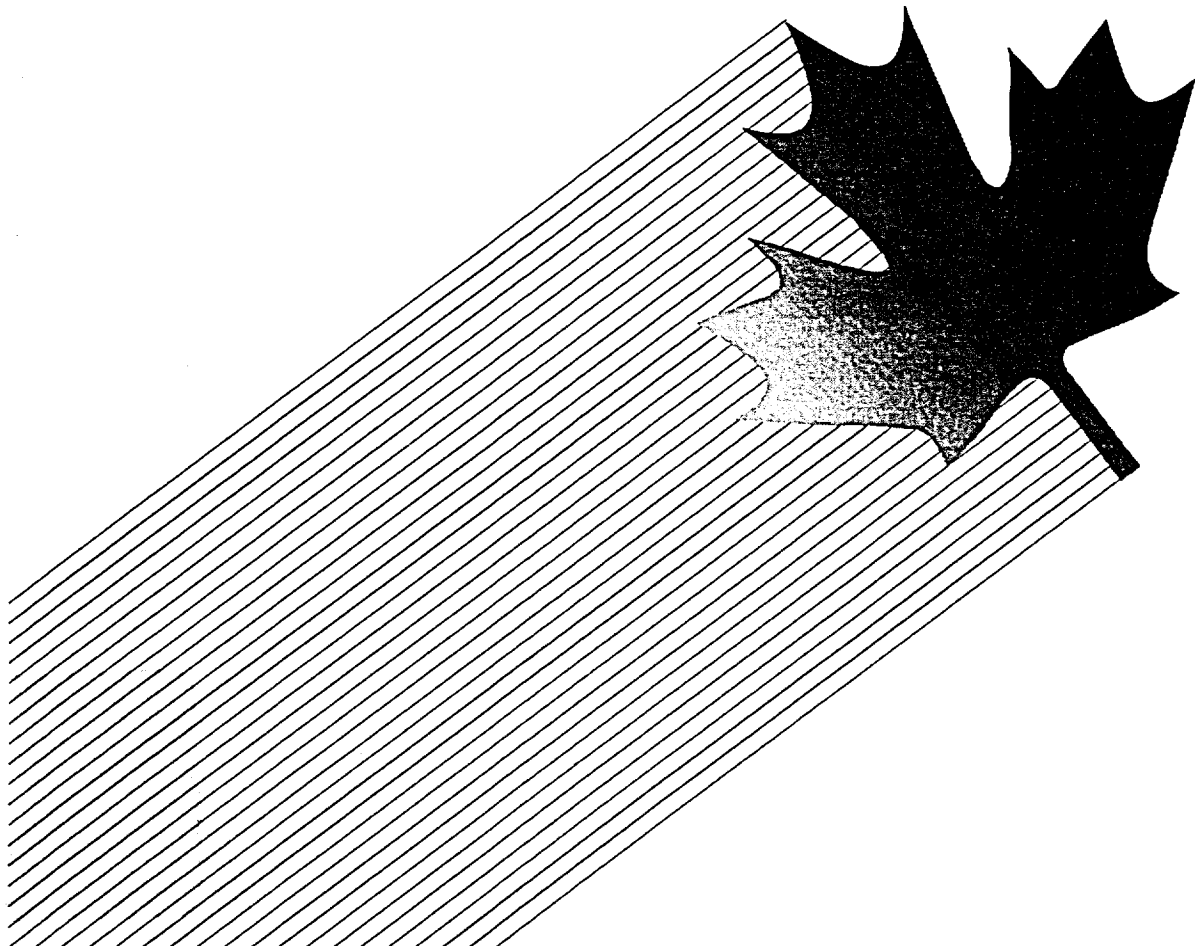


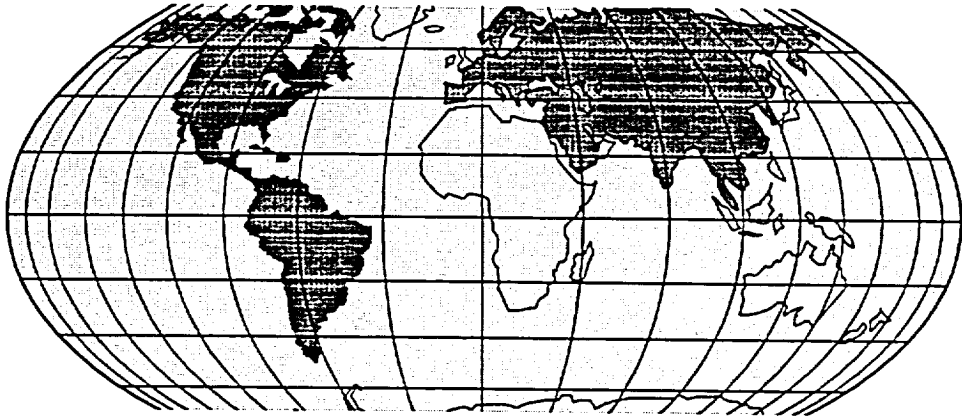
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Global Market Opportunities Review

Beef



**GLOBAL MARKET OPPORTUNITIES REVIEW
FOR BEEF**



Published by:

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in cooperation with

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and AGRICULTURE AND AGRI-FOOD CANADA**

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PURPOSE

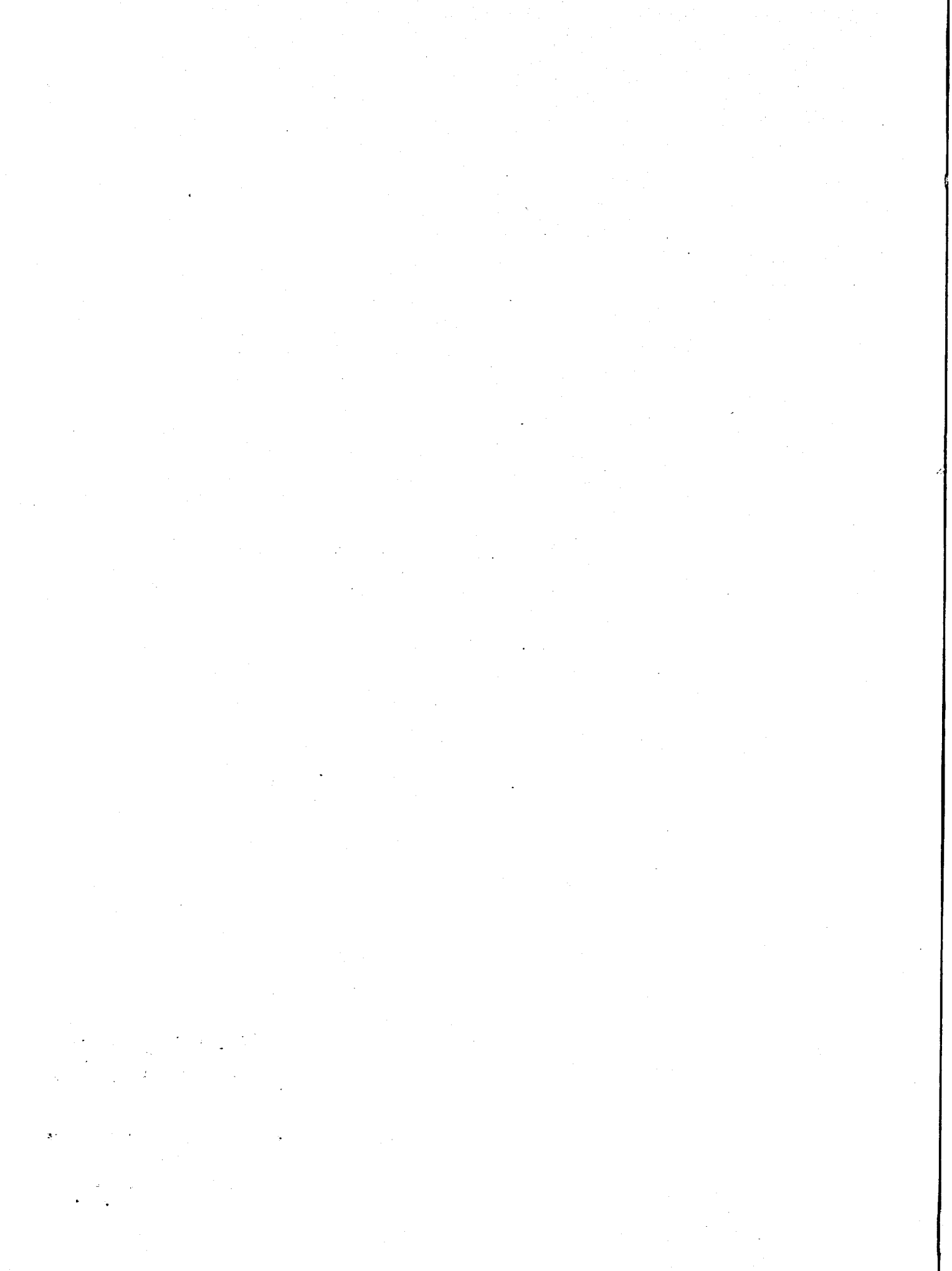
The purpose of the GLOBAL MARKET OPPORTUNITIES REVIEW FOR BEEF is to provide information which may assist Canadian industry in developing strategies for the export of Canadian beef to major beef importing countries. The report is organized on a country by country basis. Each country is analyzed and described in terms of its beef market opportunities, contact lists, as well as background information of interest. The information provided by the Foreign Affairs and International Trade Commissioners abroad, form an important part of the review.

The names and addresses of the Canadian Trade Offices and some of the major importers in each country are listed at the end of each country profile.

Note:

Information contained in this REVIEW has been gathered from a wide variety of sources. Foreign Affairs and International Trade (FAIT) has taken great care in presenting the information but does not guarantee the accuracy of the information, nor the absence of errors and omissions.

Foreign Affairs and International Trade Editorial Staff for this Publication:
Maurice Egan, Lisa Foss and David Watson



EXECUTIVE SUMMARY

The information contained in this Global Market Opportunities Review was gathered from a wide variety of sources. The majority of the information however, was collected through a questionnaire survey that was completed by selected Canadian Trade Commissioners operating in Canadian Embassies and High Commissions. It is hoped that this market information will assist Canadian exporters in their short and long term strategic decision making.

This review covers countries that are believed to be promising markets for Canadian beef exports. For each of the 39 countries that are reviewed, information regarding market opportunities, trade statistics, and market constraints is detailed. Contact lists (related associations, importers, government contacts etc.) are included for each country as well as in Appendix B to encourage and facilitate further communication.

Certain countries that are major competitors in the beef export trade industry (Australia, New Zealand, Brazil, Argentina etc.) are also included in this report.

Although the U.S.A. is the largest market for Canadian beef, this report focuses on export markets other than the U.S. Relatively speaking, the U.S. market is well understood by the industry and there is a wealth of information already available for this important market.

Japan, South Korea, Taiwan, Hong Kong and Singapore have all been identified as promising export markets. Given the dynamic nature of the trading environment the definition of a market opportunity differs from country to country. Market opportunities may occur in the form of price fluctuations and spot shortages (as is the case in Philippines and the Czech Republic) or they may be of a longer term nature as is the case with Russia and the Ukraine, because of infrastructure concerns and currency problems. It is important however, to recognize the long term potential of these markets.

Similarly, due to the current ban on growth promotants (growth hormones) the European Community countries have imported little Canadian beef in the past few years. Nevertheless, it is important to consider the size and longer term potential this market may offer.

Of particular interest to Canadian beef exporters are sustainable niche markets. For example, some of the opportunities identified include: the Halal market in Malaysia, Iran and Kuwait; the food service industry in Cuba, Indonesia, Singapore and Thailand that caters to international tourists; top quality chilled cuts for the sophisticated Japanese consumers; and high quality lean cuts for the Mexican market.

While each country profile is unique in terms of their opportunities and constraints for beef exports, there are several important issues, common throughout the report, that characterize the beef export industry as a whole. For example, many of the country profiles express an increasing demand for more value added beef products (convenience packaging, lean and well

trimmed products, portion controlled packaging, ready to serve meals, deli meats, beef jerky etc.). From an international perspective, the agricultural sector is experiencing a movement towards trade liberalization, as shown by the recent outcome of the GATT and NAFTA negotiations. As trade barriers gradually decrease, exporters will be in a better position to compete in new and emerging global markets.

SECTION A

ASIA PACIFIC



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AUSTRALIA

1. GENERAL OVERVIEW

Beef is Australia's second most important agricultural commodity export. This fact, together with a community supported "buy Australia" policy, combine to limit prospects for Canadian exports in this sector to preserved meat and bovine semen, where sales valued at Aud \$3.5 million were achieved in 1992. Beef production is forecast to fall in Australia by 7% in 1993/94, while on the assumption of improved seasonal conditions, prices for cattle are forecast to increase by 9%. Exports are expected to decline from 797,000 MT in 1992/93 to around 730,000 MT in 1993/94. Australian beef shipments to the Japanese market for Australian beef is expected to fall due to lower supplies while Korean exports of grass-fed beef are expected to recover to 90,000 MT. Australian Meat and Live-Stock Corp. (AMLC), however, during the last Annual General meeting announced that in year ending June 30, 1993, sales to Japan were 275,000 MT (value: Aud\$1.25 billion) and expected to be 250,000 MT next year. As for sales to Korea, AMLC is forecasting 60,000 MT for 93/94. Domestic consumption in Australia continues to slide from 40.5 kgs/person in 1990 to (forecast) 37 kgs/person in 1993 (Source: ABARE), due in part to higher saleyard prices.

2. CHARACTERISTICS OF THE MARKET

A. *Local Production:*

i) *Production in MT*

Total meat production from slaughtered animals (beef and veal)
('000 MT dressed carcass weight):

1987	1564.4
1988	1551.0
1989	1572.9
1990	1723.8
1991	1734.8
1992	1775.2
1993	1831.9 (includes buffalo)

ii) *Types of cuts.*

Types of cuts available: shin; silverside/topside; round; rump; fillet; skirt; sirloin; ribs; blade/chuck; brisket.

iii) *Government policies which impact significantly.*

There are no direct subsidies/incentives provided by the government to the Australian beef industry. The Meat Research Corporation is one of three agencies established to help develop the Australian red meat industry (cattle, sheep, buffalo and goats). The other two are: the AMLC (Australian Meat and Live-Stock Corporation) which is responsible for marketing and promotion and the Australian Meat and Livestock Industry Policy Council (AMLIPC) which deals with broad policy issues. The corporation is funded by levies on livestock producers and meat processors, matched with contributions from Federal Government. On June 30, 1993, the MRC was providing funding support to more than 200 red meat industry projects (total expenditures 92/93: \$Aud 55 million.)

B. Domestic Consumption:

i) *Annual total, MT; annual per capita consumption, kgs.*

Total Australian consumption of bovine meat was 645 thousand MT (dressed carcass weight) in 1993. Per capita consumption in 1992 was 37 kgs and 37 kgs in 1993.

ii) *Self-sufficiency ratio.*

The self sufficiency ratio was approximately 180% in 1991/92.

iii) *Brief description of consumer attitudes toward domestic and imported products.*

There is a strong "buy Australian" attitude that is fostered by main retail outlets.

C. Country Beef Imports:

i) *Total quantity and value of beef imports.*

Total quantity and value of imports of bovine meat into Australia for 1991/92: 2,632,054 kgs; AUD \$11,357,934.

ii) *Imports from Canada, quantity and value; Canadian % share of market.*

Imports from Canada: (boneless meat of bovine animals, frozen): 47,273 kgs; Aud \$169,343 in 1991/92.

iii) Imports from major suppliers, quantity and value.

New Zealand is Australia's largest foreign source of beef, with a small amount coming from Mozambique.

iv) Major importers, distributors and their organizations.

Meat imports into Australia are handled by meat exporting companies, as they act as overall meat dealer. Meat imported from Canada would possibly be sold in luxury outlets as North American, high-quality, grain-fed beef.

The meat exporters are represented by:
The Australian Meat Exporters Federal Council
Suite 905, 219-227 Elizabeth Street
Sydney 2000
Tel: (02) 267-3411

Importers: (please contact the Australian Meat Exporters Federal Council for a complete list)

John Burgess PTY Ltd. (broker)
65 Hume Street,
Crows Nest NSW 2065
Tel: 02.906-7022
Fax: 02.906-7848

Lachlan Valley Meat Co. (trader)
P.O. Box 569
Crows Nest NSW 2065
Tel: 02.958-0777
Fax: 02.958-6816
Contact: Mr. Tony Mullan

D.R. Johnston
PO Box 291
Hill Road, Lidcombe
Sydney, NSW 2141
Tel: 2.746-5666
Fax: 2.746-9899
Contact: Mr. Peter Johnson

D. Country Exports:

i) Total exports by quantity and value.

In 1993, Australia exported 805,700 MT of beef, veal (& buffalo) valued at approximately Aud\$2.8 billion FOB (Source AMLC Statistical Review June 1992 and July 1993).

ii) Trends.

According to ABARE, total exports are forecast to decline to 730 KT valued at Aud\$ 2,700 million, with forecast exports of 295 KT to U.S., 240 KT to Japan and 90 KT to Korea. (Note: see AMLC forecast under general overview)

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Given that Australia is a major beef exporter, the market opportunities for Canadian product are limited.

Generally speaking, Australia does not have generic beef trade shows. Specific companies may have trade promotions but it is very difficult to monitor these promotional activities.

4. ACCESS AND BARRIERS

- ▶ Tariffs: tariff is free for beef meat coming into Australia.
- ▶ Quotas: no production or import quotas.
- ▶ Preferential access: There is no preferential access for any suppliers.
- ▶ According to Australian Quarantine Inspection Service (AQIS) there are no restrictions or specific set of conditions put in place for import of beef meat from Canada to Australia. However, AQIS guidelines for importation of uncanned meat (i.e. meat not contained in a hermetically sealed container) or product containing meat derived from mammals, birds or reptiles but not to meat derived from fish, crustacea, molluscs or aquatic animals are as follows:

Documentation:

- i) Permission to import the product into Australia must be obtained in writing from the Director of Animal and Plant Quarantine (Australia) (herein called the director) prior to the product first being exported.
- ii) Each consignment must be accompanied by the prescribed certification and will require, on arrival, a "quarantine entry" issued by the AQIS.
- iii) Each application for permission to import must include the following details: country of export, name and identification/veterinary control number of producing establishment, species of origin, product type, full details of any process of manufacture the meat has been subjected to. Product type exported must correspond exactly to approved product.
- iv) Each application will be assessed on the above criteria as well as any other criterion which is considered relevant by this director. This may include a country's health status with regard to disease not listed in these guidelines and standards of meat inspection services and export establishments.
- v) Requirements:
 - (a) the meat must be derived from animals originating in and slaughtered in the exporting country;
 - (b) the animals from which the meat is derived must have been subjected to ante and post mortem veterinary inspection by officers of the national government of the exporting country and must have been found free from any infectious or contagious disease;
 - (c) each establishment where the animals from which the meat was stored must have current approval from the director. A standard of construction of the establishment equivalent to that set down in the Australian Government publication "Construction and Equipment Guidelines for export meat" 1998 is required. A standard inspection, slaughter and product handling equivalent to that in the Australian Government export meat order is required.
 - (d) the country of origin of the meat must have been free from foot and mouth disease and rinderpest for the period of six months prior to the slaughter of the animal from which the meat was derived.
 - (e) the meat must be packed in a manner approved by the director: - each carton or similar packing container must contain only a single species of

meat; only clean, new bags/wrappers or packing containers may be used; the identification/veterinary control number of the establishment where the meat was packed (or the animals slaughtered if in carcass form) must be readily visible on the outer wrapping or package and the meat (numbers must not be able to be removed without damage); the meat shall be transported from the exporting country directly to Australia in clean, sealed containers; the meat shall be stored for no less than thirty days after the slaughter of the animals from which it was derived before release from quarantine in Australia.

- vi) Certification: a certificate, issued by a full time national government veterinarian of the exporting country, must accompany each consignment of meat.

Environmental Legislation: Department of Environment, sports and territories is responsible for broad environmental issues. For the most pressing environmental issues regarding Australian beef, that of feed-lotting, there is no commonwealth legislation in place. There is however the "National Guidelines for beef cattle feedlots in Australia" publication which is a joint industry, government and community initiative. It is the responsibility of individual states to implement the guidelines, and to date the major beef-producing states have welcomed these guidelines.

5. INDUSTRY STRUCTURE

A. *Location of domestic production facilities and brief description.*

Beef production facilities are widespread throughout Australia. For example there are approximately 500 meat works spread throughout all states. The major beef producing state is Queensland and hence the industry is more heavily concentrated there. There are around 500 abattoirs in Australia, located throughout the country. They range from small local slaughterhouses to large export works using the latest technology. Export abattoirs are required to be accredited by Aus-Meat, and both export and domestic abattoirs are licensed by the appropriate state licensing authority (e.g. the New South Wales (NSW) Meat Industry Authority).

B. *List main industry contacts:*

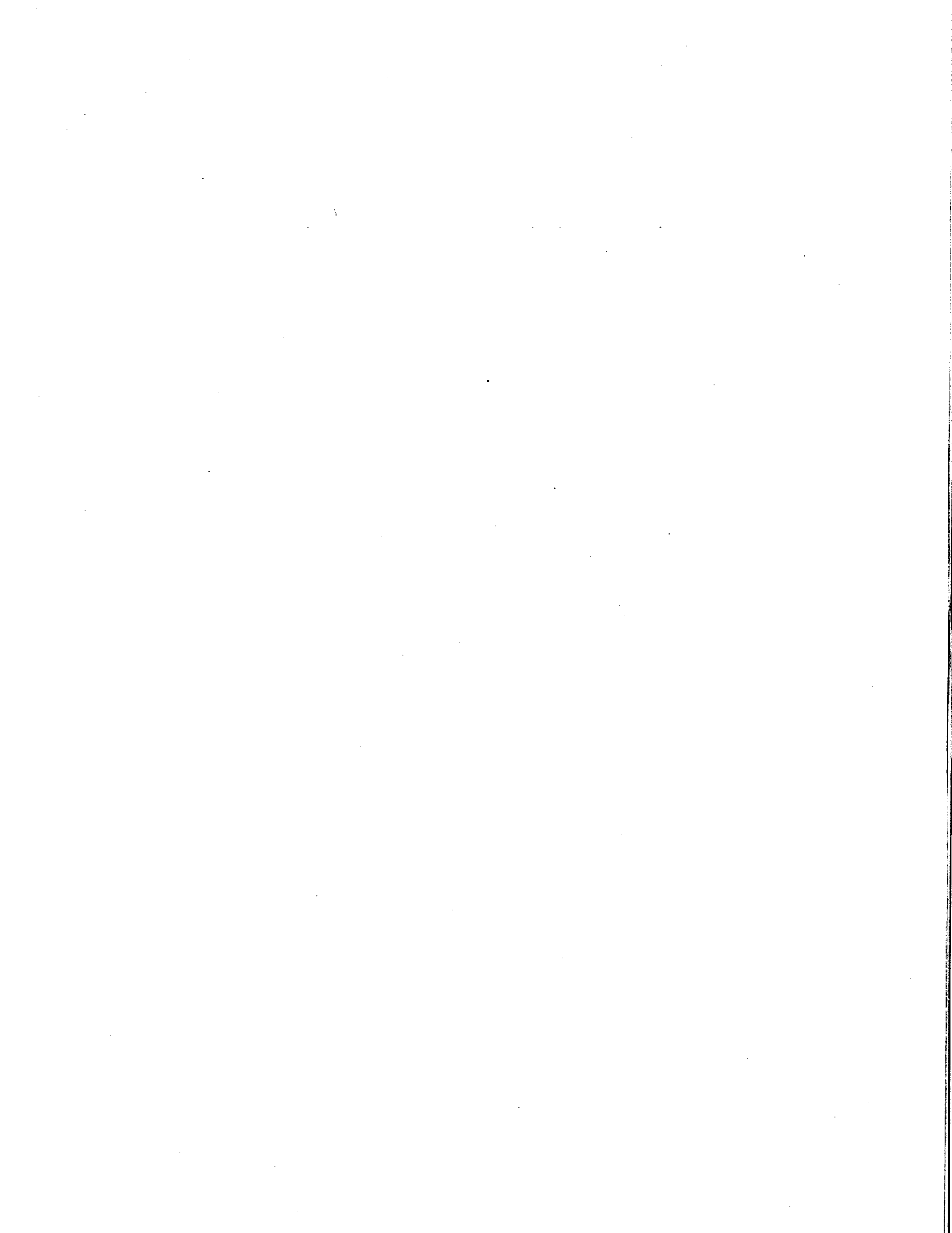
There are many federal and state government agencies which are involved in the beef trade within Australia.

Australian Meat and Live-stock Corp.; Aus-Meat; Calm Services; Australian Trade Commission; Australian Council of Livestock Agents; Australian

Livestock Exporters Association; Australian Lotfeeders Association; Australian Meat and Live-stock Industry Policy Council; Meat Research Corp.; Australian Meat Exporters Federal Council; Cattle Council of Australia; Cattlemens Union; Department of Primary Industries and Energy; Department of Foreign Affairs and Trade; New South Wales Farmers Association; Meat and Allied Trades Federation of Australia; Meat Industry Advisory Committee; National Farmers Federation; Northern Territory Cattlemens Association; NSW Meat Industry Authority; Pastoralists and Graziers Association of Western Australia; Western Australian Farmers Federation; Sheepmeat Council of Australia; South Australian Meat Corp.; Tasmanian Farmers and Graziers Association; United Farmers and Stockowners of South Australia; United Graziers Association of Queensland; Victorian Farmers Federation; Western Australian Meat Marketing Corporation; Livestock and Meat Authority of Queensland.

For Further Information Contact:

**Canadian High Commission
Commonwealth Avenue
Canberra ACT 2600
Tel: (011-61-6) 273-3844
Fax: (011-61-6) 273-3285
Contact: Rana Pudifin, First Secretary (Commercial)**



HONG KONG

1. CHARACTERISTICS OF THE MARKET

Hong Kong is a large market with a population of 5.8 million. Food supplies are in great demand and more than 90% of the beef consumed is from imports. In 1992, Hong Kong imported 149 million head of live bovine animals, all of which came from China (valued at Cdn\$47.9 million). The live bovine animals were slaughtered daily in local government regulated slaughterhouses to supply fresh beef to the local market.

In addition, Hong Kong imported a total of 472,579 MT of meat and meat preparation, a value which amounted to Cdn\$8700 million. Out of these imports, 31,974 MT was meat of bovine animals, valued at Cdn\$139 million. Major players include the U.S. (5,224 MT and Cdn\$35.4 million), Brazil (10,371 MT and Cdn\$32.6 million), New Zealand (3,671 MT and Cdn\$23.8 million), and China (6,055 MT and Cdn\$12 million). Canada's share was 155 MT, valued at Cdn\$0.82 million.

Out of the imports of meat and meat preparation, 18,084 MT were edible offals of bovine animals, 99% of them are frozen offals and valued at Cdn\$37.4 million, and major players include: Argentina (6,732 MT and Cdn\$15 million), Brazil (4,675 MT and Cdn\$9.2 million), and Australia (3,267 MT and Cdn\$6.2 million). Canada's share was 115 MT, valued at Cdn\$0.21 million.

Domestic supply of beef is insignificant and there is no government subsidy for beef farms.

Beef is excellent for steak, barbecue, and other recipes at home, restaurants, or hotels. However, Hong Kong consumers generally cannot distinguish high quality beef from poor quality beef.

Generally, western beef is perceived to have a higher quality image. The Americans are doing particularly well in portraying the quality image by emphasizing the use of high quality 100% American beef in very popular fast-food chains like McDonald's, Burger King, Pizza Hut, etc. Because of the heavy advertisements with these retail outlets and the influence of the "cowboy" movies in the past, the U.S. is perceived to be the place from which good beef meat is imported. However, western beef is also perceived to be more expensive than the beef from China or South America.

2. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Canadian beef is perceived to be similar to or slightly better in quality than the American beef, however, consumers also perceived that the price of Canadian beef is far more

expensive than the American beef.

Hong Kong consumers prefer fresh beef than frozen beef. The great abundance in supply of lower-priced and fresher beef from neighbourhood China hinders the wide acceptance of high quality beef.

It is difficult to compete with Chinese beef in price. However, there is a chance in promoting the high quality of Canadian beef in Hong Kong. Hong Kong has many young people who have received education or adopted many of the ideas in the west. These younger consumers generally have more personal disposable income; they are less price-sensitive, more health-conscious, and demand more on product quality. Canadian beef is perceived to be able to meet these market needs.

Major shows

At present, there are 2 exhibitions for food products. HOFEX is the show for trade visitors and it was held in May, 1993. The show is a biannual event and it will be held again in 1995. However, it will be held in China instead of Hong Kong because many exporters have viewed China as a larger potential market in the region. Fair organizer is Hong Kong Exhibition Services Ltd. (fax: 852-528-3103).

Another exhibition is called the Food Expo. It is a consumers' show and appropriate only for established food companies which want to consolidate their images in the local market. The chance of generating large on-the-spot business therefore is even lower than that in HOFEX. However, in terms of visitors' traffic and publicity, Food Expo attracted more local awareness and attention. Fair organizer is the Hong Kong Trade Development Council (fax: 852-824-0249).

3. ACCESS AND BARRIERS

An import license is required for the import of meat into Hong Kong and the importer has to apply in Hong Kong.

A health certificate, issued by the appropriate government authority, is required from the importer to certify that the meat is clean from infectious disease and in good condition for human consumption. Canadian meat exports can generally meet this standard.

There are no import tariff/duties or government health regulations governing the importation of foodstuffs into Hong Kong. However, for fresh or frozen meat and poultry parts, a health certificate issued by the appropriate authority of the exporting country is required to accompany shipments.

4. INDUSTRY STRUCTURE

High-class hotels and restaurants are appropriate institutions on which Canadians should concentrate their marketing efforts of beef. Other channels should also include Dah Chong Hong (DCH), one of the single largest importers of Canadian meat. The Canadian Embassy has more than 20 years working relationship with DCH which has demonstrated significant aggressiveness in promoting western frozen food into the local market. DCH's target market is similar to that of high quality meat and they now have more than 50 stores in Hong Kong. Penetration into the market can be made more easily if such network can be utilized.

DCH's contact is as follows:

Dah Chong Kong Limited
12/F., Hang Seng Bank Building
77 Des Voeux Road Central
Hong Kong
Tel: (852)846-8111
Fax: (852)845-0222
Contact: Mr. H.F. Chu, Director
Mr. Arthur Tsoi, Senior Manager, Provisions Dept.

Other beef importers include:

Euroasia Holdings Limited
Rooms 1101-3, 11/F.
The Leader Commercial Building
Tsimshatsui, Kowloon
Hong Kong
Tel: (852)366-9309
Fax: (852)721-5021
Contact: Mr. Peter Lee, Director

The Hong Kong Refrigerating Co. Ltd.
47-51 Kwai Fung Crescent
Kwai Chung, New Territories
Hong Kong
Tel: (852)494-2233
Fax: (852)489-8861
Contact: Mr. Michael R.A. Duck, Manager

Mingson Industries Ltd.
G/F., Kwai Tak Industrial Centre
Block 1
Kwai Chung, New Territories
Hong Kong
Tel: (852)428-1481
Fax: (852)480-4466
Contact: Mr. Andrew Lee, Managing Director

Associated Meat Distributors
2/F., Tung Lee Commercial Building
91-97 Jervois Street
Hong Kong
Tel: (852)545-5163
Fax: (852)543-4769
Contact: Mr. Norman Ng, Director

For Further Information Contact:

**Commission for Canada
G.P.O. 11142, Hong Kong
Tel: (011-852) 847-7414
Fax: (011-852) 847-7441
Contact: Mr. Colin Russel, Senior Trade Commissioner**

INDONESIA

1. GENERAL OVERVIEW

Indonesia is the fourth-most populous nation in the world with over 180 million people with a population growth of nearly 2% per annum. However, the market is not as vast as it may seem when viewed from the perspective of per capita consumption of imported food due to a low income per capita of the population (less than Cdn\$924). Yet, future prospects in this area are indeed promising given that development is progressing quite rapidly. Indonesia's agricultural and food products imports in 1991 were approximately Cdn\$1.6 billion. This amount represents nearly 5% of the country's total imports in 1991. A few Canadian food products such as meat, milk powder, and smoked salmon are imported to Indonesia, but they are not found in local supermarkets. These goods are normally imported for international hotels and dairy processing companies. Suppliers from various countries enjoy a favourable market situation for varying reasons such as proximity (e.g. Australia and New Zealand). On the contrary, Canada is not in a favourable market position in Indonesia for such reasons as less than favourable shipping rates due to the small amount of food shipped, and the fact that there are no direct flights between Canada and Indonesia. As a result, some Canadian companies have sold their food products to Indonesia via American firms. One of the Government of Indonesia's main priorities is tourism, and Indonesia must import some prime beef meat for the consumption of foreign visitors in international hotels and restaurants. As a result, importation of high quality beef meat has been on the uprise.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Total local bovine meat production (in 000 MT):

Year	1989	1990	1991	1992	1993
Volume	296	304	310	346	--

Indonesia has 737 cattle slaughterhouses.

Total cattle slaughtered:

1992 = over 237,250 head
1993 = over 284,700 head(*)

(*) estimated figures

ii) Prices at wholesale level for an equivalent of U.S. choice striploin.

1993 wholesale price of beef meat in Jakarta (per kg in Cdn\$):

	<u>Local</u> <u>Meat</u>	<u>Imported</u> <u>Meat (*)</u>
- tenderloin	6.16	17.86
- striploin/sirloin	5.54	16.67

(*) imported beef meat from New Zealand

Prices for imported beef meat from Australia or USA are approximately 5% to 7% higher.

iii) Types of cuts.

Types of cuts available: tenderloin, striploin, topside/silverside/inside/rump, bottom round, cube roll, brisket, chuck/blade, ribmeat boneless/bone-in, flank, shank.

iv) Government policies which impact significantly.

In 1990, the Government of Indonesia (GOI) sought to encourage the private sector to help local farmers to meet requirement of high quality meat by launching a fattening program. Eleven companies are already enlisted in this program and planned to import 67,100 head of cattle for 1990/1991. According to Canadian Embassy data, imports were only 17,048 head of cattle, mostly imported from New Zealand and Australia. Although the meat from this fattening program is slightly lower in quality when compared to imports, we believe it will continue to gain a better position against imported meat. Eventually this program strives to produce high quality meat for export to neighbouring countries.

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs.

Total meat consumption (TMC) and annual meat consumption per capita (AMCC) 1989 - 1992:

	TMC (in 000 tons)	Projected AMCC (in kgs)	AMCC (in kgs)
1989	973.10	5.69	5.80
1990	1,031.70	5.70	6.03
1991	1,105.20	5.99	6.27
1992	1,196.40	6.34	6.53
1993	--	--	6.70

ii) Self-sufficiency ratio.

29% in 1992.

iii) Brief description of consumer attitudes toward domestic and imported products.

80% of Indonesian population is Moslem - 50% live in rural areas and have no knowledge about meat quality - most of them prefer to have 'Halal' meat which is slaughtered locally and easy to find in every rural local market. Relatively few Indonesians, mostly from urban areas, are knowledgeable about meat, its quality, texture, and tenderness, etc. However, this urban based consumer group offers a market for imported beef which is growing in significance. As well, imported beef enjoys a certain "snob appeal", which means that wealthy consumers are willing to pay more for imported beef.

iv) Trends.

Indonesia is experiencing the rapid development of a middle class. This fact, combined with an increased tendency to shop in supermarkets, means that increasing amounts of imported beef are being consumed.

C. Country Beef Imports:

i) Total quantity and value of beef imports.

Total importation of bovine meat during 1992 (Jan.-Nov.'92):

	MT	Cdn\$(000)
Bovine bone-in fresh/chilled	28	100
Bovine boneless fresh/chilled	213	1,009
Bovine bone-in frozen	1,199	1,509
Bovine cuts boneless frozen	1,410	5,903
Bovine tongues, edible offal, frozen	7	24
Bovine livers, edible offal, frozen	6,311	6,675
Bovine edible offal, frozen nes	2,406	1,633

Total bovine meat import statistics (1989 - 1991):

	1989		1990		1991	
	Vol	Value	Vol	Value	Vol	Value
Bovine carcasses (& half) fresh/chilled	0.8	2,328	1.2	3,187	0.2	434
Bovine cuts bone-in, fresh/chilled	8.6	2,280	1.5	6,770	2.2	6,285
Bovine cuts boneless, fresh/chilled	306	1,482,755	560.1	2,456,226	618.3	1,264,523
Bovine carcasses (& half) frozen	15.2	137,592	--	--	10.8	96,690
Bovine cuts bone-in, frozen	25.2	184,623	28.3	67,323	72.9	332,240
Bovine cuts boneless, frozen	596.4	3,488,410	831.0	5,084,264	1,163.0	5,540,634

Note: - volume in MT
 - value in Cdn\$/CIF

ii) Imports from Canada, quantity and value; Canadian % share of market.

Data from Indonesia Central Bureau of Statistics show 1990 Indonesia imports from Canada as follows:

	Volume (kgs)	Value Cdn\$
Bovine cuts bone-in, fresh/chilled	38	2,146
Bovine cuts boneless, fresh/chilled	28	1,894
Bovine cuts boneless, frozen	5,000	33,524

Canada's modest imports represent less than a 0.5% market share. During 1993, 2 Canadian companies are listed as certified to export

"Halal" beef meat to Indonesia (volume/value undetected). Certification was provided by the Canadian Islamic Centre.

iii) Imports from major suppliers, quantity and value.

The majority of beef is imported from New Zealand, Australia, and USA.

iv) Promotional activities of competitors.

- ▶ cooking demonstration at supermarkets that use imported meat to introduce western food recipes
- ▶ food bazaars/festivals at hotels
- ▶ "Beef Week" with special prices for imported meat
- ▶ free testing campaign
- ▶ advertising in magazines

D. Country Exports:

i) Total exports by quantity and value.

1992 Indonesian exports of bovine meat: destination - Philippines.

	Volume (MT)	Value (Cdn\$000)
Bovine carcasses (&half), fresh/chilled	91	24
Bovine meat, cured	12	220

ii) Trends.

To satisfy the market demand for prime meat, the Government of Indonesia has, encouraged local farmers through the fattening programs. In the future, Indonesia may become relatively self-sufficient in high quality meat and may also be a meat exporting country to the ASEAN countries in this region. However, due to the perceived superiority of meat imported from the "west", opportunities will remain in this area.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

There has been increasing interest by Canadian companies in the Indonesian market as seen by the increasing volume of Canadian food exporters who have contacted the Canadian Embassy. Canadian food exporters are becoming aware that a strong local partner is necessary for success. These relationships take various forms, such as joint ventures, transfer of technology, reciprocal marketing arrangements, contract packing, third country participation, and cooperation under license. Canadian food exporters interested in this market should develop a well thought out strategic plan as follows:

- ▶ improve their knowledge of Indonesia. Indonesia is a country of more than 180 million people who live on about 14,000 islands with approximately 300 ethnic groups using more than 20 languages and dialects.
- ▶ provide training opportunities for Indonesian contacts. A tour of Canada is also recommended so that selected Indonesian contacts may visit Canadian food industries.
- ▶ undertake in-store food promotions including; posters, flags, pictures reflecting Canadian foods and culture. These will be displayed in the local supermarkets, hotels, restaurants, and other strategic locations.
- ▶ organize trade missions
- ▶ organize a Canadian food festival in one of the five-star hotels

These efforts should be followed with the intent of creating possible joint ventures or other beneficial strategic alliances. Of course, in order to succeed in these efforts, other factors are still important including; pricing policy, consumers' preference, and good quality products.

B. Major shows

- ▶ Packaging & Food Processing Indonesia, the 8th international packaging and food processing and materials show.
Date: November 16-20, 1993
Venue: JITC Kemayoran, Jakarta
Organizer: PT Pamerindo Buana Abadi
Bank Bumi Daya Plaza
Unit 2102, 21st Flr., JL. Imam Bonjol 61, Jakarta
Tel: 62-021-325-560
Fax: 62-021-331-223

- ▶ Indonesian Animal Husbandry Promotion Arena Exhibition (Aprosando)
Date: September 25-29, 1993
Venue: JITC Kemayoran, Jakarta
Organizer: Aprosando, JL. Gerbang Pemuda
- Taman Ria Remaja Senayan, Jakarta
Tel: 62-021-573-1767 - 740-1594
Fax: 62-021-510-785 - 573-2513
Chairman: Ms. Millyana Rani

4. ACCESS AND BARRIERS

- ▶ **Tariff:** import duty for meat is 30%. All imported food products to Indonesia must be registered with the Department of Health.

- ▶ **Quotas:** no quotas.

- ▶ **Labelling regulations:** labelling of food products is controlled by the government. Labels should be in either Bahasa Indonesia or English. Lettering should be large enough to be easily read. Names and addresses of producers/distributors or licensee should be included. For certain types of products, labels should also show date of expiration and method of storage. The word "Halal" is required for specific food products, such as meat, animal fat, and fisheries products. Halal food is defined as any kind of food not containing forbidden elements and processed according to Moslem religious laws. The word "Halal" should be written on the package to guarantee that Moslems are allowed to consume the respective products. Halal food manufacturers who put the word Halal on the package are held responsible for the substance and the process of the products and are required to report to the Ministry of Health describing the processing and composition of the material used.

► Packaging:

- must be original from country of origin and sealed
- date of slaughtering and veterinary control number should be stated
- statement of meat quality and its use should be included
- certified as Halal meat

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

Imported meat must be shipped directly from the country of origin to the port of entry in Indonesia and not unloaded in a transit country. Some exceptions occur with proper certification. Most imported meat is shipped by sea or airfreighted into Indonesia.

B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

Transportation from point of entry to consumer: refrigerated container trucks/box vans.

6. INDUSTRY STRUCTURE

A. *Domestic production facilities*

Domestic production facilities are located in the industrial zone area about 20 kms from seaport/airport.

B. *Storage/handling facilities*

Cold storage. Some importers keep their goods temporarily in refrigerated containers before distributing.

C. *Marketing Channels:*

i) *Standard importation and distribution channel(s) of product from point of entry to final buyer.*

From point of entry, importers bring the product to their cold storage or direct to hotels/supermarkets' cold storage facilities. Supermarkets will

then distribute to their chain stores.

ii) Any indications of changes in such patterns.

This pattern will change if the amount of imported goods reaches a certain amount. In this case, supermarkets will usually do their own importing.

D. List main industry contacts:

i) Government departments, agencies, government-regulated bodies involved in beef trade.

Directorate General of Livestock
JL. Salemba Raya 16, Jakarta
Tel: 62-021-331-859
Fax: 62-021-333-218
Contact: Mr. Soehadji Dr. Vet.

Directorate of Animal Health
JL. Salemba Raya 16, Jakarta
Tel: 62-021-332-979
Fax: 62-021-333-838

ii) Others.

