Casablanca to assist in the implantation of 173 embryos. A high percentage of calves came to term to the satisfaction of the Moroccans and more sales are likely to follow.

The firm — Canadian Embryo Export Services of Masson, Quebec — had developed contacts with Moroccan agriculture officials at the 1988 Salon International de l'Agriculture held in Paris. Follow-up with these contacts led to the signing of a contract with the Moroccan Ministry of Agriculture in 1990.

Subsequently, two Moroccan technicians came to Canada in 1990 for eight weeks of training and this was followed by a Canadian

veterinarian spending three weeks in Morocco to direct the implantations in June of 1991.

The bulls from these Canadian Holstein embryos will be used to supply semen for artificial insemination and heifers will be used to improve the quality of the national dairy cattle population in this North African country.

For information, contact John Nutbey, Canadian Embryo Export Services, Masson, Quebec. Tel.: (819) 986-6313. Fax: (819) 986-6545.

TRADE STRATEGIES — Continued from page 1

and creates vertical and horizontal partnerships in order to be effective in developing markets. The Canada Beef Export Federation believes it holds the key to these partnerships.

For more information, contact Ted Haney, Director, Canadian Operations, "CANADA BEEF", Calgary. Tel: (403) 274-0005. Fax: (403) 274-5686.

AGEXPORT

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Canadian Dehydrators' Association

The Canadian Dehydrators' Association and its industry members have made a significant impact on the forage markets of the Pacific Rim. The demand for high quality forage products to feed growing livestock populations in Japan, Korea and Taiwan has given rise to an industry that adds substantially to Canada's agri-food trade. Association members export some \$65 million worth of such products to the Pacific Rim annually.

One of the keys to the industry's success in recent years has been the development of a market development strategy. The strategy focuses Association efforts on specific markets and designs activities to take advantage of identified opportunities or to overcome constraints to expanded trade.

The development of a strategy has allowed the Association to better coordinate its activities and better use all available human and financial resources.

For more further information,

contact Bryan Davidson of the Canadian Dehydrators' Association. Tel.: (403) 450-0169 or fax: (403) 450-0604.

Purebred Swine Breeders Association of Canada

Canadian purebred and hybrid swine exporters' market strategy is making inroads into the Mexican market, with exports running at 1,200 head per month in 1992 — up significantly from export levels three years ago.

The Purebred Swine Breeders Association of Canada with the Alberta Association have developed a strategy working with its members to significantly increase their share of this rapidly expanding market. The focus of their activity is a series of seminars aimed at further educating Mexican breeders on the benefits of Canadian purebred and hybrid swine.

For further information, contact Bill Young, Purebred Swine Breeders Association of Canada. Tel.: (613) 731-5531. Fax: (613) 731-6655.

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.

For more details, contact Peter Egyed, U.S.A. Trade and Investment Development Division, External Affairs and International Trade Canada, Ottawa. Tel.: (613) 991-9483. Fax: (613) 990-9119.

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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Canada-Brazil: An expanding partnership

In 1991, two-way agricultural trade between Brazil (the fifth-largest country of the world) and Canada totalled \$400 million. Brazil imported \$164 million of Canadian agri-food products and Canada's share of the Brazilian agri-food market, valued at \$236 million, grew from 4.9% in 1990 to 7.4% in 1991.

Brazil is also Canada's largest

Latin American agri-food trading partner and the opportunities to expand are numerous. Canadian exporters can find a useful and succinct analysis of the Brazilian agri-food market in **Canadian Agri-Food Export Opportunities: Brazil**.

Export market opportunities are identified and assessed for

eight products:

- grains (primarily wheat with strong possibilities for malting barley, oats and corn)
- dairy cattle (significant scope for dairy genetics)
- beef cattle (good prospects for beef semen and breeding cattle)
- swine (export potential for semen and live heads)
- pork (meat products improved prospects with import deregulation)
- processed foods and beverages (promising market for high-quality processed food products)
- pulses, beans and seeds (substantial increases in white and kidney beans, canary and mustard seeds exports since 1988)
- potatoes (good potential market for fresh, processed and seed but mostly the yellow-fleshed variety).

For further information, contact Randy Nelson, International Programs, Agri-food Development Branch, Agriculture Canada. Tel.: (613) 993-667. Fax: (613) 995-0949.

Quebec Agri-Food Export Club

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Club Export currently groups over a hundred agri-food firms with \$4 billion in sales of which over \$250 million are exports.

Club Export gives top priority to increasing export awareness and export-readiness of food entrepreneurs.

New forms of export partnerships such as Club Export may help the food industry to take advantage of export opportunities. Club Export welcomes new members and wishes to establish contacts with other groups of food exporters in Canada.

For more information, contact Paul-Arthur Huot, Executive Director. Tel.: (514) 349-1521. Fax: (514) 349-6923.

Canada looking for exhibitors for Tokyo's Foodex '93

With 90,000 potential Japanese clients showing up last year at Tokyo's Foodex '92, Canadian exporters have powerful reasons to make room in their agenda for attending the '93 edition.

The **18th International Food and Beverage Exhibition**, to use the trade show's full name, will be held this year from March 9 to 13 at the Nippon Convention Center.

Attending Foodex, last year, were 23 Canadian participants representing 30 companies. Over \$10 million of new business was generated as a direct result of Canadian participation in the show.

"Those sales results also confirmed for us the shift in the Japanese food industry to greater demand for a wide variety of value added products," says Greg Bates of

External Affairs and International Trade Canada's Japan Trade Development Division.

"We're already actively recruiting participants to Foodex, as well as the **Osaka Solo Food Show**, which is held only a few days later, on the 15th and 16th," adds Bates.

The Osaka Food Show is intended as a showcase for new exporters investigating the marketing prospects in Western Japan markets.

The large number of Canadian participants and the interest of potential Japanese clients ran so high, last year, that space was a problem.

For information about the Tokyo and Osaka food shows, contact Greg Bates, Japan Trade Development Division, External Affairs and International Trade Canada. Tel.: (613) 995-8619. Fax: (613) 943-8286.

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Breton cracker have doubled from 1990 to 1991.

Grand-Pré milk; from Quebec's LACTEL group is another example. The group is getting ready to ship 6,000 cases of its chocolate-flavored UHT milk to test Mexican markets.

Prime Pasta

European Noodles Inc. of Toronto, well known for its fresh pasta, predicts earnings of \$6 million from the kosher pasta market. Half of its earnings will come from U.S. sales.

Pasta Plus Inc. of St. John's, Nfld. has also begun its plan to expand operations. It will open franchises in the northeast which will distribute niche products such as no-cook pasta sauces and high value gourmet-to-go foods.