Association of Indonesian Meat Importers (ASPIDI)

Stadion Pelita Jaya
JL. Raya Jagorawi, Lebak Bulus - Jakarta 12440
Tel: 62-021-750-2901, Ext. 250
Fax: 62-021-750-8311
Contacts: Ms. Barbara E. Wolff, Chairman
Mr. Ari Brotoleksono, Secretary

Membership List of Association of Indonesian Meat Importers:

PT ANDRAWINA PRAJASARANA
Jl. Ampera Raya no. 20
Jakarta.
Tel: 62-021 780 4750 - 780 0847
Contact: Mr. Ade Indra Sugondo

PT BOGA CATUR RATA
Jl. Bangka Raya 14
Jakarta Selatan
Tel: 62-021 799 7578 - 799 5394
Fax: 62-021 720 0151
Contact: Mr. Ari Broto Leksono

PT BUMI AYU MEAT SHOP
Jl. Duren Tiga no. 11
Jakarta Selatan
Tel: 62-021 799 5751 - 798 1368
Fax: 62-021 799 8488
Contact Ms. Magdalena

PT COLUMBIA
Wisma Harapan Fl. 6
Jl. Sudirman 34
Jakarta
Tel: 62-021 581 488 - 583 160
Fax: 62-021 570 3135
Contact: Ms. Frieda S. Nalapraya

P T E L E N A G R E A T
INTERNATIONAL
Jl. Buluh no 9.
Condet Raya, Jakarta Timur
Tel: 62-021 809 6777 - 809 6778
Fax: 62-021 809 0143
Contact: Ms. Lena Setyawati

FIRMA HASTA
Jl. Pasir Putih Raya Kav. 1
Ancol, Jakarta Utara
Tel: 62-021 682 008
Contact: Mr. Norman Chan

PT HERO MINI SUPERMARKET
Gedung Mustika Ratu
Jl. Gatot Subroto
Jakarta
Tel: 62-021 830 7431 - 830 6581
Contact: Mr. Benny Matekohi

PT INDOGUNA UTAMA
Jl. Taruna no. 8
Pondok Bambu, Klender
Jakarta Timur
Tel: 62-021 861 0550
Fax: 62-021 861 0542
Contact: Ms. Elizabeth Liman

PT KABUL LAKSANA
Kedoya Centre Blok A6
Jl. Kebon Baru IV no. 14A RT
004/09
Jakarta Selatan
Tel: 62-021 830 2595 - 830 7059
Contact: Ms. Helena Lenawati

PT LISTYO ADHIKA UTAMA
Jl. Raya Perjuangan no.1
Jakarta
Tel: 62-021 549 2329 - 549 2525
Fax: 62-021 549 2056
Contact: Mr. Ir. Hargianto L

PT L'OR INTOSERVE
Jl. Parangtritis no. 3
Ancol, Jakarta Utara
Tel: 62-021 690 9595 - 690 9596
Fax: 62-021 690 4134
Contact: Ms. Barbara E. Wolff

PT LIMA ASRI PERMANA
Jl. Lodan no. 2 Blok A-15
Jakarta Utara
Tel: 62-021 690 0201 - 679 799
Fax: 62-021 679 799
Contact: Mr. Moh. Indra
Singadipraja

PT MITRA SARANA PURNAMA
Gedung Mustika Ratu
Jl. Gatot Subroto
Jakarta
Tel: 62-021 830 6581 - 830 6589
Contact: Mr. Benny Matekohi

P T M A S U Y A G R A H A
TRIKENCANA
Jl. Gedong Panjang II no. 5 A-B
Jakarta Barat
Tel: 62-021 691 0138
Fax: 62-021 690 8668
Contact: Ms. Pinniwati

PT PURI MEGA SAKTI
Jl. Banjarmasin no. 1
Jakarta
Tel: 62-021 364 407 - 380 8698
Fax: 62-021 371 917
Contact: Mr. Hadi Setiawan

PT PANGANSARI UTAMA
Jl. RP Soeroso no. 50
Jakarta pusat
Tel: 62-021 390 9090 - 335 284
Fax: 62-021 336 615
Contact: Mr. Sumartono

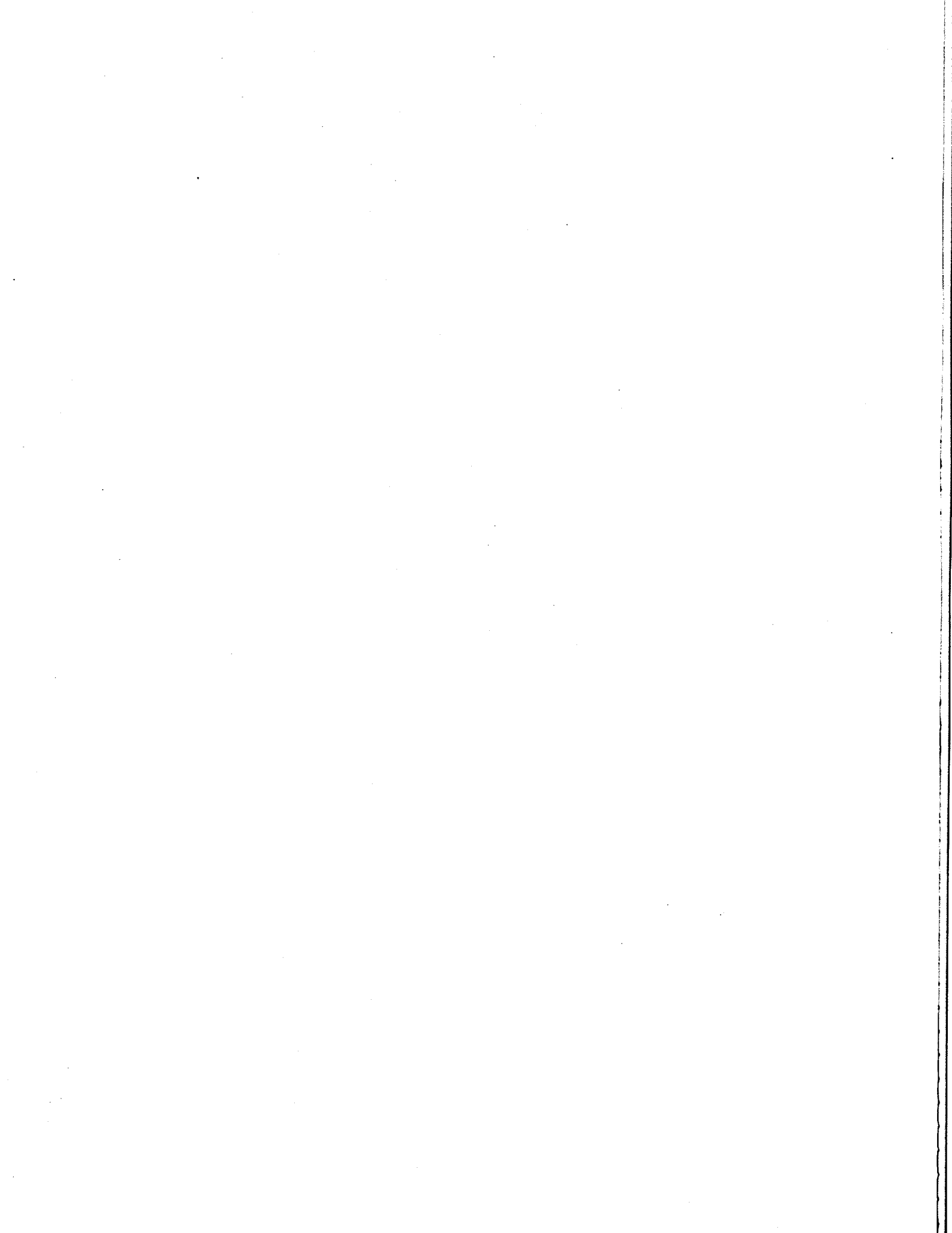
PT PRORATA BOGA INDONESIA
Jl. Danau Sunter Selatan Blok 05
Kav. 19
Sunter Agung Podomoro
Jakarta Utara
Tel: 62-021 854 1589 - 430 3563
Fax: 62-021 490 346
Contact: Mr. Herling Massi/Alex

PT TRISARI PERKASA DHARMA
Jl. MT Haryonon Kav. 7
Jakarta 12810
Tel: 62-021 829 8390
Telex: 48525 GELALEL IA
Contact: Mr. JD. Juwono, Ms. Tuti

PT SEGARA BUANA MANDIRI
Jl. Meruya Ilir Raya Blok AM/14-15
Jakarta Barat
Tel: 62-021 530 3743
Fax: 62-021 530 4988

For Further Information Contact:

Canadian Embassy
P.O. Box 1052/JKT
Jakarta 10110
Tel: (011-62-21) 510-709
Fax: (011-62-21) 571-2251
Contact: Tommy Ruslim,
Commercial Officer



JAPAN

1. GENERAL OVERVIEW

In recent years, the annual demand for beef in Japan has been approximately 1.1 million MT on a dressed carcass basis. Domestic production and imports are split roughly 50/50. Domestic production has been declining while imports have been increasing (1987/88 to 91/92). Australia and USA account for about 95% of the imported beef (the Australian share has declined from 56% to 52%, while the USA share has increased from 38% to 44%). The Canadian share has increased from .4% to .6% and may reach 1% in the near future.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Domestic production was 591,514 MT and the number of slaughtered cattle was 1,490,632 head in 1992.

ii) *Prices for an equivalent of U.S. choice striploin.*

The average carcass wholesale price for B-2/B-3 (medium) grades in 1992/93 was about Cdn\$ 8.35/kg (at an exchange rate ¥126/Cdn \$1.00). With respect to sirloin, the retail prices for 92/93 were: Japanese Wagyu approximately Cdn\$ 9.52/kg and Holstein steers \$4.84-\$5.40/kg.

iii) *Types of cuts.*

The types of cuts for retail market are chuck, brisket, sirloin, and round.

iv) *Government policies which impact significantly.*

Price support system:

- a) For half carcass - stabilization of upper and lower prices on half carcass (based on the law concerning the price stabilization of livestock products of 1961). For 93/94, the price levels per kg of half carcass was announced on March 31, 1993 with an upper

price of Cdn\$ 12.50 (at exchange rate ¥94/Cdn \$1.00), and a lower price of Cdn\$ 9.63.

- b) For beef cattle - production stabilization of beef cattle (based on Law No. 98 of 1988). For 93/94, the guaranteed standard prices are \$3,234 per head for Japanese black; \$2,979 for Japanese brown; \$2,245 for beef breeds other than Japanese black and brown, and \$1,745 for breeds other than beef breeds. Further, the Japanese government has also set rationalization target price levels for Japanese producers in an effort to improve their price competitiveness. Respective target prices for 93/94 are \$2,840 for Japanese black; \$2,617 for Japanese brown; \$1,840 for other beef breeds, and \$1,425 for other than beef breeds.
- c) Farm chemical residues inspection - to cope with the growing consumer concern over food safety of imported foodstuffs, the Ministry of Health and Welfare (MHW) has been conducting inspection on a routine basis. MHW also tightens its inspection procedures for about 3 months during the last quarter of each fiscal year by advising foreign missions of a monitoring period for livestock and poultry products (i.e. beef, pork, and broilers).

v) *Trends.*

The annual demand for beef in Japan is about 1.1 million MT on a carcass basis. The market size has steadily grown from about 880,000 to 1.1 million MT over the last 5 years (1987/88-91/92). Domestic production fluctuates in the range of about 550,000-580,000 MT, whereas imports have steadily grown from 320,000-530,000 MT. This is as a consequence of the beef liberalization which took place in Apr91. Beef was under an import quota system prior to liberalization. Australia and USA together account for about 95% of Japanese beef imports, of which the Australian share has been declining from 56% to 52% during the said period, while the USA share has grown from 38% to 44%. The Canadian share, although comparatively very small at this stage, is growing from .4% to .6% due to strong trade promotion efforts by Canada Beef Export Federation (CBEF) whose long-term target is to capture 10% of the Japanese beef imports by Year 2000. The long-term outlook for Japan's beef demand is 1.5-1.7 million MT on carcass basis by Year 2000, in which domestic production is forecasted at 790,000 MT (i.e. the implied outlook for import is 710,000-910,000 MT).

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs.

The annual consumption for 91/92 was approximately 1,083,000 MT on a carcass basis, with an annual per capita consumption of 6.2 kgs (in terms of net supply).

ii) Self-sufficiency ratio.

The self-sufficiency ratio was 53% in 91/92 (domestic production was about 575,000 MT and imports were 508,000 MT versus a total supply 1,083,000 MT).

iii) Brief description of consumer attitudes toward domestic and imported products.

Because domestic beef is marbled and very expensive, coupled with the fact that beef imports were liberalized in Apr91 in exchange for a prohibitive tariff scheme (70% for 91/92, 60% for 92/93, and 50% for 93/94 - Apr93-Mar94), beef has been regarded as an expensive food product that should be eaten once or twice a month.

Regarding imported livestock and poultry products, there have been some cases of discrepancies concerning farm chemicals authorized residue level, typically on broilers (from Brazil, PRC, etc.) and pork (Denmark, Taiwan, USA, etc.), which were taken up by the Japanese press. As a result, Japanese consumers tend to regard imported products as unsafe, which had negative implications on non-violators such as Canada.

iv) Trends.

The demand for beef has been growing. Japan's per capital beef consumption is still at a low level when compared to western nations, but it has none the less expanded from 5 kgs in 87/88 to 6.2 kgs in 91/92; forecasts show levels reaching 7.9-9.1 kgs by the Year 2000.

C. Country Beef Imports (on boneless basis and not including offals):

i) Total quantity and value of beef imports.

Total imports - Japan imported 408,202 MT of beef from 21 countries in 1992 at an import value of Cdn\$ 2,099 million (at exchange rate ¥126/Cdn \$1.00). Chilled beef imports accounted for 204,933 MT

(\$1,168), while frozen beef accounted for 203,268 MT (\$931). Out of the total imports, boneless beef accounted for 400,386 MT (98.1%) (i.e. remaining 7,815 MT (1.9%) was bone-in beef).

With respect to the boneless imports, chilled beef accounted for 201,859 MT and frozen 198,527 MT. Breaking the imports down by boneless cut: chuck/clod/round equalled 165,978 MT (41.5%), brisket/plate equalled 113,788 MT (28.4%), loin equalled 81,666 MT (20.4%), and other cuts equalled 38,954 MT (9.7%).

ii) *Imports from Canada, quantity and value; Canadian % share of market.*

Canadian Beef imports were 944 MT (Cdn\$ 5 million) in 1992, which represents 0.2% of the total Japanese beef imports both in quantity and dollar value, ranking Canada 4th/5th among the top 5 supplying countries (Australia, USA, New Zealand, Canada, and Vanuatu). Out of the 944 MT, boneless beef accounted for 919 MT (0.2% of Japanese boneless imports), and bone-in accounted for 25 MT (0.3%). The Canadian imports were made up of 791 MT of frozen beef (0.4% of Japanese frozen beef imports), and 152 MT of chilled beef (0.1% of Japanese chilled beef imports). Breaking the boneless (919 MT) Canadian imports down by cut: brisket/plate equalled 628 MT (or 0.6% of Japanese brisket/plate imports), loin equalled 199 MT (0.2%), chuck/clod/round equalled 87 MT (0.1%), and other cuts equalled 5 MT (0.01%).

iii) *Imports from major suppliers, quantity and value.*

Australia exported 214,322 MT of beef to Japan (valued at Cdn\$ 848 million), accounting for 52.5% of total Japanese imports, while the USA exported 182,868 MT of beef to Japan (valued at Cdn\$ 1,201 million and 44.8% of total Japanese imports), New Zealand exported 8,214 MT to Japan (valued at \$40 million, corresponding to 2% of Japan's beef imports), and Vanuatu 1,149 MT valued at \$3 million and representing 0.3% of Japan's beef imports.

Japan's top five beef suppliers altogether account for 99.8% of its beef import requirements in terms of quantity and value. While the import quantity coming from the USA is less than Australia, the import value of American beef is higher than that of Australia (due to a higher ratio of loin imports). This pattern also applies to Canada and Vanuatu, i.e. loins imports from Vanuatu 57 MT are about half of that of Canada.

iv) *Promotional activities of competitors.*

The U.S. Meat Export Federation (USMEF) has been deploying aggressive promotional efforts toward the hotel, restaurant and institutional (HRI) sectors in Japan as well as the household sectors, and they have gradually assumed a portion of Australia's share in this market. The USMEF is demonstrating a strong commitment to the Japanese beef market, especially after they opened an office in Osaka a few years ago. With respect to the HRI sector, USMEF has been continuing promotional activities, not only for hotels and restaurants, but also for meat purveyors and wholesalers. In the household sector, USMEF also continues strong campaigns for supermarket chains, coupled with various promotions targeted toward the Japanese consumers at large (i.e. hand-out of menu brochures, cooking contests, sponsoring or co-sponsoring sports events, etc.). (Note: Canadian Beef Export Federation CBEF has already been implementing such activities). The USMEF is effective in terms of image penetration of American beef with the Japanese consumers/trade. USMEF is properly combining their promotional efforts for their livestock and poultry meats, especially the former (i.e. beef and pork), under an overall umbrella of American livestock meat, which offers a wider variety of menu items for HRI sector.

Australian Meat and Livestock Corp. (AMLC) has also been continuing promotion activities, but they are losing market share to USMEF. As a result, they are putting more efforts on the household sectors via supermarkets. The Australian beef campaign is now an annual event at most supermarkets throughout the country.

The approximate annual budgets for USMEF and AMLC are \$55 million and \$30 million, respectively. In addition, the USA meat packers have 13 offices in Tokyo.

v) *Trends.*

The cattle inventory (number of cattle) of beef-type breeds (i.e. beef breeds plus Holstein steers) was 2,956,000 head as of Feb93. The number of farms raising beef-type breeds was 199,000 with an average of 14.9 head per farm.

Feed costs were registered at Cdn\$ 240.25 per 100 kgs for beef breeds, (mainly Japanese black/brown) and Cdn\$ 200.33 for Holstein steers in 1992. Total production costs were \$1,009.51 and \$518.83, respectively.

There is a major shift taking place in Japanese imports from bone-in beef to boneless due to a difficulty in securing skilled labour in Japan. A shift from frozen to chilled beef is another important trend. Looking at chilled versus frozen, Japanese imports show almost a split in total import quantity as mentioned above. However, imports from Canada for 1992 show that chilled was 152 MT or about 16% and frozen was 791 MT or about 84%.

vi) *Major importers, distributors and their organizations.*

Itochu Corp.
5-1 Kita-Aoyama 2-Chome, Minato-Ku
Tokyo 107
Fax: 03-3497-6112
Mr. A. Manabe, General Manager
Meat & Livestock Dept.

Japan Food Corp.
c/o Mita Nitto Dai Bldg.
3-11-36 Mita, Minato-ku, Tokyo 108
Fax: 03-5441-8513
Mr. S. Minouchi, Vice General Manager
Import Dept.

Kanematsu Corp.
c/o Seavans Bldg.
1-2-1 Shibaura, Minato-ku
Tokyo 105-05
Fax: 03-5440-6557
Tlx: 22333/4 KANEGO J
Mr. M. Okamoto, Manager
Meat Section No.2

Marubeni Corporatin
4-2 Ohtemachi 1-chome, Chiyoda-ku
Tokyo 100
Fax: 03-3282-4704
Mr. M. Tanaka, Manager
Livestock & Meat Section No.1

Meidiya Co. Ltd.
2-8 Kyobashi 2-chome
Chuo-ku, Tokyo 104
Fax: 03-3274-4890
Mr. T. Kohno, General Manager
Dairy & Livestock Dept.

Mitsubishi Corp.
3-1 Marunouchi 2-chome
Chiyoda-ku, Tokyo 100
Fax: 03-3210-6609
Mr. T. Nomaguchi, Manager
Beef Team, Livestock & Meat Dept.

Sumikin Bussan Kaisha Ltd.
1-30 Minami-Aoyama 3-chome
Minato-ku, Tokyo 107
Fax: 03-3478-9355
Tlx: 22810 ITOMAN J
Mr. F. Ishizeki, General Manager

Taiyo Bussan Co. Ltd.
c/o Shiga Bldg.
12-9 Kodemmacho, Nihonbashi
Chuo-ku, Tokyo 103
Fax: 03-3668-6430
Mr. A. Horii, Manager, Beef Team
Foodstuff Dept. I

Unicoop Japan
Co-op Bldg. 1-12, Uchikanda 1-chome
Chiyoda-ku, Tokyo 101
Fax: 03-3294-9470
Mr. K. Kosuga, General Manager
Meat & Livestock Section No.2

Zenchiku Co. Ltd.
5-7 Konan 2-chome, Minato-ku
Tokyo 108
Fax: 03-3458-0659
Tlx: 242-2950 ACLTOKJ
Mr. M. Katayama, General Manager
Import Dept.

Nissho Iwai Corp.
4-5 Akasaka 2-Chome
Minato-Ku, Tokyo 107
Fax: 03-3292-1746
Mr. Y. Uchida, Manager, First Section,
Livestock & Meat Dept.

Toshoku Ltd.
4-3 Nihonbashi, Muromachi 2-Chome
Chuo-Ku, Tokyo 103
Fax: 03-3245-2688
Mr. Y. Eto, Manager, Beef Group,
Perishable Goods Dept.

Tomen Corp.
C/O Kokusai Shin Akasaka Bldg. [West]
6-1-20 Akasaka, Minato-Ku, Tokyo 107
Fax: 03-3588-9931
Mr. N. Fujiwara, Manager, Section II,
Livestock & Meat Dept.

Nitchiku Co. Ltd.
1-6 Isobedori 4-Chome
Chuo-Ku, Kobe 651
Fax: 78-232-3627 or 3629
Mr. A. Miyazaki, general Manager, Sales
Dept.

Mitsui & Co. Ltd.
2-1 Ohtemachi 1-Chome,
Chiyoda-Ku, Tokyo 100
Fax: 03-3285-9566
Mr. K. Tamura, Deputy General Manager,
Livestock Team, Foods Div.

SC Prime Meat Corp.
1-69-1 Kanda Jinbo-Cho,
Chiyoda-Ku, Tokyo 101
Fax: 03-3292-1746
Mr. S. Hashimoto, General Manager, Raw
Materials Div.

Nichimen Co. Ltd.
13-1 Kyobashi 1-Chome
Chuo-Ku, Tokyo 104
Fax: 03-3277-8230 or 8231
Mr. A. Yumoto, Manager, Livestock
Products Section, Livestock & Meat Dept.

16-19 Ginza 7-Chome, Chuo-Ku,
Tokyo 104
Fax: 3-3545-0850
Mr. A. Noma, Manager, 1st Section,
Livestock & Meat Dept.

Okura & Co. Ltd.
3-6 Ginza 2-Chome
Chuo-Ku, Tokyo 104
Fax: 03-3566-2867
Mr. T. Sakamoto, 1st Livestock Products
Team, Livestock & Meat Dept.

Yuasa Trading Co. Ltd.
13-10 Nihonbashi, Ohenma-Cho
Chuo-Ku, Tokyo 103
Fax: 03-3665-6259
Mr. S. Yoshihara, Manager, Livestock
Products Section, Livestock * Meat Dept.

Daimaru Kogyo Ltd.
2-18-11 Kiba, Kohto-Ku, Tokyo 135
Fax: 03-3820-7089
Mr. T. Yamazaki, Manager, Livestock
Products Team, Agricultural & Marine
Products Dept.

Nichirei Corp.
6-19-20 Tsukiji, Chuo-Ku, Tokyo 104
Fax: 03-3248-2180
Mr. M. Sato, Manager, Livestock Products
Sales Section, Livestock Dept.

Nomura Trading Co. Ltd.
Shin Yaesu bldg., 2-1 Yaesu 2-Chome
Chuo-Ku, Tokyo 104
Fax: 03-3272-3778
Mr. K. Takema, General Manager,
Livestock & Meat Group

Shibamoto & co. Ltd.
1-1-12 Minato, Chuo-Ku, Tokyo 104
Fax: 03-3552-4877
Mr. Y. Suzuki, Manager, Livestock &
Meat Team, Food Products Dept.

The Daiei Inc.
C/O Daiei Hamamatsu-Cho Office Centre
2-4-1 Shiba Koen, Minato-Ku, Tokyo 105
Fax: 03-3433-9648
Mr. H. Yamaguchi, General Manager,
Commodities [Food Line] Div.

Smile International Corp.
C/O Sunshine Bldg. 3-1-1 Higashi
Ikebukuro, Toshima-Ku, Tokyo 107
Fax: 03-3987-2818
Mr. Y. Takahashi, dir/Gen Manager, Sales
Dept. I

Tokyu Trading Corp.
1-22-9 Dogenzaka, Shibuya-Ku, Tokyo 150
Fax: 03-3770-3365
Mr. S. Muramoto, Vice Manager, Sales
Dept. II

Marudai Food Co. Ltd.
21-3 Midori-Cho, Takatsuki-Shi,
Osaka 569
Fax: 726-61-2563
Mr. T. Miyazawa, Manager, Purchasing
Section II, Purchasing Div.

Fujita & Co. Ltd.
C/O Sumitomo Shimbashi Bldg,
1-8-3 Shimbashi, Minato-Chuo-Kuu,
Tokyo 105
Fax: 03-3574-1058
Ms. M. Iida, Manager - Meat, Oversea
Operations Dept.

Maruha Corp.
1-1-2 Ohtemachi, Chiyoda-Ku, Tokyo 100
Fax: 03-3216-0710
Mr. H. Miyabe, Manager, Livestock Meat
Section I, Livestock & Meat Dept.

Toho Bussan Kaisha Ltd.
C/O Nihon Seimei Shimbashi Bldg
1-18-16 Shimbashi, Minato-Ku, Tokyo 105
Fax: 03-3507-3316
Mr. T. Urata, Manager, Second Group,
Agricultural Products Dept.

Pacific Overseas Inc.
3-22-7 Higashi Ikebukuro, Toshima-Ku,
Tokyo 170
Fax: 03-3987-3773
Mr. T. Tsukada, Manager - Meat, Food
Products Dept.

Hoei & Co. Ltd.
C/O Makita Bldg, 2-5-8 Shiba Daimon
Minato-Ku, Tokyo 105
Fax: 03-3583-5322
Mr. K. Hosaka, General Manager, Sales
Dept.

Nihon Shiryō Co. Ltd.
C/O Azabudai Bldg, 2-2-1 Azabudai
Minato-Ku, Tokyo 106
Fax: 03-3583-5322
Mr. K. Ohe, Manager, Sales Section,
Sales Dept.

Teijin shoji Co. Ltd.
C/O No.1 Nurihiko Bldg., 2-9-2 Kyobashi
Chuo-Ku, Tokyo 104
Fax: 03-3535-5423
Mr. H. Nakajima, Commodities Purchasing
Dept. II

STC Inc.
C/O Kenryu Bldg, Kaigan-Dori 6
Chuo-Ku, Kobe 650
Fax: 78-392-0030
Ms. M. Norifune, Imports Dept.

Japan Beef Trade Association (JBTA) was traditionally a trade organization for beef, but as a result of the liberalization of beef imports that took place in Apr91, JBTA is now on the verge of merging with Japan Meat Traders Association (JMTA), which used to be a trade organization of meat other than beef and is now acting as a beef importer organization as well. A consolidated organization will be established by fall 1993 at the latest. Japanese distribution channels are complicated. Some companies act as an importer and distributor (i.e. Zenchiku).

Further, there are primary and secondary distributors depending on their dealing volume.

D. Country Exports:

i) Total exports, by quantity and value.

Total exports for 1992 were 45 MT or Cdn\$ 3.3 million. Major destinations were Hong Kong 18 MT or \$1.2 million, USA 6 MT or \$0.5 million, Russia 6 MT or \$0.4 million, Taiwan 5 MT or \$0.4 million, and Singapore 5 MT or \$0.4 million. There were no exports to Canada. Incidentally, annual Japanese export quantity ranges from 30-40 MT.

ii) Types of products exported.

Types of products exported are virtually all boneless beef with few carcasses and half carcasses. In the past Japanese beef exports were predominantly frozen beef, but now chilled and frozen are on a 50/50 basis (i.e. 24 MT of chilled and 21 MT of frozen beef). Unlike import records, there is no breakdown by meat cut.

iii) Government incentives/subsidies/credit programs for exporting.

No known incentives and subsidies exist.

iv) Trends.

Japanese beef production has been limited in quantity and its feature is a highly fat-marbled beef, thus beef has been an expensive food product. Using this as a weapon against lean inexpensive beef overseas, Japan has been exporting Japanese beef mainly to Japanese restaurants in offshore markets.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.

It is important to continue implementing effective promotion through better merchandising (i.e. portion cut beef and better quality, grain-fed aspect to make a difference from grass-fed Australian beef and barley-fed aspect to demonstrate a difference from corn-fed American beef, for which CBEF has already taken

action to date). Also it is important to take note of the recent increase in the chilled beef imports. (CBEF has already been taking action in this regard).

B. *Short to long-term potential for increased Canadian sales.*

The long term potential of the Japanese beef market is very encouraging, it is therefore important to continue promotional efforts for further penetration into this market, which CBEF has been deploying via niche marketing. It is essential to gradually expand promotion toward consumer sectors directly (i.e. retail outlets, because whether the usage is intended for HRI, household, or even processing sector, the end-user is still the Japanese consumers). CBEF is already set to take action vis-a-vis this direction as well.

C. *Major shows*

The major food exposition in Japan is "Foodex", which takes place in early March of every year. There are other pertinent exhibitions, but they are limited in scope, with little interest for the imported beef industry. Therefore, the Embassy and CBEF closely cooperate in conducting solo beef shows in Tokyo and other priority regional areas.

D. *Suggestions for generic/non-generic promotional activities, point of sale, and point of purchase promotional materials.*

The Canadian Embassy in Japan and CBEF conduct an annual Canadian Meat Week for Canadian trade as well as Japanese customers. It may be effective if Canadian beef or a meat version of Royal Winter Fair is available, but not necessarily every year.

Seminars should be scheduled on a periodic basis, and more importantly on a product/company special basis.

In-store promotion should continue as per existing Canada beef/food/meat fairs throughout Japan.

E. *Key points requiring address prior to achieving success in this market hurdles, barriers, steps required, etc.*

1. Consistent supply is of paramount importance in the Japanese market.
2. Capitalizing on Japan's diversification of supply sources.
3. Diverse marketing approach will be required. Some beef is marketed through importers, wholesalers (primary/secondary), and retailers for

household usage, but this is not always the case. Large retail outlets (supermarket chains), as an example, will make purchases directly from importers or even directly from meat packers abroad.

4. Consistent high quality.
5. Daily contact with the local trade in Japan on a firsthand basis is indispensable in terms of getting acquainted with key contacts in the trade, which is basic for being successful.
6. Promotional efforts should be tailored to Japanese requirements. For example, promotional materials should be prepared in Japanese and Japanese concerns about food safety should be addressed.

4. ACCESS AND BARRIERS:

- ▶ Tariffs - current 93/94 (Apr93-Mar94) tariff is 50% of CIF price. The tariff after Mar94 will be decided in due course.
- ▶ Levies - no levies and no other duties.
- ▶ Quota - no longer exist. Japan was under import quota system until Mar91.
- ▶ Quarantine measures/residue tolerances - domestic animal infectious disease control law. Food sanitation law. Farm chemicals residue tolerance (Japanese Ministry of Health and Welfare conducts routine inspection). Further, they implement a monitoring test (tightened inspection) during the fiscal year. At present, antibiotics and sulfonamides (tolerance level is zero, respectively, i.e. should not be detected) and pesticides (DDT 5 PPM, Dieldrin 0.2 PPM, and Heptachlor 0.2 PPM) are subject to said monitoring on beef.
- ▶ Labelling and packaging regulations - as provided for in the food sanitation law. (This applies mainly to processed products, not directly to beef, but i.e. corned beef).
- ▶ Environmental legislation - no known regulatory requirements exist at present because environmental aspect is fairly new to the regulatory authorities.
- ▶ Other non-tariff barriers - non-existent at present.

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

Shipments to this market are virtually all done by sea. Major companies are Nippon Yusen KK, Mitsui OSK Lines Ltd., Navix Line Ltd., and Kawasaki Kisen Kaisha Ltd.

B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

Virtually all done by truck. Major companies involved are Nippon Express Co. Ltd., Seino Transportation Co. Ltd., and others, such as Yamato Transport Co. Ltd.

6. INDUSTRY STRUCTURE

A. *Location of domestic production facilities and brief description.*

Domestic production areas are mainly in Kyushu (Kagoshima and Miyazaki prefectures) and northern Japan (Iwate and Miyagi prefectures for beef breeds) and predominantly in Hokkaido for beef type (dairy) breeds.

B. *Storage/handling facilities:*

Due to the nature of imported beef (i.e. chilled or frozen), cold storage is the main concern. Availability of these facilities compete sometimes with imported fishery products which have also been growing in recent years. Warehouses and in-bond storage are not a serious concern to the local trade.

With increasing interest in chilled beef and for food products in general (especially for retail outlets), marketing constraints exist in selecting the right partner(s) who own or have access to well-developed chilled-distribution network.

C. *Marketing Channels:*

i) *Standard importation and distribution channel(s) of product from point of entry to final buyer.*

Distribution chains are generally organized in one of the following ways: importers, meat processors, retailers, and consumers; importers,

wholesalers/commission merchants, HRI, and consumers; importers to large-scaled supermarkets.

ii) Any indications of changes in such patterns.

Curtailement of middle marketing channel is increasing (i.e. importers to large supermarkets). Large meat processors sometimes import by themselves.

iii) Implications for Canadian importers (new opportunities, niches).

It is expected that direct deals with meat packers/processors will increase from now on. In this case, Canadian packers could be able to meet large volume each time, which should also provide Canadian exporters with continued opportunities of consummating deals.

D. List main industry contacts:

i) Government departments, agencies, government-regulated bodies involved in beef trade.

Government departments:

- Ministry of Agriculture, Forestry and Fisheries (MAFF)
- Meat and Eggs Division, Livestock Industry Bureau (re demand/supply)
- Animal Health Division, LIB (animal quarantine stations are under the jurisdiction of this division)
- Veterinary Sanitation Division, Environmental Health Bureau (re farm chemicals residue)
- Food Sanitation Division, EHB (re food sanitation law)
- Livestock Industry Promotion Corp. (LIPC or LIPCO)
- Meat Department (re stabilization, upper and lower levels, price)

ii) Others.

Major industry organizations:

- Japan Beef Trade Association
- Japan Meat Traders Association (used to be a trade organization of other meat importers such as pork, horsemeat, broilers, etc. but since liberalization of beef imports, their member importers are engaged in beef import as well; this organization will be merging with the Japan Beef Trade Association)
- Japan Chain Stores Association (a trade organization of supermarket chains)
- Japan Foodservice Association (an organization of foodservice industry, typically fast-food chains and restaurants)
- Japan Ham and Sausage Processors Co-op association/Japan Meat Processors Association (an organization of ham and sausage manufacturers)
- National Federation of Meat Purveyors Co-op Association
- Japan Meat Conference (an umbrella organization of local meat trade)

For Further Information Contact:

Canadian Embassy
7-3-38 Akasaka
Minato-ku
Tokyo 107
Tel: (011-81-3) 3408-2101
Fax: (011-81-3) 3470-7280
Contact: Ezio DiEmanuele, Counsellor

Canadian Consulate General
P.O. Box 150
Osaka Minami 542-91
Tel: (011-81-6) 212-4910
Fax: (011-81-6) 212-4914

MALAYSIA

1. GENERAL OVERVIEW

Beef in Malaysia refers to the meat from cattle and buffaloes. The Malaysian population is very fond of beef. Even though the government has taken steps to encourage commercial farming, local production has only managed to contribute approximately 20% of the total beef requirement of 56,942 MT in 1991. Based on the consumption trend, the demand for beef is expected to increase, indicating that there are excellent opportunities for Canadians to supply premium grade beef and processed beef products to Malaysia.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Domestic beef production has been small, averaging 12,754 MT per annum since 1981 to 1991 as shown in Appendix 1 (at the end of this country profile). For the past 2 years (1991 and 1990), domestic production showed an average increase of approximately 3%, compared to an average increase of approximately 15% for imported beef per annum. For further details on domestic production and the number of slaughtered cattle, please refer to Appendix 1, 2, and 3.

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

For comparative purposes, please refer to Appendix 4. On average, wholesale price is approximately 25% cheaper than retail price.

iii) *Types of cuts.*

Available in various cuts as per Appendix 4.

iv) *Government policies which impact significantly.*

There are no direct price supports, production incentives, subsidies, nor marketing incentives provided by the government. However, there are indirect government policies that promote local production, namely through the extension services provided by the Department of Veterinary

Services (DVS). Some of the services offered are: improved feeding, husbandry, breeding, and veterinary health.

v) *Trends.*

It is estimated that there will be a steady increase of approximately 4% per annum in local production as follows:

1992 - 13,212 MT

1993 - 13,740 MT

B. Domestic Consumption:

Traditionally, the Bumiputras (i.e. ethnic Malays) are the major consumers of beef and account for about 90% of the national beef consumption. However, changing dietary habits, growing affluence among the population, and the exposure to western cuisine have made beef a common feature in the diet for a larger section of the society, despite the increasing average retail price of beef.

i) *Annual total, MT; annual per capita consumption, kgs.*

Annual beef consumption has increased from 32,973 MT in 1985 to 56,942 MT in 1991, representing an average annual rate of increase of approximately 10.4% as shown in Appendix 5. Over the same period, the estimated per capita consumption rose from 2.54 kgs per year in 1985 to 3.82 kgs per year in 1991 as per Appendix 5 and 6 in response to rising incomes and changing dietary practice.

ii) *Self-sufficiency ratio.*

Domestic beef production has not been able to keep pace with the increasing demand as indicated by Appendix 6 where the self-sufficiency ratio deteriorated from 59.16 in 1981 to 22.31 in 1991. As such, the prospects for imported beef, primarily from Canada, to enter this market in a bigger way look favourable.

iii) *Consumer attitudes toward domestic and imported products.*

Locals still prefer the fresh local beef, but the availability of high quality imported beef, at a competitive price, is an alternative.

iv) *Trends.*

There is a shift in the demand for high quality and premium cuts of beef, but price is the main deciding factor.

C. *Country Beef Imports:*

i) *Total of beef imports.*

Importation of frozen and chilled beef is an important source of supply of beef to meet the increasing total requirement. Appendix 1 shows that Malaysia imports rose from 7,590 MT in 1980 to 50,018 MT in 1991. It is estimated that the local demand for beef will increase to about 65,039 MT by the year 2000. The steep increase in imported beef is partly due to the public confidence in the "Halal" status of the imported beef, the gradual acceptance of imported frozen or chilled beef, and also a result of extensive promotion by beef suppliers.

It is reported that there are about 104 abattoirs and meat processing plants (in Australia, New Zealand, USA, Thailand, and India, to name a few) approved for the production of Halal beef for export to Malaysia.

ii) *Imports from Canada*

Imports from Canada are very small as there is only one Malaysian Government approved abattoir at the moment.

iii) *Imports from major suppliers*

India is the main beef supplier for domestic Malaysian consumption. Currently, India supplies almost 90% of beef imported into the country, because of a favourable exchange rate and the close proximity to Malaysia compared to the other beef exporting countries. The supply of meat from Australia has been on the decline, reportedly due to the high exchange rate and increased production costs. Last year, India accounted for about 45 million kgs of the total 48 million kgs of imported beef. This was followed by:

Australia	1.4 million kgs
New Zealand	0.89 million kgs
Argentina	0.52 million kgs
U.S.	0.22 million kgs
Holland	0.06 million kgs

The balance of about 0.10 million kgs came from Brazil, Canada, and Uruguay. For further details on imports of beef under various categories, kindly refer to Appendix 7.

Importation of Indian beef is generally to meet the lean beef requirement and is mainly used by the lower income group and meat processing sector to produce burgers, frankfurters, and other meat-based products. Imports of specialized cuts (from USA, New Zealand, Australia, and Canada) are mainly for the hotels, restaurants, supermarkets, and the middle and upper income groups. Indian beef is mostly derived from buffaloes.

Although Indian beef is said to be of poor quality, it is safe for human consumption. Officials from the Department of Veterinary Services of Malaysia conduct regular checks on all imported meat to ensure that the meat is processed and packed under hygienic conditions. The meat exported from India comes from government-run abattoirs approved by the Department of Veterinary Services Malaysia. A study carried out by Dr. Salam Babji, a food scientist at the University Kebangsaan Malaysia, entitled "Some Physico-Chemical Characteristics of Malaysian, Indian, and Australian Beef," showed no significant difference among the three, except for their price.

iv) Promotional activities of competitors.

Australia, USA, and New Zealand are aggressive in promoting their premium grade beef at major retail outlets, hotels, and restaurants. They have yearly food promotions where beef is one of the major food items.

D. Country Exports:

A very small amount of beef is exported to countries like Brunei, Singapore, Indonesia, and the Middle East where direct exports to some countries from the country of origin are not permissible because of policy matters (e.g. Indian beef cannot enter direct into the Middle East market as reported by the Department of Veterinary Services Malaysia). There are no beef exports to Canada from Malaysia.

i) Total exports by quantity and value.

Total exports and re-exports are as follows:

Year	Quantity (MT)	Value (RM) (millions)
1989	1,642	7.096
1990	4,430	19.610
1991	6,879	28.845

(1 Canadian \$ is approximately 2 Ringgit Malaysia).

ii) Types of products exported.

Imported beef is being repacked and re-exported.

iii) Government incentives/subsidies/credit programs for exporting.

None.

iv) Trends.

Exports are increasing with potential for processed and value-added beef products.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

Canada has not been able to capitalize on the excellent opportunities that exist since there is only one Malaysian Government approved Canadian abattoir at the moment.

B. *Short to long-term potential for increased Canadian sales.*

The emphasis should be on a long-term market development approach.

C. *Major shows*

Major shows are the International Halal Food Exhibition (INHAFEX), Hotel and Food Malaysia, and Canadian food promotions organized by the Canadian

Embassy. Information on upcoming food shows is available upon request.

D. *Key points requiring address prior to achieving success in this market hurdles, barriers, steps required, etc.*

Some of the key points are to:

- a) Inform relevant Canadian authorities/organizations on the export regulations and requirements set by the Malaysian government with regards to exports of beef and beef products to Malaysia.
- b) Inform Canadian beef producers/exporters on the market potentials and how to produce "Halal" beef for Malaysian market.
- c) Get Islamic organizations in Canada to act as consultants and certifier of "Halal" certificate.
- d) ensure Canadian companies should have sufficient financial resources to support the export plans, primarily advertising and promotion and a commitment to stay in the market.

4. ACCESS AND BARRIERS

Other than complying with the health requirements, another primary criterion is the "Halal" certification by approved Islamic bodies that are recognized by the Malaysia government. As of January 1, 1983 only "Halal" beef from approved abattoirs and processing plants are allowed to export beef to Malaysia.

The following permits/licenses are required with respect to import of beef into Malaysia:

- a) Veterinary Health Certificate
- b) "Halal" Certificate from approved Islamic organizations
- c) Import Permit

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

By air, land, and sea.

- B. Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

Trucks are used to move the products upon arrival at the port.

6. INDUSTRY STRUCTURE

- A. Domestic production facilities*

The domestic beef production is derived from the slaughter of local cattle and buffaloes. The dominant breeds are the Kedah Kelantan cattle (KK) and swamp buffaloes. Other animals offered for slaughter are the local Indian dairy (LID) and other cross-bred cattle.

Beef production tends to be concentrated in the northern states: Kedah, Perlis, Kelantan, and Trengganu. Together, these states account for approximately 50% (buffaloes) and 55% (cattle) of the total stock population in 1991 as shown in Appendix 4.

Traditionally, these animals are reared by small farmers (i.e. 1-5 head per farmer) and this source accounts for more than 90% of the local beef production. These animals are kept more as a form of savings and additional income rather than producing beef per se.

The system of management has gradually changed and the cattle owners are now being guided to regard their cattle-owning activity as beef-producing enterprise, regardless of the size. Over the years, several mini feedlots and large farms have been developed. Among the operators of these farms are the Department of Veterinary Services (DVS), Malaysia Agriculture Research and Development Institute (MARDI), University Pertanian Malaysia (UPM), and the private sectors (e.g. Kumpulan Guthrie, Fime Tlp Feedlot, Pahangbif Sdn Bhd, etc.).

There are 9 main abattoirs in west Malaysia, where 8 are administered by DVS. There are other small slaughterhouses run by the local councils in smaller towns. Slaughtering at these slaughterhouses is geared to serve the warm meat requirements sold through the daily wet markets, and some is marketed in some supermarkets in the city.

- B. Storage/handling facilities:*

There are adequate storage facilities and there are no obstacles for Canadian exporters.

C. Marketing Channels:

See Appendix 8 and 9.

D. Main industry contacts:

i) Government departments, agencies, government-regulated bodies involved in beef trade.

The Department of Veterinary Services (DVS)
Ministry of Agriculture
8 & 9 Flr., Exchange Square, Off Jalan Semantan
Bukit Damansara, 50630
Kuala Lumpur
Tel: (03)254-0077
Fax: (03)254-0092
Contact:
Dato' Dr. Ahmad Mustaffa Bin HJ. Babjee, Director General

DVS is an important arm of the Ministry of Agriculture and is responsible for national livestock development and animal-based industries, animal health and veterinary public health.

ii) Others.

Association of Beef Importers Malaysia
Contact: The Secretary, Dr. R. Santirakesu
356-C, 3-1/2 Mile Jalan Ipoh, 51200
Kuala Lumpur
Tel: (03)443-9399
Fax: (03)443-6399

This is a newly set up organization to represent beef importers.

7. OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS

It is believed that there is a considerable potential for Canadian beef in this market. In addition to supplying premium grade quality beef (processed and unprocessed), there is potential for the export of Canadian technology, packaging, and processing equipment related to this industry. It is difficult to promote Canadian beef in Malaysia in a bigger way when there is only one approved abattoir in Canada at the moment. Only relatively few abattoirs in Canada (mostly small and medium-sized companies) appear interested

in producing "Halal" beef for the Malaysian market compared to other beef exporting countries. Canadian companies need to improve their knowledge on how to produce Halal beef in accordance with the standards set by the Malaysian government.

It is suggested that in order to capture a bigger share of the Malaysian beef market and the region in general, the relevant authorities and Islamic organizations in Canada should meet with the Malaysian authorities. The purpose would be to have an understanding of the "Halal" requirement, Malaysia's veterinary health standard, and to assess the prospects of the Malaysian beef industry.

MALAYSIA : APPENDIX 1

BEEF SUPPLIES 1973 - 1991

(in MT)

<u>Year</u>	<u>Local Production</u>		<u>Total</u>	<u>Imports</u>	<u>Total Supply</u>
	<u>Cattle</u>	<u>Buffalo</u>			
1973	6,296	5,824	12,120	1,148	13,268
1974	6,900	8,010	14,910	1,771	16,681
1975	6,223	6,501	12,724	3,672	16,396
1976	6,542	6,728	13,270	4,947	18,217
1977	5,830	6,614	12,444	7,350	19,794
1978	6,038	6,915	12,953	11,963	24,916
1979	6,833	5,699	12,532	10,465	22,997
1980	7,387	5,626	13,013	7,590	20,603
1981	6,329	5,819	12,148	10,337	22,485
1982	7,973	5,686	13,659	10,165	23,824
1983	8,228	5,047	13,275	14,289	27,564
1984	8,439	4,686	13,125	20,440	33,565
1985	8,114	4,306	12,420	23,713	36,133
1986	8,895	3,413	12,308	19,689	31,997
1987	9,432	3,668	13,100	24,199	37,299
1988	9,590	3,897	13,487	27,333	40,820
1989	8,314	3,510	11,824	37,795	49,619
1990	9,016	3,228	12,244	42,370	54,614
1991	9,046	3,658	12,704	50,018	62,722

Sources: Department of Veterinary Services
Department of Statistics

MALAYSIA : APPENDIX 2

NUMBER OF RECORDED SLAUGHTER BY STATES IN 1991

<u>States</u>	<u>Buffaloes</u>	<u>Cattle</u>
Perlis	136	2,852
Kedah	2,388	5,549
Penang	813	4,161
Perak	1,667	5,674
Selangor	294	11,694
W. Persekutuan	n/a	n/a
N. Sembilan	2,118	3,218
Melaka	902	4,594
Johor	524	8,804
Pahang	3,105	5,449
Terengganu	1,496	5,285
Kelantan	3,360	15,454
Total	16,803	72,734

NUMBER OF RECORDED SLAUGHTER FROM 1988 - 1993

<u>Year</u>	<u>Buffaloes</u>	<u>Cattle</u>
1988	18,281	70,319
1989	16,382	63,632
1990	15,091	69,174
1991	16,803	72,734
1992	16,615	80,174
1993*	18,277	88,191

Note: * estimates

Source: Department of Veterinary Services

MALAYSIA : APPENDIX 3

BUFFALOES AND CATTLE POPULATION BY STATES IN 1991

<u>States</u>	<u>Buffaloes</u>	<u>Cattle</u>
Perlis	496	10,981
Kedah	30,406	102,503
Penang	317	13,187
Perak	18,789	43,377
Selangor	1,476	25,589
W. Persekutuan	32	674
N. Sembilan	10,304	37,122
Melaka	9,999	26,287
Johor	3,310	49,871
Pahang	19,817	93,061
Terengganu	16,163	72,771
Kelantan	17,371	162,240
Total 1991	127,850	637,663

CATTLE AND BUFFALOES POPULATION FROM 1988 - 1993

<u>Year</u>	<u>Buffaloes</u>	<u>Cattle</u>
1988	139,674	586,408
1989	135,260	607,414
1990	129,517	614,498
1991	127,850	637,663

Source: Department of Veterinary Services

MALAYSIA : APPENDIX 4

Ringgit Malaysia (RM)/100 gm

<u>Types of Cuts</u>	<u>Local</u>	<u>Aust.</u>	<u>Indian</u>	<u>U.S.</u>
Striploin	3.7	3.9	n/a	n/a
Topside slice	3.0	3.2	n/a	n/a
Topside block	3.0	3.2	0.88	n/a
Ribeye slice	n/a	4.0	n/a	n/a
Minced beef	1.69	n/a	0.88	n/a

N/A - not available

Survey conducted at: A) Kerry's Supermarket
 B) Hankyu Jaya Supermarket

MALAYSIA : APPENDIX 5

ACTUAL CONSUMPTION OF BEEF FROM 1985 - 1991

(in MT)

<u>Year</u>	<u>Quantity</u>
1985	32,973
1987	31,24-
1988	34,-81
1989	30,945
1989	48,594
1990	50,874
1991	56,942

Source: Department of Veterinary Services

MALAYSIA : APPENDIX 6

SELF-SUFFICIENCY RATIO AND CONSUMPTION PER CAPITA FOR BEEF,
1981 - 1991

Year	Self-Sufficiency Ratio (SSR)	Consumption Per Capita (kgs)
1981	59.16	1.75
1982	55.80	2.04
1983	54.95	1.96
1984	44.15	2.36
1985	37.67	2.54
1986	39.40	2.35
1987	36.29	2.51
1988	33.85	2.86
1989	24.33	3.41
1990	24.07	3.49
1991	22.31	3.82

Source: Department of Veterinary Services

MALAYSIA : APPENDIX 7

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code SITC/HS	Description of Commodity and Country / Unit of Quantity	JAN - DEC 1991	
		Quantity	Value \$ CIF
	Portugal	250.00	1167
	Singapore, Republic of	793.00	24261
	Taiwan	2015.00	13611
	Tanzani, United Rep. of	2653.00	191752
	Thailand	20427.00	114080
	United Kingdom	168.00	23184
	United States of America	501.00	39671
	Vietnam, Socialist Rep. of	3158.00	12715
001-900-911	Item Total	149595.00	1281516
001-900-919	Other Live Animals for Zoos and Pets		

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code SITC/HS	Description of Commodity and Country / Unit of Quantity	JAN - DEC 1991	
		Quantity	Value \$ CIF
0106.00.919	Numbers		
	Australia	675.00	142360
	Botswana	1.00	2576
	Brunsi Darussalam	2.00	1229
	China, People's Republic of	5475.00	24073
	Denmark	4.00	5519
	Germany, Federal Republic of	17.00	24553
	Greece	4.00	6875
	Hong Kong	828.00	12557
	India	5.00	5824
	Indonesia, Republic of	1.00	563
	Ireland	10.00	3410
	Japan	8.00	23277
	Mauritius	432.00	27476
	New Zealand	44.00	58282
	Norway	2.00	1224
	Papua New Guinea	417.00	2956
	Philippines	17.00	1617
	Portugal	3.00	4655
	Saudi Arabia	2.00	7317
	Seychelles	10.00	15444
	Singapore, Republic of	332.00	17902
	Solomon Islands	2240.00	10793
	Sweden	1.00	1436
	Taiwan	52.00	72132
	Thailand	9585.00	16576
	United Kingdom	179.00	89797
	United States of America	200.00	94987
	Vietnam, Socialist Rep. of	106.00	508
001-900-919	Item Total	20652.00	675918
0106.00.990	Numbers		
	Australia	736.00	187748
	Canada	2.00	1733
	France	72.00	639
	Germany, Federal Republic of	1.00	1824
	Hong Kong	2148.00	26840
	Indonesia, Republic of	6367.00	204522
	Japan	11.00	7669
	New Zealand	2016.00	2025530
	Papua New Guinea	2.00	551
	Singapore, Republic of	343.00	8402
	Taiwan	3.00	7202
	Thailand	120.00	600
	Turkey	4.00	4417
	United Kingdom	141.00	69652
	United States of America	271.00	260763

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code	Description of Commodity and Country / Unit of	JAN - DEC 1991	
SITC/HS	Quantity	Quantity	Value \$ CIF
001-900-990	Item Total	12237.00	2808292
001-9	Subgroup Total		4818164
001	Group Total		71452656
00	Division Total	71452656	
011-111-000	Carcasses of Bovine Animals, Fresh or Chilled		
0201.10.000	Kilogram		
	Australia	4668.60	45584
	China, People's Republic of	720.00	10770
011-111-000	Item Total	5388.60	56354
011-112-000	Cuts Bovine Animals With Bone In, Fresh or Chilled		
0201.20.000	Kilogram		
	Australia	16002.70	111438
	Canada	4550.00	32513
	India	913227.18	3292139
	New Zealand	3545.85	73693
	Singapore, Republic of	100.00	1200
	United States of America	513.90	19214
011-112-000	Item Total	937939.63	3530197
011-120-000	Bovine Animals Boneless, Fresh or Chilled		
0201.30.000	Kilogram		
	Australia	143247.76	2098390
	India	317282.00	1202370
	New Zealand	107551.07	2573013
	Thailand	156.00	1300
	United States of America	1728.65	74240
011-120-000	Item Total	569965.48	5949313
011-1	Subgroup Total		9535864
011-211-000	Carcasses of Bovine Animals, Frozen		
0202.10.000	Kilogram		
	Australia	1048.60	10628
	United States of America	437.26	824
011-211-000	Item Total	1485.86	11452
011-212-000	Cuts Bovine Animals with Bone In, Frozen		

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code	Description of Commodity and Country / Unit of	JAN - DEC 1991	
SITC/HS	Quantity	Quantity	Value \$ CIF
0202.20.000	Kilogram		
	Australia	845328.87	4432230
	China, People's Republic of	520.00	6240
	India	2365438.40	7498115
	Japan	3649.95	13980
	Netherlands	516.90	16702
	New Zealand	378841.19	2900090
	Thailand	890.00	5382
	United Kingdom	14141.00	92700
	United States of America	114566.09	1690507
011-221-000	Bovine Animals Boneless, Frozen		
0202.30.000	Kilogram		
	Argentina	501608.00	3067223
	Australia	3041050.95	22894317
	Brazil	28000.00	208146
	Canada	2310.50	45047
	India	38687764.50	127683052
	Netherlands	30056.47	944488
	New Zealand	943215.05	12774741
	United States of America	275169.80	5490478
	Uruguay	45528.00	272131
011-221-000	Item Total	43554703.27	173379623
011-2	Subgroup Total	Meat of Bovine Animals, Frozen	190047021
011	Group Total	Meat of Bovine Animals, Fresh, Chilled or Frozen	
012-111-000	Carcasses of Sheep, Goats or Lamb, Fresh or Chilled		
0204.10.000	Kilogram		
	New Zealand	15933.00	60118
	Taiwan	1741.00	10044
012-111-000	Item Total	17674.00	70162
012-112-000	Carcasses of Sheep, Fresh or Chilled		
0204.21.000	Kilogram		
	Australia	12902.50	48374
	New Zealand	61604.00	355891
012-112-000	Item Total	74506.50	404265
012-351-190	Chicken Cuts, Frozen		

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code SITC/HS	Description of Commodity and Country / Unit of Quantity	JAN - DEC 1991	
		Quantity	Value \$ CIF
0207.41.190	Kilogram		
	Denmark	8454.86	45985
	Japan	403.46	6052
	Netherlands	4090.00	17467
	Singapore, Republic of	4800.00	24863
	Thailand	500.00	3792
	United States of America	351766.00	1412366
012-351-190	Item Total	370014.32	1510525
012-351-200	Offals Other Than Livers of Fowls of the Species Sallus Domesticus, Frozen		
0207.41.200	Kilogram		
	Denmark	930.00	3877
	United States of America	272.17	1301
012-351-200	Item Total	1202.17	5178
012-352-000	Turkey Cuts and Offals Other Than Livers, Frozen		
0207.42.000	Kilogram		
	United States of America	61611.38	585795
012-352-000	Item Total	61611.38	585795
012-353-000	Ducks, Geese or Guinea Fowls Cuts and Offals Other Than Livers, Frozen		
0207.43.000	Kilogram		
	France	43.00	865
	Thailand	150.00	988
	United States of America	41642.51	72118
012-353-000	Item Total	41835.51	73971
012-360-000	Poultry Livers, Frozen		
0207.50.000	Kilogram		
	Denmark	1226.20	8097
	Japan	700.00	3500
	United States of America	2332.73	15403
012-360-000	Item Total	4258.93	27000
012-3 Subgroup Total	Meat and Edible Offal of Poultry, Chilled or Frozen		7674477
012-400-000	Meat of Horses, Asses, Mules or Hinnies, Fresh or Chilled		

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code SITC/HS	Description of Commodity and Country / Unit of Quantity	JAN - DEC 1991	
		Quantity	Value \$ CIF
0205.00.000	Kilogram		
	Germany, Federal Republic of	190.00	1711
012-400-000	Item Total	190.00	1711
012-4	Subgroup Total		1711
012-511-000	Meat of Horses, Asses, Mules or Hinnies Fresh, Chilled or Frozen		
012-511-000	Edible Offal of Bovine Animals, Fresh or Chilled		
0206.10.000	Kilogram		
	Australia	800.10	1959
	Denmark	15011.00	63400
	United States of America	71441.00	224420
012-511-000	Item Total	87252.10	289779
012-521-000	Tongues of Bovine Animals, Frozen		
0206.21.000	Kilogram		
	Australia	17741.28	106224
	New Zealand	723.30	7089
012-521-000	Item Total	18464.58	113313
012-522-000	Liver of Bovine Animals, Frozen		
0206.22.000	Kilogram		
	Australia	1321252.05	3437045
	Canada	92125.30	275707
	Denmark	2500.00	4650
	India	27801.60	73324
	Netherlands	25.00	740
	New Zealand	401248.80	1121743
	United States of America	370805.41	1028404
012-522-000	Item Total	2215758.16	5941613
012-529-000	Other Offals of Bovine Animals, Frozen		
0206.29.000	Kilogram		
	Australia	1376418.91	5172098
	Canada	117429.39	469827
	China, People's Republic of	26216.00	83037
	Denmark	1000.00	1620
	India	6039.90	22144
	Japan	8583.50	18775
	Netherlands	110945.80	352681
	New Zealand	568651.74	2121048
	United Kingdom	28869.50	97157
	United States of America	20900.56	65019

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code	Description of Commodity and Country / Unit of	JAN - DEC 1991	
SITC/HS	Quantity	Quantity	Value \$ CIF
012-529-000	Item Total	2265055.30	8403406
012-541-000	Liver of Swine, Frozen		
0206.41.000	Kilogram		
	Australia	24493.60	50929
	China, People's Republic of	1000.00	2033
	Denmark	800.00	2112
012-541-000	Item Total	26293.60	55074
012-545-000	Other Offals of Swine, Frozen		
0206.49.000	Kilogram		
	Australia	41312.80	129664
	Canada	7200.00	39949
	Denmark	44229.76	149509
	Germany, Federal Republic of	10266.90	51257
	Netherlands	4223.98	12999
	Sweden	1920.00	6173
	Thailand	650.00	1360
	United Kingdom	13842.00	53026
	United States of America	125001.16	304093
012-549-000	Item Total	248646.60	748030
012-550-000	Edible Offals of Sheep, Goats, Horses, Asses, Mules or Hinnies, Fresh or Frozen		
0206.80.000	Kilogram		
	Australia	354.50	3839
012-550-000	Item Total	354.50	3839
012-560-000	Edible Offals of Sheep, Goats, Horses, Asses, Mules or Hinnies, Frozen		
0206.90.000	Kilogram		
	Australia	1338.70	3625
	Netherlands	2294.28	87821
	New Zealand	4825.00	32416
	Singapore, Republic of	2776.99	3243
	United States of America	163.29	662
012-560-000	Item Total	11398.26	127767
012-5 Subgroup Total	Edible Offals of Bovine Animals, Fresh, Chilled or Frozen		15682821
016-110-900	Shoulder and Cut Thereof of Swine with Bone In Salted, in Brine, Dried or Smoked		

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code SITC/HS	Description of Commodity and Country / Unit of Quantity	JAN - DEC 1991	
		Quantity	Value \$ CIF
0210.11.900	Kilogram		
	China, People's Republic of	1350.00	1125
	Denmark	192.24	1896
	Singapore, Republic of	283.40	2203
016-110-900	Item Total	1825.64	5224
016-190-100	Bacon Salted in Brine, Dried or Smoked		
0210.19.100	Kilogram		
	Denmark	4842.00	43606
	Germany, Federal Republic of	565.20	5628
	Netherlands	200.00	1763
	Singapore, Republic of	144.00	3193
	United States of America	516.00	6548
016-190-100	Item Total	6267.20	60738
016-190-200	Salted Pork		
0210.19.200	Kilogram		
	China, People's Republic of	18044.90	128645
	Hong Kong	820.00	1435
016-190-200	Item Total	18864.90	130080
016-190-900	Other Meat of Swine, Salted, in Brine, Dried or Smoked		
0210.19.900	Kilogram		
	China, People's Republic of	8301.00	7454
	Denmark	4800.00	16163
	Hong Kong	648.85	3820
	Japan	228.50	2937
	United States of America	2176.56	8400
016-190-900	Item Total	16154.91	38774
016-1	Subgroup Total		376953
016-810-100	Beef and Veal, Salted, in Brine, Dried or Smoked		
0210.20.100	Kilogram		
	China, People's Republic of	540.00	3900
016-810-100	Item Total	540.00	3900
016-810-900	Other Meat of Bovine Animals, Salted in Brine, Dried or Smoked		

MALAYSIA
IMPORTS OF MERCHANDISE: ITEM BY COUNTRY

Commodity Code SITC/HS	Description of Commodity and Country / Unit of Quantity	JAN - DEC 1991	
		Quantity	Value \$ CIF
0210.20.900	Kilogram		
	New Zealand	918.90	29505
	Singapore, Republic of	1138.00	14156
	Switzerland	110.00	990
016-810-900	Item Total	2166.90	44651
016-890-900	Other Edible Flours and Meals of Meat or Meat Offals, Salted, in Brine, Dried or Smoked		
0210.90.900	Kilogram		
	Canada	600.00	1358
	China, People's Republic of	699.80	17930
	Denmark	3840.00	15008
	Hong Kong	1891.00	26592
	India	302.00	6038
	New Zealand	9.00	848
	Thailand	255.00	4337
	United States of America	2607.53	17603
016-890-900	Item Total	10204.33	89714

MALAYSIA : APPENDIX 8

LIST OF MEAT IMPORTERS

Atlastic (M) Sdn. Bhd.
7, Jalan Lumu
Kawasan MIEL
Pandamaram Industrial Estate
42000 Port Klang
Tel: (03)368-6779/1485
Fax: (03)368-1486

Ampang Mini Market
387, 6.5 Km., Jalan Ampang
50450 Kuala Lumpur
Tel: (03)456-5976
Fax: (03)457-6885

Beng Frozen Food Co.
Lot B., Subang Coldroom
Lot 1, Jalan SS 13/2
Subang Jaya
47500 Petaling Jaya
Tel: (03)734-5479
Fax: (03)734-1829

Enterprise Melayu Utara (M) Sdn. Bhd.
51, Lorong Rahim Kajai 13
Taman Tun Dr. Ismail
Kuala Lumpur
Tel: (03)719-9379
Fax: (03)719-4024

Fong Kum Kuan Sdn. Bhd.
No. 1, Jalan SS 13/6B
Off Jalan SS 13/6
47500 Petaling Jaya
Tel: (03)733-4733
Fax: (03)733-5219

Golden Arches Restaurant Sdn. Bhd.
20th Floor, Menara Kewangan
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (03)230-5577
Fax: (03)238-3967

Inter Fresh Meat Centre Sdn. Bhd.
Rumah Sembelih, Jabatan Perkhidmatan
Haiwan
Jalan Utas
40000 Shah Alam
Tel: (03)559-8160
Fax: (03)559-8164

Lee Frozen Food Sdn. Bhd.
82, Jalan Rotan
Off Jalan Kampong Attap
50460 Kuala Lumpur
Tel: (03)232-5545
Fax: (03)230-2830

Lucky Trading & Co.
No.8 & 10, Jalan Baba
Off Jalan Pudu
55100 Kuala Lumpur
Tel: (03)248-2434
Fax: (03)241-2336

Malayan Refrigerating Sdn. Bhd.
Lot 1025, Jalan Dua, Selayang Baru
68100 Batu Caves
Tel: (03)618-8098
Fax: (03)618-9533

Mark Aids Sdn. Bhd.
Lot 6, Lorong 19/1A
46300 Ptealing Jaya
Tel: (03)757-9733
Fax: (03)757-9722

Ng Kee Cold Storage Sdn. Bhd.
Lot 729, Jalan Sungei Rasa
Padang Jawa
41300 Klang
Tel: (03)559-1500
Fax: (03)550-9693

Pemasaran Burger Ramly Mokni Sdn. Bhd.
Wisma Sarani
Lorong Raja Bot
Off Jalan Raja Alang
50300 Kuala Lumpur
Tel: (03)291-8952
Fax: (03)291-4229

Pok Brothers Sdn. Bhd.
12, Jalan Tukul 16/5
40000 Shah Alam
Tel: (03)550-5030
Fax: (03)550-5680

S.H. Sany Sdn. Bhd.
No. 15-16, Taman Kok Doh
51200 Segambut
Tel: (03)626-9682
Fax: (03)621-9754

Shuib Sdn. Bhd.
19-A, Jalan Pinggir
Off Jalan Ipoh
51200 Kuala Lumpur
Tel: (03)442-5489
Fax: (03)441-5764

Tee Siang Sdn. Bhd.
92, Jalan Sultan Abdul Samad
50470 Kuala Lumpur
Tel: (03)274-1584
Fax: (03)274-0478

Twin Phoenix Sdn. Bhd.
No.1, Jalan SS 13/6B
Subang Jaya
47500 Petaling Jaya
Tel: (03)733-4733
Fax: (03)733-5219

Yeo Hiap Seng (M) Sdn. Bhd.
No.7, Jalan Tandang
46000 Petaling Jaya
Tel: (03)791-3733
Fax: (03)791-3509

MALAYSIA : APPENDIX 9

MEAT PROCESSORS AND CANNERS

Yeo Hiap Seng
7, Jalan Tandang
46000 Petaling Jaya
Tel: (03)791-3733
Fax: (03)791-3509

Syarikat Sri Purnama
89, Jalan Alor Setar
Off Jalan Kapar
41400 Kelang
Selangor Darul Ehsan
Tel: (03)341-1977
Fax: (03)342-2703

Pemasaran Burger Ramly Mokni Sdn. Bhd.
Wisma Sarani
Lorong Raja Bot
Off Jalan Raja Alang
50300 Kuala Lumpur
Tel: (03)291-8952
Fax: (03)291-4229

Shuib Sdn. Bhd.
No. 19-A, Jalan Pinggir
Off Jalan Ipoh
51200 Kuala Lumpur
Tel: (03)442-5489
Fax: (03)441-5764

KFC Food Processing Sdn. Bhd.
15th & 18th Flr., MUI Plaza
Jalan P. Ramlee
50250 Kuala Lumpur
Tel: (03)248-1288
Fax: (03)248-5729

Fima Jaya Sdn. Bhd.
Lot HS (96) D, Jalan Utas
40000 Shah Alam
Selangor Darul Ehsan
Tel: (03)559-2696
Fax: (03)559-2697

Fika Food Co.
Lot 401, Batu 6, Jalan Kelang Lama
58000 Kuala Lumpur
Tel: (03)792-6009
Fax: (03)792-6009

Golden Arches (M) Sdn. Bhd.
14th Flr., Wisma KWSG
69, Jalan Kg. Atap
50460 Kuala Lumpur
Tel: (03)230-5577
Fax: (03)238-3967

The Malayan Refrigerating Sdn. Bhd.
Lot 1025, Jalan Dua Selayang Baru
68100 Batu Caves
Selangor Darul Ehsan
Tel: (03)618-8098
Fax: (03)618-9533

Cold Storage (Halal Department)
157, Jalan Sungei Besi
57100 Kuala Lumpur
Tel: (03)221-4103
Fax: (03)221-4104

A&W Malaysia Sdn. Bhd.
9, Lorong Sultan
46000 Petaling Jaya
Selangor Darul Ehsan
Tel: (03)756-9199
Fax: (03)756-9305

Syarikat Fong Kum Kuan Sdn. Bhd.
1, Lorong SS 13/6B
Off Jalan SS 13/6
Subang Jaya
57400 Petaling Jaya
Tel: (03)733-4733
Fax: (03)733-5219

DEWANA Food Industries Sdn. Bhd.
Lot 11 & 13, Jalan P/9B
Kawasan Perusahaan Bandar Baru Bangi
43000 Bangi
Selangor Darul Ehsan
Tel: (03)238-4353
Fax: (03)825-6352

Mac Food Services (M) Sdn. Bhd.
Block A, Lot 4899
7, Jalan SS 13/5
Subang Jaya
57400 Petaling Jaya
Selangor Darul Ehsan
Tel: (03)733-0222
Fax: (03)734-0189

For Further Information Contact:

Canadian High Commission
P.O. Box 10990
50732 Kuala Lumpur
Federation of Malaysia
Tel: (011-60-3) 261-2000
Fax: (011-60-3) 261-3428/261-1270
Contact: Mohamed Aziyen Che Din, Commercial Officer

NEW ZEALAND

1. GENERAL OVERVIEW

The meat industry is the largest export earner for New Zealand, accounting for 25% of export receipts. For the year ending 30June92, meat and edible offal exports earned approximately Cdn\$2.1 billion. The industry is heavily export-oriented: 85% of lamb production, 69% of mutton, and 81% of beef is sent to over 80 foreign markets. Of the beef exports, 76.9% goes to USA, 12.5% to Asia, and 6.2% to Canada. Since government subsidies were removed in 1987, sheep numbers have fallen from over 70 million to 54 million and are forecast to remain there for 4 or 5 years. Beef cattle numbers have slowly increased to 4.8 million, and some further expansion is expected over the next two years. There are 65 meat plants currently in operation, compared to 43 in 1981; 24 process only beef, 20 only sheep, and 21 both beef and sheep. Generally, most areas of New Zealand agriculture are showing signs of increased confidence as farm revenues improve, mainly reflecting better international prices.

2. CHARACTERISTICS OF THE MARKET

A. *Local Production:*

i) *Production in MT and number of slaughtered cattle.*

Production (000 MT) year ended 30Sept91 with percent of total in brackets:

Beef	525	(45.8%)
Veal	13.5	(1.2%)
Mutton	180	(15.7%)
Lamb	395	(34.4%)
Pig meats	44	(3.8%)

(Source: Ministry of Agriculture and Fisheries)

Livestock Slaughterings

In thousands <u>Years ended September 30</u>	<u>1991</u>	<u>1992*</u>
Adult cattle	2,156.3	2,135.9
Calves and vealers	747.1	789.5
Adult sheep	7,233.3	7,845.5
Lambs	27,274.9	28,073.4
Pigs	748.8	808.3
Goats	257.9	184.2

* Provisional

Source: New Zealand Ministry of Agriculture and Fisheries

Inspected Meat Production ¹

In thousand tonnes bone-in weight <u>Years ended September 30</u>	<u>1991</u>	<u>1992*</u>
Beef	518.7	522.5
Veal	13.1	14.0
Mutton	145.5	157.8
Pigmeat	43.1	47.2
Goat meat	3.2	2.1
Total ^{2,3}		

* Provisional

¹ From slaughterings at meat export slaughterhouses and local market abattoirs only

² Excluding offal and other meats

³ Totals may not add due to rounding

Source: New Zealand Ministry of Agriculture and Fisheries

ii) Government policies which impact significantly.

All price supports, subsidies, incentives, etc., have been removed. Animal welfare/health policies are not overly onerous.

iii) Trends.

As sheep numbers dropped, beef production has tended to rise somewhat in compensation. However, any significant rise in animal production in

future is likely to be as a result of increased yield/productivity, rather than any major increase in numbers since land is limited, and in fact some grazing land is being returned to forestry production.

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs.

	Total <u>(000 MT)</u>	Per Capita <u>(kgs)</u>
Beef	98.8	29.3
Veal	0.2	0.1
Mutton	45.1	13.3
Lamb	42.5	12.6
Pig meats	45.7	13.5
Totals	232.3	68.7

(Source: Ministry of Agriculture and Fisheries)

ii) Self-sufficiency ratio.

Self-sufficiency ratio was 531% in 1991.

iii) Consumer attitudes toward domestic and imported products.

Consumers prefer to "buy New Zealand." Also, they tend to think of grain-fed beef as being fat and, therefore, less desirable.

iv) Trends.

With sheep numbers down and export markets strong for mutton and lamb, consumption of those meats has declined slightly, while beef consumption has increased in compensation.

C. Country Beef Imports:

i) Total quantity and value of beef imports.

Very little beef is imported. Last year, approximately 3,000 tons were imported from Australia, but at same time, New Zealand exported 2500 tons to Australia. A very small amount was also imported from USA. Some cheap boneless mutton for manufacturing is also imported from Australia to make up for a shortfall in the domestic market as export markets for high quality New Zealand mutton and lamb remain strong.

ii) *Imports from major suppliers, quantity and value*

<u>Country</u>	<u>Value (NZ\$)</u>
Meat of Bovine Animals, Fresh or Chilled	
Australia	\$2,279,267
New Zealand (re-imports)	436,952
USA	<u>1,594</u>
Total	\$2,717,813
 Meat of Bovine Animals, Frozen	
Australia	\$10,003,359
New Zealand (re-imports)	1,076,232
Russia	10,483
USA	<u>3,608</u>
Total	\$11,093,682
 Meat, Preserved of Bovine Animals Salted, in Brine, Dried, or Smoked	
Australia	\$2,620
USA	<u>38</u>
Total	\$2,658
 Meat Preparations: Corned Beef, Homogenized, Prepared Without Other Food Substances, Preserved in Airtight Cans or Jars	
Australia	\$ 42,280
Fiji	207,360
New Zealand (re-imports)	8,778
Russia	<u>106</u>
Total	\$258,524

Meat Preparations of Bovine Animals, Meat or
Meat Offal, Prepared or Preserved (Excluding Livers
and Homogenized Preparations)

Australia	\$1,105,352
Canada	19,945
China, Peoples Republic of	285
Fiji	147,859
United Kingdom	1,494
Hungary	824
Italy	1,246
Japan	210
Malaysia	3,195
New Zealand (re-imports)	2,417
Singapore	1,003
Thailand	781
Taiwan, Province of China	9,709
USA	7,561
Samos	180,292
Total	<u>\$1,482,173</u>

iii) *Trends.*

Cattle numbers are increasing slightly. New Zealand cattle are grass-fed, therefore, feed costs are not a major concern. (Exception is one feedlot in south island owned by Japanese, and output from there goes to Japan).

iv) *List of major importers, distributors and their organizations.*

Huttons Kiwi Ltd.
PO Box 12-066
Penrose, Auckland
Tel: (09)579-7035
Fax: (09)579-0702
David Francis, General Manager

Top Hat
PO Box 14-501
Panmure, Auckland
Tel: (09)570-2152
Fax: (09)527-2156
Paul and Chris Huljich, Managing
Directors

International Food Agencies Ltd.
PO Box 37-135
Parnell, Auckland
Tel: (09)309-34743
Fax: (09)309-3475
Brian Skyrme, Managing Director

D. Country Exports:

i) Total exports by quantity and value.

Total exports for year ending Sept92 were a record 302,000 MT. Exports were concentrated in North America, accounting for 83% of total.

Value of New Zealand Exports

\$million FOB <u>Years ended June 30</u>	<u>1991</u>	<u>1992*</u>
Meat: lamb	977.8	1,177.0
mutton	171.8	170.9
beef and veal	1,283.5	1,450.8
edible offals	85.7	106.9
other meats	94.4	126.4
Total Meat	2,612.1	3,031.9

* Provisional

Source: New Zealand Meat and Wool Boards' Economic Service

Types of products exported.

Beef, veal, mutton, lamb, venison, goat, and horse meat.

Export Meat Production

In tonnes, shipping weight <u>Years ended September 30</u>	<u>1991</u>	<u>1992*</u>
<u>Beef and Veal</u>		
Beef carcasses	18,269	19,109
Steer and heifer cuts	46,137	47,826
Steer and heifer manufacturing	9,119	8,271
Cow cuts	4,104	3,171
Cow manufacturing	53,320	53,994
Bull manufacturing	78,166	89,285
Mixed beef cuts	5,492	5,331
Mixed beef manufacturing	66,546	67,463
Vealer carcasses and cuts	---	4
Bobby veal carcasses and manufacturing	7,200	7,770

* Provisional

Source: New Zealand Meat Producers Board

ii) *Trends.*

Continued growth for beef and lamb is forecast in Asian markets.

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Unlike pork, it is expected that there is little opportunity for Canadian beef sales. New Zealand is a major exporter of beef to Canada, and the quality and quantity of beef product currently required in New Zealand can readily be obtained from Australia at relatively low prices.

4. **ACCESS AND BARRIERS**

Permit

A permit must be obtained from:

Chief Veterinary Officer
Ministry of Agriculture and Fisheries
PO Box 2526
Wellington

The importer must provide the following information:

- name and address of exporter
- description of the product
- premises number

Documentation

All the required certification must accompany the consignment to New Zealand.

If the permit is for a single consignment, then the original permit must accompany the consignment.

If the permit is for multiple consignments, then a copy of the permit must accompany the consignment.

Eligibility for Importation

The product must comply with the requirements of the Food Regulations (1984) administered by the New Zealand Department of Health and each consignment is subject to inspection by an inspector appointed under these regulations.

Every consignment must be accompanied by a certificate signed by a Government Veterinary Officer certifying that:

1. Foot and mouth disease and rinderpest have not occurred in the country of origin for the previous 12 months.
2. The products are derived from animals which passed ante-mortem and post-mortem veterinary inspection at the time of slaughter and were processed in premises under the supervision of the controlling authority and in accordance with the country's regulations.
3. The products are sound and fit for human consumption.
4. The products were loaded into containers which have been cleaned and disinfected, and, after loading, were sealed with an official seal of the government authority responsible for meat inspection and hygiene.

Entry Conditions

The products must comply with the requirements of the Food Regulations (1984) of the New Zealand Department of Health.

Products which are to be further processed in meat export premises in New Zealand or are to be re-exported must be inspected and approved by an inspector of the Meat Service, Ministry of Agriculture and Fisheries, on entry.

Provided the consignment complies with all the conditions and all documentation is in order, a permit to land will be issued.

There are no tariffs on imported beef in New Zealand.

5. TRANSPORTATION

Sea containers are readily available (as evidenced by pork shipments from Canada).

6. INDUSTRY STRUCTURE

A. *Location of domestic production facilities and brief description.*

Throughout the country. Most are U.S. Department of Agriculture (USDA) and EEC cleared.

B. *Storage/handling facilities:*

Numerous throughout the country.

C. *Marketing Channels:*

i) *Standard importation and distribution channel(s) of product from point of entry to final buyer.*

Agents or supermarket buyers.

ii) *Any indications of changes in such patterns*

None.

D. *List main industry contacts:*

i) *Government departments, agencies, government-regulated bodies involved in beef trade.*

Ministry of Agriculture and Fisheries
PO Box 2526
Wellington

ii) *Others.*

New Zealand Meat Producers Board
PO Box 121
Wellington
Tel: (04)473-9150
Fax: (04)472-3172

New Zealand Meat Industry Association
PO Box 345
Wellington
Tel: (04)473-6465
Fax: (04)473-1731

7. *OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS*

Exporters may wish to contact the importing companies to see if spot opportunities exist.

For Further Information Contact:

Canadian High Commission

P.O. Box 12-049

Wellington, New Zealand

Tel: (011-64-4) 473-9577

Fax: (011-64-4) 471-2082

Contact: Mr. Keith MacFarlane, Counsellor (Commercial)

Canadian Consulate

P.O. Box 6186

Wellesley St. Post Office

Auckland, New Zealand

Tel: (011-64-9) 309-3690

Fax: (011-64-9) 307-3111

PHILIPPINES

1. GENERAL OVERVIEW

Philippines has no substantial cattle/beef industry to speak of. There is a substantial demand for imported beef products. The Canadian Embassy completed a market study on beef in 1991.

2. CHARACTERISTICS OF THE MARKET

A. *Local Production:*

i) *Production in MT and number of slaughtered cattle.*

- 379,000 (cattle)
- 201,000 (carabao)

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Please see wholesale prices of Australian beef in the Appendix at the end of this country profile.

iii) *Types of cuts.*

Striploin, tenderloin, sirloin, ribeye.

iv) *Government policies which impact significantly.*

Quantitative import restriction - all importers must first secure an import permit from the National Meat Inspection Commission. The tariff is currently pegged at 30% for industrial grade and 30% for choice cuts.

v) *Trends.*

For choice cuts, there is a growing demand for Black Angus beef. The United States Department of Agriculture (USDA) promoted this type of meat and has supported a lot of the local importers in their promotion. The general trend is an increasing number of importation of choice cuts because of the growing food industry.

B. Domestic Consumption:

i) Consumer attitudes toward domestic and imported products.

Given the choice, consumers would prefer imported meat. However, current prices are prohibitive. Local meat processors have to import because of necessity rather than choice.

ii) Trends.

Due to the backdoor trade of imported beef, there is an increasing popularity of imported choice cuts. Smaller restaurants now have the chance of using imported beef.

C. Country Beef Imports:

i) Total quantity of beef imports.

- 1991 - 10,205.68 MT
- 1990 - 10,881.24 MT

ii) Imports from Canada

None.

iii) Imports from major suppliers, quantity and value.

- Denmark - 2,389.87 MT = US\$2,910,829
- France - 2,397.53 MT = US\$3,059,203

iv) Promotional activities of competitors.

Price subsidies.

v) Trends.

See attached Appendix (report summary)

vi) *Major importers, distributors and their organizations.*

Mr. Louis Co
Purchasing Manager
PHILIPS FOODS
622 Apelo Cruz
Malibay St. Pasay City
Tel: 883-6769, 6772

Mr. Ramon Chanyungco
Sr. VP for Materials Div.
PUREFOODS
2nd Flr. Greentop Bldg.
Ortigas Ave., Greenhills
San Juan, Metro Manila
Tel: 721-1509

Mr. Emir Familiar
Procurement Manager
REPUBLIC FLOUR MILLS
2nd Flr., RFM Bldg.
Pioneer cor., Sheridan St.
Mandaluyong, Metro Manila
Tel: 77-37-11
Tlx: 42288, 42045 REFLOUR PM

ACE FOODS INC.
151 Standard Bldg.
Paseo de Roxas cnr. Pasay Road
Makati, Metro Manila
Tel: 816-21-01 to 04
Tlx: 4355 ACE PU
Contact: Mr. Marcelo Fagel

FACILITIES INC.
600 Shaw Blvd.
Mandaluyong, Metro Manila
Tel: 78-97-36, 86-79-47
Tlx: 42400 LPI PM, 42415
FILEX PM
Contact: Mr. Vicente Araneta (VP)

IMEX TRADING
1010 A. Mabini St.
Ermita, Metro Manila
Tel: 521-1034 / 58-71-71, 50-63-63
Tlx: 27976 IMEX PH
Contact: Ms. Egin San Pedro
(Account Executive)

SY CHI SIONG & CO. INC.
393 Barraca Street
Binondo, Manila
Tel: 47-56-05
Contact: Mr. Mike Sy (VP
Marketing)

Industrial Group
Wise & Co. Inc.
Fairlane St.
Corner Brixton St.
Pasig, Metro Manila

Mr. Frances Chan
Sales Manager, Food Supplies Dept.
Edward Keller Philippines
2723 Pasong Tamo, Makati
Metro Manila

Mr. William K. Sy
Vice President
Sysu International
175 Sto. Domingo Street
Quezon City, Metro Manila

Ms. Rosita Sy
Sales Manager
Valiant Distribution Inc.
683 Elcano Street
Divisoria, Metro Manila

Mr. Leonardo D. Yu
President
Alexanrey Enterprises
104 A. Trade & Commerce Bldg.
15 Juan Luna St. Binondo
Metro Manila

Mr. Franklin M. Costales
General Manager
Conrad & Co. Inc.
5/F Corinthian Plaza Bldg.
Paseo de Roxas, Makati
Metro Manila

Ms. Grace Aquino Quibote
Client Relations Officers Imex
Trading 2/F-1010 Bldg. A. Mabini
St.
Ermita, Manila

Mr. Peter Choi
PTC Commercial Corp.
Rm 551 Wellington Bldg.
Plaza Calderon
Binondo, Manila 1006

D. Country Exports:

i) Total exports by quantity and value.

Canada - nil. Only listed export is to Bahrain - 500 kgs - US\$1,500.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.

Better prices - competitive to European suppliers.

B. Short to long-term potential for increased Canadian sales.

Depends on price.

C. Major shows

Food and Hotel Asia '94 (Singapore)
Food and Ingredients Asia '94 (Singapore)

D. *Suggestions for generic/non-generic promotional activities, point of sale, and point of purchase promotional materials.*

- fairs
- seminars
- in-store promotions
- food show in hotel/restaurant chain - to increase awareness of Canadian beef products

E. *Key points requiring address prior to achieving success in this market hurdles, barriers, steps required, etc.*

Import permit requirement. If meats are imported freely, there is a better chance that meat importers will compete on equal footing.

4. ACCESS AND BARRIERS

- ▶ Tariffs: choice cuts - 30%
 industrial cuts - 30%
- ▶ Veterinary quarantine certificate required.
- ▶ The basic procedures in importation of essential commodities are followed in the importation of meat.
- ▶ The additional requirements imposed by the government are as follows:
 - a) The country of origin is included in the list of duly approved countries for meat sourcing. This listing is approved by the Bureau of Animal Industry - National Meat Inspection Commission.
 - b) The importer, should be granted by the National Meat Inspection Commission (NMIC), an authority of meat importation. To obtain this authority:
 - importer has to file with the NMIC application to import meat
 - NMIC processes application based on the operations and facilities of the applicant
 - application is approved and authority to import is granted

- ▶ The exporting country is required to attach to the shipping documents a certificate of health which indicates specifically that the radiation level will not exceed 22 per gram/kilogram.

5. **TRANSPORTATION**

- A. *Modes available to land product in the market and major companies/facilities.*

N/A.

- B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

Land transport within Luzon (Manila).
Sea transport outside Luzon.

6. **INDUSTRY STRUCTURE**

- A. *Location of domestic production facilities and brief description.*

Near Metro Manila - two hour drive radius.

- B. *Storage/handling facilities:*

Warehousing - available.
Cold storage - available.
In-bond storage - available

- C. *Marketing Channels:*

- i) *Standard importation and distribution channels of product from point of entry to final buyer.*

- agents
- wholesalers/stocking distributors
- commissioned agents

- ii) *Implications for Canadian importers (new opportunities, niches).*

Choice cuts - need a successful food promotion.

D. List main industry contacts:

- i) Government departments, agencies, government-regulated bodies involved in beef trade.*

National Meat Inspection Commission

For Further Information Contact:

Canadian Embassy
P.O. Box 971
Makati Central Post Office
Makati, Metro Manila
Tel: (011-63-2) 815-9536
Fax: (011-63-2) 810-1699
Contact: Mr. Alan Dacaney, Commercial Officer

APPENDIX

SUMMARY REPORT

I. Overview - Philippine Meat Market Opportunity

The Philippines is a market opportunity for Canadian meat companies.

A. First, there is a substantial demand for imported meat.

1. In 1989, import of frozen meat products was 14,000 MT.
2. By the year 2000, the projected import of frozen meat products is 17,800 MT.
3. In the next 10 years, the annual import of frozen meat products can average 15,000 MT.

The Philippine imports of frozen meat products will consist of 2 basic commodities:

1. 500 MT per year of prime cuts of beef, veal, lamb, and other specialty meat for use in hotels and restaurants.
2. 14,500 MT per year of processing cuts/parts of swine and beef for the raw material use of meat processors and canneries.

B. Second, the opportunity of supplying frozen meat to the Philippines has long-term potential.

1. In 1989, the Philippines had a consumer population base of 60 million.
2. The population will continue to grow at the rate of 2.25% per annum.
3. By the year 2000, the population will reach 76 million.
4. Consumption of livestock meat will increase in proportion to population growth.
5. Domestic production of livestock meat will not cope with increased demand due to insufficiency in production of animal feed ingredients. Import of feed ingredients was 1,000,000 MT in 1989.

6. Production of feed ingredients will be constrained by unavailability of additional agricultural land, low productivity of existing land areas, and lack of a coordinated crop development program.
7. Importation of frozen meat will be required to meet the projected increase in demand within consumer acceptable price levels.

II. Prime Cut of Beef Market

- A. The Philippine market for prime beef cuts is primarily the 5-star hotels. This market segment is characterized by the following factors:
 1. Caters to Class A clientele - local and foreign.
 2. Authorized by the government to import food and beverages.
 3. Imports regularly and in substantial volumes.
 4. Recognized by the final consumers to serve the highest quality of prime beef dishes in the Philippines.
 5. Dominates the patronage of the tourist guest and high income local consumers.
 6. Established expertise in the service and preparation of prime beef cut dishes.
 7. Financially capable of importing \$100,000 per shipment.
 8. Adequate refrigeration facilities to store large quantities of frozen beef cuts.
 9. Highly selective in the choice of beef cut suppliers.
- B. In addition to the 5-star hotels, a secondary market for prime beef cuts is estimated to consume additionally 100 MT per year in 1990. This market is characterized by the following factors:
 1. Caters to Class A and B clientele - local and foreign.
 2. Can arrange for import authority as duly registered tourism enterprise.
 3. Unable to import directly due to constraint in finances, facilities for storage, and volumes of usage.

4. Relies on local purchases from backdoor/importer/supplier of meat and from the 5-star hotel importers.
5. Highly price conscious.
6. Limited inventory capacity and would prefer to access supply on an as required basis.

This market can be served effectively by having prime beef cut stocks locally available.

C. Imports and consumption of prime beef cuts are categorized by butchering cuts and source grading.

1. Prime cuts imported in 1989 consisted of striploins, ribeye, tenderloin, sirloin, prime rib, and top side.
2. Grades of beef are determined by source. The U.S.-sourced Angus Prime Graded Beef is presently considered as the highest quality in the locally-consumed prime beef cuts:

1.	1st Grade	U.S. Angus	8%
2.	2nd Grade	U.S. Prime	72%
3.	3rd Grade	Australia New Zealand	18%
4.	4th Grade	Local	2%

3. Served in restaurant, prime beef cuts are price differentiated - by source and by outlets.

	Beef Cut	5-Star Hotels	5-Star Restaurants	4-Star Hotels	4-Star Restaurants
1.	Angus striploins	P 475	P 410	-	-
2.	U.S. prime sirloin	390	325	-	-
3.	U.S. tenderloin	485	430	-	-
4.	Australian tenderloin	380	325	P 290	P 240
5.	Local tenderloin	-	-	180	150

4. U.S. graded beef has the widest acceptance in the market. The hotel industry in the Philippines is traditionally affiliated to U.S.-based chains and supply sourcing has developed U.S. prime beef into a tradition of best beef cut within the price range of the market.
- D. The cuts and grades of prime beef required by 5-star hotels are determined by the consumption of hotel guest and clientele. In the Philippines, the characteristics of this final consumer group are:
1. High income foreign tourist, businessmen, local residents, and expatriate families.
 2. Highly selective and cognizant of prime beef quality.
 3. Prepared to pay price premium to ensure the highest quality of food and service.
 4. Aware of the U.S. graded beef to be the highest quality beef available locally within the acceptable price range.
 5. Conscious of the health aspects relative to food intake, specifically cholesterol, calories, fats.
 6. Middle age, ranging from 40 to 60.
 7. Receptive to food grade introduction and will accept price premium for distinguishable benefits.
- E. Prices of prime beef cut vary according to the quality and the cut of beef. Quality is based on sourcing and cuts are based on standard butchering cuts.
- During the last 5 years, prime cut beef prices have increased by 5% per annum; following world inflation in the commodity. This trend can be projected over the long-term.
- F. The basic buying practices of hotels are as follows:
1. Regular import volume per shipment are made in one full 20/40 foot container load volume. Weight ranges from 10 to 20 MT.
 2. Imports are made in combination. Prime beef cuts are mixed with other specialty meat products like lamb, turkey, duck to fill one complete reefer container.

3. Imports are made from established suppliers.
 4. Orders are made in cycles of 3 months or 4 orders per year.
 5. The importation pattern is a function of shipping time and meat consumption.
 6. Imports are made by sea shipments. Occasional imports by air are made only to cover the temporary stock deficiency situation and are made from nearby free port countries like Singapore and Hong Kong.
 7. Supplier acceptance is influenced by the worldwide or regional policy of international hotel chain linkage (Hilton, Hyatt, Westin, Intercon).
 8. Choice of suppliers is based on established reliability in supply of quality meat.
- G. The present suppliers of prime beef cuts to hotels are duly accredited meat packers, traders, and commodity brokers who carry multiple lines of products that can serve the wide range of meat supplies required by 5-star hotels. The present suppliers are adequately represented by agents who maintain full-time sales representatives for hotels and restaurants.
- H. Marketing Practices - Beef Suppliers and Restaurants
1. In general, beef suppliers rely on hotels for the patronage of their products. U.S. prime beef market has been developed as top of the line over the years of hotel tradition.
 2. The final consumer decides which prime cut to order based primarily on options available on menus and based on past experience as to taste and satisfaction. Meat suppliers do not advertise/promote beef cuts on hotel menus to influence consumers.
 3. Angus beef supply is the only marketed prime meat in the Philippines. Consumers are made aware and influenced to consume this new premium product by advertisement and promotion.
 4. The introduction and marketing of Angus beef in the Philippines is a success and indicates that an adequate marketing system for new product sales in the Philippines is a factor in gaining market acceptance.

III. Marketing - Prime Cut of Beef

The marketing strategies and activities required to penetrate the Philippine market for prime cuts of beef are:

- A. Establish the product characteristics of Canadian prime meat relative to existing supplies from USA and Australia. The quality characteristics are grain of meat, taste, flavour, fat colour and content, tenderness, colour, juiciness, physical appearance, and size.
- B. Undertake product quality sampling test with 5-star hotel chefs. This is to establish the comparative quality status of each characteristic with U.S. and Australian beef, and to establish any distinguishing feature which can differentiate the product from existing supplies. This also establishes the first contact with the market.
- C. Based on sampling results, the product positioning in the market has to be defined. The possibilities are:
 - 1. Premium grade to U.S. prime equal to U.S. prime, and lower than U.S. prime. Canadian prime cut of beef can maintain up to 3 level product positioning corresponding to the quality range available from Canada.
 - 2. The marketing factors like price, promotion, advertising, and market coverage can then be based on the defined product positioning.
 - 3. Introduce the Canadian prime cut of beef through temporary arrangements for inclusion in hotel menus, specifically, a country festival or a country special promotion.
 - 4. Advertise the introduction of Canadian beef to secure initial patronage.
 - 5. Establish the acceptance level in the final consumer market, specifically focusing on the consumer cognizance of any distinguishable characteristics.
 - 6. Arrange for a consumer reaction survey among clientele so that it is possible to place consumer's conscious in testing the flavour of Canadian beef.
 - 7. Appraise the market potential based on consumer reaction during the product introduction.

8. Based on satisfactory consumer acceptance, commercial marketing of Canadian prime meat products in the Philippines can commence. This will then entail:
 - a) Appointment of a marketing organization which can handle the product introduction, promotion, advertising, and distribution.
 - b) Sale of product to hotels on a regular basis. This will require the inclusion of Canadian prime meat cuts in the regular menu.
 - c) Development of the market strategies which can increase the Canadian market share in the Philippine market.

IV. Processing Meat Cut/Parts Market

- A. The Philippine market for Canadian swine and beef cuts/parts is primarily the meat processors and canneries.

The market characteristics are:

1. Imports regularly and in substantial volumes.
2. Established processed meat product lines in the market.
3. Highly price conscious on basis of equal quality.
4. Open to prospective and new suppliers.
5. Requires government approval for each import transaction.
6. Adequate facilities to import large volumes of meat products.
7. Financially capable of importing container load orders.
8. Dominated by 2 major processors with 72% market share. The rest is imported by 29 other processors with medium-scale operations.

- B. In addition to the major meat processors which are able to directly import meat cuts for processing, there are 40 more duly registered meat processors which are unable to use imported meat cut for processing.

The characteristics of this group are:

1. Relies on local supplies for raw material requirements.
2. Operates on low overhead cost to offset disadvantage in raw material cost.
3. Volume of operation is low and marketing structure is limited in regional area of operations.
4. Unable to import directly due to financial, facilities, and volume constraints.

This market can be served by providing locally available stocks which can be accessed within the operational capabilities of the processors.

- C. The processed meat industry has been growing at the rate of 28% in the last 4 years. Long-term, this market is projected to grow at the rate of 4% per year following population growth of 2.25% and increase in urbanization by 2.0%.
- D. Prices vary according to the type of animal, the specific processing cuts/parts of meat, and the quality of meat. Other factors which affect prices are volume of orders and the closeness of business relations between buyers and sellers. 2 major buyers (Purefoods and RFM) are generally able to buy the same meat cuts sourced at 2-3% less than those of lower volume buyers.
- E. The imports of processing cuts/parts meat processors are primarily by-products of slaughterhouses, meat canneries, and meat processors.

Meat cut imports in 1989 consisted primarily of:

- | | | |
|----|--------------------|-----|
| 1. | Beef briskets | 30% |
| 2. | Beef trimmings | 32% |
| 3. | Pork trimmings | 22% |
| 4. | Innards and offals | 10% |

- F. The observed pattern in meat importation is:
1. Sourcing of processing cuts are wide.
 2. 4 countries dominate 80% of the trade in processing cuts of meat.

3. There are 19 regular supplier countries.
4. There are 150 supplier companies.
5. Major supplier countries can have more than 30 exporting companies each.
6. Quality meat is determined by the quality of output and recovery rate of the processed meat output. High fat level beef briskets and pork trimmings will result in lower recovery rate of final output.

High ligament level beef and pork trimmings will result in lower processed product quality. Both are categorized in terms of visible lean (v1) percentage.

7. A high volume order of 100 MT will be lower in price by 5% compared to low volume order of 10 MT.
8. The quality of meat cut determines the grade of processed meat products. The major processors RFM and Purefoods maintain 3 branded grades of processed products which cater separately to the Philippine market segment.

These product grades are:

- a) High grade line - foreign affiliate brand - high price.
- b) Regular grade - locally premium brand - medium price.
- c) Mass grade - locally regular brand - low price.

G. Buying practices of meat processors are varied, corresponding to outside affiliation. the size of operation, financial capabilities, and product range are factors which effect buying decisions:

1. Import volume range from 10 to 100 MT.
2. Shipping is by sea in multiple of 20/40 foot full reefer container van.
3. Sourcing by country and by exporter is varied and irregular. Processors like Purefoods and RFM maintain multiple sources of raw materials.

4. Timing of imports is regular corresponding primarily to the optimum economy after considering shipping time, processing requirement, and safety stock level.
 5. Each container import is primarily for one processing cut/part.
- H. The present suppliers of processing cuts/parts of meat are meat packers, traders, and commodity brokers who carry multiple lines of processing cuts/parts.

The suppliers are characterized by:

1. Adequate representation in the Philippine market.
2. Long established business relations with the major meat processors.
3. Established and classified quality consistency and supply ability.

V. Marketing - Processing Cuts/Parts of Swine and Beef

The marketing activities required to penetrate the Philippine market for processing cuts/parts of swine and beef are:

- A. Establish the technical characteristics of Canadian meat to determine the final product grade positioning premium, medium, and regular.
- B. Establish presence in the Philippines through a Canadian-directed/controlled local marketing organization.
- C. Aggressively promote and sell Canadian meat products in close coordination with meat processors and hotels.

VI. Canadian Meat Exports

- A. Canada is a major exporter of meat. In 1988, Canada exported 400,000 MT of frozen meat in addition to 500,000 head of live cattle.
- B. Canada as a source of material supply is not widely known in the Philippines.

Even in areas where Canada has traditionally excelled in production and technology (eg. hydroelectric power, pulp and paper, meat and livestock), the exchange with Philippine is minimal.

- C. This trade relation applies well in the case of meat products. Transaction between Canada and the Philippines is negligible relative to the totality of

Philippine imports and Canadian exports. During the period 1986-1989, Canadian exports to the Philippines average only 50 MT per year.

- D. Direct Canadian presence in the Philippines is not significant and there is no Canadian meat product promotion at all.
- E. Canadian meat as a processed meat product is not known in the Philippines.
- F. In 1986-1990, 2 Canadian-based companies exported a total of 200 MT to the Philippines.

SINGAPORE

1. GENERAL OVERVIEW

Singapore is a rapidly developing island republic with 2.7 million people, and enjoys one of the highest per capita incomes in Asia. Domestic meat consumption is comparably high on a per capita basis. In addition, a healthy influx of tourists further fuels the demand. Situated at the southern tip of the Malay Peninsula, Singapore is also well-equipped to handle meat transshipments to regional markets. Canadian beef is perceived as a quality meat product comparable to the top U.S. and European cuts, and superior to the cheaper Australia, New Zealand, and South American cuts. However, although the popularity of Canadian meat is gradually increasing, price and consistency of supply may still hamper its widespread acceptance. It is believed that an aggressive marketing campaign, working in conjunction with committed and dedicated suppliers, can help to substantially increase the presence of Canadian beef in this market.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

Domestic production is not applicable in this market as Singapore imports all of its beef requirements. The two government-operated slaughterhouses only slaughter pigs and poultry.

Wholesale prices for U.S. prime striploin (U.S. choice striploin is rarely used in the market) is approximately Cdn\$14/kg for frozen cuts and Cdn\$18/kg for fresh airflown cuts.

There are no applicable government policies which impact on beef imports as there is no local production. All beef imports are subject to the usual health import regulations.

B. *Domestic Consumption:*

i) *Annual total, MT; annual per capita consumption, kgs.*

Annual imports of beef totalled almost 14,000 MT in 1992. Per capita consumption is estimated to be 5.7 kgs annually, based upon 90% of the population who regularly consume beef.

ii) *Self-sufficiency ratio.*

Singapore imports all of its requirements.

iii) *Brief description of consumer attitudes toward domestic and imported products.*

Consumers generally regard U.S. and Canadian beef cuts as premium beef, while the Australian and New Zealand beef is positioned as cuts of slightly lower quality. Consumers sometimes do not realize the difference and often use price as an indicator of quality. Institutional establishments, however, are well aware of how the beef from different countries are positioned and priced.

iv) *Trends.*

The present consumption pattern of beef is divided into two segments: mass consumption, referring to household and general eating establishments, and specialized consumption, referring to premium restaurants and steakhouses and fine retail stores. The cheaper cuts from Australia, New Zealand, and South America obviously belong to the mass consumption category, while the U.S., European, and Canadian cuts have a niche in the white tablecloth dining establishments and selected upper scale retail stores. This trend may gradually change if premium cuts can be positioned as healthier and leaner than the cheaper cuts. Consumers may consider paying a premium for a more sensible alternative. This consumer education process will, however, take considerable time to become etched in the minds of the average consumer as price is still a critical factor in the purchase process.

C. Country Beef Imports:

i) Total quantity and value of beef imports.

The total quantity and value of beef imports from all countries in 1992 is as follows:

0111100 02011005 Beef with Bone-In Fresh or Chilled		
	Quantity (MT)	Value ('000)
Australia	27	244
Netherlands	2	48
New Zealand	5	48
United States	1	25
Other Countries	<u>1</u>	<u>29</u>
Total	36	395
0111200 020130004 Beef Boneless Fresh or Chilled		
Australia	449	5,372
Brazil	48	149
Canada	5	67
India	79	145
Japan	4	468
Netherlands	15	495
New Zealand	655	7,537
United States	<u>113</u>	<u>2,231</u>
Total	1,365	16,480
0112100 02021001 Beef with Bone-in Frozen		
Argentina	24	83
Australia	598	2,039
Germany, Fed.Rep.of	3	44
India	16	26
Netherlands	25	84
New Zealand	125	623
United States	279	2,846
Other Countries	<u>1</u>	<u>31</u>
Total	1,071	5,776

0112200 020230009 Beef Boneless Frozen		
Argentina	752	2,444
Australia	932	4,517
Brazil	4,557	16,134
China, Peo. Rep. of	1,345	3,535
India	90	168
Japan	1	191
Netherlands	134	3,099
New Zealand	1,665	13,482
United States	568	8,587
Uruguay	<u>1,452</u>	<u>5,212</u>
Total	11,497	57,388

ii) Imports from Canada, quantity and value; Canadian % share of market.

Imports from Canada totalled only 5 tons in 1992, with a value of Cdn\$128,000. Canadian share of the market is currently less than 1%.

iii) Promotional activities of competitors.

Promotional activities of competitors consist of widespread promotions with several leading food and catering establishments. In particular, the U.S. and New Zealand Meat Boards are active in this market.

iv) Trends.

It is expected that the bulk of beef imports will continue to be sourced from South America, New Zealand, and Australia as lower prices allow for the volume needed for mass market consumption. However, demand for premium, quality niche end beef is expected to increase as consumers become more affluent and the tourism and convention industry expands further.

v) Major importers, distributors and their organizations.

Mr. Sebastian Tan, Managing
Director
Euraco Finefood Pte Ltd
Blk 219, Henderson Road, Unit 01-
03, Henderson Industrial Park
Singapore 0315
Tel: (65)276-5433
Fax: (65)276-2978

Mr. Tan Hai Yong, Managing
Director
Tenneco Pte Ltd
121 Defu Lane 10
Singapore 1953
Tel: (65)282-8655
Fax: (65)282-8751

Mr. Gregory C.S. Yeo, Product
Manager
Ben Foods (S) Pte Ltd
230B Pandan Loop
Singapore 0512
Tel: (65)778-6655
Fax: (65)777-2869

Mr. Billy E.H. Seo
Seo Eng Joo Frozen Food Pte Ltd
220 Pandan Loop
Singapore 0512
Tel: (65)778-7979
Fax: (65)776-6663

Mr. Peter P.H. Koh, Buying
Manager
Cold Storage Retail
2 Enterprise Road
Singapore 2262
Tel: (65)264-4333
Fax: (65)265-9164

D. *Country Exports:*

This is not applicable as Singapore imports all of its beef requirements. Only a very small percentage is currently transhipped to regional destinations. However, it may be relevant to explore future potential of using Singapore as a transshipment point for Canadian beef products as Singapore enjoys the most modern transportation and handling facilities in the entire region.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

As indicated, prospects for Canadian beef in the market are good as several food establishments who import premium beef would prefer to try something different. The most popular cuts that would be sought after are: tenderloin, striploin, ribeye, and prime rib. Currently, all the Canadian beef consumed here is airflown chilled, but some regular importers are examining the option of bringing it in frozen as this would bring down the price substantially, and increase the order volume. Although many consumers associate quality beef with fresh airflown versus frozen, consumer perception may change if it can be proven that Canadian beef can maintain its quality even when shipped frozen.

B. *Short to long-term potential for increased Canadian sales.*

Potential for Canadian beef still lies mainly with the premium restaurants and catering establishments, but there is a growing interest to promote it in premium

retail establishments. Cold Storage Retail, which sold Canadian beef at meat counters in all their supermarkets during the recent Canadian Food Fair, enjoyed good consumer response to the product.

C. *Major shows*

The major show which Canadian beef exporters should participate in is Food and Hotel Asia, the biggest food and hospitality event in the region. This event is held in April every second year.

D. *Suggestions for generic/non-generic promotional activities, point of sale, and point of purchase promotional materials.*

For this fiscal year (1993-94), the Canadian Embassy in Singapore has plans to do Canadian beef promotions with at least two hotel and catering establishments, and the biggest steakhouse chain in Singapore. In addition, a retail beef promotion is also being planned in one of the local supermarket chains. The Canadian Embassy is currently negotiating with the interested parties concerned to finalize scheduling and promotional support details. A range of promotional items such as posters, tent cards, life-size cut-outs, brochures, key chains, aprons, etc., would be useful to maximize exposure of Canadian beef in the event.

E. *Key points requiring address prior to achieving success in this market.*

The key point for success in this market is to build lasting relationships with key local importers, and provide them with the support needed to push the product through. The objective should be to look at the long-term and concentrate on market share enhancement and gradually build the image for Canadian beef products, rather than merely concentrating on maintaining good profit margins. Equally important, Canadian firms have to ensure that the selected importers who promote the beef are committed to the product and invest in it for long-term gains.

4. ACCESS AND BARRIERS

Singapore is a free port and there are no applicable taxes, levies, or quotas imposed on meat imports. All meat imports have to go through the usual import regulations for meat products, which include requirements for the relevant health certificates, country of origin documents, and invoices. No import licenses, permits, or tariffs are applicable.

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

Singapore enjoys one of the most modern networks of air, land, and sea transportation, and has been highly regarded as being extremely efficient in this area.

B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

Most major importers have their own refrigerated vehicles and trucks to clear all meat imports, and operate updated refrigerated warehouses to keep all perishable stock.

6. INDUSTRY STRUCTURE

A. *Location of domestic production facilities and brief description.*

There are no domestic production facilities for beef.

B. *Storage/handling facilities:*

Most major importers have their own storage facilities, and smaller companies who do not have such facilities can easily rent refrigerated space from several local warehouse operators.

C. *Marketing Channels:*

Standard importation and distribution channels of product from point of entry to final buyer.

The standard distribution channels in this market would be through a local meat distributor direct to the hotels and catering establishments. In mass marketing of meat products, this may involve the main distributor selling to several other sub-distributors who would then service all the small retail outlets. For Canadian beef, however, it would be imported directly by the distributor who would then service the food establishments. The implication again is for the Canadian supplier to work closely with the key distributor as a good show of support would motivate the distributor to push and develop the product.

D. *List main industry contacts:*

There are no local beef or meat associations of any relevance, and Canadian suppliers can deal directly with the distributor who would be responsible for ensuring that all imports meet local government regulations. Alternatively, Canadian suppliers can also contact the Canadian Embassy for additional assistance and follow-up.

7. OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS

Singapore may be a smaller market in comparison with other countries, but it is an important gateway to Southeast Asia. If Canadian beef can be firmly entrenched in Singapore as a premium alternative to beef from other competing countries, it would pave the way for the product to be introduced regionally.

For Further Information Contact:

**Canadian High Commission
P.O. Box 845,
Singapore 9016
Republic of Singapore
Tel: (011-65) 225-6363
Fax: (011-65) 226-1541
Contact: Mr. Francis Chan, Commercial Officer**

SOUTH KOREA

1. GENERAL OVERVIEW

With demand exceeding supply, and the prices of bovine livestock, rapidly escalating, in August 1988 the Korean market was opened to imports, albeit on very restrictive terms. Farmers have not been so vociferous about beef imports, mainly because to date they have not adversely affected production or prices.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Domestic production of beef is insufficient to meet demand. Production has decreased to 98,529 MT in 1991 from 128,500 MT in 1988. The number of slaughtered cattle was 545,170 head in 1991.

Cattle numbers - contributing factors to the slowdown in growth are the static gross income from beef cows, increasing imports of beef, the uncertain market outlook, coupled with lower farm investment and less favourable conditions. The following is the cattle inventory as of 1991:

<u>Year</u>	<u>Native Cattle</u> <u>(Han-Woo)</u>	<u>Dairy Cattle</u>
1991	1,772,957 head	495,772 head

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Cattle price per 400 kgs (ox) is WON 1,886,000 (\$3,066/Cdn) and wholesale price of local beef on the basis of carcass is WON 7,018 (\$12/Cdn) per kg as of March 31, 1993.

iii) *Types of cuts.*

The specific beef cuts from the wholesale market level to the end-user are sirloin, chuck roll, tenderloin, knuckle, top round, short rib, shoulder clod, etc.

iv) Government policies which impact significantly.

Government involvement in the agricultural sector is extensive, to the point where it is believed that farmers are rapidly pushing to operate in a risk-free environment. Government support takes many forms: market protection, finance, construction of irrigation services, market support measures. There are no price supports, subsidies, nor marketing incentives.

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs.

The total annual beef consumption was 224,000 MT and annual consumption per capita was 5.1 kgs in 1992. The estimated beef consumption for 1993 is 234,000 MT.

ii) Self-sufficiency ratio.

Self-sufficiency ratio was 48% in 1992.

iii) Consumer attitudes toward domestic and imported products.

From a subjective perspective Koreans express a distinct preference for domestically produced beef even though it is more expensive. It is believed that the basic problem with foreign beef is texture. Taste would appear to be irrelevant as Korean cooking makes heavy use of condiments and spices, thus eliminating the real beef taste. In relation to texture, the common view is that foreign beef is tough.

It is also believed that this relates to a lack of knowledge in handling frozen beef.

iv) Trends.

Traditionally, Koreans have not been meat eaters. Vegetables and cereals formed the mainstay of the Korean diet, but in recent years the intake of animal protein has increased quite markedly. There is no doubt that beef consumption is expanding and will continue to do so as disposable incomes increase and Korea becomes more exposed to the international influences.

C. Country Beef Imports:

Australia/New Zealand-Korea negotiations regarding Korean beef imports:

1. Australia-Republic of Korea (ROK): beef negotiation has been concluded by allowing Australia to directly market 500 MT of its grass-fed beef this year. The direct sales of Australian beef will increase gradually if results of the trial marketing satisfy both parties, officials present at the talks. Agreement was reached on establishment of beef import quota at 99,000 tons for 1993, 106,000 tons for 1994, and 113,000 tons for 1995, which was based on a previous agreement with the U.S.
 2. New Zealand-ROK talks: Korea has concluded a series of bilateral negotiations on beef imports by reaching an agreement with New Zealand. The New Zealand-Korea accord (except the issue of importing ox-beef from New Zealand) is largely based on previous agreements with the U.S. and Australia.
- i) Total quantity and value of beef imports.*

An analysis of import statistics for 1992 shows the following:

Bone-In Beef 1992

<u>Country</u>	<u>Volume (MT)</u>	<u>Value (US\$ CIF)</u>	<u>Market Share (volume basis)</u>
Australia	97,245	210,201,963	79.5%
New Zealand	14,761	31,749,687	12.1%
USA	10,257	51,750,252	8.3%
Canada	1	1,783	0.1%
Total	122,264	293,703,685	100.0%

Boneless Beef 1992

<u>Country</u>	<u>Volume (MT)</u>	<u>Value (US\$ CIF)</u>	<u>Market Share (volume basis)</u>
USA	43,519	180,192,180	98.2%
Australia	562	2,783,961	1.2%
Canada	143	574,942	0.4%
New Zealand	80	573,678	0.2%
Total	44,304	184,124,761	100.0%

ii) *Imports from Canada, quantity and value; Canadian % share of market.*

Canadian beef exports to Korea by year (unit:MT):

<u>Year</u>	<u>Grass-Fed</u>	<u>Grain-Fed</u>	<u>Total</u>
1988	20	210	230
1989	2,875	112	2,987
1990		926	926
1991		57	57
1992	1	143	144

The decline in 1990 was due to the problem of low quality Canadian shipments. The reputation hurt us in 1991 and the gradual recovery in 1992 was due to Embassy/Canada Beef Export Federation market development efforts and Agriculture Canada revision to standards, as well as visits and discussion with the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Livestock Products Marketing Organization (LPMO).

iii) *Promotional activities of competitors.*

Promotional activities of competitors - a qualitative analysis of the market and in-store promotion at the major hotels is now actively being conducted to determine how their meat processors and livestock producers can best meet Korea's future market requirements while maximizing their own returns through the Australian Meat and Livestock Corporation (AMLC) and the U.S. Meat Export Federation (USMEF) in Korea, but the New Zealand Meat Board has not yet opened its Seoul office.

For instance, USMEF has in the past organized inspection missions to production facilities in the U.S. composing purchasers from Korean tourist hotels and technical staff of the LPMO.

iv) *Trends.*

The amount being traded under the Simultaneous Selling and Buying (SBS) system are as follows:

<u>Allocated Organization</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
NLCF	2,970	3,330	5,254
KCSC	2,970	3,330	5,254
KTHSC	3,960	4,664	5,424
NTRA		2,000	2,712
KOSCA		3,200	8,138
KMF		<u>4,676</u>	<u>7,118</u>
Total	9,900 (10%)	21,200 (20%)	33,900 (30%)

Abbreviations:

- NLCF: National Livestock Cooperatives Federation
KCSC: Korea Cold Storage Company
KTHSC: Korea Tourist Hotel Supply Centre
NTRA: Non-Tourist Restaurant Association
KOSCA: Korean Supermarket Chain Association
KMF: Korea Meat Federation (a group of meat processing companies)

v) *Major importers, distributors and their organizations.*

List of import organizations:

- Livestock Products Marketing Organization (LPMO)
Add: 618-3 Sinsadong, Kangnam-Ku, Seoul
Tel: 822-548-5241
Fax: 822-540-7024
- Korea Tourist Hotel Supply Centre (KTHSC): SBS System
Add: 255-5 Nungdong, Sungdong-Ku, Seoul
Tel: 822-458-3296
Fax: 822-452-7294
- National Livestock Cooperative Federation: SBS System
Add: 451 Sungnaedong, Kangdong-Ku, Seoul
Tel: 822-485-3142
Fax: 822-486-6760
- Korea Cold Storage Co. (KCSC): SBS System
Add: 13-8 Noryangjindong, Tongjak-Ku, Seoul
Tel: 822-815-9331
Fax: 822-812-8808

D. Country Exports

There are no exports of Korean beef.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

Canadian exporters have to note that Korea prefers to import and process the basic product, thus the preference for frozen bone-in quarters. No major change is expected, although imports of bone-in beef in smaller cuts may increase. There is an inherent preference by consumers for domestic beef, probably due to consumer lack of knowledge of imported beef products, particularly Canadian beef. It is believed that although beef consumption is growing in Korea, the market is very price-sensitive, indicating that future volatility cannot be ruled out.

The remaining suggestions are as follows:

- ▶ upgrade technical representation in Korea
- ▶ introduce a retail staff training program
- ▶ expand development of point of sale material
- ▶ seek liberalization of restrictions on entry of samples for marketing
- ▶ develop and implement plans to improve Canada's access to the fast-food sector
- ▶ initiate trials and testing of product samples to find out what the target markets in Korea prefer

Canada must meet major challenges if the market projections are to be realized.

B. *Short to long-term potential for increased Canadian sales.*

By the year 2000, Canada should be exporting to Korea more grain-fed beef, more chilled beef, and more boxed beef.

C. Major shows

There is the annual Seoul Food Technology Exhibition (Seoul Food Show) in Korea organized by the Korea Trade Promotion Cooperation (KOTRA) which is to be held at the Korean Exhibition Centre in Seoul for 5 days early April each year.

Korea Trade Promotion Corporation
CPO Box 123
Seoul
Tel: 551-4412
Fax: 557-5784

4. ACCESS AND BARRIERS:

- ▶ Tariffs - the duty is a 20% on a CIF value plus a 10% VAT.
- ▶ Quotas - the following information might be of interest:

<u>Year</u>	<u>Quota (MT)</u>	<u>Actual (MT)</u>
1991	125,000	133,869
1992	132,000	159,000
1993	120,000	

- ▶ Quarantine inspection shall be performed by the prior governmental authorities of the exporting country prior to loading according to the Korean government's health regulation. Especially the residue test and its safety level of hormone, antibiotics, etc., in meat should satisfy the regulation of the Korean MAFF Notification No.89-33 dated May 22, 1989. All inspection operations shall be performed at the expenses of the supplier in accordance with the meat export regulation.
- ▶ Labelling and packaging regulations:
 - boneless beef packing - packaging shall be made by carton box after vacuum heating packing, and the box shall be banded with a string so as to protect the box from being torn
 - bone-in beef packaging - bone-in beef shall be packed in such a way as to satisfactorily ensure excellent sanitation, protective and hygienic packing by means of hessian bags over stockinette wrapping. In the case of North America, brown crinkle bag wrapping prior to stockinette and burlap (hessian bag) is allowed.

▶ Labelling for boneless beef:

- country of origin
- name of supplier and packer's establishment number
- packed date
- item number and the name of cuts
- net and gross weight in kgs
- quality grade
- yield grade
- identification as being frozen
- all information must appear on four sides of the box

▶ Labelling for bone-in beef:

- country of origin
- name of supplier and packer's establishment number
- packed date
- mark of forequarter or hindquarter
- net and gross weight in kgs
- identification as being frozen
- contract number
- marking method: item (1), (2), and (6) shall be printed on at least one side of the burlap (hessian bag) - other information can be contained in a tag or the likes

The following are the Korean animal health requirements for beef and beef products:

- ▶ The following requirements are applicable to artiodactylous animal products (meat, bone, skin, hair, etc., hereinafter referred to as "the exported animal products") originating from the exporting country, and also are established on the basis that the exporting country is free of foot and mouth disease, rinderpest, contagious bovine pleuropneumonia, lumpy skin disease, sheep pox, African swine fever, swine vesicular disease, and teschen disease.
- ▶ The exported animal products must be treated in such a way in the establishment approved by the exporting country's government so as to keep it from being contaminated by any agents known to cause infectious diseases of domestic animals.
- ▶ Animals which are slaughtered for the purpose of export meat must have been born and raised in the exporting country.
- ▶ The exported meat, bone, etc., must be treated in such a way so as to be fit for human consumption. The sanitary inspection stamps on wrapped and packaged

animal products shall be affixed on easily visible places under the supervision of government veterinarians of the exporting country during or immediately after manufacture.

- ▶ The exported animal products must be stored and carried in such a way so as to keep them from being contaminated with any agents known to cause infectious diseases in domestic animals until the arrival of said animal products in the ROK.
- ▶ The veterinary agency of the exporting country shall issue Health Certificates (sanitary and inspection) specifying the following for exported meat:
 - the slaughtering and processing dates
 - the names of slaughtering and processing facilities
 - the registration number given by the exporting country's government to the slaughtering and processing facility

There are no import licenses nor permits, as beef is imported through tender run by the Livestock Products Marketing Organization, the sole beef import government agency.

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

Primary surface sea transportation is used for frozen beef.

B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

Mainly inland trucking mode from the cold storage facilities.

6. INDUSTRY STRUCTURE

A. *Location of domestic production facilities and brief description.*

Location of LPMO and NLCF's warehouse - there are sizeable cold storage and in-bond storage facilities available for imported beef, but all facilities are equipped with the conventional system.

B. Marketing Channels:

Standard importation and distribution channels of product from point of entry to final buyer.

Distribution channels for local meat farmers: dealer-wholesale market for live animal-slaughter house for beef-auction market-wholesale distributor-butcher shop-supermarket-customer.

Distribution channel for imported meat: LPMO-auction-wholesale market-specialized distributor for imported beef-supermarket-retail meat shop (butcher shop).

LPMO-NLCF or KCBC-wholesale distributor for imported beef-butcher shop.

C. List main industry contacts:

Government departments, agencies, government-regulated bodies involved in beef trade.

Ministry of Agriculture, Forestry and Fisheries (MAFF)
Add: #1 Choongang-Dong, Kwachon City, Kyonggido,
Government Complex Bldg.
Tel: 822-503-7171
Contact: Livestock Bureau

National Animal Quarantine Service
Add: #23-4 Dungchon-Dong, Kangso-Ku, Seoul
Tel: 822-653-5038 (International Quarantine Inspection Div.)

7. OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS

A. The projection of beef consumption in 1996 and 2000:

1996	274,000 MT	6 kgs per capita
2000	327,000 MT	6.9 kgs per capita

(Source: Korean MAFF)

B. The projected number of cattle (trends):

1996	2,850,000 head, including 632,000 head of native cattle
2000	3,457,000 head, including 705,000 head of dairy cows

(Source: Korean MAFF)

C. Tips for Canadian exporters - recently there have been moves to relax the restrictions, but many of these have been more cosmetic than of practical importance. Some items of interest such as bovine offals are of interest to Canada, but in practical terms, the market is still limited.

Import barriers restrict the entry of all beef meats, whether they are processed or canned, into Korea.

D. How can exporters access the Korean beef market? Beef imports are implemented through open tender by the LPMO:

- agency agreement with a Korean trading agent
- each exporter's Korean agent is required to register with the LPMO
- bid announcement by the LPMO is made through a domestic paper
- preparation of bid subject to the terms and conditions of the invitation to bids
- submission of bid to the LPMO - supplier and/or bidder shall establish bid bond not less than 2% of the total bid value
- award of contract will be made to the bids which meet the best interest of LPMO - written notification of award or countersign - performance bond shall be established in an amount not less than 5% of the contract value
- shipment and shipping advice to the LPMO
- dispatch of shipping documents
- payment through foreign exchange banks designated by the LPMO

Residue Limits in Beef

Compound	Limit (parts per million)
Oxytetracycline	0.1
Chlortetracycline	0.1
Tylosin	0.2
Penicillin	0.05
Streptomycin	not covered
Bacitracin	0.5
Monensin	0.05
Erythromycin	0.0
Chloramphenicol	0.0
Salinomycin	0.0
Sulfamonomethoxine	0.1
Sulfadimethoxine	0.1
Sulfamethazine	0.1
Frazolidone	not covered
Nitrovin (Panazon)	0.1
Carbadox	not covered
Thiamphenicol	0.5
Olaquinox	0.05
Oxolinic acid	0.05
Diethylstilbesterol	0.0
Zeranol	0.002
Trenbolone acetate	0.0014
DDT	5.0 (fat)
Dieldrin	0.3 (fat)
Heptachlor	0.3 (fat)
Arsenic	not covered
Cadmium	0.1

For Further Information Contact:

**Canadian Embassy
P.O. Box 6299
Seoul 100-662, Republic of Korea
Tel: (011-82-2) 753-2605
Fax: (011-82-2) 755-0686
Contact: Mr. Dean Daley, Counsellor (Commercial)**

TAIWAN

1. GENERAL OVERVIEW

Taiwan's total beef imports were 48,184 MT in 1992, 6.4% was Special Quality Beef (SQB) mainly from the U.S., 19.6% was Shin, Shank, and Intercostal (S/S/I) mainly from Australia. Canada AAA graded beef should target on the SQB market in 1993/94. It is worthwhile for Canadian Beef Export Federation (CBEF) to determine the feasibilities of exporting Canadian S/S/I product into the marketplace.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Production - 4,900 MT
Slaughter - 27,000 MT

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

U.S. Prime - US\$4.00/lb.

iii) *Types of cuts.*

Round steak, flank steak.

iv) *Government policies which impact significantly.*

Statistics indicate that 90% of Taiwan's beef demand is met by imports. The Council of Agriculture (COA) is still monitoring beef imports by setting import quota and high import tariff rate. COA has no stated intention to limit special quality beef imports, but wants to control cheaper beef cuts to save the declining local beef industry.

v) *Trends.*

Although Canadian beef now competes on a fair basis (tariff rate) with U.S. beef, the COA has agreed to reduce the U.S. tariff rate (only for S/S/I) from NT\$30 per kg to New Taiwan (NT) \$20 per kg starting from August, 1993.

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs (1991).

Annual total - 49,881 MT

Annual per capita consumption - 2.44 kgs

ii) Self-sufficiency ratio.

Less than 10%.

iii) Brief description of consumer attitudes toward domestic and imported products.

Consumers prefer domestic products because most of them are chilled or frozen.

C. Country Beef Imports:

i) Total quantity

	1990	1991	1992
Total imports (MT)	38,025 MT 100%	44,905 MT 100%	48,184 MT 100%
1. Special Quality Beef (e.g. U.S. prime and choice)	2.5%	5.6%	6.4%
2. Shin, shank, intercostal (S/S/I)	17.7%	16.5%	19.6%
3. Steak cuts, non-S/S/I	37.4%	41.2%	44.2%
4. Low-priced other cuts	42.2%	36.6%	29.7%

Source: Taiwan Customs Statistics

ii) Imports from Canada

1990 - 23.7 MT

1991 - 93.5 MT

1992 - 104.3 MT

Source: Taiwan Customs Statistics

iii) *Imports from major suppliers, quantity and value.*

Country	MT	US\$1,000
New Zealand	7,244	32,514
Australia	36,935	116,955
USA	3,821	26,115

iv) *Promotional activities of competitors.*

Australia and USA - participation in trade shows, beef tasting promotions as well as cooking contests.

New Zealand - less active.

v) *Trends.*

From August, 1993, tariff on U.S. S/S/I will be reduced to NT\$20/kg.

vi) *Major importers, distributors and their organizations.*

Hu Tien Teng Co. Ltd.
8F-3, No. 85, Chung Hsiao E. Road, Sec. 1, Taipei
Tel: 02-3212530
Tlx: 20847

The National Office Equipment Corporation
16th Flr., 955, Tung Hua S. Road, Taipei
Tel: 02-7367906
Fax: 02-7369514

Ding Lloyd International, Ltd.
7th flr., 2, Min Tsu E. Road, Taipei
Tel: 02-5981116
Fax: 02-5928822

Concourse International Ltd.
4th Flr., 125, Sung Kiang Road, Taipei
Tel: 02-5068292
Fax: 02-5065473

Adventure Industries Co., Ltd.
7th Flr., 2, Min Tsu E. Road, Taipei
Tel: 02-5981116
Fax: 02-5928822
Tlx: 11256

Yu Tai Frozen Foods Co., Ltd.
27, Ku Ling Street, Taipei
Tel: 02-3213316
Fax: 02-3413509

Formosa Exporters, Ltd.
7th Flr., 2, Min Tsu E. Road, Taipei
Tel: 02-5981116
Fax: 02-5928822
Tlx: DINGLOYTAI 11256

Game Industrial Company
2nd Flr., 5, Lane 150, Roosevelt Road, Sec. 5, Taipei
Tel: 02-9323807
Fax: 02-9344300
Tlx: 13230 GAMECO

Tah Shing Hwa Trading Co., Ltd.
4th Flr., 3-2, Lane 167, Nan King W. Road, Taipei
Tel: 02-5312581

Nan Chien Trading Co., Ltd.
14, Lane 223, Nan King E. Road, Sec. 3, Taipei
Tel: 02-7132177
Fax: 02-7175337

Far Eastern Dept. Store, Ltd.
27, Pao King Road, Taipei
Tel: 02-3816155
Fax: 02-3821371
Tlx: 27844 FEDS

Mandarin Enterprises Corp.
9th Flr., 48, Fu Hsing N. Road, Taipei
Tel: 02-7715771
Fax: 02-7216242

Cresco Incorporated
14th Flr., 191, Fu Hsing N. Road, Taipei
Tel: 02-7152866
Fax: 02-7155322
Tlx: 11568 ONGREEN

Jall Eon Trading Co., Ltd.
5, Alley 58, Lane 278, Yung Chi Road, Taipei
Tel: 02-7631600
Fax: 02-7682142
Tlx: JALLEN 25278

Fornido Enterprise Corp.
No. 4, 8th Flr., 2, Fu Ching Street, Taipei
Tel: 02-7121678
Fax: 02-7169530
Tlx: 20047

Kyomatsu Trading Co., Ltd.
10th Flr., 591, Tung Hua S. Road, Taipei
Tel: 02-7553248
Fax: 02-7005587
Tlx: 10348 KYOMATSU

Yolen Commercial Co., Ltd.
5, Alley 58, Lane 278, Yung Chi Road, Taipei
Tel: 02-7631600
Fax: 02-7682142
Tlx JALLAN 25273

Wellroc Enterprise Co., Ltd.
2nd Flr., 145, King Shan S. Road, Sec. 2, Taipei
Tel: 02-3283904
Fax: 02-3280848
Tlx: 29568 KINGMEAT

Leonine Enterprise Limited
10th Flr., 598, Min Sheng E. Road, Taipei
Tel: 02-7125223
Fax: 02-7137633
Tlx: 23256 SHPCLEE

Thai-Hsin Enterprise Co., Ltd.
Room 12, 6th Flr., F 121, Hung King S. Road, Sec. 1, Taipei
Tel: 02-3148916
Tlx: 12235 POMECH

Shine Moor Development Corp.
11th Flr., 397, Hsin Yi Road, Sec. 4, Taipei
Tel: 02-7389172
Fax: 02-7365278
Tlx: 22317 FLYLIN

M.A. Cargill Trading Ltd.
9th Flr., 368, Fu Hsing s. Road, Sec. 1, Taipei
Tel: 02-7035308
Tlx: 11325 CGLPAT

Weddel (Far East) Limited Taiwan Branch
Room 1202, 12th Flr, 147, Kien Kuo N. Road, Sec. 2, Taipei
Tel: 02-5012946
Fax: 02-5012950
Tlx: 24364

Hoelsing International Co., Ltd.
2nd Flr., 394, Kee Lung Road, Sec. 1, Taipei
Tel: 02-7581015
Fax: 02-7581020

Bolex Development Corporation
No. 2, 6th Flr., 71, Jen Ai Road, Sec. 2, Taipei
Tel: 02-3946491
Fax: 02-3516794
Tlx: 12147 BOLEXDVT

Jaolen Trading Co., Ltd.
5, Alley 58, Lane 278, Yung Chi Road, Taipei
Tel: 02-7631600
Fax: 02-7682142
Tlx: JALLEN 25273

Found Strong Co., Ltd.
Rm. 9-1, No. 7, Hsin Sheng N. Road, Sec. 3, Taipei
Tel: 02-5961779
Tlx: 26793

Rayeons Food Industrial Co., Ltd.
11th Flr., 289, Chung Ksiao E. Road, Sec. 4, Taipei
Tel: 02-7726222
Fax: 02-7216558

Upright Equipment & Tools Inc.
33, Lane 265, Kang Ning Road, Sec. 3, Taipei
Tel: 02-7482911
Fax: 02-7914398
Tlx: 17779 UPRITE

Foshing Air Transport Corporation
2nd Flr., 150, Fu Hsing N. Road, Taipei
Tel: 02-7152766
Fax: 02-7129801
Tlx: 13634 THAINTER

Keeper International Corporation
No. 1, 10th Flr., 586, Min Sheng E. Road, Taipei
Tel: 02-7128945
Fax: 02-7164016
Tlx: 19109

Robo Enterprise Ltd.
18, Lane 120, Tien Mu W. Road, Taipei
Tel: 02-8261417
Fax: 02-8261417

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

AAA beef with maple leaf packaging should be directly promoted to the trade.

B. *Short to long-term potential for increased Canadian sales.*

Almost all SQB market demand is met by U.S. beef. Canada AAA should start by setting a goal for SQB in 1993 and go into S/S/I market in 1994.

C. Major shows

- International Food Show Taipei
- International Fine Food & Food Equipment Show

D. Suggestions for generic/non-generic promotional activities, point of sale, and point of purchase promotional materials.

Island-wide supermarket and department store promotions are the most efficient way to introduce Canadian beef to Taiwanese consumers

It is suggested that maple leaf hats and t-shirts be considered as promotional material ideas.

E. Key points requiring address prior to achieving success in this market hurdles, barriers, steps required, etc.

Canadian S/S/I products should be allowed into Taiwan under the same tariff rate for U.S. S/S/I products.

4. ACCESS AND BARRIERS

As a result of considerable effort on the part of the Canadian Government office in Taiwan, the tariff for AAA beef was lowered effective April 24, 1993 and will hold until December 31, 1993. It is expected (but not confirmed) that this lower tariff will continue through 1994. The lower tariff (NT\$20/kg) allows Canada AAA beef to compete fairly with high quality US beef.

Tariff for U.S. S/S/I will be NT\$10/kg lower than tariff for Canadian S/S/I.

Tariff rates for non-AAA is Cdn\$1.50/kg.

5. TRANSPORTATION

A. Modes available to land product in the market and major companies/facilities.

- sea
- 3 main harbours: Keelung, Taichung, and Kaohsiung
- American President Lines, Evergreen Lines, Sea-Land Lines

B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

- refrigeration truck
- Leonine Foods Ltd., Vivid Riches Enterprise Ltd., Keeper International Ltd.

6. INDUSTRY STRUCTURE

A. *Location of domestic production facilities and brief description.*

The domestic beef industry is still shrinking and can meet less than 10% of the market demand. Most of the facilities are at the cottage level.

B. *Marketing Channels:*

i) *Standard importation and distribution channels of product from point of entry to final buyer:*

- agents - wholesalers/stocking distributors
- agents - direct sales to supermarkets, other retailers
- brokers - wholesalers/stocking distributors - direct sales to supermarkets, other retailers

ii) *Any indications of changes in such patterns.*

There will not be any significant changes in such patterns.

C. *List main industry contacts:*

Government departments, agencies, government-regulated bodies involved in beef trade.

Board of Foreign Trade, Ministry of Finance issues import licence for all beef imports.

For Further Information Contact:

**Canadian Trade Office
13th Floor
365 Fu Hsing North Road
Taipei
Tel: (011-886-2) 713-7268
Fax: (011-886-2) 712-7244
Contact: Mr. Eric Song, Commercial Officer**

THAILAND

1. GENERAL OVERVIEW

There are an estimated 7.1 million head of cattle in Thailand. Production of beef is almost exclusively for domestic consumption. The government, through the Department of Livestock Development, controls the import of both cattle breeding stock and meat through a system of import permits. Market potential does exist in the form of a small, but growing, market in the hotel and institutional trade which Canadian exporters should consider.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

There were about 419,851 slaughtered cattle in 1992. Total production of beef was about 83,970 MT.

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Price at wholesale level for cattle beef is Cdn\$2.35/kg.

iii) *Types of cuts.*

The types of cuts for this market are in accordance with the international standards in terms of quality of beef and fat content. Some supermarkets have hired foreign staff to manage meat departments. Tenderloin, t-bone, and ribeye cuts are common.

iv) *Government policies which impact significantly.*

Thailand is still an agricultural nation, employing about 60% of the population. In order to assist farmers, the Ministry of Commerce administers price controls on beef transactions. The Ministry of Agriculture and Cooperatives, through the Department of Livestock Development, extends several types of service free of charge to farmers, i.e. vaccination, artificial insemination, etc. The Bank of Agriculture and

Cooperatives provides low interest rate loans to farmers for beef cattle procurement.

v) *Trends.*

The above measures are expected to continue given the low income of farmers and the stated government policy of increased distribution of economic benefits to rural areas.

B. *Domestic Consumption:*

i) *Annual total, MT; annual per capita consumption, kgs.*

All production is for domestic consumption. Annual per capita consumption is approximately 1.5 kgs.

ii) *Self-sufficiency ratio.*

Self-sufficient ratio is almost 100%.

iii) *Brief description of consumer attitudes toward domestic and imported products.*

Per capita income for Thailand is approximately Cdn\$2,250. Imported products are mostly purchased by high income families, foreign communities, hotels and other institutions, etc. The average Thai family would not normally purchase imported beef due to high cost.

iv) *Trends.*

Consumption of beef is increasing as Thailand's economic growth continues on a strong upward trend.

C. *Country Beef Imports:*

Thailand imported about 809 MT (approximately Cdn\$3.8 million CIF) in 1991. The import was in the form of fresh/chilled and frozen. Frozen beef represented about 93% of the total imports.

According to Thai statistics, beef imports from Canada were 96 kgs valued at Cdn\$1,540 CIF in 1991. Canadian market share is insignificant.

Major suppliers were as follows (figures in CIF value):

USA:	563 MT - Cdn\$2.57 million
Australia:	180 MT - Cdn\$836,034
New Zealand:	48 MT - Cdn\$285,504

Competitive pricing is most favoured tool. Promotions, in the Canadian sense are not utilized.

i) Major importers, distributors and their organizations.

Choice Food (Thailand) Co., Ltd.
595/10-11 Soi 33/1 Sukhumvit Road
(near Villa Cinema)
Bangkok 10110
Fax: (662)258-5090

Siam Food Services
2439 Old Paknam Railway Road
Bangkok 10110
Fax: (662)249-7294

World Arabian Thai Intertrade Co., Ltd.
302/93-95 Taveemitr Hacienda
Asoke Din Daeng Road
Huay Kwang
Bangkok 10310
Fax: (662)247-1865

D. Country Exports:

Thailand exported about 23 MT (Cdn\$54,685) in 1991 to Japan. There was no exportation to Canada.

Thailand is not expected to export significant quantities of beef in the foreseeable future.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

There is no doubt that there is a market potential for beef in Thailand. Although the market size is small, there is a growing market for hotel and other institution use. Canadian exporters should plan to visit Thailand to explore the export opportunities. They should aim at a long-term basis.

B. *Major shows*

Apart from visiting importers/distributors, participation in food fairs is essential to establish contacts and increase local awareness of product. Each year there are a couple of food fairs, i.e. Food and Drinks, Hospitality and Food, Foodex, Hotelex, etc. Should the result of participating in food shows be positive, organizing a solo show could be worthwhile.

The programs for upcoming trade exhibitions are as follows:

Food and Drinks Thailand
October 23-26, 1993

Hospitality & Food
September 8-11, 1994

Food and Drinks Thailand
November 16-19, 1994

These trade shows are organized by Bangkok Exhibition Service Ltd. at the Queen Sirikit National Convention Centre. Food and Drinks is organized once a year.

C. *Suggestions for generic/non-generic promotional activities, point of sale, and point of purchase promotional materials.*

Trade fair and in-store promotion are recommended.

D. *Key points requiring address prior to achieving success in this market hurdles, barriers, steps required, etc.*

Visit to Thailand to explore the market opportunity and to discuss with industry people is essential.

4. ACCESS AND BARRIERS

The countries that would like to export beef, mutton, and their edible products to Thailand must certify that:

1. The country of origin shall be free from foot and mouth disease (FMD) and Rinderpest.
2. The products shall be accompanied by a Veterinary Health Certificate signed by Official Veterinary Authority of the country of origin certifying that:
 - a) The country has been free from FMD and Rinderpest for twelve months preceding the slaughter of the animals and up to the time of export.
 - b) The animals are born and reared in the country of origin or have been in the country of origin for not less than 4 months.
 - c) The products have been processed in a designated establishment in a sanitary manner under constant veterinary supervision and derived from animals which received ante-mortem and post-mortem examinations and found free from disease.
 - d) The products do not contain preservatives, additives, or other substances at a level harmful to human health.
 - e) The products are fit for human consumption and every precaution has been taken to prevent contamination prior to export.
 - f) The products have not been stored for more than 3 months and the date of processing or packaging shall be stated.
3. All carcasses, meat, and offals shall bear meat inspection legend and products too small to be marked shall be packed in closed containers bearing the inspection legend.
4. The products shall not be transhipped at any intermediate port and are subject to inspection on arrival.

Import for beef is subject to tariff of 60% of CIF value plus 7% VAT. An import permit issued by the Department of Livestock is required for the importation of beef into Thailand.

Health certificate is required for the export of beef meat to Thailand. The details of the requirement are attached for your information.

5. **TRANSPORTATION**

Beef is transported by air freight and is transported by surface to the importer's warehouse by refrigerated truck.

6. **INDUSTRY STRUCTURE**

A. ***Location of domestic production facilities***

Cattle farms are spread throughout Thailand. Local abattoirs will provide fresh meat to a limited radius. Larger abattoirs located near centres of large population will have proper refrigeration facilities. Importers have their own warehouses and cold storage. The warehouses are centrally located to facilitate transport to the customers.

B. ***Storage/handling facilities:***

Warehouses, cold storage, and in-bond storage are available.

C. ***Marketing Channels:***

The distribution channels of beef are as follows:

- from importers wholesaler/distributors to end-users, i.e. hotels and restaurants
- from importers wholesaler/distributors to supermarkets

It is believed that there is a niche market for Canadian beef in Thailand. In order to be successful in this market, the exporters have to show serious interest and be patient.

D. *List main industry contacts:*

Department of Livestock Development
Phyathai Road
Bangkok 10400

Department of Foreign Trade
Ministry of Commerce
Sanam Chai Road
Bangkok 10200

For Further Information Contact:

**Canadian Embassy
P.O. Box 2090
Bangkok 10500, Kingdom of Thailand
Tel: (011-66-2) 237-4126
Fax: (011-66-2) 236-7119
Contact: Mr. Thawee Thaiprasithiporn, Senior Commercial Officer**



SECTION B

WESTERN EUROPE





EUROPEAN COMMUNITY

1. GENERAL OVERVIEW

The marketing year normally runs from the first Monday in April to the end of the previous day of the following year. In the last few years, the marketing year has been consistently extended until the end of June.

In 1990, expenditure on beef/veal accounted for some 11.3% of total EAGGF spending.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Statistical Tables (*)

CATTLE NUMBERS

	1,000 Head			% of EUR 12	% TAV	
	1987	1990	1991	1991	<u>1989</u> 1987	<u>1991</u> 1990
1	2	3	4	5	6	7
EUR 12	80351	80204	79672	100.0	-0.3	-0.6
Belgique/Belgie	2961	3049	3161	4.0	1.1	3.7
Danmark	2348	2232	2241	2.8	-1.6	0.4
BR Deutschland	14950	14563	14587	18.3	-0.8	0.2
Ellada	733	690	687	0.9	-1.9	-0.4
Espana	5018	5312	5001	6.3	0.7	-5.8
France	21521	21394	21500	27.0	-0.2	0.5
Ireland	5614	5899	6029	7.5	1.4	2.2
Italia	8887	8858	8235	10.3	-0.9	-7.0
Luxembourg	210	208	215	0.3	0.0	3.3
Nederland	4692	4731	4830	6.0	0.2	2.1
Portugal	13400	1335	1340	1.7	0.1	0.4
United Kingdom	12077	11933	11846	14.9	-0.5	-0.7

Source: Eurostat and EC Commission, Directorate-General for Agriculture

(*) Extract from "The agricultural situation in the Community. 1991 report."

In 1993, world beef and veal production is expected to decline by around 1-2%.

In 1992, the EC's cattle population fell by 2.2%, approximately 1,793,000 head. The decline is due principally to Germany and the new German Länder in former East Germany, where the cattle population showed a further fall of 5.1%.

In 1993, the EC's gross indigenous production is expected to amount to 29,718,000 head, representing a fall of 2.9%, or 861,822 head, compared with 1992.

The drop in EC production reflected shrinking cattle herd numbers in most member states as a result of a further cut in dairy quotas in 1991/92 and

a 22% drop in the cattle herd of the new eastern German Länder. Increasing production costs, falling cattle prices, processing difficulties, and the collapse in demand have characterized the meat scene in central Europe and the CIS. Herd sizes were sharply reduced, a factor which may deeply affect most of these countries' meat industries for several years to come.

Beef cattle production is predicted to fall most in the first 6 months, by around 5%, whilst the second half will be down by 0.9%, compared to the same period in 1992. Gross indigenous production will fall sharply in Germany by 9.1%, and above average falls of 4.5% are expected in Denmark, 3.7% drop in France, and 3% in the Netherlands.

INDIGENOUS PRODUCTION

	<u>1990</u>	<u>1991</u>	<u>1992</u>
D (West)	1625.0		
Deutschland		2240.0	1849.0
France	1599.0	1714.0	1758.0
Italia	715.0	714.0	
Espagne	492.0	481.0	
Portugal	105.0	115.0	
Netherlands	314.0	403.0*	
Belgium Lux.	289.0	398.0*	
United Kingdom	974.0	998.0	
Ireland	569.0	585.0	
Denmark	201.0	211.0	
Greece	60.0	56.0	
Eur-12 (&)	6943.1		
Eur-12		7915.4*	

(* estimate)

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Every year the Council fixes 2 categories of prices:

1. The guide price: the guide price is fixed for adult bovine animals based on production and consumption estimates and on the situation of the milk and milk products market and of past experience. It is the desired average price on the Community market for all quantities marketed during the marketing year. The

guide price and the Community market price are used as a reference to determine the relevant import levies.

2. The intervention price: this is the price (ECU 343 per 100 kgs carcass weight for adult male bovine animals) which determines support for the market in beef/veal.

Under the intervention system set up in 1972, intervention agencies can buy in categories and qualities of meat if the market price of which fails to reach a certain percentage of the derived intervention price for these categories.

The Council decided (Regulation (EEC) No. 571/89) that intervention would be opened, generally speaking, by reference to the following criteria:

- a) The average market price in the Community for the quality or group of qualities concerned must be below 88% of the corresponding intervention price.
- b) The average market price nationally for the quality or group of qualities concerned must be below 84% of the corresponding intervention price.

The buying-in price is determined by a tendering procedure. Buying-in may not exceed 235,000 MT per year except in certain situations. Nonetheless, a buying-in scheme above the ceiling may be established as a safety net, relating to all tenders submitted up to 80% of the intervention price, when market prices fall below 80% of the intervention price in 3 regions of the Community representing at least 55% of Community production.

Private storage aid permits more flexible intervention according to the quantities and qualities meeting market requirements and may be paid when the market price falls below a certain percentage of the guide price.

In parallel with the changes to the intervention system, the Council decided on a system of premiums valid from April 3, 1989. These premiums should help to offset the effect of the adjustments to the intervention system on producers' incomes.

- a) Premium for suckler cows (Regulation (EEC) No.1357/80)
The aim of this premium is to ensure a reasonable income for stockfarmers. To claim the premium, each farmer must show that

he delivers no milk or milk products from the holding operated on the day he files the application. This measure was extended in 1990 to small milk producers (reference quantity of 60,000 kgs/year). The premium for 1990/91 is ECU 40/head, chargeable to the EAGGF Guarantee Section. The member states may pay an additional premium, not exceeding ECU 25/cow, of which ECU 20 is chargeable to the EAGGF Guarantee Section when paid in Ireland, Northern Ireland, and Greece.

b) Special Premium (Regulation (EEC) No.805/68)

This premium is fixed at ECU 40/head and may be paid for male animals reared to adulthood, once during the life of the animal or at slaughter. It is paid for a maximum of 90 head per holding.

Community scale for the classification of carcasses of adult bovine animals (Regulation (EEC) No.1208/81): this Regulation, which was made generally applicable by Regulation (EEC) No.1186/90, standardizes the classification of carcasses in the Community. Market prices are recorded on the basis of the classification, in carcass weight at the slaughterhouse and expressed according to the reference presentation established by the Regulation. By Regulation (EEC) No.869/84 the Council decided that intervention measures for carcasses of adult bovine animals were to be applied on the basis of the Community scale from April 9, 1984. It has enabled a single buying-in price to be fixed for each quality of fresh or chilled meat eligible for intervention (see "new rules" section at the end).

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs.

	<u>CONSUMPTION</u> (kgs per capita)		
	<u>1990</u>	<u>1991</u>	<u>1992</u>
D (West)	21.0		
Deutschland		20.1*	
France	24.3	24.4	
Italia	21.5	21.7	
Espagne	12.3	12.8	
Portugal	14.4	15.4	
Netherlands	17.7	19.6*	
Belgium Lux.	16.9	21.6*	
United Kingdom	18.8	19.2*	
Ireland	18.0	16.7	
Denmark	18.7	19.1	
Greece	22.0	18.7	
Eur-12 (&)	19.7		
Eur-12		19.9*	

(* estimate)

ii) Self-sufficiency ratio.

The rate of self-sufficiency, which exceeded 100% up to 1988, was below 100% in 1989; in 1990, it rose again to 107.4%, and dropped slightly in 1991.

As regards trade, the EC imported about 500,000 MT of beef/veal in 1990 and exported some 78,000 t, leaving a surplus balance of about 280,000 t.

C. Country Beef Imports:

EC Beef Stocks

Despite a drop in production, EC beef stocks surpassed 1 million MT at the end of 1992. Prices of frozen beef in the United States, reflecting weak import demand, have fallen. Meanwhile, large export availabilities in the EC have been exerting a downward pressure on prices in an area already affected by weak demand in the CIS.

Total quantity and value of beef imports.

IMPORTS
1992 from World

Meat of Bovine Animals, Fresh or Chilled

<u>Reporter</u>	<u>Value</u> <u>(000 ECU)</u>	<u>Quantity</u> <u>(000 kgs)</u>
Eur 12	5310798	1487154
France	1217819	387138
Belgium Lux.	62111	14705
Netherlands	207342	61501
Fr Germany	1061251	265443
Italy	1599038	423166
United Kingdom	399470	105537
Ireland	24063	7809
Denmark	149459	47213
Greece	361444	112783
Portugal	116120	38680
Spain	112681	23181

Source: Eurostat - COMEXT

IMPORTS
1992 from World

Meat of Bovine Animals, Frozen

<u>Reporter</u>	<u>Value</u> <u>(000 ECU)</u>	<u>Quantity</u> <u>(000 kgs)</u>
Eur 12	750525	267983
France	38221	12979
Belgium Lux.	19650	5928
Netherlands	126647	36884
Fr Germany	201229	71036
Italy	110412	48280
United Kingdom	113665	48716
Ireland	1704	576
Denmark	5844	1189
Greece	86186	31272
Portugal	24308	6045
Spain	22659	5078

Source: Eurostat - COMEXT

D. *Country Exports:*

Total exports by quantity and value.

EXPORTS
1992 to World

Meat of Bovine Animals, Fresh or Chilled

<u>Reporter</u>	<u>Value</u> <u>(000 ECU)</u>	<u>Quantity</u> <u>(000 kgs)</u>
Eur 12	4817814	1422710
France	833495	239643
Belgium Lux.	470166	128325
Netherlands	1297073	331379
Fr Germany	940818	303235
Italy	96158	45376
United Kingdom	269999	81835
Ireland	511935	139137
Denmark	270252	76517
Greece	310	10
Portugal	71	11
Spain	127537	57242

Source: Eurostat - COMEXT

EXPORTS
1992 to World

Meat of Bovine Animals, Frozen

<u>Reporter</u>	<u>Value</u> <u>(000 ECU)</u>	<u>Quantity</u> <u>(000 kgs)</u>
Eur 12	1515544	1103281
France	379232	262322
Belgium Lux.	53569	34194
Netherlands	94561	54077
Fr Germany	335246	306221
Italy	155204	117602
United Kingdom	86836	42813
Ireland	296617	213782
Denmark	71524	41512
Greece	1251	758
Portugal	1025	254
Spain	40479	29746

Source: Eurostat - COMEXT

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Future Market Perspective

At the present time, the EC has a 1 million MT surplus intervention stocks of beef that carries exorbitant warehousing cost and is major strain on the agricultural budget. Most industry specialists have doubts about EC's ability to lower these stocks through Common Agricultural Policy (CAP) reform measures.

Because of white meat preference, consumption trends will lead to further surplus situation if unchecked. Even if hormone ban on Canadian products were to be removed, high EC internal support mechanisms, together with equally high import levies, renders Canadian products uncompetitive. Also, meat entering EC from central European Community are predicted to increase with evolution of association agreements between these two areas. Preferential market access is being provided to Poland, Hungary, and the Czech and Slovak republics, involving a diminution by 60% over 3 years of the levy rate applicable to beef imports. EC officials claim that imports from these areas will continue indefinitely.

Canadian exports are essentially limited to offals for non-human consumption, dairy cattle, and veal calf meat. It seems that most hopeful prospects at this time for Canadian

bovine products will come in the form of niche market servicing as is the case with our exports of bison under Hilton quota.

4. ACCESS AND BARRIERS

Import and Export Arrangements

Imports are governed by very specific rules according to product. The principle is that a customs duty and a levy are charged related to the guide price and the market price. There are 2 exemptions: 1) the scarcity clause, which restricts or abolishes customs duties and levies, and 2) the protective clause, which provides for restrictions on imports.

Imports

Imports from third countries are usually subject to a tariff of 20%, plus a variable levy. The community TRQ, however, allows for the import of levy-free beef under the following GATT-bound quotas:

1. 53,000 MT frozen beef.
2. 29,800 MT fresh, chilled, or frozen high quality beef.
3. 2,250 MT water buffalo meat.

Canada and the USA share a quota allotment of 10,000 MT of Hilton high quality beef.

The EC hormone ban makes it virtually impossible to ship Canadian beef to the EC. The Community has thus far refused to allow Canadian producers to self-certify their products as hormone-free as they have done for the U.S. producers. The EC position remains that Agriculture Canada must certify Canadian meat exports to the EC as hormone-free. In response to serious request for USA model, the EC veterinary authorities show no willingness to expand self-certification to Canada.

Community meat exports may draw a refund which may be varied according to intended use/destination, offsetting the difference between world prices and Community prices.

Canadian exports are essentially limited to offals for non-human consumption, dairy cattle, and veal calf meat. Canadian bison meat enters as meat from non-farm animals, and is therefore exempt from the hormone ban certification requirement, although it should be noted that bison producers do not use growth hormones. Since bison is classified under "bovine," it is eligible to enter the EC under the Hilton quota.

New Rules

1. Maximum weight for beef eligible for sale into intervention.
The Commission decided on March 18, 1993 on a proposal aimed at reducing the level of beef production in the EC. This measure, which establishes a maximum

weight for animals eligible for sale into intervention, will encourage producers to slaughter animals at a lighter weight than previously.

These measures will help to reduce intervention stocks that grew to 1 million MT in 1992. From July 1, 1993, the limit applicable will be 380 kgs, declining to 360 kgs on January 1, 1994, and 340 kgs on July 1, 1994. Eurcom commission Steichen, even though he has been pressured to present less severe weights, claims that there is no room for further negotiations on this issue.

2. Hormone directive.

On April 21, 1993, the Commission proposed new measures that would provide stricter rules on illegal use of growth hormones. The Commission proposed 3 rules whose aim is to eradicate their use. Firstly, producers must make a written undertaking not to use hormones. If above is not respected, they would forfeit aid for one year for the first infringement, and total loss for an unlimited period for any subsequent infringement. Secondly, the EC's inspection system will be bolstered with targeted checks at farms, slaughterhouses, and fattening farms. And finally, the Commission proposes a total ban on Beta-agonists, now used for therapeutic purposes, but also by some farmers to promote muscle growth. Illegal trade of growth promoters is prevalent in the Netherlands, France, and Belgium, where it said that 70% of beef is treated in one manner or another. EC officials claim that they would have solid defence case in international negotiations against third country attempting to block EC meat exports due to unofficial hormone use since use of such products was legally documented as being prohibited and that through new measures, Eurcom would show that they are doing all in their power to help eliminate its use. Before EC beef could be allowed into Canada in future years, we would need to be assured that EC meat is hormone-free and does not pose a health risk to Canadian consumers.

For Further Information Contact:

**Mission of Canada to the Communities
2, Avenue de Tervuren
1040 Brussels, Belgium
Tel: (011-32-2) 735-9125
Fax: (011-32-2) 735-3383
Contact: Mr. Gary Moore, First Secretary (Agriculture)**

BELGIUM

Please see European Community report for more information

Beef imports from non EC countries must conform to European legislation. For beef imports there is a 20% duty plus the EC imposed levy.

Trade Shows:

Salon professionnel Européen pour l'industrie, l'artisanat et le commerce

Organized by: Interexpo, Parc des exposition
Place Belgique
1020 Bruxelles, Belgium
Tel: 02/477 04 77
Fax: 02/477 03 91

Foire agricole et forestière de Libramont (July)

Organized by: Societe Royale: le cheval de trait ardennais
49, rue de la Gare
6900 Marloie
Tel: 084/31 30 35
Fax: 084/31 65 00

Foire Internationale pour l'élevage intensif (February)

organized by: IVV ASBL/VZW
Brussels Steenweg 383
1731 Zellik
Tel: 02/466 56 38/016/24 21 18
Fax: 02/466 56 38

Important Contacts:

Ministère de l'agriculture (Department of Agriculture)
Institut économique agricole (IEA) (Agricultural Economics Institute)
Manhattan Centre
Office Tower - 21e verdieping
Bolwerklaan 21
1210 Brussel
Tel: 02/211 76 34/36

O.N.D.H.H.

Office national des débouchés agricoles et horticoles
(National Bureau for Agricultural and Horticultural Markets)

Leuvenseplein 4
1000 Brussel
Tel: 02/210 17 11
Fax: 02/218 46 67

BIVEX - Groupement professionnel du commerce international de la viande et du bétail, des
abattoirs et ateliers de découpe d'exportation Belges

(BIVEX - Professional Group for International Trading in Meat and Livestock, Slaughterhouses
and Cutting, Belgium)

Rue du Lombard 57
8ieme Étage
1000 BRUXELLES
Tel: 02/502 42 21
Fax: 02/502 42 24

Belgian Meat Importers:

AKYMUR NV
VELDSTRAAT 79
ROESELAERE
Tel: 051/20 90 84
Fax: 051/20 38 55

AMIC NV ANTWERP MEAT
IMPORT CY NV
INDUSTRIEPARK NOORD 21
2700 SINT NIKLAAS
Fax: 03/777 54 48
Tel: 03/776 26 75

AND-IMEX NV
SCHIPSTRAAT 29
1070 BRUXELLES
RUE ROPSY-CHAUDRON 24, B
31
Tel: 02/522 34 26
Fax: 02/521 94 72

BELDAL SA
RUE VAN BOECKEL 15
1140 BRUSSEL
Tel: 02/242 72 71
Fax: 02/242 72 71

BELEX CARGO
CHAUSSÉE DE HAECHT 1311
1130 BRUXELLES
Tel: 02/215 19 31
Fax: 02/242 34 08

BISON
J E A N - F R A N C O I S
D'HOFFSCHMIDT
MANAGER
RUE DES ÉCOLES 15
6600 BASTOGNE
Tel: 061/21 12 25
Fax: 061/21 67 56

DE JAGER NV
DE HEER H. DE JAGER
MANAGER
KLOOSTERSTRAAT 1340-142
2000 ANTWERPEN
Tel: 03/237 99 00
Fax: 03/237 99 53

DE SCHANDPAAL
DE HEER J. VAN ELSBROEK
KLOOSTERSTRAAT 13
9120 BEVEREN
Fax: 03/755 02 10
Tel: 03/775 41 18

DE WITTE FOOD BELGIUM SA
AVENUE J. VAN RUYSBROECK
6
1640 RHODE ST GENÈSE
TEL: 02/358 11 67

FACO FOODS SA
RUE DE L'INVASION 21
4884 GOE
Tel: 050/82 56 71
Fax: 050/

FRIBONA PVBA
VLIEGWEG 23
8020 OOSTKAMP
Tel: 050/82 56 71
Fax: 050/82 71 64

GOWY PBVBA
KORTRIJKSESTEENWEG 1198
9820 GENT
Tel: 09/222 24 20

VAN BAALEN EN ZONEN PVBA
STEENWEG OP BERGEN 144
1070 BRUXELLES

For Further Information Contact:

Canadian Embassy
2, avenue de Tervuren
1040 Brussels
Tel: (011-32-2) 735-6040
Fax: (011-32-2) 735-3383
Contact: Mr. Francis Keymolden, Commercial Officer



FRANCE

1. GENERAL OVERVIEW

In 1992, cattle production in France increased by 3.7% due primarily to exports of live animals and an increase in the average slaughter weights. Production of heavy animals increased by 1.5% to more than 1.7 million MT carcass equivalent (TCE). The self-sufficiency ratio increased to 125.2% requiring the intervention purchases of 201,500 MT.

In late 1992 and in the first half of 1993, the tendency has been to a decrease in production of beef leading to increases in price at the production level. These tendencies have had a significant negative effect on meat companies which can no longer rely on economies of scale given the declining slaughter and the impact of fixed costs.

France is responsible for about 25% of the beef and veal produced in the European community. Until 1987, roughly half of all the farms in the country had at least some cattle. Since 1970, the number of farms with dairy or beef animals has steadily declined. A census taken in 1992 enumerated 390,000 cattle operations, 4.2% less than in 1979 and 6.3% less than in 1970. The average size of farm herds increased from 39 animals, including 18 cows, in 1984 to 51 animals, including 25 cows, in 1991.

Prior to 1975, the total number of cattle in France had gradually increased, but that year began a slow decline which became more pronounced beginning in 1984 after the application of dairy quotas with the EC. The drive to manage dairy production caused a profound restructuring of the dairy herd in France. Between 1984 and 1992, the total number of dairy animals decreased by over 2 million head, or more than 30% of the total. The increase of about 800,000 head in the number of animals in cow/calf operations during the same period was insufficient to compensate for the decapitalization of the dairy herd.

The beef livestock and meat sector annually contributes between 5 and 6 billion francs (C\$ 1 to 1.5 billion) to the balance of trade. The positive balance is due in large measure to the sale of veal calves and feeders from the dairy herds into the Italian market. Trade of slaughter animals and carcasses is positive on a volume basis, but balanced or slightly negative on the basis of value.

In effect, the French market prefers meat cuts from the hind quarters to those from the front quarters and, as a result, exports the lower value front quarters in order to import the higher value hind quarters to satisfy market demand. Also, the demands of the French meat processing industry are largely satisfied by imports of cows from other EC member states, while carcasses are in general exported to third countries after subsidies.

The industries that surround the beef livestock sector are considered very important to the country being located in generally disadvantaged areas of western France. It is estimated that roughly 100,000 people are employed in the slaughter and processing sector related to beef.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

Herd Size and Slaughter

	1990	1991	1992	92/91
Total number of animals (000)	21377	21448	20970	-2.2
- of which - dairy cows	5489	5271	4965	-5.7
- nursing cows	3595	3666	3772	2.9
Slaughter (000 head)	4261	4608	4565	-0.9
Average weight at slaughter (kg/head)	342.9	340.9	345.6	1.4
Slaughter (000 tce)	1461	1571	1576	0.4
Gross Domestic Production (000 tce)	1599	1714	1763	2.8

Production and Consumption

	1970	1980	1991	1992
Production (000 tec)	1235	1560	1714	1763
Imports (000 tec)	73	254	454	418
Exports (000 tec)	183	390	673	753
Consumption (000 tec)	1133	1408	1391	1390
Per Capita Consumption (kg/yr)	22.3	26.2	24.6	24.3
Self-sufficiency %	109.0	110.8	123.2	126.8

In 1992, the production of heavy animals in France increased by 1.5% to more than 1.7 MT carcass equivalent. 1992 also saw a net improvement in exports for all product categories with the exception of canned meat. Exports of fresh meat increased marginally by 2%, while imports decreased by 3%.

Prices and Consumption

Farm gate prices for beef meat were relatively stable in constant francs between 1983 and 1987, while during this period the national production continued to increase and consumption was stagnant. Following the decapitalization of the dairy herd between 1985 and 1987, the market was further disrupted in 1989 by the arrival of animals from East Germany. Between 1990 and 1992, there was a need for significant intervention purchases by the community and stocks in storage were over 1 MT in 1992.

Costs to Price Relation 1980 = 100

	1980	1990	1991	1992
Farm Gate Price	100.0	145.7	132.0	135.6
Cost of Feed	100.0	163.3	158.4	168.6
Retail Price of Meat	100.0	189.2	191.5	194.6

Where retail prices are concerned, it is estimated that the prices increased by approximately 1.6% with roasting cuts increasing by 2.7% and huts for boiling by 1.6%. Fresh ground beef, however, declined by 0.4%. Average prices on a per household basis increased marginally by 0.7% and consumption increased by 0.2%, though it is estimated that real consumption on a per household basis declined by 2.4%.

Veal Production

The consumption of veal in France, which represents about 43% of the EC consumption, declined by 1.3%. Consumption of veal, which had fallen dramatically between 1970 and 1989, has been relatively stable in the past 3 years due to the fact that prices have increased at a slower rate than those for competing meat products.

Production and Consumption of Veal

	1970	1980	1991	1992
Production (000 tec)	389	405	311	315
Imports (000 tec)	15	20	45	43
Exports (000 tec)	17	66	39	44
Consumption (000 tce)	387	359	317	314
Per Capita (kg/yr)	7.5	6.7	5.6	5.5
Self-sufficiency %	100.5	112.9	98.7	100.5

The measures introduced to manage milk production had a significant impact on the production of veal beginning in 1985 the reduction of the dairy herd resulting in a net decrease in births. The decline in production was particularly evident in 1988 and 1989 linked to the ban on the sale of hormone meat in 1988. Since 1990, the production of slaughter calves has stabilized somewhat.

Farm gate prices for veal declined significantly in 1990 and 1991 as a result of the increase in imports from eastern Europe. In 1992, veal prices increased by 4%.

Costs to Price Relation - Veal 1980 = 100

	1980	1990	1991	1992
Farm Gate Price	100.0	182.4	170.2	174.2
Cost of Feed	100.0	192.6	186.4	205.8
Retail Price	100.0	210.0	212.6	218.0
Farm Gate Price of a Day Old Calf (FF/hd)	830	1106	979	1133

Producer Organizations

The producer organizations in the beef sector regroup some 100,000 producers, a number which has remained relatively stable for several years despite a substantial decrease in the number of production units. This represents about 20% of the total number of producers and the majority of specialized producers. The share of market controlled by the producer organizations represents about

25% of the total, though there are marked variations in the concentration depending on the type of products (65% for young steers to 15% for bulls and heifers).

The presence of producer organizations has had a significant impact on production because the organizations are better able to access government programs and lobby for assistance. In addition, the organizations play a lead role in producer training, transfer of technology, quality control and improvement, and all other aspects of production. In all, more than 1,500 engineers, technicians, and extension specialists are employed by the producer organizations.

Livestock Traders

There are currently approximately 4,500 livestock traders in France, a decrease of more than 25% in 10 years, employing some 14,000 persons. The majority of these are individuals or family-run businesses with only about 20% incorporated, and about 40% have at least one employee. In general, these companies are concerned with the collection, grading, and shipment of animals to slaughterhouses or for live export.

Auction Houses and Facilities

In recent years, there has been a concentration of livestock auction facilities, away from small local rings to larger more modern regional and national auctions. There are currently about 50 auctions in France handling about a third of all the livestock volume (more than 2 million animals annually). Efforts at modernization with an eye to the needs of the clients are continuing.

The auction houses have become one of the main sources of economic and statistical information related to the production and sale of livestock.

Abattoirs

The French slaughter facilities, for historic reasons composed mainly of public slaughterhouses, were by and large renovated during the 60's and 70's, but a significant overestimation of demand led to overcapacity as production fell in recent year. In the past few years, efforts have been made to rationalize the sector and modernize in anticipation of the requirements of the European community.

Currently, about 30 facilities account for almost 50% of the total production, which means that the remaining more than 400 facilities, or 95% of the total, account for little more than 50%. There is an effort at consolidation and the concentration of slaughter potential in the most productive areas. The western part of the country, including the Loir (16%), Bretagne (15%), Poitou-Charente (8%), and Normandie (6%), currently accounts for about 50% of the total slaughter.

B. Domestic Consumption:

i) Trends.

Consumption trends in France have followed those in other countries. Changes in lifestyles, increases in the number of working women, and the preoccupation with nutrition has meant substantial changes in traditional eating habits.

While food continues to be the number one expenditure in terms of disposable income, it has decreased from 26% of the total in 1970 to about 20% today. Expenditures on meat products represents roughly 27% of total food expenditures.

Domestic disappearance of all meats increased from 68 kgs per capita in 1963 to 91 kgs in 1980, representing an average annual increase of 1.7%, and during the decade from 1970 to 1980. Consumption of beef hit its maximum in 1980 and fell significantly by 1.7 kgs (7%) in 1981 and 1982. Substantial decreases in price from 1984 on favoured a slight rise, but consumption has never reached the 1980 level and remains at just under 25 kgs per capita.

Veal consumption, aside from substantial annual fluctuations, has also tended toward overall decline in consumption. Per capita consumption stood at about 8 kgs during the 60's, fell to 7 kgs in the 70's, and to 6.5 kgs between 1980 and 1987. The substantial decrease in production in both France and the EC in 1988 led to a further 10% decrease in per capita consumption, which currently stands at about 6 kgs.

The decline or stagnation in consumption of all beef products seems more related to lifestyle choices than to price. The beef sector has recognized the image problem and is now mounting a concerted marketing effort to win back consumers. Emphasis is being placed on quality with branding an important element of the effort. Producers in many areas are now adapting the AOC model and joining to promote the concept of beef breeds as a measure of quality. The "Label Rouge" concept, as well as regional origin (i.e. Boeuf de Normandie) and breed labelling such as Charolais and Limousin, are the most notable examples of origin and production techniques being used to sell the image of the meat.

C. Country Beef Imports:

Some opportunities exist for Canadian exports, primarily for offals. The French market for beef offals is undersupplied and demand for these products, particularly tongues and liver, is strong.

Currently, the total imports of offals into France is 25.6 thousand MT valued at 585 million FF (C\$130 million). Almost all the imports (25.5 MT) are from EC member-states. The Canadian share of this market currently stands at about 65 MT, all in frozen tongues valued at 1.8 million FF (C\$400,000). This share could be expanded for tongues and other specialized products. Listing of major importers is attached.

i) Major importers, distributors and their organizations.

IMPORTERS - BEEF OFFALS

Agritrade S.A.
Monsieur Michel Goussard
Président Directeur Général
Emmeuble les Maradas,
1, Bd. de l'Oise B.P. 196
95030, Cergy Cedex
France
Tel: (1)30 73 93 93
Fax: (1)30 73 26 55
Tlx: 09 267 F / Ansbk: AGRITRA

Alfaviande Sarl
Mr. Gérard Roudolff
374, rue de Vaugirard
75015, Paris
France
Tel: 45 31 99 35

Alfaviande Sarl
Mme Marine Soussan
374, rue de Vaugirard
75015, Paris
France
Tel: 45 31 99 35

Alimer S.A.R.L.
Monsieur Pierre-Yves Bourguignon
Gérant
37 bis, rue de la Mairie, Villejust
91140, Villebon Sur Yvette
France
Tel: (1)60 14 41 40
Fax: (1)60 14 75 48
Tlx: 600 623 F

Arcadie Distribution S.A.
Monsieur Gérard Cadars
Directeur Général
Marché Gare, B.P. 2029
30000, Nimes
France
Tel: 66 84 60 03
Fax: 66 84 82 19
Tlx: 490 036 F

Arcadie Distribution S.A.
Monsieur Bernard Gaud
P.D.G.
Marché Gare, B.P. 2029
30000, Nimes
France
Tel: 66 84 60 03
Fax: 66 84 82 19
Tlx: 490 038 F

Armorie
Monsieur Thierry Kergourlay
Président Directeur Général
Centre Delta, Route de Benodet
29000, Quimper
France
Tel: 98 90 70 22
Fax: 98 52 09 37
Tlx: 940 017 F

Auroy S.A.
Monsieur Marc Auroy
P.D.G.
66, rue des Archives
75003, Paris
France
Tel: (1)42 74 08 40
Fax: (1)42 74 44 89
Tlx: 214 535 F

Basquaise de Distribution des Viandes
(Societe)
Monsieur Jean-Batiste Arretche
Directeur Commercial
Abattoir B.B.A.
64600, Anglet
Tel: 59 63 07 19

Beniviande
M. Dreux
Acheteur
Route Nationale
35190, Tinteniac
France
Tel: 99 68 02 19
Fax: 99 68 02 60
Tlx: 741 276 F

Biret International S.A.
Monsieur Louis-Gérard Biret
Directeur Général
17 bis Boulevard Pasteur
75738, Paris Cedex 15
France
Tel: (1)45 67 35 31
Fax: (1)47 83 98 46
Tlx: 200 741 F

Bonhomme Viandes-Abats - Metra
Mr. Jean Soulard
Import Export
5, Avenue Journet
13015, Marseille
France
Tel: 91 60 56 08
Fax: 91 03 26 03
Tlx: 410 619

Brittania SARL (Ste)
Mr. Bernard Bohuon
Responsable Viandes et ABats
B.P. 54
29260, Lesneven
France
Tel: 98 21 24 24
Fax: 98 21 12 96
Tlx: 940 928 F

C.C.A.V. SA
Mr. Jean Blum
P.D.G.
18 A, rue Roesselmann, B.P. 26
68001, Colmar Cedex
France
Tel: 89 41 32 77
Fax: 89 24 05 24
Tlx: 880 925 F

Cavian SA
Mr. André Pate
P.D.G.
AV. due Maréchal Juin, Z.I.
77530, Vaux le Penil
France
Tel: 64 37 80 35

Cavian SA
Mr. Paul Pate
Directeur Commercial
AV. due Maréchal Juin, Z.I.
77530, Vaux le Penil
France
Tel: 64 37 89 35

Cavian SA
Mr. Bertrand Bohuon
Directeur des Ventes
AV, du Maréchal Juin, Z.I.
77530, Vaux le Penil
France
Tel: 64 37 89 35

Ced Viandes / Centragel (Interagra)
Mademoiselle Pascale Maugy
Responsable Importation
152, Avenue de Malakoff
75116, Paris
France
Tel: (1)45 01 56 57
Fax: (1)45 00 78 95
Tlx: 613 352 F

Cepral SA
Mr. Jacques Otter
P.D.G.
31, Rue du Limousin, V 155
94525, Rungis Cedex
France
Tel: (1)46 87 32 29
Tlx: 250 760 F

Chauve Raymond SARL
Monsieur Michel Boismorand
P.D.G.
169, Avenue Charles de Gaulle
69160, Tassin la Demi Lun
France
Tel: 78 34 87 26
Fax: 72 38 09 99
Tlx: 380 836 F

CIPA S.A.
Monsieur Jacques Moron
P.D.G.
31, rue du Limousin, Viande 246
94565, Rungis Cedex
France
Tel: (1)46 87 35 61
Fax: (1)46 86 02 11
Tlx: 250 050

Compagnie Francaise des Surgeles S.A.
Monsieur Norbert Coll
Responsable des Achats
Parc d'Activité de Limonest,
52 Allée des Cedres
69760, Limonest
France
Tel: 78 47 57 57
Fax: 78 47 47 43
Tlx: 380 826

Compagnie Francaise des Surgeles S.A.
Monsieur Alain Prunet
Parc d'Activité de Limonest,
52 Allée des Cedres
69760, Limonest
France
Tel: 78 47 57 57
Fax: 78 47 47 43
Tlx: 380 826

Compagnie Francaise des Surgeles S.A.
Monsieur Michel Valette
P.D.G.
Parc d'Activité de Limonest,
52 Allée des Cedres
69760, Limonest
France
Tel: 78 47 57 57
Fax: 78 47 47 43
Tlx: 380 826

Continental de Conserves S.A.
Monsieur Crayston
Acheteur
37 a 41, rue de Montebello, B.P. 169
62203, Boulogne-Sur-Mer Cedex
France
Tel: 21 92 11 11
Fax: 21 83 09 62
Tlx: 110 057 F / Ansbk: ELBOU

Continental de Conserves S.A.
Monsieur Thierry Delpierre
Directeur Commercial
37 a 41, rue de Montebello, B.P. 169
62203, Boulogne-Sur-Mer Cedex
France
Tel: 21 92 11 11
Fax: 21 83 09 62
Tlx: 110 057 F / Ansbk: ELBOU

Delperie Freres S.A.R.L.
Monsieur Gilles Delperie
Directeur Commercial
Avenue du 8 mai 1945
12200, Villefranche de Rouergue
France
Tel: 65 45 25 53
Fax: 65 81 11 10
Tlx: 520 820 F

Dial S.A.
Monsieur Gérard Cottet
Président Directeur Général
40, rue du Séminaire, Centra 321
94586, Rungis Cedex
France
Tel: (1)46 87 36 11
Fax: (1)46 75 02 62
Tlx: 202 698 F

Discol SA
Monsieur Christian Roumilhac
Directeur Commercial
80, avenue Jean-Jaures
94200, Ivry-Sur-Seine Cedex
France
Tel: (1)46 71 00 23
Fax: (1)46 70 96 50
Tlx: 206 630

Discol SA
Monsieur Bernard Muret
Directeur Commercial
80, avenue Jean-Jaures
94200, Ivry-Sur-Seine Cedex
France
Tel: (1)46 71 00 23
Fax: (1)46 70 96 50
Tlx: 206 630

Equus - Bouvry
Monsieur Alain Bouvry
BP 10014
95722, Roissy Charles de Gaulle
France
Tel: (1)48 62 84 00
Fax: (1)48 62 83 96

Euro-Imex SA
Mr. Jean-Jacques Rouif
P.D.G.
5, rue de la Corderie, Centra 302
94586, Rungis Cedex
France
Tel: (1)46 87 84 84
Fax: (1)45 60 92 90
Tlx: 203 525 F

France Food SA
Mr. Joel Trieux
Président
48, rue Montmartre
75002, Paris
France
Tel: (1)42 08 16 34
Fax: (1)40 26 14 83
Tlx: 216 453 F

Generale d'Importation S.A.
Madame Sophie Wagon
Acheteuse, homard vivant
40, rue du Séminaire, B.P. 430
94155, Rungis Cedex
France
Tel: (1)46 87 22 26
Fax: (1)46 87 98 23
Tlx: 265 196 / Ansbk: IMPGI

Generale d'Importation S.A.
Monsieur Bruno Piaulet
Directeur Commercial
40, rue du Séminaire, B.P. 430
94155, Rungis Cedex
France
Tel: (1) 46 87 22 26
Fax: (1)46 87 98 23
Tlx: 265 196 / Ansbk: IMPGI

Gerviande
Monsieur Olivier Gervais
5, rue Saint-Clair
14600, La Riviere-Saint-Sauveur
Tel: 31 89 08 88

Gloria S.A.
Monsieur Hervé de Froment
Directeur du Marketing
Alimentation Animale
33, quai du Président Doumer
92415, Courbevoie
France
Tel: (1) 49 04 50 00
Fax: (1)49 04 50 01
Tlx: 615 522 F

Guerin Freres & Cie SA
Mr. Maurice Berre
Directeur Commercial
Trémoriel
22230, Merdrignac
France
Tel: 96 25 23 30
Fax: 96 25 25 88
Tlx: 730 651

Marseille Alimentation
M. Georges Bergeret
Gerant
42, boulevard de Dunkerque
13002, Marseille
France
Tel: 91 91 92 70
Fax: 91 91 92 70
Tlx: 440 439 F

Metras SA
Mr. Henri Metras
P.D.G.
5, Av. Journet, B.P. 66
13315, Marseille Cedex 15
France
Tel: 91 60 56 08
Tlx: 410 619 F

Pommier Trepin S.A.
Monsieur Jacques Trepin
P.D.G.
29, rue des Déchargeurs, Viande 153
94525, Rungis Cedex
France
Tel: (1)46 86 63 00
Fax: (1)45 60 01 72
Tlx: 204 595 F

Prodal International SA
Monsieur Moktar Elnaggar
P.D.G.
70 rue des Prouvaires
94576, Rungis
France
Tel: (1)46 87 82 80
Fax: (1)46 87 00 34
Tlx: 261 135 F

Quaker France S.A.
Monsieur Thierry Paulet
Acheteur
40, boulevard de Dunkerque, B.P. 1919
13225, Marseille Cedex 2
France
Tel: 91 91 91 48
Fax: 91 91 20 12
Tlx: 440 817 F / Ansbk: QUAK X

Quaker France S.A.
Monsieur Michel Marcou
Directeur Commercial
40, boulevard de Dunkerque, B.P. 1919
13225, Marseille Cedex 2
France
Tel: 91 91 91 48
Fax: 91 91 20 12
Tlx: 440 817 F / Ansbk: QUAK X

Reyns et Maurel SARL (ETS)
Monsieur Bernard Maurel
Gérant
15, rue du Louvre
75001, Paris
France
Tel: (1)42 36 02 90
Fax: (1)40 13 93 26
Tlx: 220 678 F

S.V.A. (Societe Vitreenne d'Abattage)
M. Alfred Houget
Directeur Commercial
20, boulevard de Laval
35502, Vitre Cedex
France
Tel: 99 74 65 94
Fax: 99 74 46 29
Tlx: 730 962 F

Samco Alimentaires SA
Mr. Gabriel Mahiet
P.D.G.
B.P. 163
79100, Thouars
France
Tel: 49 66 00 51
Fax: 49 66 49 28
Tlx: 790 328 F

Socopa International (Socinter) S.A.
Monsieur Jacques Personnier
40-42, Boulevard Jean Jaures, B.P. 204
92110, Clichy Cedex
France
Tel: (1)47 37 41 41
Fax: (1)47 30 47 66
Tlx: 620 820 F

Socopa International (Socinter) S.A.
Monsieur Carlos Levy
Directeur Général
40-42, Boulevard Jean Jaures, B.P. 204
92110, Clichy Cedex
France
Tel: (1)47 37 41 41
Fax: (1)47 30 47 66
Tlx: 620 820 F

Socopa International (Socinter) S.A.
Monsieur Marty
40-42, Boulevard Jean Jaures, B.P. 204
92110, Clichy Cedex
France
Tel: (1)47 37 41 41
Fax: (1)47 30 47 66
Tlx: 620 820 F

Sucab Succ. Albert Bourdillon
Monsieur Marcel Ruiz
8, Rue Colbert
13001, Marseille
France
Tel: 91 90 68 18
Fax: 91 90 67 50

Sud-Est Viandes SA
Monsieur Jean-Pierre Garcin
P.D.G.
7, rue Marc Antoine Petit
69002, Lyon
France
Tel: 78 42 70 64
Fax: 78 37 40 36
Tlx: 310 034 F

Uniprovence S.A.
Monsieur Citoleux
P.D.G.
10, Place de la Joliette
13002, Marseille
France
Tel: 91 91 11 99
Fax: 91 91 59 78
Tlx: 440 691 F

Vital Sogevian des
Monsieur Cohen
P.D.G.
11 avenue de Normandie, BP 404
94155, Rungis Cedex
France
Tel: (1)46 87 22 14
Fax: (1)45 60 05 02
Tlx: 270 206

Vivico S.A.R.L.
Monsieur Camille Riffiod
Gérant
103, avenue de Tréville
35000, Rennes
France
Tel: 99 32 44 44
Fax: 99 50 78 55
Tlx: 730 616 F

Volagel Import Export S.A.
Ms. Marie Josée Ferry
Acheteur, produits de la peche
87 avenue de la Grande Armée
75016, Paris
France
Tel: (1)40 67 75 50
Fax: (1)40 67 75 60

Volagel Import Export S.A.
Monsieur Marino Deluca
Directeur Commercial
87 avenue de la Grande Armée
75016, Paris
France
Tel: (1)40 67 75 50
Fax: (1)40 67 75 60

Volagel Import Export S.A.
Monsieur Patrick Malchere
P.D.G.
87 avenue de la Grande Armée
75016, Paris
France
Tel: (1)40 67 75 50
Fax: (1)40 67 75 60

Vse SARL
Monsieur Pierre Veisse
Gérant
19, rue Pierre Curie
92330, Sceaux
France
Tel: (1)48 90 99 02
Fax: (1)48 90 41 20
Tlx: 631 609 F

Zigfa International
Monsieur Siegfried Vales
Directeur Général
15, route de Soignelay, B.P. 24
89470, Monetau
France
Tel: 96 40 73 30
Fax: 86 40 53 42
Tlx: 800 081 F

102 Foot Mate Ltd.
Ms. Anne Chursinoss
President
R.R. #1, Site 38 C 1
Castlegar, B.C. V1N 3H7
Tel: (604)365-6639

114136 Canada Ltd. (Limogee Enterprises)
Mr. B. Bressler
Export Sales Manager
P.O. Box 237, Westmount Station
Montreal, Quebec H3Z 2T2
Tel: (514)731-6998
Fax: (514)739-9546

133064 Canada Inc. (Multirox Promotions)
Mr. Dante Fabiello
Product Manager
5934 Cote de Liesse
Ville Mont-Royal, Quebec H4T 2A5
Tel: (514)737-8929
Fax: (514)737-4454

144661 Canada Inc.
Mr. Lino Marinacci
P.O. Box 194, Station K
Montreal, Quebec H1N 1L1
Tel: (514)354-8190
Fax: (514)397-9494

155123 Canada Inc.
2303 Guenette St.
Ville St. Laurent, Quebec H4R 2E9
Tel: (514)745-2143

159351 Canada Inc.
Mr. Don Mask
President
#103, 2100 Chomedey St.
Montreal, Quebec H3H 2A9
Tel: (514)989-1664
Fax: (514)989-1096

3. INDUSTRY STRUCTURE

In general, the meat sector in France is very diversified; some 9,000 enterprises employing 90,000 people are involved in the movement of all meat products from the producer through distribution.

Live animals are generally handled by one of two types of operations: producer groups or trading companies. The grouping of producers into cooperative organizations has been encouraged by the government and farm organizations to help producers gain a greater influence on the marketing and quality of their products. In terms of the beef sector, there are about 170 producer groups spread throughout the country. Roughly 90% of these groups take the structure of classical cooperatives, although some use other

structures such as associations, syndicates, and SICA's (Societe d'Interets Collectifs Agricoles).

For Further Information Contact:

**Commercial Division
Canadian Embassy
35, avenue Montaigne
75008 Paris**

Tel: (011-33-1) 44.43.32.33

Fax: (011-33-1) 44.43.34.98

Contact: Mr. Conrad Paquette, Counsellor (Commercial)

IRELAND

1. GENERAL OVERVIEW

The importance of beef to the Irish economy is considerable. Beef output at the farm level was worth approximately \$2.1 billion and accounted for 37% of total agricultural output in 1992. Total cattle disposals were 1.89 million, of which only 11% were destined for the home market. Total beef exports in 1992 rose by 25% and were worth an estimated \$1,390 million. Exports of live cattle were some 177,000 head, however, 1992 was a difficult year for the industry, mainly because of the currency crisis during the final quarter. Re-organization has continued within two of the major companies. By the end of 1992, the total cattle herd stood at 6.26 million head, the largest national herd size since 1975.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

Ireland effectively enjoys a 600% level of self-sufficiency in beef products. With only some 200,000 cattle destined for the domestic market, home production is perceived as a different sector from the large export operations. Home production is undertaken by a large number of small abattoirs and local butchers. Statistics are lacking due to the fragmented nature of this business. There is wide variation in cuts, but in terms of customer preference, the more commonly used are fillet, sirloin, and rib steak, and brisket. Estimated annual per capita consumption is 20.9 kgs. Irish consumers take it for granted that they are buying home produced beef.

B. *Country Beef Imports:*

Beef and veal with bone-in, fresh or chilled:

	<u>MT</u>	<u>Value</u> <u>(\$000)</u>
Great Britain	692	2,289
N. Ireland	3,419	13,136
Netherlands	2,310	9,532
Other EEC	166	644

Beef and veal boneless, fresh or chilled:

	<u>MT</u>	<u>Value</u> <u>(\$000)</u>
Great Britain	383	1,755
N. Ireland	607	3,715
Netherlands	120	1,225
Other EEC	87	522
Other	27	160

Beef and veal with bone-in, frozen:

	<u>MT</u>	<u>Value</u> <u>(\$000)</u>
Great Britain	133	567

Beef and veal boneless, frozen:

	<u>MT</u>	<u>Value</u> <u>(\$000)</u>
Great Britain	354	1,252
N. Ireland	89	516

According to industry sources, a high proportion of imports are effectively inter-company commodity trading. There are no imports from Canada.

C. Country Exports:

i) Total exports by quantity and value.

Beef and veal with bone-in, fresh or chilled:

	<u>MT</u>	<u>Value</u> <u>(\$000)</u>
Great Britain	19,408	70,434
N. Ireland	8,143	27,126
France	19,510	91,107
Netherlands	6,026	23,988
Italy	2,823	17,703
Other EEC	2,432	8,757

Beef and veal boneless, fresh or chilled:

	<u>MT</u>	<u>Value</u> <u>(\$000)</u>
Great Britain	38,820	197,154
N. Ireland	6,077	34,173
France	8,269	61,713
Germany	11,327	75,139
Italy	4,942	38,554
Netherlands	3,460	19,607
Denmark	2,488	10,863
Other EEC	1,771	16,699
Saudi Arabia	1,921	3,481
South Africa	575	1,377

Beef and veal with bone-in, frozen (over 5,000 MT):

	<u>MT</u>	<u>Value</u> <u>(\$000)</u>
Great Britain	9,173	27,815
Germany	11,276	29,304
Italy	28,042	60,016
USSR	29,453	33,505
Russia	35,366	51,766
Egypt	18,583	25,101
Mexico	7,829	14,686

Total exports of above heading: 200,393 MT, \$363.2 M exports (under 5,000 MT to 21 other countries).

Notes: Ireland has a 10% share of the total U.K. beef market and a 25% share of the multiple retail sector, including Vac-Pac sales of 68,000 MT. Also, a 7% share of French beef imports, mostly chilled bone-in cow beef.

EC product supports and export subsidies apply. In addition, export plants have channelled substantial quantities into intervention (or APS), especially during the seasonal beef glut which takes place between September and November.

ii) *Major importers and distributors*

International Fine Foods Ltd.
3 Ballymun Industrial Estate
St. Margaret's Road
Dublin 11
Tel: 842 3288
Fax: 842 3529

Horgan's Delicatessen Supplies Ltd.
Knockamuck
Mitchelstown
Co. Cork
Tel: 25 24977
Fax: 25 24992

Delicatessen Meat Supplies Ltd.
69, Cherry Orchard Industrial Estate
Ballyfermot
Dublin 10
Tel: 626 1706
Fax: 626 2646

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Ireland has maintained a strict animal health policy which has curtailed meat imports. Currently, under EEC legislation, potential imports of beef (from Canada) would be restricted to meat obtained from cows which have only been used for dairy production, i.e. hormone-free beef. In addition, veterinary health certificates would be required for individual shipments from an authorized plant.

There is no local trade show relating only to the meat sector. Irish agricultural interests attend Anuga and Sial.

4. **INDUSTRY STRUCTURE**

Domestic abattoirs and butchers are regarded as a different segment within the industry, i.e. low profile and highly fragmented. Considerable rationalization has taken place within the two larger beef exporters due to financial and related problems. The seasonal nature of beef production in Ireland has led toward a commodity-oriented product range. The availability of intervention has tended to reinforce this situation. However, several more forward looking agricultural companies (mostly ex-cooperatives) are emerging and are demonstrating greater initiative in terms of product development and marketing.

Several of the larger companies have also acquired production capacity in the U.K. and Europe.

In order to meet the needs of the industry (including intervention), there is substantial cold storage capacity available. Due to the level of self-sufficiency, as such there is a lack of importers and import agents involved in the domestic market. Upstream, there are importers involved in processed, deli, and fine meat products.

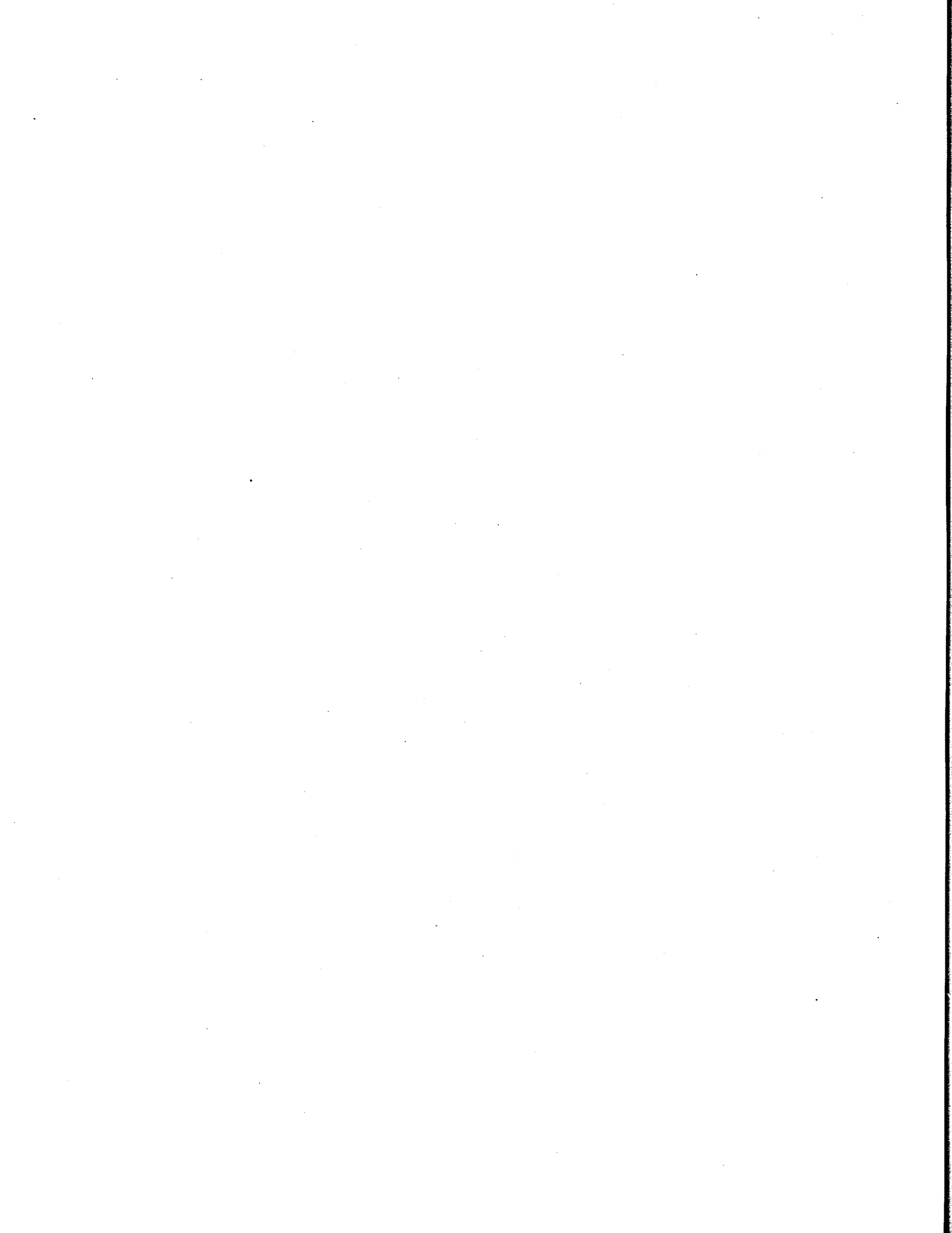
A. *List main industry contacts:*

Government departments, agencies, government-regulated bodies involved in beef trade and industry associations.

- Department of Agriculture, with responsibility for production and veterinary inspection
- Irish Livestock and Meat Board, responsible for export and domestic market promotion.
- Irish Meat Industries Association
- Irish Meat Processors Association

For Further Information Contact:

**Canadian Embassy
Commercial Division
65 St. Stephen's Green
Dublin 2
Tel: (011-353-1) 78 19 88
Fax: (011-353-1) 78 12 85
Contact: Mr. John Sullivan, Commercial Officer**



ITALY

1. GENERAL OVERVIEW

Given the highly supported/protected European Community (EC) beef industry, there is no significant market for Canadian product in Italy in the foreseeable future.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Production in 1991:

- number of cattle slaughtered - 4,955,270
- live weight - 2,115,130 MT
- slaughtered weight - 1,181,572 MT

(1992 figures through October were up 1.9% over the 1991 figures for the same period). Domestic beef output (excluding beef from imported slaughter cattle, excluding fat) amounted to 880,000 MT.

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Top quality fillets on Milan wholesale market in mid-April 1993 ran from 20,000 to 24,000 lire/kg.

iii) *Types of cuts.*

As most of the beef is sold via butcher shops, types of cuts vary from region to region.

iv) *Government policies which impact significantly.*

Major factors that impact significantly on the Italian beef market are the EC agricultural policy support prices and the EC monetary system, but also high Italian input costs, which tend to be higher than the EC average due to proportionally higher input costs of energy and feed.

According to EC veterinary health regulations, all beef products exported from Canada to Italy must originate from EC-approved slaughterhouses/cutting establishments, and furthermore, accompanied by a health certificate declaring that the beef was derived from animals which had not been treated with hormones or hormone-like substances.

v) *Trends.*

Total supply has risen slightly in recent years, but essentially due to greater recourse to imports, as domestic output has stagnated.

B. *Domestic Consumption:*

i) *Annual total, MT; annual per capita consumption, kgs.*

Total domestic consumption of beef (excluding fat) in 1991 was estimated at 1,528,000 MT (26.4 kgs/per capita). Most of this product (67%) continues to be marketed fresh through the traditional butcher shops; 12% via supermarkets; 12% through the catering sector; while only 4% goes to processing. The only outlets for frozen beef are the catering and processing sectors as well as for the export market.

ii) *Self-sufficiency ratio.*

Self-sufficiency continues to run around 55-60%.

iii) *Brief description of consumer attitudes toward domestic and imported products.*

Consumer preferences regarding product type has remained fairly stable, with continued preference for veal as opposed to mature beefsteak.

C. *Country Beef Imports:*

i) *Total quantity and value of beef imports.*

Total imports consist of substantial volumes of both feeder/slaughter cattle, as well as beef. Purchases of feeder and slaughter animals in 1991 amounted to 1,942,662 head, of which 1,468,800 head came from EC, and 473,862 head from non EC countries, mainly Poland, Yugoslavia, and the Czech and Slovak Republics. Imports of beef, on the other hand, amounted to 545,031 MT, of which 459,150 MT came from EC countries, and 85,881 MT from non EC countries, for the most part Austria, the countries of the former Yugoslavia, Brazil, Argentina.

Product imported from outside the EEC consisted almost exclusively of fresh, unboned fore and hindquarters from Austria and Yugoslavia, and of frozen, boned cuts from Brazil and Argentina.

ii) Imports from Canada, quantity and value; Canadian % share of market.

There are no commercial imports from North America.

iii) Imports from major suppliers, quantity and value.

Cattle	Head	'000 ECU
World	1,942,662	1,049,288
EEC	1,468,800	918,782
Extra-EEC	473,862	130,507
Poland	292,229	46,113
Yugoslavia	82,480	53,153
Czechoslovakia	46,642	6,177
Hungary	27,959	10,522
Austria	19,338	10,908
Switzerland	4,250	3,212
Beef	MT	'000 ECU
World	545,031	1,992,362
EEC	459,150	1,657,090
Extra-EEC	85,862	265,195
Austria	40,283	96,097
Brazil	18,647	67,839
Argentina	12,183	42,507
Yugoslavia	11,315	49,161

iv) Promotional activities of competitors.

No particular promotional activity.

v) Trends.

Italy will continue to obtain limited supplementary volumes of cattle and beef from eastern Europe so long as these countries can guarantee adequate and regular low-cost supplies as well as consistent health and quality guarantees. The introduction of foot and mouth disease into Italy recently in shipments of cattle arriving via eastern Europe prompted the EEC to place a severe restrictions on the importation of live animals and

meat from eastern European countries. The result is higher prices on the Italian market in the short-term, but this situation should be resolved in the near future, and probably offer no possibilities for North American sales.

vi) Major importers, distributors and their organizations.

Assocarni
Corso D'Italia 92
00198 Roma Italy
Tel: 06-8541085
Fax: 06-8442688

Uniceb
Viale Dei Campioni 13
00144 Roma Italy
Tel: 06-5921241
Fax: 06-5921241

Alcass - Az. Lav. Carni Surgelati S.P.A.
Via Caselle 82
25081 Bedizzole, BS
Tel: 030-6870707
Fax: 030-6870779

Balestrero S.R.L. Rappresentanze
Piazza Rossetti 4/2A
16129 Genova, GE
Tel: 010-589901
Fax: 010-593107

Bioindustria Farmaceutici SPA
Via De Ambrosiis 2/4/6
15067 Novi Ligure, AL
Tel: 0143-72333
Fax: 0143-73052

Borghetto SPA
C. Martiri della Liberta' 13
25121 Brescia, BR
Tel: 030-221341
Fax: 030-2420430

Despar Italia Consorzio SRL
Viale Puglie 15
20123 Milano, MI
Tel: 02-5456171
Fax: 02-5469654

Ellem Industria Farmaceutica SRL
Corso Porta Ticinese 89
20123 Milano
Tel: 02-89401036
Fax: 02-89406139

Equus Import SRL
Via Bossi, 2
22100 Como, CO
Tel: 031-269067
Fax: 031-278664

Erre Carni SRL
Via Don R. Lotti, 88
70031 Andria, BA
Tel: 0883-555746
Fax: 0883-555746

F. Lli Catalani SPA
Via Urbinese, 32
50063 Figline Valdarno, FI
Tel: 055-952393
Fax: 055-952667

Farma Biagini SPA
Fraz. Castelvecchi Pascoli
55020 Barga, LU
Tel: 0583-7191
Fax: 0583-766121

Fratelli Giorgi
Via Santa Vecchia, 44
22049 Valmadrera, CO
Tel: 0341-582102
Fax: 0341-580598

Galcarni SRL
Via Montesano 8
70010 Capurso, BA
Tel: 080-6954097
Fax: 080-6959072

Gramellini SPA
Via Ravennana, 397
47100 Forlì, FO
Tel: 0543-88127
Fax: 0543-720080

Prodotti Chimici E Alimentario SPA
Via Novi, 78
15060 Basaluzzo (GE)
Tel: 0143-48671
Fax: 0143-48719

Icat Food SRL
Via Palestro, 2/5
16122 Genova, GE
Tel: 010-298021
Fax: 010-205653

Socib SRL
Via Lombardia, 30/13
33100 Udine, UD
Tel: 0432-402872
Fax: 0432-540349

Ilca SPA
Prol. Viale de Blasio - Z.I.
70026 Modugno, BA
Tel: 080-371666
Fax: 080-374147

Terhormon SRL
Via per Nibbiola
28070 Terdobbiato, NO
Tel: 0321-84717
Fax: 0321-84960

Imbe - Imp/Exp Bestiame E Carni
Viale Europa, 8
35019 Tombolo, PD
Tel: 049-5968144
Fax: 049-5968167

Trinity Alimentari Italia SPA
Via Einaudi 18-22
22072 Cermenate, CO
Tel: 031-779111
Fax: 031-779311

Linea Meat SPA
Via Appia km 192,800
81052 Pignataro Maggiore, CE
Tel: 0823-654127
Fax: 0823-654092

Unibios SPA
Via Silvio Pellico 3
28069 Trecate, NO
Tel: 0321-73261
Fax: 0321-76816

Naba Carni SPA
Via Prati 69
25086 Rezzato, BS
Tel: 030-2620426
Fax: 030-2120076

Vicere' Carni SRL
Via del Commercio, 28
00154 Roma, RM
Tel: 06-5746990
Fax: 06-5783335

Neopharmed SPA
Frazione Baranzate - Via Pordoi, 18
20021 Bollate, MI
Tel: 02-333361
Fax: 02-3562703

D. Country Exports:

i) Total exports by quantity and value.

Total exports of beef products in 1991 amounted to 164,550 MT, of which 63,096 MT went to other EC countries; out of the 101,140 MT exported outside the EC, more than half went to Russia and most of the remainder to African countries.

ii) *Types of products exported.*

Exports outside the EC consisted mainly of frozen boned beef (57,677 MT), frozen forequarters (18,588 MT), cooked, canned beef (5,034 MT).

iii) *Government incentives/subsidies/credit programs for exporting.*

EC export restitutions.

iv) *Trends.*

Exports of beef vary from year to year (around 100,000 MT), but consist essentially of spot sales, with no particular promotion involved except in the case of canned meat products.

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

Given the current structure of the EC tariff/levy system, there are no reasonable possibilities for Canadian product on this market.

B. *Short to long-term potential for increased Canadian sales.*

Only on rare occasions when prices are momentarily quite high in the EC and very low in North America would there be any convenience in importing from Canada. Due to the recent outbreak of foot and mouth disease in Italy, imports from certain eastern European countries have been restricted, forcing prices up and prompting importers to seek alternative sources of supply. This situation is expected to be short-lived, however. Canadian smoked meat has been introduced to this market, but even considering this as an exotic delicatessen product, the resulting levy-paid price is quite high in comparison with alternative products.

C. *Major shows*

Euroalimenta, Verona - April, 1993
Expo Food, Milan - November, 1993
Cibus Fair, Parma - May, 1994

4. **ACCESS AND BARRIERS**

As mentioned above, the EC duties/levies render the Canadian product uncompetitive. EC regulations also require that beef originates from EC-approved slaughterhouses and meat-cutting establishments. Each shipment must be accompanied by a health certificate declaring that the beef was derived from animals which had not been treated with hormones or hormone-like substances. At present, only three Canadian slaughterhouses and one meat-cutting establishment are so authorized. Also, only one smoking plant has thus far been authorized by the Italian authorities.

The EC threshold prices (and consequent levies) are based on high internal support prices; with reform of Common Agricultural Policy (CAP) these can be expected to decline. Ongoing EC opening to eastern European countries, however, will greatly advantage these suppliers.

5. **TRANSPORTATION**

Canadian access to Italy is well-served by both air and sea transport, though Italian seaport costs are significantly higher than those of other EC countries. Practically all inland transport is by truck.

6. **INDUSTRY STRUCTURE**

A. ***Location of domestic production facilities and brief description.***

Cattle-raising is largely concentrated in the northern regions of Piemonte, Lombardia, Veneto, and Emilia Romagna; areas with strong traditions of beef and dairy product consumption.

B. ***Storage/handling facilities:***

Processing, storage, and handling facilities range from some of the finest in the world to relatively sub-standard ones in other areas.

C. ***Marketing Channels:***

Most imports are contracted directly by a consortia of stock-raisers (feeder calves) or of butchers.

For Further Information Contact:

Canadian Embassy

Via G.B. de Rossi 27

00161 Rome

Tel: (011-39-6) 445 981

Fax: (011-39-6) 445 987 50

Contact: Mr. Michael McDermott, Commercial Officer

NETHERLANDS

1. GENERAL OVERVIEW

The Netherlands traditionally is a dairy country and most of the bovine herd is used for milk production. Out of the Dutch bovine herd, totalling 4,794,000 head in the first week of January, 1993, beef cattle constituted 1,372,000 head, or 28.6%. Vealer calf operations are significant - close to half of beef cattle numbers.

2. CHARACTERISTICS OF THE MARKET

Local Production:

i) *Production in MT and number of slaughtered cattle.*

Production (bone-in basis):

	<u>Slaughterings</u>	<u>1992</u>	<u>Production</u>
	-numbers-		-tonnes-
Mature bovine cattle	1,398,900		452,100*
Vealer calves	1,197,300		184,000*

Gross meat production:

Mature bovine cattle	398,000
Vealer calves	170,500

(* live weight)

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Wholesale prices of U.S. choice striploin equivalent:

- Scottish: CDN\$15.55/kg, excl. 6% value added tax (VAT)
 - Dutch: CDN\$14.50/kg, excl. 6% VAT
- (based on mean rate of exchange 04JUN93: guilder 1.00 equals CDN\$.71)

iii) *Government policies which impact significantly.*

Beef cattle production in the Netherlands and other member states is subject to the Common Agricultural Policy (CAP) of the EC. The system hinges on support prices for beef producers and a system of import levies and export rebates applicable to the trade with non-EC countries. Intensified animal waste legislation in the Netherlands not only will have a cost-raising effect on livestock farming in general, but will also curb livestock numbers.

iv) *Trends.*

Many dairy farmers have resorted to beef cattle production since the introduction in the mid-80's of the milk quota system designed to curb dairy production under CAP. Beef cattle numbers have shown steady increases in the Netherlands and Dutch beef and veal exports are expanding as a result.

A. *Domestic Consumption:*

i) *Annual total, MT; annual per capita consumption, kgs.*

	<u>1992</u>	
	<u>Beef</u>	<u>Veal</u>
Total (tonnes)	271,700	19,200
Per capita (kgs)	18	1.3

ii) *Self-sufficiency ratio.*

1992: Beef - 146.7%
Veal - 887.7%

iii) *Brief description of consumer attitudes toward domestic and imported products.*

The Dutch are modest beef eaters compared with consumers in North America. Pork is more competitively-priced and therefore considerably more popular. The last few years have shown increased demand for better quality beef, such as is available from Scotland and Ireland. Only the more fastidious and affluent consumers will buy better quality beef as it is sold at a premium.

iv) *Trends.*

Distinct recessionary trends and resultant growing unemployment are causing a return to conservative spending patterns. It seems probably that per capita beef consumption will decline in 1993 and thereafter until the economy improves again. Otherwise, eating meat is a frequent topic of discussion in the media. Meat is not always presented as a necessary and healthy component of the daily diet.

B. *Country Beef Imports:*

i) *Total quantity and value of beef imports.*

	<u>Tonnes</u>	<u>1992</u> <u>Cdn\$1,000</u>
Beef	99,807	453,321
Veal	1,968	11,651

(* excl. live animals and processed products; basis bone-in)

ii) *Imports from Canada*

N/A.

iii) *Imports from major suppliers, quantity and value.*

Major suppliers:

<u>Beef:</u>	<u>MT</u>	<u>Cdn\$(000)</u>
EC	81,252	355,887
Brazil	10,404	61,628
Botswana	3,581	10,546
Uruguay	1,704	8,920
Argentina	1,403	8,378
USA	185	1,222
<u>Veal:</u>		
EC	1,986	11,651

iv) *Promotional activities of competitors.*

Promotional activities are conducted mostly in conjunction with food chains. Irish and Scottish beef has been promoted this way.

v) *Trends.*

The long-term outlook for the Dutch livestock industry is one of gradual decline for which more rigid domestic animal waste legislation and shrinking price support under the CAP would be chiefly responsible.

vi) *Major importers, distributors and their organizations.*

P.B. Groenveld B.V.
P.O. Box 3023
2001 DA Haarlem
Netherlands
Tel: (23)350844
Fax: (23)359520

Weddel & Co. B.V.
P.O. Box 1194
3000 BD Rotterdam
Netherlands
Tel: (10)4112866
Fax: (10)4126852

Border Import & Export B.V.
Westzeedijk 118
3016 AH Rotterdam
Netherlands
Tel: (10)4361166
Fax: (10)4362321

J.M. Schouten & Zn. B.V.
P.O. Box 208
4700 AE Roosendaal
Netherlands
Tel: (1650)56707
Fax: (1650)53870

N.V.C. International B.V.
P.O. Box 94
7570 AB Oldenzaal
Netherlands
Tel: (5410)23377
Fax: (5410)23232

Voks International
De Volger 43
1483 GA de Rijp
Netherlands
Tel: (2997)4434
Fax: (2997)4280

Producten Import/Export B.V.
Heemraadssingel 82-84
3021 DE Rotterdam
Netherlands
Tel: (10)4761811
Fax: (10)4772017

Meat Import Zandbergen Brothers
Industrieweg 66
2382 NW Zoeterwoude
Netherlands
Tel: (71)899209
Fax: (71)410675

J.A. van Walsum B.V.
P.O. Box 1181
3000 VD Rotterdam
Netherlands
Tel: (10)4139400
Fax: (10)4139405

C. Country Exports:

i) Total exports by quantity and value.

Beef and veal exports:

	<u>Tonnes</u>	<u>1992</u> <u>Cdn\$1,000</u>
Total	434,538	2,170,346
EC	349,342	2,015,593
Other Europe	18,993	42,252
Egypt	17,014	30,457
Ivory Coast	10,158	7,706
Zaire	8,968	14,195
Other Africa	5,635	4,333
Middle East	15,669	38,099
Far East	8,566	16,752
Other	193	958

NB: no exports to Canada were recorded in 1992.

ii) Types of products exported.

Fresh beef and veal to EC countries and non-EC countries in western and central Europe. Frozen and salted beef to offshore destinations.

iii) Government incentives/subsidies/credit programs for exporting.

None other than the export rebate system operating under the CAP.

iv) Trends.

Further reduction of EC price support within multilateral trade negotiations (MTN) is likely to affect Dutch beef exports to non-EC markets.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

Current tariff barriers and non tariff barriers (NTB) imposed by the EC on Canadian beef will have to be eliminated before discussing preferred merchandising.

B. *Short to long-term potential for increased Canadian sales.*

There should be a potential for Canadian beef when the barriers imposed by EC on Canadian beef are substantially reduced.

C. *Major shows*

SLAVAKTO, triennial local trade fair for butchers (tools, equipment, and supplies for meat cutting plants and meat stores). Importers are not known to participate.

D. *Key points requiring address prior to achieving success in this market.*

Continuous pressure in MTN (multilateral trade negotiations) will be required to bring down excessively high EC levies on imports of beef from Canada (and U.S.). Continued bilateral liaison should be maintained between Canada and EC to reach consensus on hormones issue.

4. ACCESS AND BARRIERS

- ▶ Tariffs: EC import duty is 20% payable on the CIF value of consignments.
- ▶ Levies: in addition to the import duty, the EC imposes stiff variable import levies on imports of beef from developed non-EC sources.
- ▶ Preferential access: the EC has preferential agreements with several countries, including Israel and Turkey.
- ▶ Other restrictions: no beef may enter the EC from animals that have been treated with hormones and other growth stimulants. As these are difficult to trace in the meat, supplying countries must provide sufficient guarantees for beef to originate from hormone-free herds.

- ▶ Certification: the EC requires shipments of beef other than offals or processed products to be accompanied by meat inspection certificates and public health certificates. Agriculture Canada is fully informed on these requirements.

5. **TRANSPORTATION**

A. ***Modes available to land product in the market and major companies/facilities.***

Transport facilities of all types to and from the Netherlands are excellent. Rotterdam is the world's largest deep sea port; Amsterdam Airport ranks fourth in Europe. Eurofrigo Coldstores of Rotterdam is a major frozen foods warehousing company.

B. ***Mode of transport available to move product from point of entry to consumer and major companies and facilities.***

The transport infrastructure of the Netherlands is highly developed. The country is Europe's premier trucking nation. There are numerous transport companies, freight forwarders, and warehousing companies.

6. **INDUSTRY STRUCTURE**

A. ***Location of domestic production facilities and brief description.***

There are 23 slaughterhouses, 8 of which have an annual capacity in excess of 50,000 head.

B. ***Storage/handling facilities:***

Ample and modern.

C. ***Marketing Channels:***

i) ***Standard importation and distribution channels of product from point of entry to final buyer.***

- wholesalers/stocking distributors
- direct sales to supermarkets, other retailers
- direct sales to wholesale supermarkets catering to the hotel, restaurant and institutional trade and retailers

ii) *Any indications of changes in such patterns.*

None identified.

iii) *Implications for Canadian importers (new opportunities, niches).*

There appears to be a growing demand for top quality beef and, given sustained purchasing power, this may present opportunities for Canadian beef over time.

D. *Main industry contacts:*

i) *Government departments, agencies, government-regulated bodies involved in beef trade.*

Commodity Board for Livestock and Meat
Rijswijk, Netherlands

ii) *Others.*

Central Organization for the Meat Wholesale Trade
The Hague

7. OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS

Canadian producers and exporters should cooperate closely with Canadian government in any efforts to reduce present EC barriers.

For Further Information Contact:

Canadian Embassy
Parkstraat 25
P.O. Box 30820
2500 GV The Hague
Tel: (011-31-70) 361-4111
Fax: (011-31-70) 365-6283
Contact: Mr. Fritz Zechner, Commercial Officer

NORWAY

GENERAL OVERVIEW

The Norwegian beef meat market is in general, closed to any imported meat. However, a small amount of approximately 700 MT was imported, primarily from Denmark, in 1992. The domestic production exceeds the domestic consumption. The excess meat, approximately 5,000 MT, is being exported to Mexico, the USA, and other Scandinavian countries. Total production of beef was 80,300 MT in 1991. A restriction on beef imports is a part of the Norwegian scheme to protect their own agricultural industry. Similar restrictions apply for all products which are being produced domestically. All of the beef meat imported requires an import licence. There is a duty of NOK 2.40/kg, plus 0.3% research duty, and 22% VAT. In the event of a Norwegian EC membership, beef meat from EC will have to be accepted into Norway, but the restrictions in place currently affecting Canada will most likely remain. Given the above, there is no market opportunity for Canadian beef meat in Norway.

For Further Information Contact:

Canadian Embassy

Oscars Gate 20

0244 Oslo

Tel: (011-47-2) 46-69-55

Fax: (011-47-2) 69-34-67

Contact: Mr. Torr-Eddie Fossback, Commercial Officer



SPAIN

1. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

Bovine census, including dairy (million head):

- 1987 - 6.9
- 1988 - 6.9
- 1989 - 6.9
- 1990 - 6.6
- 1991 - 6.5

Beef and veal production (000 MT):

- 1987 - 449
- 1988 - 449
- 1989 - 446
- 1990 - 513
- 1991 - 490

B. *Domestic Consumption:*

i) *Annual per capita consumption, kgs.*

Spanish annual per capita consumption of beef and veal (kgs):

- 1987 - 11.2
- 1988 - 12.2
- 1989 - 11.4
- 1990 - 13.0
- 1991 - 12.4

ii) *Consumer attitudes towards domestic and imported products*

Imported meats are not usually labelled as "foreign" in Spain and it is unlikely there would be any opposition from the public if they were identified as such. It is believed that most of the imported beef goes to the restaurant trade and loses its national identity.

C. *Country Beef Imports:*

i) *Total quantity and value of beef imports.*

Spanish customs statistics show the following breakdown for imports, fresh, refrigerated and frozen beef in 1991:

Heading 0201 (fresh and refrigerated) - 28,243 MT
Value Pesetas 16.75 billion (approximately Cdn\$167 million), of which 25,847 MT were supplied from within EC:

- Brazil - 52 MT
- Uruguay - 195 MT
- Argentina - 487 MT

Heading 0202 (frozen) - 26,242 MT
Value Pesetas 11.14 billion (approximately Cdn\$111 million), of which 10,531 MT were supplied from within EC:

- Brazil - 6,766 MT
- Uruguay - 3,530 MT
- Argentina - 2,712 MT

Surprisingly, Spain exports (or re-exports) more beef than it imports, although destinations were mainly EC (France and Portugal):

Heading 0201 (fresh and refrigerated) - 42,830 MT
Value Pesetas 10.68 billion (approximately Cdn\$106 million)

Heading 0202 (frozen) - 22,344 MT
Value Pesetas 3.81 billion (approximately Cdn\$38 million)

2. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

Importers indicate there will continue to be opportunities for top quality beef from Canada when hormone-free product eventually becomes available.

3. **ACCESS AND BARRIERS**

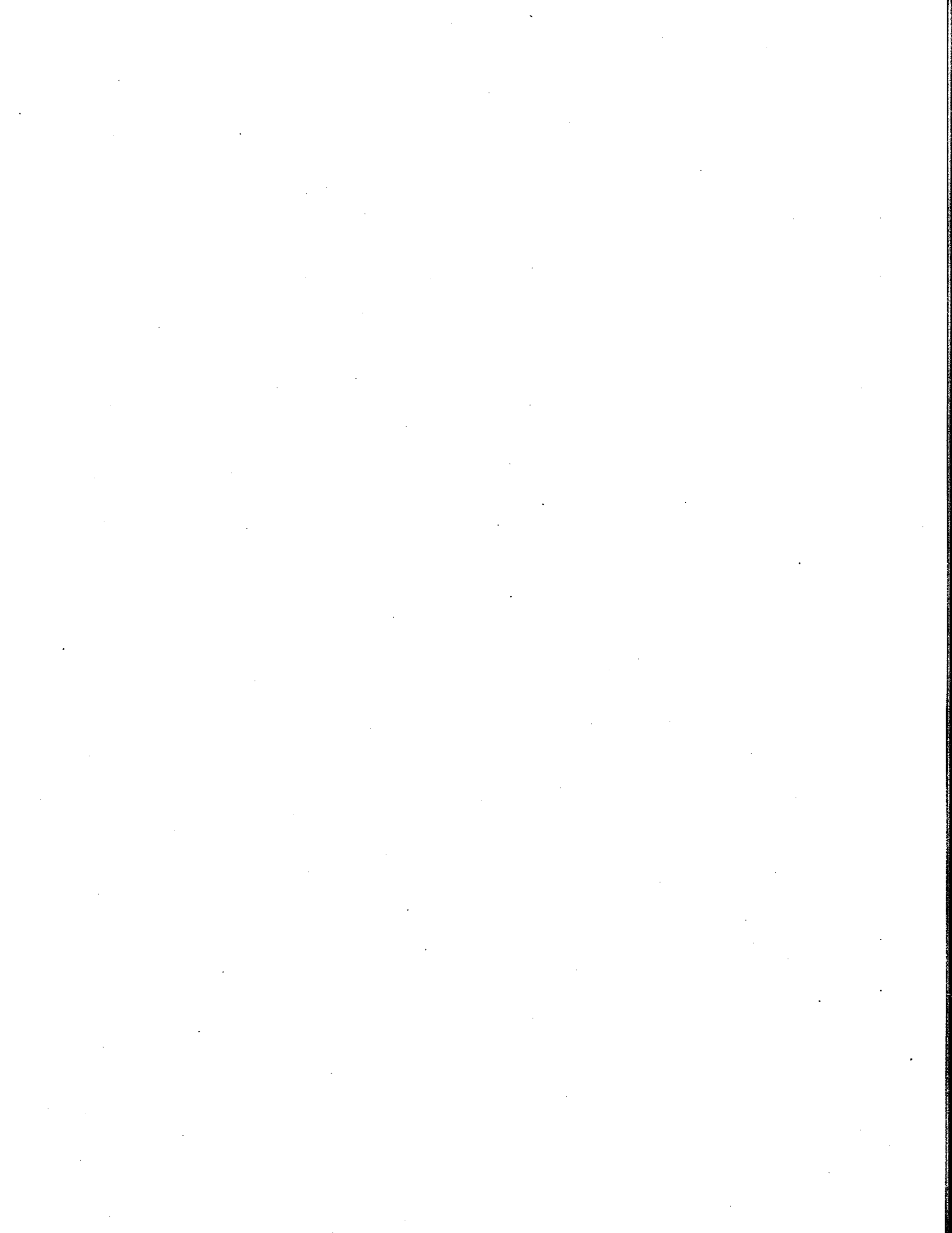
Spanish animal health requirements for beef and beef products are those currently approved by EC (i.e. health certificate in Spanish).

Spanish importers file a "standard export declaration" for each consignment.

Current duty rates for fresh or refrigerated beef (Brussels Tariff Heading 0201) and frozen beef (0202) imported from non EC countries is 20% on the CIF value, plus EC variable levy, plus 6% value-added tax.

For Further Information Contact:

**Canadian Embassy
Apartado 587
28080 Madrid, Kingdom of Spain
Tel: (011-34-1) 431-4300
Fax: (011-34-1) 431-2367
Contact: Mr. Michael Crawcour, Commercial Officer**



SWEDEN

1. GENERAL OVERVIEW

In Sweden with a population of 8.6 million, beef is the second largest kind of meat consumed - pork is the most popular. The total per capita consumption of meat was 62.1 kgs in 1992, of which 16.4 kgs was beef and 32.6 kgs pork.

During the 1960's meat consumption shifted gradually from fresh meat to more value-added products such as; frozen, processed, preserved and ready cooked products. This increase peaked during the 1970's, but since then consumption of such products has fallen. In the 1980's, domestic disappearance of processed and preserved meat (all kinds) amounted to 22 kgs per capita and was 21 kgs per capita in 1992.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production -inspected slaughter -number of half carcasses.*

1991:	493,577
1992:	463,842

ii) *Prices at wholesale level - beef meat - per kg.*

1991:	SEK 2.82
1992:	SEK 2.84

B. *Domestic Consumption:*

i) *Annual total, MT; annual per capita consumption, kgs.*

Year	1991	1992
Total MT	142,500	142,200
KG per capita	16.5	16.4

ii) *Self sufficiency.*

Self sufficiency is high in fresh and frozen beef, except in prime cuts for which local demand exceeds domestic production. Self sufficiency is low in sausages and similar products.

iii) *Consumer attitudes toward domestic and imported products.*

For decades consumer attitude has been very neutral towards domestic and imported products.

iv) *Trends.*

In the past couple of years the number of "new" ethnic groups has grown rapidly in Sweden. This has resulted in an increased demand for foreign produce in particular sausages (often smoked). The public's concern has grown and still is growing regarding the conditions under which the cattle are raised, the composition of the feed, and if any medicines and/or antibiotics have been given to the animals (growth stimulants are not permitted in Sweden). As a result of consumers' strong opinions, some local retail store chains now offer fresh beef for which the name of the supplier (breeder/farmer) is provided and where applicable, a guarantee is issued that the meat derives from an animal that is free from antibiotics.

C. *Country Beef Imports:*

i) *Total quantity and value of beef imports (including offals).*

	<u>MT</u>	<u>SEK'000</u>
1991	14,231	18,176
1992	339,382	418,002

ii) *Imports from Canada, quantity and value.*

	<u>MT</u>	<u>SEK'000</u>
1991	105	126
1992	3,766	4,246

iii) *Imports from major suppliers, quantity and value.*

		<u>MT</u>	<u>SEK'000</u>
Poland:	1991	3,716	103,064
	1992	5,930	108,654
Finland:	1991	4,273	43,756
	1992	3,062	33,065
Australia:	1991	1,291	62,094
	1992	1,604	75,592
Hungary:	1991	1,969	31,523
	1992	3,180	51,802

iv) *Promotional activities of competitors.*

For domestic products, there are consumer education programs and product information appears in daily newspapers as well as trade press. The National federation of Swedish Farmers has a special and very professional consumer education and promotional organization, "Meat Information" that produces fact sheets, recipes, videos, demonstrations etc. These promotional efforts are aimed at various "target" groups such as; nutritionists, schools, universities, wholesalers, retail store staff, consumers etc. There are seldom any promotional activities for imported fresh or frozen beef with the exception of Austrian beef and U.S. frozen sliced beef liver. For branded products such as canned ready-cooked beef (often produced in Eastern Europe according to Swedish recipes) traditional methods are used i.e. advertising in the local press (for restaurant/caterers in trade press) and participation at weekend bargain programs in retail chain stores.

v) *Major importers, distributors and their organizations.*

Importers and distributors:

O. Annerstedt AB
Box 5213
S-121 18 Johanneshov
Tel: 46-8-6007200
Fax: 46-8-6490155

AWP-Imorten AB
Landskronavgen 9
S-252 32 Helsingborg
Tel: 46-42-149360
Fax: 46-42-122079

Gunnar Dafgard AB
S-533 81 Kallby
Tel: 46-510-84500
Fax: 46-510-84692

Foodmark AB
Rovagen 14
S-136 50 Haninge
Tel: 46-8-500 12200
Fax: 46-8-500 1185

Ferinus AB
Box 2101
S-103 33 Stockholm
Tel: 46-8-141250
Fax: 46-8-140198

FW Holst International AB
Box 19126
Tel: 46-31-20 00 10
Fax: 46-31-20 21 95

Lars Flodin Meat Trading AB
Box 5101
S-121 05 Johanneshov
Tel: 46-8-600-1440
Fax: 46-8-659-3615

Organizations:

Association of Swediah Meat Wholesalers and Importers
Box 5512
S-114 85 Stockholm
Tel: 46-8-666 1100
Fax: 46-8-662-6548

Government:

National Food Administration
Box 622
S-751 26 UPPSALA Sweden
Tel: 46-18-17 55 00
Fax: 46-18-10 58 48

D. Country Exports:

i) Total exports by quantity and value.

	<u>MT</u>	<u>SEK'000</u>
1991	8,403	96,904
1992	6,095	69,791

ii) *Major export markets.*

		<u>MT</u>	<u>SEK'000</u>
Germany:	1991	1,324	21,841
	1992	1,540	26,195
United States:	1991	3,330	42,831
	1992	1,506	17,147
Mexico:	1991	1,055	14,529
	1992	899	7,646

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

The only beef meat that has been sold to Sweden, but on a very ad hoc basis, is frozen prime cuts. There seems to be continued opportunities for sales to Sweden for this item but only at times when traditional sources fail and the price is competitive. It should be noted that the Canadian imports for 1991 and 1992 were frozen ready-cooked meals (the major content which was beef) that are no longer being sourced from Canada.

B. *Major shows*

Large European food shows like Anuga (Cologne) and Sial (Paris) are most important to domestic food buyers.

4. ACCESS AND BARRIERS

There are no custom duties for HS. 02.01, HS.02.01, and HS.16.02 (harmonized system).

- Tariffs: complex, flexible agricultural import levies
(as of Oct. 21, 1993) SEK per 100 kgs are as follows:

HS 02.01	depending on cut: 1830, 2200, 2450
HS 02.10	2600
HS 16.02.500	depending on meat content percentage: 1155, 1540, 1925
HS 16.02.900	depending on meat content percentage: 920, 1220, 1530

► Non tariff barriers:

For imports of fresh frozen meat, whether processed or not, there are stringent veterinarian regulations. The meat must derive from an officially approved establishment, where good hygiene is maintained and the staff is medically examined at least once a year; a certificate to that effect must accompany any shipment. Moreover, the meat must be free from salmonella and schigella - a veterinarian certificate to that effect should also be issued. Local food administration is very strict. Should more than one sample, taken by local veterinary inspectors from a container at the port of entry, prove positive for salmonella/schigella, the whole container is most likely rejected. There have been a few incidents of this kind in the past years involving horsemeat and in November 1992, 3 samples of 45 taken in a shipment of frozen pork were diagnosed as containing Salmonella Manhattan - the latter shipment was also rejected and subsequently re-exported. Food Administration is advising Agriculture Canada of every incident. Local meat importers have informed the Canadian Embassy in Sweden that these incidents have increased the risk factor, insurance companies are now requiring higher premiums on Canadian meat shipments. Undoubtedly, this has a negative effect on local buyers' interest in sourcing meat (beef, pork, or horse meat) from Canada.

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

Air - marginal direct connections, at least one transfer required.
Sea - good and frequent services

B. *Mode of transport available to move product from point of entry to consumer.*

Excellent local network of transportation.

6. INDUSTRY STRUCTURE

Standard importation channels: through commission agent or agent/importer buying on own account to wholesaler/stocking distributor to (a) supermarket/retail chain stores. (b) hotels, restaurants, catering sector and (c) food processing industry. Rarely are any direct imports made by supermarket/retail store chains.

For Further Information Contact:

Canadian Embassy

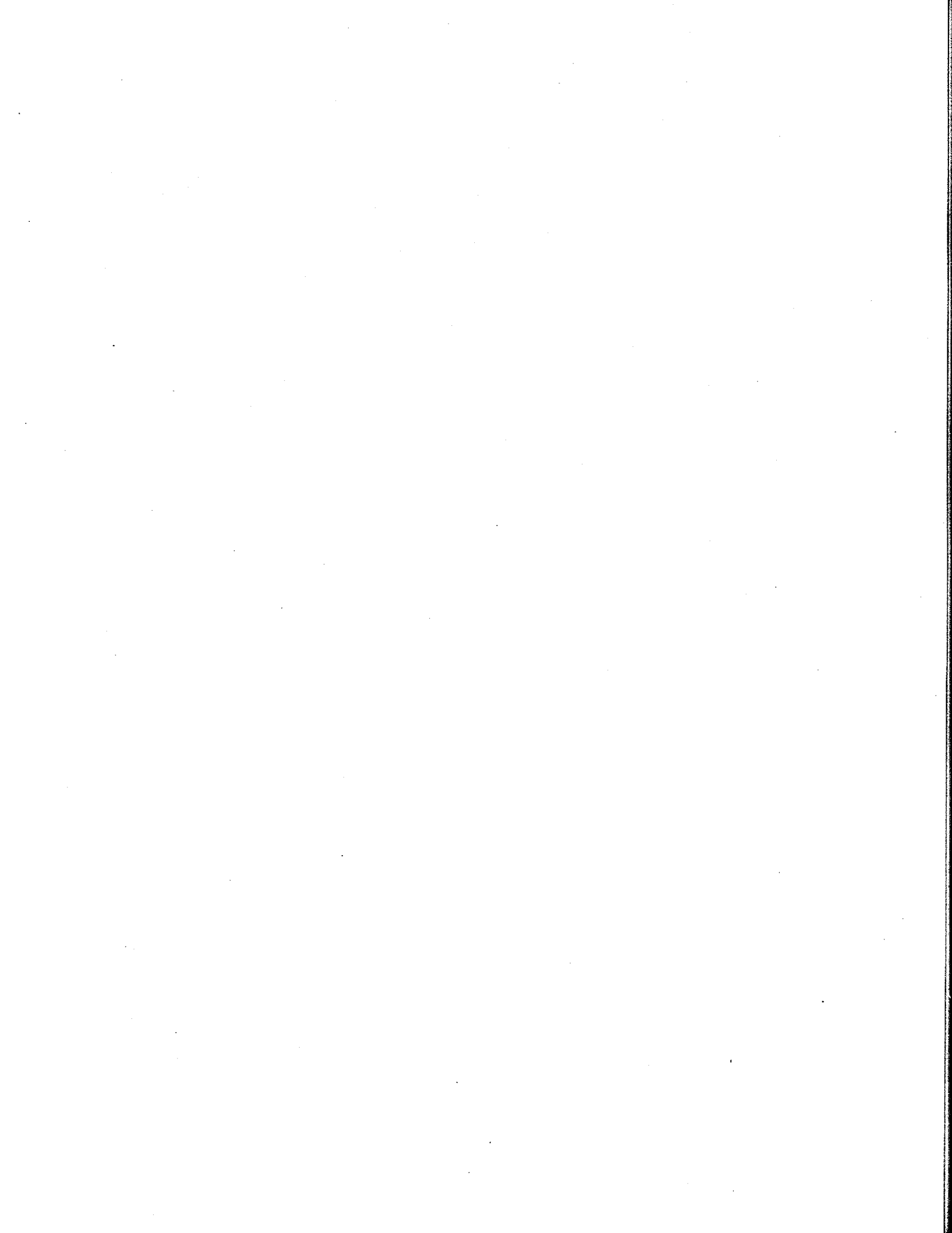
P.O. Box 16129

S-103 23 Stockholm, Sweden

Tel: (011-46-8) 613-9900

Fax: (011-46-8) 42-24-91

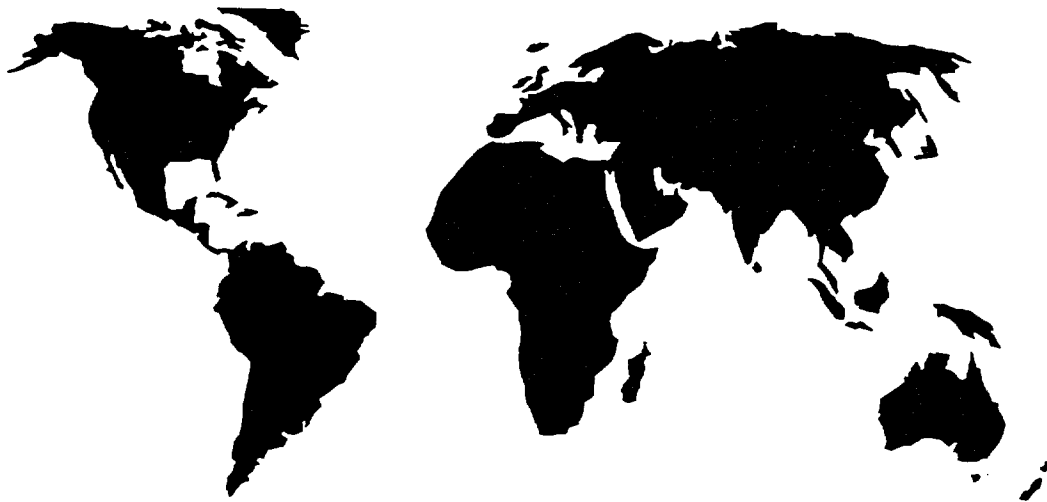
Contact: Mrs.Ulla Hansson, Commercial Officer



SECTION C

RUSSIA

CENTRAL AND EASTERN EUROPE



CZECH AND SLOVAK REPUBLICS

1. GENERAL OVERVIEW

Czechoslovakia has always been self sufficient in production of beef meat. However, its beef production efficiency cannot be compared to world standards due to the state policy of breeding dual purpose animals. The quality of the meat was not very high due to absence of any meat grading system.

Since the 1989 revolution, agriculture in both the Czech and Slovak Republics is being restructured and privatized with greater emphasis on efficiency and economic factors. This process also affects cattle breeding which will in the future concentrate on specialized dairy and beef breeds. The transition period has meant the elimination of some inefficient herds, resulting in temporary surpluses of beef on the market followed by shortages and increasing market prices.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

At the end of the eighties each Czech citizen consumed nearly 30 kgs of beef meat, 260 kgs of milk and dairy products and over 9 kgs of butter annually. These figures corresponded with nearly 1.25 million head of cattle. However, since 1990 the number of cattle has considerably declined as a result of marketing difficulties (14.9 % from January 1st, 1992 to March 1st, 1993). Cuts in fodder expenditure have also contributed to the decline in the number of cattle.

Number of Head of Cattle (Jan. 1)

1980	3 428 954
1983	3 546 340
1985	3 602 741
1988	3 467 316
1990	3 506 222
1991	3 359 976
1992	2 949 574
1993(Mar1)	2 511 737

The following figures show production and consumption of beef in the period 1991 - 1993 (in thousand MT of live weight):

	<u>1991</u>	<u>1992</u>	<u>1993</u> (estimate)
production	574	420	400
consumption	393	347	310
surplus (export)	181	73	90

During 1992 the following changes in beef meat market occurred in comparison with 1991:

- a decline in the number of head of cattle by approx. 12%.
- a decline in production of beef meat by approx. 27%.
- a decline in consumption by 11.7% to 17.4 kgs of meat per capita due to higher prices and substitution of pork meat.
- an increase in producer and consumer prices.

In 1992, the slaughter of cattle amounted to 319.9 thousand MT (live weight) a decline by 15.2% compared to 1991. Another 90 thousand MT (live weight) were exported; the federal fund of market regulation accounting for 56.3 thousand MT of this amount.

Development in the beef processing industry included: 167,000 MT of fresh beef meat are further processed, 15.5% less than in 1991; an insignificant quantity was exported as special cuts or canned.

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Since the beginning of 1992, processor purchase prices have been declining but started to grow again in the 4th quarter of 1992 i.e. the purchase price of steers for slaughter was lower by 11.8% at the end of April in comparison with the beginning of 1993. At the end of the first quarter, the price of fattened steers was beneath the minimum (guaranteed) price of approximately Czech crowns 27.00/kg of live weight (exchange rate of Czech crowns 21.00). The average wholesale prices of beef meat (in the same period) declined by 7.4%. However, consumer prices have only moderately declined - approximately 2% or remained the same.

	<u>Dec.</u> <u>1992</u>	<u>April</u> <u>1993</u>
processors' purchase price per kg of live weight (in Czech Crowns)		
- steers (class "A")	30.62	N/A
- cows	21.01	N/A
wholesale price/kg		
- beef hind cuts	68.33	64.08
- beef front cuts	28.80	28.48
market price/kg		
- beef hind cuts	78.68	78.87
- beef front cuts	38.29	36.55

B. Domestic Consumption:

With relatively high market prices for beef meat, the per capita consumption has declined during the last three years. The following data is the per capita meat consumption in the Czech Republic:

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
meat (total)	97.4	96.5	87.9	86.5
beef & veal	30.4	28.0	22.4	20.2
pork	49.9	49.9	47.8	49.5
poultry	13.0	13.6	12.8	11.9

It is estimated that beef meat consumption will decline to approximately 17.4 kgs/per capita in 1993.

C. Country Beef Imports:

Imports of beef meat has been insignificant and is not expected to increase in the next few years.

There are various trading companies which import meat.

Major importers:

Bohemia Fleisch Ltd.
Evropska 178
160 67 Praha 6
Czech Republic
Phone: 0042-2-3362869, 3165205
Fax: 0042-2-3363409, 3162702
Contact: Ing. Ludek Kvizda

Bohemia Fleisch
MASNA 34
656 13 BRNO
Czech Republic
Phone: 0042-5-577205
Phone/fax: 0042-5-339275
Contact: Dr. Josef Augustyn

Animalco Company Limited
NA KOCINCE 3
160 00 Praha 6
Czech Republic
Phone: 0042-2-24310138, 3111-266
Fax: 0042-2-24310198, 3112283
Contact: Ing. Radko Jung

Agromercanata Ltd.
NABR. POD LIPAMI 1208
686 31 UHERSKE HRADISTE
Czech Republic
Phone: 0042-632-3272
Fax: 0042-632-40339
Contact: Mr. Bata

Hermes Trading
PRIBINOVA 23
P.O. Box 82
810 11 Bratislava
Slovak Republic
Phone: 0042-7-212018, 211969,
214780
Fax: 0042-7-211550
Contact: Mr. Tripsky
Mr. Derkaj

Coimex A.S.
Ing. Rudolf Gizel
General Director
Partizanska Cesta 3
974 01 BANSKA BYSTRICA
Slovak Republic
Phone: 0042-88-43679
Fax: 0042-88-46253

Polux Ltd.
Ing. Jan Badzgon, Director
Moskovska 21
811 08 Bratislava
Slovak republic
Phone: 0042-7-214589, 219516, or
0901700518
Fax: 0042-7-214589

D. Country Exports

Exports consisted mainly of live cattle for slaughter supported by subsidies from federal fund of market regulations. The largest portion of the exports were represented by steers for slaughter (48,900 MT live weight) shipped mainly to Turkey, Lebanon, the countries of the former Yugoslavia and Italy. Since the end of 1993, strict veterinary measures have restricted export of live cattle to EC countries.

E. Government Subsidies

In 1992, subsidies were used to encourage investment by private farms. Subsidies were also used to support establishment of mini-slaughterhouses, to improve health levels of livestock and to cover economic losses caused by contamination of land or livestock by PCBs and other toxic substances. Guaranteed price levels are supported through the fund of market regulation in agriculture.

In 1992, intervention purchases of slaughter steers and heifers were made. In total, 48,929 MT of steers and 7,341 MT of heifers were purchased and subsequently exported through the federal fund of market regulation in 1992. (export subsidies amounted to approximately Czech Crowns 507.5 million). At the end of 1992, the fund made an intervention purchase of steers and heifers for further processing and storage at minimum (guaranteed) price. A total of 2,734 MT (live weight) of slaughter cattle were so purchased for Czech crowns 76.5 million. State fund of market regulation is expected to purchase considerable portion of surplus in 1993.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

It appears that there are limited opportunities for Canadian beef meat to be introduced to the Czech market. Opportunities may arise with market fluctuations. Specialty cuts may find customers in hotel and restaurant business. Canadian exporters should be ready for such occasions. They should get in touch with major Czech importers and provide them with informative price quotations that show the price competitiveness of Canadian meat.

Czech veterinary import requirements are being discussed between agriculture Canada and Czech State Veterinary Administration and will hopefully soon be agreed upon by both sides. At present, Czech veterinary regulations prohibit import of meat from animals receiving feed containing substances in quantities violating the limits permitted under EC regulations including estrogens and thyreostatic substances, antibiotics and tranquilizers.

4. ACCESS AND BARRIERS

Customs duty for live cattle and beef meat (fresh, cooled or frozen) is 30% with the exception of breeding cattle where import duty is zero.

Importers of cows, steers and other live cattle must pay compensatory tax of Czech crowns 7.00/kilo and Czech crowns 14.00/kilo for imported heifers. Compensatory taxes for the import of individual kinds of beef meat vary in the range of Czech crowns 3.00 to 8.00/kilo.

Since January 1, 1993 the importation of beef meat and cattle are subject to the value added tax in the amount of 5 %.

Import Licenses: import of live beef cattle (except breeding cattle) and beef meat (fresh, cooled, frozen and further processed - salted, dry, smoked etc.) is subject to import licence which is issued automatically.

For Further Information Contact:

**Canadian Embassy
Mickiewiczova 6
125 33 Prague 6
Tel: (011-42-2) 312-0251/55
Fax: (011-42-2) 311-2791
Contact: Mr. Ross Miller, Counsellor (Commercial)**

HUNGARY

1. GENERAL OVERVIEW

With the sharp decline in beef imports from 12,000 to 14,000 tons per year in the mid eighties to 1,000 to 3,000 tons per year in the early nineties the Hungarian market offers only a limited potential to Canadian beef exporters. This is explained by the current recession which deeply influences consumers' food budget.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

In comparison to Europe (and the world) Hungary's cattle population is insignificant. Hungary averages 22 head per 100 hectares, which is relatively small when compared to Netherlands (254 head/100 HA), Belgium (210 head/100 HA), Germany (130 head/100 HA), Austria (76 head/100 HA), former Czechoslovakia (75 head/100 HA), and Romania (48 head/100 HA). The world average is 27 head/100 HA. While the cattle population of the world has increased by about 120% in the period from 1960 to 1991, Hungary's cattle population has decreased slightly on a continuous basis from the year 1988.

Cattle Population (in million heads):

1982	1988	1989	1990	1991	1992	1993-Jun
1.9	1.7	1.6	1.6	1.4	1.16	1.1

The decrease in the cattle population can be explained by the gradual termination of government subsidies for cattle farms (and farmers) when Hungary underwent its political and economic changes in 1989.

Formerly, the beef industry was heavily subsidized for two purposes: (A) national self sufficiency in beef was a political issue which was supported to avoid any social unrest and (B) beef was exported to the Soviet Union in return for energy power supply (crude oil, natural gas and electrical power etc.).

For the future, the Hungarian agricultural policy calls for finding a sound comparison for utilizing geographical, agricultural features of Hungary (pasture land utilization, forage industry expansion) vis-a-vis adapting the right types of dual purpose, dairy and beef cattle. Similarly, the slaughterhouse sector having been built in the command economy period for the purpose of meeting mass

production demands will also have to undergo basic changes in its structure in order to help Hungary close up with EEC agricultural community. At present the total slaughterhouse capacity is 620,000 head/year of which the state ownership is still predominant with its 600,000 head/year. Given the economic recession and the low demand in the domestic market, as well as of foreign markets the utilization factor of this slaughterhouse capacity is very low at 40% (i.e. 250,000 head/year).

The local beef production has shown changes over the years as follows

Production Volume in thousand MT					
1988	1989	1990	1991	1992	1993 -May
237	241	218	199	147	48

B. Domestic Consumption:

Given traditional Hungarian eating habits, the beef industry has never played a major role. Of the four major types of meat consumed (pork, poultry, beef and fish), beef ranks number three with a ratio of only 8%. In the mid eighties Hungary consumed an average of 80 kgs per capita of meat, of which beef meat accounted for 7 kgs. In the early nineties, per capita meat consumption dropped to 65-70 kgs per capita with beef consumption falling to 6 kgs per capita. The United States Department of Agriculture compiled a comparison chart for per capita beef consumption in 1989, 1991 and 1992. Using this data, Hungary is ranked 15th out of a total of 17 countries. (e.g. per capita consumption: Argentina 70 kgs, USA 44 kgs, Australia 40 kgs, Hungary is followed only by Saudi Arabia 3 kgs, and China 1 kg)

C. Country Beef Imports:

i) Total quantity of beef imports.

Statistical figures available from 1984 show an increase until 1988 followed by a marked decline thereafter.

	<u>Imports (MT)</u>
1984	7,162
1985	3,242
1986	14,150
1987	12,150
1988	14,293
1989	11,879
1990	3,870
1991	not available
1992	720

ii) Imports from major suppliers, quantity and value.

Of the eight supplier countries, the first four most important countries are: Poland, Germany, the former Czechoslovakia, and Austria.

iii) Trends.

With the re-establishment of the country's tourism industry (e.g. World Exhibition to be held in Budapest in 1996) a slight increase in these extraordinary low import figures may be expected.

iv) Major importers, distributors and their organizations.

Industry Associations:

National Association of the Meat Industry

4-1054 Budapest, Szechenyi RKP.6

Tel: (361) 132-9580

Fax: (361) 132-0959

Tlx: (61) 20-2932

Contact: Mr. Imre Mike, Secretary General

There are around one hundred trading companies granted the license for food (meat) trading (import/export) by the Hungarian Government. The address of the National Trade Association is as follows:

H-1012 Budapest, Kuny D. U. 13/15

Tel: (361) 155-9689 or 202-6574

Fax: (361) 155-9689

Contact: Mr. Andras Erdos, Secretary

Major Importers:

Terimpex

H-1055 Budapest, Karolyi Mihaly U.9

Tel: (361) 117-6434 or 117-5011

Fax: (361) 117-3179

Contact: Mr. Gyula Zam, Managing Director

Meatex Co. Ltd.

H-1051 Budapest Nador U. 36

Tel/Fax: (361) 131-5168 or 131-1778

Contact: Ms. Eva Kollar, Managing Director

Kolos Trading and Venture Ltd.

H-1066 Budapest, Jokai U. 2

Tel: (361) 117-3166 or 269-7850

Fax: (361) 117-3077

Contact: Mr. Janos Toth, Managing Director

D. Country Exports:

Beef (including veal) export has been far more significant and stable over the years than Hungarian beef imports. However, the collapse of the Soviet market resulted in a decline in export in 1991.

Export volume in MT

1984	51,459
1985	57,365
1986	38,117
1987	43,368
1988	32,245
1989	33,746
1990	35,150
1991	not available
1992	14,240

Apart from "exotic" destinations such as Cyprus, Kuwait, Iran, and Brazil, the most important countries of the twenty that Hungary exported beef to were the following: Soviet Union (until 1990), Yugoslavia (until 1991), Italy, Sweden, Turkey and Romania. After completing legal and operational restructuring in the agricultural sector (including livestock) exports may return to previous figures.

Export of various beef (and veal) products are subsidized by 10 to 30%.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

- Although limited, sales of deepfrozen beef (veal) products, mainly for industrial use.
- Participation in the privatisation of the local food industry (including slaughterhouses, processing plants)
- Family farms/model farming (transfer of technology) in livestock industry, including beef cattle production (i.e. breeding fattening, etc.)

Major shows

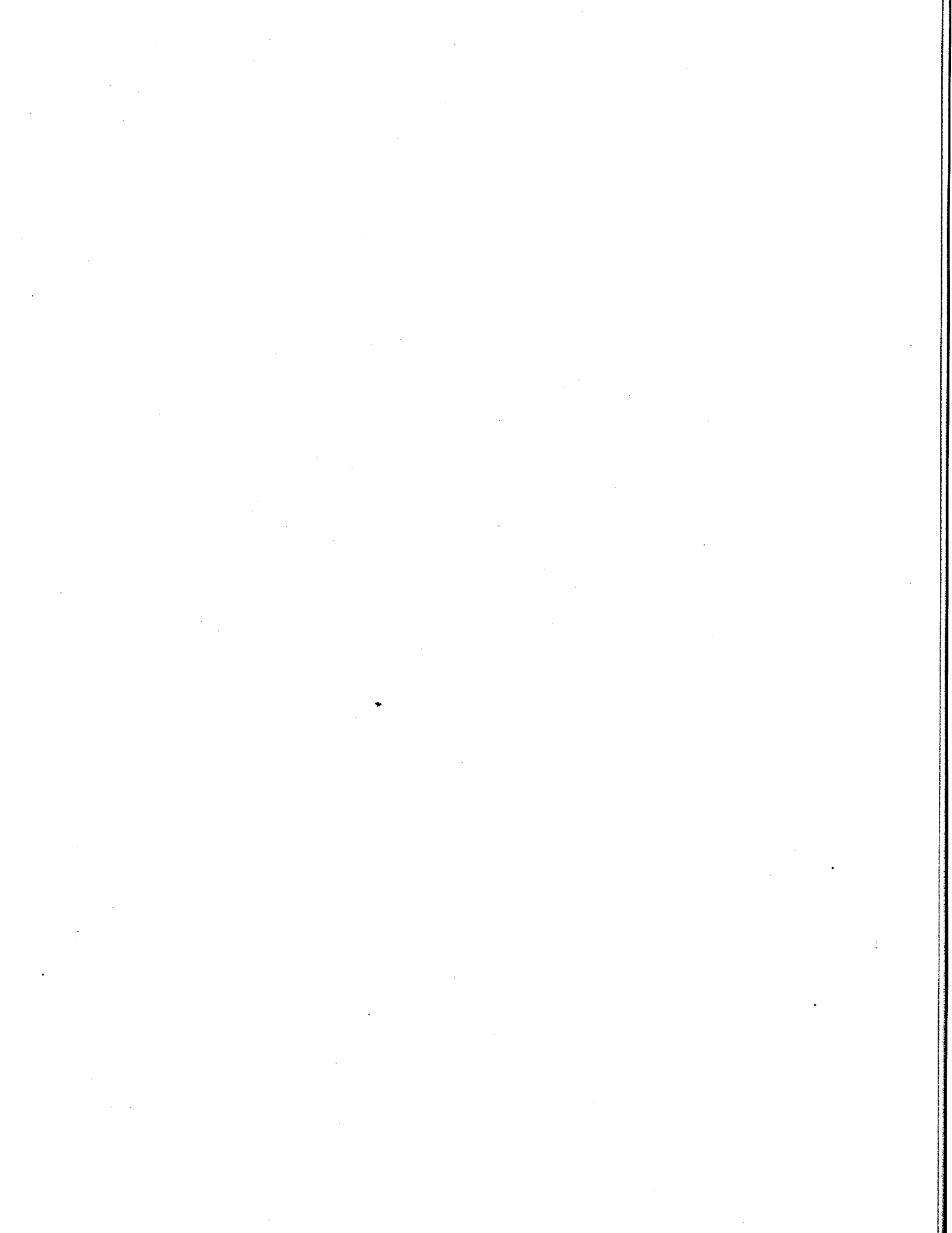
Foodapest International food, Drink and Food Processing Exhibition. The next will be held 23-26 November, 1994. Organizer: Hungexpo/agro Studio. H-1441 Budapest, PF. 44, Tel: (361) 263-6071/5, Fax: (361) 263-6435, Contact: Ms. Elisabeth Kadala, Project Manager.

4. ACCESS AND BARRIERS

- ▶ Beef is imported on a quota basis. Quotas are published by the national Hungarian Gazette twice a year. When published, importers have to line up to obtain quantitative allocations (quasi-import permit) from the Ministry of International Economic Relations.
- ▶ Custom duties: around 10 to 15% ad valorem.

For Further Information Contact:

**Canadian Embassy
Budaskezi ut 32
H-1121 Budapest XII
Tel: (011-36-1) 176-7686/176-7711
Fax: (011-36-1) 176-7689
Contact: Mr. Jean-Yves Dionne, Counsellor (Commercial)**



POLAND

GENERAL OVERVIEW

In Poland, beef is not a major dietary component, and its price is lower than the price of pork.

Reporting (in all sectors/products) is hampered by a virtual absence of import/export statistics (i.e. no data on total meat imports, let alone beef by product or by country of origin). As well, a combination of low per capita consumption, coupled with low prices (significantly lower than for pork), argue against the likelihood of building a Polish market for Canadian beef.

At present, we know of nowhere that U.S., Argentine, or even New Zealand beef can be procured, even at high cost. Only a few western-style steakhouses have appeared, and these may even serve Polish beef.

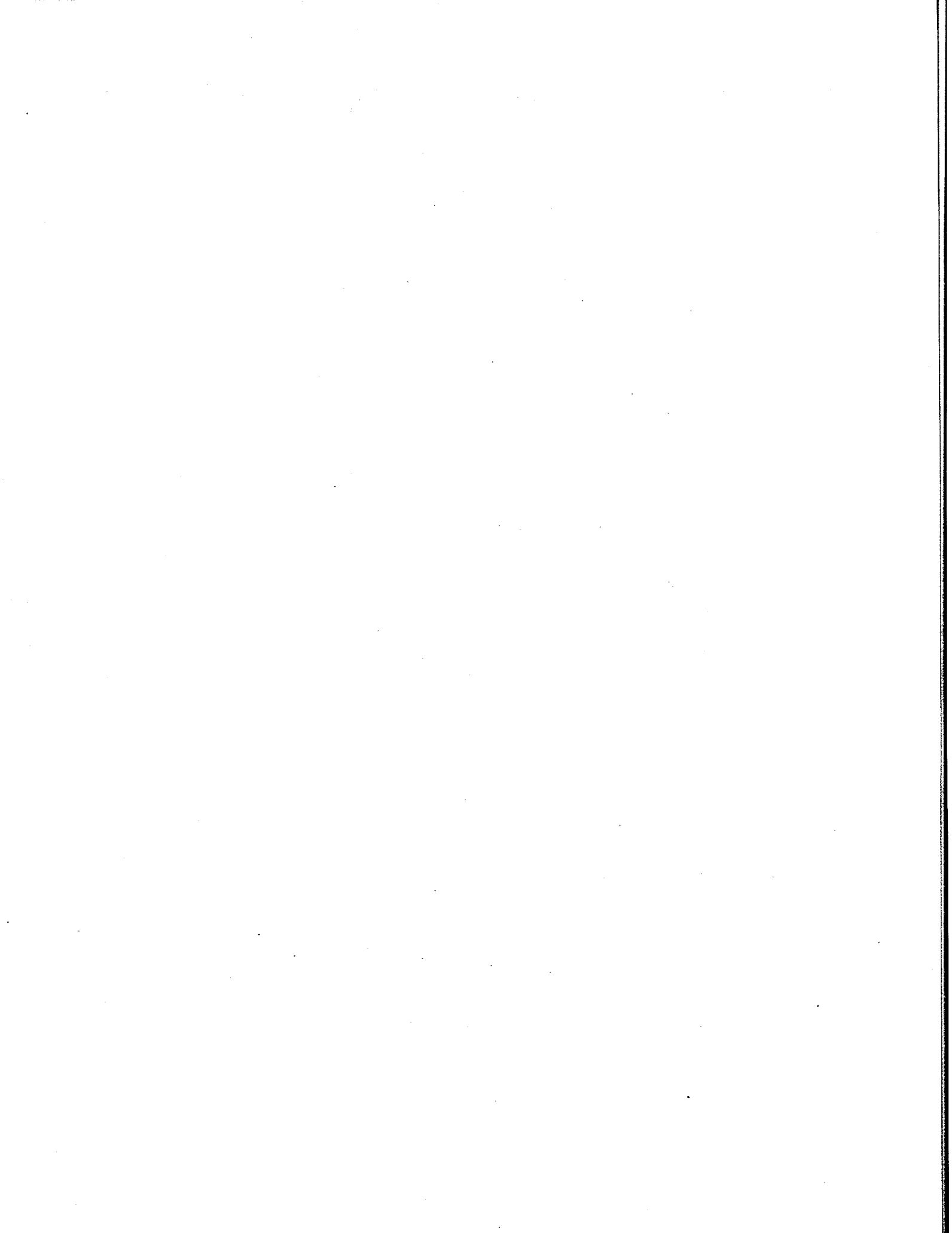
The beef industry is closely linked to the dairy industry in Poland, with the beef usually coming from stock kept for milking. Beef supply and price fluctuate depending on milk prices and feed costs. When dairy prices drop and/or feed costs become expensive the animals are butchered.

The major trade show in Poland is POLAGRA - agrifood industry fair in Poznan at the beginning of October each year.

The current import duty rate on beef is 30% (plus 6% border duty). This is according to the tariff applicable to non-EEC countries (EEC enjoys some preferences). Except for import licenses, based on veterinary certificates, there are no other non-tariff barriers, but the Polish Ministry of Agriculture plans to introduce import levies on some imported food products (probably meat will fall into this group). There are no quotas. Packaging and labelling (in Polish) requirements in general meet EC standards.

For Further Information Contact:

**Commercial Division
Canadian Embassy
Ulica Jana Matejki 1/5
00-481 Warsaw, Poland
Tel: (011-48-22) 29-80-51
Fax: (011-48-22) 29-64-57
Contact: Ms. Hanna Mroz, First Secretary (Agriculture)**



ROMANIA

1. GENERAL OVERVIEW

Romania is a marketplace where a direct presence is required. If Canadian companies want to sell, they have to be prepared to display the necessary amount of dedication, commitment, patience, and to invest at the beginning substantial quantities of financial and personnel resources. Canadian companies have to adjust to the Romanian way of doing business, rather than adopt a standard North American approach, where results can be realized fairly quickly.

2. CHARACTERISTICS OF THE MARKET

A. *Local Production:*

i) *Production in MT*

264,712 MT in 1992.

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

Prices per kg at wholesale level US\$2.00 (at the official exchange rate of 1 U.S. dollar 600 Lei).

iii) *Types of cuts.*

Slaughterhouses are practising for the local market the normal European cut. For the export market they are also practising the Israeli (halal) and Arabic cuts.

iv) ***Government policies which impact significantly.***

The governmental decision No.3/29.01.1993 bans the export of cattle (tariff code 010290) and limits the export of beef meat as follows:

<u>Tariff Code</u>	<u>Quantity in MT</u>
Bovine carcasses (&half), fresh/chilled	23,800
Bovine cuts bone-in, fresh/chilled	1,200
Bovine cuts boneless, fresh/chilled	1,200
Bovine carcasses (&half), frozen	1,200
Bovine cuts bone-in, frozen	3,600
Bovine cuts boneless, frozen	6,500

B. Domestic Consumption:

i) ***Annual total, MT; annual per capita consumption, kgs.***

Annual total apparent consumption: 262,676 MT

Annual per capita consumption kgs: 11.5 kgs.

ii) ***Self-sufficiency ratio.***

The self-sufficiency ratio is 99%

iii) ***Consumer attitudes toward domestic and imported products.***

Consumers prefer domestic beef meat versus imported beef meat due to the fact that they prefer fresh beef meat versus chilled beef meat.

iv) ***Trends.***

This attitude will be even more solid in future.

C. Country Beef Imports:

i) ***Total quantity and value of beef imports.***

Total quantity in MT: 3,044.

Value: US\$3,424,000.

ii) Imports from Canada, quantity and value; Canadian % share of market.

Quantity in MT: 23.6 (bovine tongues, edible offals, frozen) tariff code 020621.

Value Cdn\$94,000 or the equivalent of US\$74,260.

Canadian share of the market is approximately = 2%

iii) Promotional activities of competitors.

Direct mail to influential commercial contacts, seminar presentations, visit exchanges, and emphasis on direct and repeated contacts appear to be the ingredients for market success in Romania.

iv) Trends.

Due to a tremendous decrease in the number of bovines in the last 3 years (5.4 mil in 1990 and 3.2 mil in 1993), Romania will import, in addition to live animals (breeding cattle), important quantities of beef meat.

v) Major importers, distributors and their organizations.

S.C. Prodexport S.A.
1-3 Valter Maracineanu Plaza
Bucharest/Romania
Tel: (401)615-6728 / (401)616-1660
Fax: (401)615-2107
Tlx: 11.527
Contact: Mihai Sturz, General Director

D. Country Exports:

i) Total exports by quantity and value.

Quantity in MT: 5,080.

Value: US\$10.9 mil.

ii) *Types of products exported.*

The governmental decision No.3/29.01.1993 bans the export of cattle (tariff code 010290) and limits the export of beef meat as follows:

<u>Tariff Code</u>	<u>Quantity in MT</u>
Bovine carcasses (&half), fresh/chilled	23,800
Bovine cuts bone-in, fresh/chilled	1,200
Bovine cuts boneless, fresh/chilled	1,200
Bovine carcasses (&half), frozen	1,200
Bovine cuts bone-in, frozen	3,600
Bovine cuts boneless, frozen	6,500

iii) *Trends.*

Restricting exports and encouraging imports.

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Direct mail to influential commercial contacts, seminar presentations, visit exchanges, and emphasis on direct and repeated contacts appear to be the ingredients for market success in Romania.

4. **ACCESS AND BARRIERS**

(Code 02.01 and 02.02: 20% ad valorem).

- No other duties.
- No quotas.
- No preferential access for certain suppliers.
- No special labelling and packaging regulations.
- No relevant environmental legislation.
- No other non-tariff barriers.

Romanian animal health requirements have been transmitted to:

Agriculture Canada
Food Production and Inspection Branch
Meat and Poultry Production Division
B. St. Arnaud
Fax: (613)993-4334

They are still under discussion. They are very similar to the EEC requirements.

Import license required (only a formal request, more for statistical records).

5. **TRANSPORTATION**

Mainly by special trucks.

6. **INDUSTRY STRUCTURE**

A. *Domestic production facilities*

Beef meat industry is located all over the country.

B. *Storage/handling facilities:*

Adequate storage and handling facilities.

C. *Marketing Channels:*

i) *Standard importation and distribution channels of product from point of entry to final buyer.*

1. Importer - (agent) - wholesaler - retailer.
2. Importer/wholesaler - retailer.

D. *Main industry contacts:*

Government departments, agencies, government-regulated bodies involved in beef trade.

Ministry for Agriculture and Food
24, Carol I. Blvd.
Bucharest/Romania
Tel: (401)613-3118
Tlx: 11.367 and 11.217 A/B Magr
Contact: Ms. Delia Popescu, Gen. Director for Int. Trade

7. **OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS**

- ▶ Find an internationally competitive and marketable product.
- ▶ Establish interest in principle with a Romanian import company.
- ▶ Clarify all questions of Canadian government regulation and support.

- ▶ If counter-trade deals are possible, it will help your overall competitiveness.
- ▶ Keep the commercial division at the Canadian Embassy in Bucharest copied on all correspondence you have with Romanian companies.
- ▶ At some point you will need to visit the marketplace if there is a substantial value involved. Let the Embassy help you arrange a comprehensive program and apply pressure at the right organizational points.
- ▶ Business development in Romania takes time. Don't be rushed. There are few, if any, quick deals. There is no future advantage to you from signing a contract hastily, having a lot of loose ends or a 'loss-leader' in hopes of future, more profitable business.

For Further information Contact:

**Canadian Embassy
P.O. Box 2966
Post Office Number 22
71118 Bucharest, Romania
Tel: (011-40-1) 312-03-65
Fax: (011-40-1) 312-03-66
Contact: Mr. Thomas Greenwood, Counsellor (Commercial)**

RUSSIA

1. GENERAL OVERVIEW

It is generally felt that while the current demand for beef is low (because of significant reduction in domestic production and therefore, consumer demand) that in a year or two, demand for beef will increase, and local industry will not be able to supply all requirements. Current major competitor, EC, will be displaced over this period because of low demand. Reduction in production will continue because of cost and availability of animal feed, problems in decollectivization process, and lack of state subsidies. Collective farms have become unprofitable, and disease and early slaughter continue to exacerbate situation. For example cattle losses due to "accidents and epidemics have increased by almost 4% in 1993. Price liberalization process continues, and the pace of agricultural reform seems to be picking up. However, some still feel that most severe economic slump will occur during 1994 and, therefore, forecast for improved trade patterns only following this period.

Current (1993) domestic production is forecast to continue to decrease. Current year (1993) production estimated at 7.1 million MT, 87 percent of previous year's level. Beef and veal comprise approximately 42% of total meat production.

A government program for 1993-95 has been introduced which addresses measures to encourage private production of food, and development of market infrastructure in rural areas, meaning on-farm storage and nearby processing facilities. (This will depend on funds, currently being budgeted from taxes levied on energy-related goods. Important to note that last few years government agricultural programs have not materialized as announced.)

In a year or two the real demand for beef and beef products is likely to rise in Russia. As a result of the current processes, Russian agriculture will not be able to satisfy this demand in terms of volume and quality. Canadian producers may use this opportunity to enter the Russian beef market. The European competition will be weakened due to the present decline in Russian beef imports.

The liberalization of the Russian foreign trade policy, which is expected to take place in the coming months, may positively affect imports from Canada. The collapse of the socialist-type agricultural production may be deepened owing to the introduction of private property of land holdings and possible denial of government dotations, which may be positive for the foreign beef producers.

The beef market in Russia suffers from the sharp disparity between the prices for manufactured and agricultural products and the stable decline in investment in

agricultural production. There is a deficit of feedstuffs, and consequently a rise in their prices. Cattle breeding costs are climbing but the producers cannot balance them with price increases due to weak purchasing power of the overwhelming majority of the population. As the production is decreasing, the per capita consumption is shrinking to unusually low levels. Beef imports are also decreasing.

At the same time the negative processes might be of short term nature and are intertwined with the agricultural restructuring. The liberalization of the prices is gradually progressing. Privatization is catching tempo. As a result of President Boris Yeltsin decree October 1992, private property land holding is going to be introduced shortly and this will speed up the reforms. The private sector is gathering strength, though it will take time to achieve a level of international competitiveness. The overall economic crisis is expected to face its hardest point in 1994, and the real demand for beef will increase and stimulate the investments in the sector.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

Domestic production for the current year is expected again to decrease. The overall production of meat in 1993 is estimated to be 7.1 million MT or 87% of the previous year's production, 76% of production in 1991. Beef and veal comprise approximately 42-43% of the meat production, and its share has been rising since the 60's. The shares of pork and mutton have been decreasing and now are, respectively, about 33% and 5%. The share of poultry has been growing; it is now 19%. Beef production may be estimated at 3.1 million MT in 1993, or 78% compared to 1991, 82% compared to 1992. Total meat consumption (including all types of meat and meat products) was estimated to be 67 kilograms per capita in 1991.

The forecast for beef production for 1993 is negative. The rise of the state purchasing prices for grain and high prices for feed-stuffs on one hand, and the limited real purchasing power of the population, on the other hand, makes beef and other kinds of meat production non-profitable even when the state provides considerable dotations. As a result, many big socialist-type producers have become uncompetitive and are slaughtering cattle. The loss of cattle due to lack of feed-stuffs and disease is rising. As of the 1st of July 1993, the stock of cattle at state and collective farms declined by 3.9 million, or 9% (cows - by 1 million, or 7%) compared to the situation on July 1st 1992. The beef cattle, thus are being slaughtered and lost to a bigger extent. In September 1993, the stock of cattle went down by 8% compared with September 1992. Losses from cattle plague and accidents were up 3.6%.

Several Russian regions were particularly struck by the negative trend: Leningrad province, Volgograd province, Amur province, Kaliningrad province, Stavropol territory, Buryat Republic. At the same time a number of regions managed to stabilize the situation in 1993 and preserved the volume of production at 1992 level and even surpassed it: Tartar, Mordva and Udmurt Republics, Ulyanovsk and Penza provinces.

Wholesale prices for beef and veal in Russia for the prime cut as of October 1993, varied from 705 to 3925 rubles for one kilogram, depending on the region. The average cut of frozen beef and veal rose (during the period from 10 January 1993, to November 2nd 1993) 4.76 times from 285,666.67 rubbles for one MT to 1,360,000.00).

A government program for the restructuring of the national economy has been developed by the government for 1993-1995. Concerning agriculture, the government policy is to be focused on the promotion of foodstuffs production by active support of institutional changes (mainly privatization), by the development of market infrastructure in rural areas and consumption of the storage and processing facilities. Meanwhile, a special non budget national fund for the agriculture was established by the government. It was formed by the introduction of a 4% tax on the items produced by other sectors of the economy (except coal mining).

There are three prices, which the state wholesale "commercial-intermediary companies" (CICS), "wholesale intermediary firms" (WIFs) and "republican special firms" (RSFs) pay for beef and veal. All these prices incorporate government dotations in accordance to the state price support programmes as production incentives and a measure of social policy. The nominal figures are constantly changing, mostly due to inflation, but the relation between the prices and dotations are more or less constant.

The price for bulk weight of the cattle of the 1st (the best) category is 25% higher than for that of the 2nd category and 94% higher than for lean beef. The state purchases the 1st category meat at a price which is 106% higher than that for the bulk weight of cattle of the same category. The disparity between the respective prices for the 2nd category is 118%, for lean beef - 156%. The wholesale purchasing prices, which include the processing and realization costs plus profit (the rate of which is fixed by the state), are higher again, compared to the previous ones, respective of the category, by 2.5%, 3.8% and 5.9%. The retail prices, as a result of dotations, are respectively lower than the wholesale purchasing prices by 73.6%, 82% and 80.1%. they are included in the local governments budgets.

The role of the dotations is decreasing in importance because the producers costs have been rising lately faster than the dotations. The producers prefer not to sell beef to the state purchasing wholesale institutions; they prefer to sell it at foodstuffs exchanges, farmers' markets, directly to the retailers or make barter deals with the producers of machinery, fuels and non-agricultural consumer goods.

The Russian government levies customs duty on imported meat and meat products (commodity code 02). The duty is 70% ad valorem; it is 105% when it is a barter deal.

B. *Domestic Consumption:*

Domestic consumption of beef is declining recently after a long period of growth. In the 1990's however, per capita meat consumption is declining slower than the national per capita meat production. The production shortage is made up by increasing imports.

Consumer attitude towards imported products compared to domestic one is favourable. Consumers are used to the fact that the imported products are nicely packed, clean, look more attractive. The popular belief is that imported products are of better quality. Higher prices for imported products are the only factor which explains the inclination of the low-income consumers to prefer the domestic products. One should take into consideration, though, that favourable consumer attitude is not usually related to the products imported from non-Western world. Consumers usually do not trust the quality of products imported from Asia, Africa and Latin America.

C. *Country Beef Imports:*

Beef imports, though considerable are declining. According to official data, the quantity of frozen meat (except poultry beef share 70-80%), which was imported in 1992 comprised 54.8% of the previous year's volume. Frozen meat imports in the first half of 1993 were 25.8% compared to the same period of 1992. The value of the Russian frozen meat imports in 1993 may reach 90-95 thousand MT, or US\$136-145 million. In 1992, frozen meat imports comprised 66% of the overall value of Russian imports, in January-August 1993 - 72%, in 1993 (forecast) 85%. Thus, the share of the meat in the Russian imports is rising, which means, that the decline of the meat imports has been falling slower than the overall imports.

Frozen Meat Imports in Russia

	<u>Soviet Union</u>		<u>Russia</u>			
	1990	1991	1991	1992	1993*	1993*
'000 MT	1129.1	1208.2	693.2	380.0	38.2	...
Million US\$	2040.5	2822	1619.2	495.3	57.9	86.0

* for the period from January to June

Frozen meat is imported in carcasses, then cut at retail stores according to the official instructions, which were issued several decades ago.

Imports of beef from Canada are insignificant. Major supplies are Germany, France and other EC countries. About 30% of the imports are coming from the other countries of CIS.

List of major importers, distributors and their organizations.

For several decades there has been one major importer of beef into Russia and former Soviet Union - "Prodintorg" Foreign Trade Corporation. Its importance is shrinking lately as a result of the decline in governmental purchases of beef abroad and the expansion of beef imports by local governments, private and state-owned enterprises and trading houses. Nevertheless, "Prodintorg" is till the major and most influential importer of beef for the government and the growing number of independent importers. There are also several other importers, though their share of the market is not big. The list of the most important beef importers (agents, brokers, wholesalers, retailers etc.) into Russia is as follows:

"Prodintorg", 32/34 Smolenskaya-Sennaya pl., Moscow 121200, Russia.

"Rosvneshtorg", 8 (Stroenie 5) Barricadnaya ul., Moscow 123242, Russia.

"Skotoimport", 8 Skatertnyi per., Moscow 121069, Russia.

"Selkhozpromexport", 18/1 Ovchinnikovskaya nab., Moscow 113324, Russia

"Agrointer", 20 Verkhnyaya Kraselskaya ul., Moscow 107140, Russia.

"Selkhozpromexport", 18/1 Ovchinnikovskaya nab., Moscow 113324, Russia.

"Arena" Broker Company, 24 Pionerskaya, Moscow 113054, Russia.

"Broker House", 33 Shmittovskii pr., Moscow 123317, Russia.

"Trinity Brokers", Apt. 9, Stroenie 3, 23 Poslednii per., Moscow 103045, Russia.

"Muti-Brok", Apt. 27, 83 Mira prosp., Moscow 129085, Russia.

"MECO Trading Ltd." Trade House, 55 Arkhitekatora Vlasova ul., Moscow, Russia.

"Posrednik", 17 Lenskaya ul., Moscow 129327, Russia.

"APS" (Association of Agroindustrial Cooperation), 1 Proektiruemyi pr., Moscow, Russia.

"ST-Service", 2 (Stroenie 12), Gospitalnaya ul., Moscow 111020, Russia.

"ROSTOK" Russian Trade Co., 11 (Stroenie 1) Varvarka ul., Moscow 103012, Russia.

"AGROPROMBIRZA" Agricultural Commodities and Industrial Exchange, 15, Akademika Koroleva ul., Moscow 129497, Russia.

"Prodovolstvennaya Birza" Foodstuffs International Exchange, 13, Ilyinka, Moscow 113070, Russia.

"ROSAGROBIRZA" Russian Agricultural Commodities Exchange, "Moskva" Pavillion, VVZ, Mira prosp., Moscow 129223, Russia.

"RISB Russian Commodity and Raw Commodities Exchange, 30, Pavillion 3, Frunzenskaya nab., Moscow 119146, Russia.

"RUSAMEX" Russian-American Exchange, 16/2 Tverskaya ul., Moscow 103829 GSP, Russia.

"Business Service" Agency, 1/2 Paveletskaya pl., Moscow 113114, Russia.

D. Country Exports:

There are no Russian exports of beef of any significance.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

There are no significant international trade shows and there are no promotional events that are planned for the near future.

4. TRANSPORTATION

There are several usual modes of transportation of the imported beef and veal. First of all it is railroad transportation in refrigerated cars from the producer wholesale's storage to the storage facility of the Russian wholesale buyer. From there meat is transported usually in refrigerated trucks to the retailers or for processing. The second popular way is automobile transportation from the foreign producer/wholesaler's storage to the retail store in Russia. Sometimes the combination of the sea and/or railroad and/or automobile transportation is used. Airtransportation is often used to bring beef to the Northern/Arctic and other remote areas.

It should be noted that sea transportation opportunities became more limited recently because a number of former Soviet ports (Novo-Tallinn, Odessa, Klaipeda and others now belong to independent states). Still there are several major ports in Russia: Valdivostok and Nakhodka in the Far East, Arkhangelsk in the European North, Sankt Petersburg in the North-West and Novorossiisk in the South.

5. INDUSTRY STRUCTURE

Storage facilities till today belong to the state and are used under capacity.

The beef and veal realization infrastructure has been drastically changing from the end of the 1980's. Formerly about 96% of the meat, which was distributed through retail systems, was purchased and sold by the state institutions. In 1991, this figure dropped to 87%, in 1993 it is estimated to fall to 70-73%. The state is purchasing beef through "commercial intermediaries companies" (CICs) and "wholesale intermediary firms" (WIFs). In some regions "republican special firms" (RSFs) were also created; they are supplying the CICs and WIFs, and sometimes, with CICs and WIFs, the retail stores as well.

It is expected, that these structures will loose their position on the market in 2 to 3 years, and new, privately owned wholesalers will occupy their place. Regional and local beef storage facilities will be privatized.

For Further Information Contact:

**Canadian Embassy
Starokonyushenny Pereulok 23,
Moscow 12100, Russian Federation
Tel: (011-7-095) 241-5070
Fax: (011-7-095) 241-9034
Contact: Ms. Margaret Skok, First Secretary (Agriculture)**

UKRAINE

1. Local Production:

Meat in Ukraine is produced by state and collective farms, as well as by individual farmers. The share of individual farms in meat production is slowly but constantly growing, varying from 23% to 62% in different regions of Ukraine. In 1991, all types of farms produced 3,061.7 thousand MT of beef (weight of slaughtered cattle) including 2,723.7 thousand MT produced at the collective and state farms and 338.1 thousand MT produced by individual farmers.

Beef accounts for 51% of the total Ukrainian meat production. Ukraine produces 36 kgs of beef per capita. Over 90% of domestic production is consumed in Ukraine. With hyperinflation in the country the prices are reviewed every month. So far the meat industry has received state subsidies but prices (in 1993) are rising rapidly and the farms are claiming more and more assistance. Consequently, the state is no longer able to meet their demands.

2. Country Beef Imports:

Ukraine does not import beef. There exist however regulations for beef importation that have been worked out by the central veterinary board with state veterinary inspection. The requirements are the same as the ones specified for the bovine embryos imports that are stipulated by the bilateral agreement signed between Ukraine and Canada.

3. Country Exports:

Ukraine exports beef (100-150 thousand MT) predominantly to Russia with prices that are negotiated for every load.

4. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Although there exists great demand for meat and meat products in Ukraine, direct purchases are most unlikely in the near future due to an acute shortage of hard currency available for payment. The Ukrainian Government policy is directed towards building-up Ukrainian agriculture.

Ukraine is interested in co-operating with foreign countries in introducing new technologies in cattle breeding and meat processing as well as in all other industry-related issues by establishing joint ventures with foreign investments. Canada has in fact started this co-operation via PAX ET LTD., Brampton Ontario, which provides "progress" association, Cherkassy, Ukraine with pedigree animals. The Ukrainian-

Canadian joint venture Semex-Ukraine already functions in Pereyaslv-Khmelnytsky, Ukraine, its activity aimed at producing and marketing cryopreserved semen of proven holstein bulls and introducing new technologies to enhance the genetic potential of Ukrainian dairy cattle. The company has also assisted in organizing training for 10 Ukrainian specialists at the International Livestock Management School in Kemptville, Ontario. Ukraine is also interested in joint venture arrangements for meat processing.

5. Industry contact

Initial contact for negotiating beef business is the Ministry of Agriculture and Food Ukraine, Minister Mr. Yuriy Karasyk, 24 Khreschatyk St., Kiev-1, 252001, Ukraine; Fax: (044) 229-8756.

For Further Information Contact:

**Embassy of Canada
31 Yaroslaviv Val Street
Kiev 252034, Republic of Ukraine
Tel: (011-7-044) 212-0212
Fax: (011-7-044) 291-8958**

SECTION D

CENTRAL AND SOUTH AMERICA





ARGENTINA

1. GENERAL OVERVIEW

Argentina is large beef producer and exporter with total beef cattle herd estimated at 55 million head.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

Domestic slaughter stands at approximately 1 million head per month. Out of this monthly production, 70% is for domestic consumption and 30% is normally exported. Price at wholesale level for USA choice strip loin is about US\$4 per kilogram. There are no significant government policies which impact upon the industry. There is an official program to eliminate foot and mouth disease, jointly with Brazil and Uruguay, with objective to capture more export markets.

B. *Domestic Consumption:*

Annual domestic consumption is about 85 kilograms per capita and the consumption pattern displays a downward trend. Argentina is totally self sufficient.

C. *Country Beef Imports:*

There have been no beef meat imports into Argentina for the last 50 years, with exception of a small quantity from Uruguay during a drought which occurred approximately 20 years ago.

D. *Country Exports:*

Argentine exports for beef are not constant in volume, price and/or quality or types. Volume of exports range from 300,000 MT to 750,000 MT yearly. The major markets for Argentine beef are the U.S. and the E.C. Middle East is a marginal market and third world countries are irregular buyers. Recently Russian and other ex-Soviet Union countries have made purchases at irregular intervals. Types of products exported are as follows: frozen de-boned beef fore and hind quarters, chilled cuts (mainly for Hilton quota) for restaurant trade, pre-cooked, deboned frozen beef in tubes (mainly for North American markets). Argentina also exports corned beef, beef extract and other canned food products with high

beef content. There are no government incentives of any kind for this industry.

Argentina is and has been (for last 20 years) a regular supplier of cooked frozen beef for further processing in Canada.

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Market opportunities for Canadian beef market are non existent.

4. **INDUSTRY STRUCTURE**

The concentration of beef cattle production is in provinces of Buenos Aires, La Pampa, Entre Rios, Cordoba, and Santa Fe. These provinces also have the largest concentration of meat packing facilities. There are about 30/40 large meat packers (daily kill " 1500) and approximately 250 medium-sized operations. Exact number of small packers (daily kill less than 150) is unknown, but estimated at 1500/2000.

Storage facilities are only equipped to handle exports.

5. **OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS**

Elimination of foot and mouth disease will open up new markets for Argentina. This objective is a priority, and could be reached within the next three to four years if the current vaccination program is successfully implemented at all regional levels.

Main beef cattle breeds in descending order of importance are: Aberdeen Angus, Hereford, Shorthorn, Brahma, Charolais.

For Further Information Contact:

**Canadian Embassy
Casilla de Correo 3898
1000 Buenos Aires
Tel: (011-54-1) 805-3032
Fax: (011-54-1) 806-1209
Contact: Mr. Hans Glansdorp, Commercial Officer**

BRAZIL

1. GENERAL OVERVIEW

Brazil is a large agricultural country with a population close to 145 million people. Brazil has over 200 million hectares of highly diversified agricultural land with one of the largest herds of beef cattle in the world, comprising approximately 11% of total world cattle population. There are approximately 147 million cattle distributed over 166 million hectares, among natural and artificial pastures. In order to convey a clearer idea of the size of this industry, there is an average of 0.88 head of cattle per hectare.

Cattle raising distribution in Brazil:

- north region (states of Manaus, Belem, Acre, Territories of Roraima and Rondonia) - 13.3 million heads of cattle (9.1%)
- northeast region (states of Sergipe, Recife, Ceara, Maranhao, and Bahia) - 25.8 million head of cattle (17.6%)
- middle west region (states of Mato Grosso, Mato Grosso Do Sul, Tocantins and Goias - 46.3 million head of cattle (31.4%)
- southeast region (states of Sao Paulo, Rio De Janeiro and Minas Gerais) - 36.3 million head of cattle (24.7%)
- south region (states of Parana, Santa Catarina and Rio Grande Do Sul) - 25.3 million head of cattle (17.2%)

Brazil is considered self-sufficient in terms of meat production and a major exporter of beef, being an accredited exporter to EEC under a Hilton quota. There are currently 215 companies in this sector comprised of slaughterhouses and meat processors. These slaughtering houses slaughter approximately 1.5 million head of cattle per month. Statistics indicate that Brazil slaughters more than 13 million head of cattle per year, of which approximately 35% of this total is exported. Imports are made only from Argentina and Uruguay due to existing common market agreement (Mercosur). Small volume imported from Argentina is mainly for large beef/barbecue restaurants; imports from Uruguay are under a drawback process to be processed and exported to third countries.

Breeding stock - Brazilian cattle is based mainly on Zebu breeds, specifically Nelore, which adapted easily to the country conditions due to its hardiness. However, in spite of Nelore's good traits, it lacks meat yield, a key trait for industrial purposes.

Therefore, cross-breeding with European breeds (Simmental, Limousin, and Charolais) has been used to improve meat yield. Average slaughter age is 3.5 years and steps are being taken in order to reduce it to 3.0/2.5 years. However, there is not yet a standard carcass classification system and producers are not currently paid on quality basis.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

23.2 million head slaughtered.

4,508 thousand MT of meat-carcass equivalent.

ii) *Government policies which impact significantly.*

There is a federal program for higher sanitary measures in order to improve national herd health status; especially eradication of foot and mouth disease in order to enable Brazil to export beef (in natura) mainly to USA and Japan.

iii) *Trends.*

Carcass classification program.

B. *Domestic Consumption:*

i) *Annual total, MT; annual per capita consumption, kgs.*

Annual production total - 4,508 thousand MT.

Annual per capita consumption - 28.7 kgs.

Consumption is concentrated in the south and southeast regions.

ii) *Self-sufficiency ratio.*

Close to 100%.

iii) *Trends.*

There is a strong preference for beef over other meats; however, price constraints have motivated consumers to trade-off to cheaper products, such as poultry, whose consumption has grown tremendously during the last decade and taken over part of beef per capita consumption.

C. *Country Beef Imports:*

Essentially, Brazil is self-sufficient in terms of beef. Imports are made only from Argentina and Uruguay due to existing common market agreement (Mercosur); imports from Uruguay, especially, were under a drawback process to be processed and exported to third countries, while volume imported from Argentina was for large beef/barbecue restaurants. Statistics indicate a few imports occurred during shortage period during the collar plan program (1990) with deliveries taking place in 1991/1992, and during this period Brazil mainly imported frozen meat from Germany and Ireland by the Brazilian Regulatory Agency (CONAB).

Import statistics:

	<u>Product Weight (MT)</u>	<u>Carcass Weight (MT)</u>
1990	150,000	230,000
1991	117,000	180,000
1992	30,000	46,000

i) Trends.

Brazil is self-sufficient in terms of beef and current status of sector indicates that very few imports will likely be made for domestic consumption. Drawback imports have been made mainly from Uruguay and Paraguay.

ii) Major importers, distributors and their organizations.

Perdigao Agroindustrial S/A
Bairro Sao Cristovao
88665 - Capinzal, SC
Tel: 55 495 33 0066
Fax: 55 495 33 0052
Mr. Paulo de Oliveira, Director

Sudanisa Cia Indl de Alimentos
Rua Fortunato Ferrax, 529/569
05093 - Sao Paulo, SP
Tel: 55 11 260 8612
Fax: 55 11 833 3800

Cabanha Comercial Importadora E
Exportadora
Rua Rodrigues Alves, 2623
95070 - Caxias Do Sul, RS
Tel: 55 54 222 4448
Fax: 55 54 222 6944
Mr. Odyr Peteffi, Director

Bon-Beef Ind. E Com. de Carnes
Rua Nanuque, 652
05302 - Sao Paulo, SP
Tel: 55 11 261 1911
Fax: 55 11 832 4339
Mr. Vasco Carvalho Oliveira Jr., President

Ceval Agro Indl SA
Rod. Jorge Lacerda, KM 20
89110 - Gaspar, SC
Tel: 55 473 32 2176
Fax: 55 473 31 2005
Mr. Antonio Yafelici

Sadia-Oeste SA
Al. Tocantins, 525
06400 - Barueri, SP
Tel: 55 11 420 4333
Fax: 55 11 420 4394
Mr. Ademir Maraschin, Director

Sola Sa Ind. Alimenticias
Av. Zoelo Sola, 1100
28800 - Tres Rios, RJ
Tel: 55 242 52 0112
Fax: 55 242 52 0755
Carlo Sola, President

Com. E Ind. de Carnes Floresta
Rua Paulo Franco, 430
05305 - Sao Paulo, SP
Tel: 55 11 832 1062
Fax: 55 182 51 1438
Mr. Paulo Roberto Custodio de Souza,
Director

Frig. Bordon SA
Rua Irineu Jose Bordon, 215
05120 - Sao Paulo, SP
Tel: 55 11 260 1011
Fax: 55 11 832 4328
Mr. Geraldo Moacir Bordon, President

Frisa Frig. Rio Doce S/A
Rua Marui Grande, 58
24110 - Niteroi, RJ
Tel: 55 21 719 4255
Fax: 55 21 718 5886
Mr. Arthur Arpini Coutinho, President

Frigorifico Bordon S/A
Irineu Jose Bordon, 215
05120-060 Sao Paulo, SP
Tel: 55 11 260 1011
Fax: 55 11 832 4328
Mr. Geraldo Moacir Bordon, President
Mr. Julio Vasconcelos Bordon, President

Frisa - Frigorifico Rio Doce S/A
Marui Grande, 58 - Barreto
24110-190 Niteroi, RJ
Tel: 55 21 719 4255
Fax: 55 21 717 5623
Mr. Arthur Arpini Coutinho, President
Organizacao Nossa Senhora Da Abadia Ltda.

Supermercado Mineiro
Rua Paracatu, 1385 - Santo Augustinho
30180-091 Belo Horizonte, MG
Tel: 55 31 275 4242
Fax: 55 31 275 2874
Mr. Walter Santana, Director

Importadora de Alimentos Do Cear Ltda.
Rua Governador Sampaio, 144 - Centro
60055-050 Fortaleza, Ceara
Tel: 55 85 231 5449
Fax: 55 85 231 4556
Mr. Manuel Pessoa de Araujo Junion,
President

Comrcio Industria Carnes Floresta Ltda.
Rodovia SP-284 KM 519 - Gua de Lavadeira
19600-000 Rancharia, SP
Tel: 55 182 51 1800
Fax: 55 182 51 1034
Mr. Paulo Roberto Custodio de Souza,
Director

Frigorifico Taurus Ltda.
Rua Pedro Ripoli, 409
09400-000 Ribeirao Pires, SP
Tel: 55 11 459 3955
Fax: 55 11 459 7888
Mr. Elson Jeronimo, Indl Director

Frigorifico Serra Grande
Fazenda Santana S/Nr. - Tucum
29141-720, Cariacica, ES
Tel: 55 27 336 4545
Fax: 55 27 336 4488
Mr. Eraldo Serrao

D. Country Exports:

i) Total exports by quantity and value.

	Thousand MT		USD Million
	Product Weight	Carcass Weight	
1990	119	249	234
1991	148	326	398
1992	225	434	619

Composition of products exported:

Fresh, chilled and frozen meat	59%
Cooked meat to be processed	25%
Processed products (corned beef)	16%

Major markets:

- Processed meat (cooked and processed meat) - Japan, Hong Kong, USA, Canada, EEC, Middle East (Ira and Iraq), Israel, and Argentina
- Fresh meat (chilled or frozen) - all countries except USA, Canada, and Japan

ii) Types of products exported.

Fresh meat: carcass and special cuts.

Processed products: cooked meat and corned beef.

iii) Government incentives/subsidies/credit programs for exporting.

There are no incentives nor subsidies to enhance exports of Brazilian beef. However, Brazilian government, through ABIEC, the Brazilian Association of Meat Exporters, takes an aggressive approach in promoting Brazilian meat in foreign countries. A Brazilian mission went to Foodex last March in Japan. Besides participating at the food show, Brazilian delegation was to negotiate with Japanese importers and government officials market access for Brazilian fresh meat.

iv) *Trends.*

As a large exporter trying to improve its health and sanitary status to introduce fresh beef in markets such as USA and Japan, effective vaccination against foot and mouth disease took place in the southern state of Santa Catarina, reaching 86% of total herd this year, compared to 78% in 1992. Therefore, Santa Catarina has virtually eradicated this disease after a thorough vaccination program which cost state government close to US\$1.0 million. There have been no reports of foot and mouth disease for 17 consecutive months. It is expected that this project model will be expanded at a nation-wide level. Brazilian exports have grown steadily during the last years as a result of improved health status and awareness of genetic improvements aiming at better meat yield. Sector export strategies include widening basis of industrial carcass classification and optimize meat yield.

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

In view of Brazil's self-sufficiency and low imports we do not recommend strong efforts to promote Canadian beef in Brazil.

Major shows

Major events - the first technical event in the meat sector will occur in 1993 on Nov. 23 to 26 in Sao Paulo. Event is a showcase for the meat industry comprised of inputs and processing equipment for the meat industry. Unfortunately, there is no event for meat carcass exhibition.

4. **ACCESS AND BARRIERS**

- ▶ Duty - import duty is applied to all countries. Latin America countries signatories of Aladi agreement benefit from a 15% discount on standard import duty tariff. Value-added tax (ICMS) is levied on CIF price plus import duty value when the goods are cleared at customs.
- ▶ Tariffs - import duty - 10%.
- ▶ Value-added tax - 18%.
- ▶ Presentation of official health and sanitary certificates to prove that herds were mainly free of diseases already eradicated in Brazil.
- ▶ Import tariff rates: meat, fresh and processed 10% on FOB price basis.

- ▶ Health and sanitary regulations - Canadian plants have to be formally approved by Brazilian Ministry of Agriculture/Animal Products Inspection Division. Those establishments will be granted a number representing official approval. Subject number to be indicated in future import licenses submitted by Brazilian importers.
- ▶ Brazilian authority responsible for approval of Canadian plants to meet requirements of the Animal Products Inspection Division as follows:

Mr. Pedrinho Antonion Tomazzini
Director Nacional Dipoa/SDA
Ministerio da Agricultura do Abastecimento E Reforma Agraria
Anexo - 4. Andar - Ala A - Sala 431
70043-900 Brasilia, DF - Brazil
Tel: (55 61) 218 2276
Fax: (55 61) 218 2672

Note that for customs purposes at Brazilian entry ports a phytosanitary certificate issued by Agriculture Canada has to be presented with clear identification of the establishment authorization number as per Brazilian authorities surveyors records.

- ▶ Import permits - an import license, required prior to shipment, shall be submitted to Brazilian Min. Agric. indicating full details on producer and exporter.
- ▶ Certificate - upon shipment, Canadian exporter to provide a phytosanitary certificate to accompany documents for release purposes at Brazilian customs.

For Further Information Contact:

**Canadian Embassy
Caixa Postal 07-0961
70410 Brasilia D.F.
Tel: (011-55-61) 321-2171
Fax: (011-55-61) 321-4529**

**Canadian Consulate General
Caixa Postal 22002
01499 Sao Paulo SP
Tel: (011-55-11) 287-2122/287-2234/287-2601/287-2176
Fax: (011-55-11) 251-5057
Contact: Ms. Sonia Silva, Commercial Officer**



COSTA RICA

GENERAL OVERVIEW

The local beef cattle herd size was 1,741,615 head in 1992. There were 258,705 cattle slaughtered in the same year, with 45% supplying domestic consumption and the balance being exported to the U.S.A. and Puerto Rico. Costa Rica is self sufficient and has never exported to Canada.

For Further Information Contact:

**Canadian Embassy
Appartado Postal 10303-1000
San Jose
Tel: (011-506) 55-35-22
Fax: (011-506) 23-23-95
Contact: Mr. Manuel Ruiz, Commercial Officer**



CUBA

1. GENERAL OVERVIEW

With the collapse of the USSR and COMECON, Cuba has been experiencing a severe economic recession as its imports fell from over US\$8 billion (mostly in Rubles) in 1989 to some US\$2.2 billion in 1992. Industrial and agricultural production have fallen due especially to lack of imported raw materials including petroleum. There are two distinct markets in Cuba: one for the Cuban population, the other for international tourists and foreign residents who pay in hard currency. Imports for the local population, except for minimal urgent needs, are not accorded priority in Cubans purchasing decisions. Supplies to the tourism industry, however, are high priority.

2. CHARACTERISTICS OF THE MARKET

A. *Local Production:*

i) *Production in MT and number of slaughtered cattle.*

No statistics have been published by the State Committee of Statistics since 1989 as a consequence of the "special period" of austerity, now in its third year. Statistics show for 1989 a production of 289,100 MT of beef on the hoof (885,700 heads were slaughtered). De-boned beef (other than liver) production was 79,700 MT of which 65,100 MT were sold retail. The worsening economic conditions have resulted in a drastic reduction of beef production in 1991 and 1992 to probably 30 percent of the 1989 level.

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

All production and distribution is state controlled. Beef for the local population is subject to strict rationing and is sold at low prices in pesos. In the specialty foreigners shops, strip loin retails at US\$12.36 per kg. The retail price is 120% marked up on the landed warehouse price.

iii) *Types of cuts.*

National market: due to record low beef production, beef rations are mainly delivered to the population as ground beef (30%) enriched with soybean meal (70%). The population does not accept this product, but it

is consumed as it is one of the few animal protein sources available to them.

Tourist/foreigners market: the following cuts are found with retail prices in US\$/kg.: ground and brisket US\$6.53; round leg roast, boneless sirloin and eye round US\$9.14; top round and rib steak US\$11.75; strip loin US\$12.36; tenderloin US\$17.25.

iv) Government policies which impact significantly.

The Cuban Government has no policies on price/production incentives. Environmental controls, though existing in theory, are not widely observed in practice. However, larger cattle breeding centres have water purification facilities which permit recycling of water. Animal welfare programs, developed and implemented by the Institute of Veterinary Medicine of the Ministry of Agriculture, are widely observed. Cuban experts maintain periodic health inspections of the cattle population as well as vaccination programs. However, due to Cuba's reduced import capability, acquisition of veterinary pharmaceuticals has become difficult, affecting frequency and application of health programs. Despite this situation, the Cuban Government has not reported any case of animal mortality as a result of unavailable pharmaceutical.

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs.

According to the Statistics Cuba 1989 Yearbook, the domestic market for beef consumption reached 71,800 tonnes. However, this figure does not represent retail consumption as it includes consumption by Cuban institutional sectors (e.g. hospitals) as well as tourist establishments (hotels, restaurants) and specialty foreigners shops. In fact, it is difficult to estimate the actual consumption rate by the Cuban population since beef meat has not been regularly available on retail markets for the last three years. By way of comparison, the annual consumption of beef and pork in 1957 was on average 34 kgs. per capita.

ii) Consumer attitudes toward domestic and imported products.

Beef, together with pork are the preferred meat of the Cuban consumer.

iii) *Trends.*

It is unlikely that beef production will increase in the near future due to the present depressed status of the Cuban economy.

C. *Country Beef Imports:*

i) *Total quantity and value of beef imports.*

There are no statistics available locally.

ii) *Imports from Canada, quantity and value; Canadian % share of market.*

Cuba started to import assorted types of beef cuts (fresh or frozen) in 1991, mainly from Canada. These imports are intended for the international hotel/restaurant industry, as well as specialty foreigners shops.

Canadian exports of beef meat to Cuba during 1992, expressed in Cdn\$: (source: Statistics Canada)

Bovine cuts bone in, frozen	\$ 2,102,000
Bovine cuts boneless, frozen	1,143,000
Bovine cuts bone in, fresh	6,000
Bovine cuts boneless, fresh	208,000
Other bovine products (tongues etc.)	10,000
Total	<hr/> \$ 3,469,000

Canadian exporters so far face no competition. The high Canadian veterinary health standards coupled with the fact that Canada is free of, or has controlled major cattle diseases which are a concern in Cuba, place Canadian exporters in a very advantageous situation vis-a-vis the international competition. Growth of the domestic beef market in Cuba is constrained by the limitation imposed by the local economic situation (no imports will be undertaken to meet the requirements of the local population), as well as by the relatively small size of the tourism market (approximately 5 million person-days annually), and the 17,000 foreigners residing in Cuba. Any potential increment in Cuba's imports will be proportional to the growth in the number of foreign tourists visiting Cuba.

iii) *Trends.*

Import trends for beef are difficult to predict given the generalized uncertainty surrounding Cuba's economic/political future. However, the market for beef is likely to grow in pace with the growth of the international tourism to Cuba (25 to 30% per annum).

iv) *Major importers, distributors and their organizations.*

Alimport
Infanta no. 16, Vedado, Ciudad Habana
Fax: 70-1274
Contact: Mrs. Ana Vivian Alvarez, Buyer
(Alimport is a state trading agency responsible for imports of food products. It occasionally imports beef on behalf of other importers and the meat processing industry.)

International Trading House (ITH)
Calle 68 Y %TA. Avenida, Miramar, Playa, Ciudad Habana
Fax: 33-1565
Contact: Celeste Castillo, Buyer
(ITH acts on behalf of Cubanacan, a tourism state corporation)

Cubalse
Avenida Tercera Y Final, La Puntilla, Miramar, Playa
Fax: 33-1264
Contact: Xiomara Ferrer, Buyer
(Cubalse is the state trading agency responsible for imports for the diplomatic community and foreign residents in Cuba.)

Treviso Trading
Calle 2 No. 106, Miramar, Playa, Ciudad Habana
Fax: 33-2806
Contact: Roberto Gonzalez-Anleo, Manager
(Treviso is a division of a major trading company Cimex)

Abatur
Calle 15 No. 410 E/ F Y G, Vadado, Ciudad Habana
Fax: 33-8219
Contact: Angel Perez, Buyer
(Abatur imports on behalf of the National Institute of Tourism.)

Grupo Gaviota
Calle 16 no. 504, Miramar, Ciudad Habana
Fax: 33-2780
Contact: Americo Alvarez, Manager
(Gaviota operates various tourists establishments.)

D. Country Exports:

Cuba does not export beef or beef products.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.

The possibilities of increasing sales to the Cuban market are determined primarily by the availability of hard currency.

B. Short to long-term potential for increased Canadian sales.

The beef market will grow in proportion to the growth in international tourism (25 to 30% per annum). In addition, the opening of dollar shops for Cubans will add to the market potential for beef, if the Cuban government decides in the future to import and sell red meats through these shops.

C. Major shows

Tecnotur Trade Show: (directed to promote sales for the tourism industry), annual, next scheduled for May 1994 in Havana.

Alimexpo: held every two years. The next show will take place in April 1994.

Havana International Fair: horizontal trade show held annually during the first week of November.

D. Suggestions for generic/non-generic promotional activities.

Representatives of Canadian firms are encouraged to visit Cuba periodically in order to enhance their relationships with the local buyers. Canadian suppliers of meat products have participated successfully in mentioned shows in 1992/93. Additionally, they have organized food tasting presentations to a large segment of buyers.

4. ACCESS AND BARRIERS

Cuban customs tariff specifies Most Favoured Nation tariff rate of 10% ad valorem (30% general) under articles 0201 and 0202 (harmonized system) for fresh, chilled and frozen beef meat.

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

Air or sea.

B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

Cuba has adequate facilities to handle shipments of frozen meat/processed products. Upon arrival at port or at the international airport in Havana, products are moved to appropriate warehousing facility either in refrigerated trucks (in the case of frozen products) or conventional trucks (in the case of canned products). The same means of transportation are used to move products from warehousing to stores.

6. INDUSTRY STRUCTURE

A. *Location of domestic production facilities and brief description.*

Slaughter houses are located all across Cuba. Their current level of production is very low.

B. *Storage/handling facilities:*

There are cold storage facilities

C. *Marketing Channels:*

i) *Standard importation and distribution channel(s) of product from point of entry to final buyer.*

All imports are conducted via state trading organizations. The import agency also performs the function of distributor. There have been two distinct markets and marketing channels; one whose clientele pays in pesos, the other in dollars. The retail market for the Cuban population, payable in pesos is handled by Alimport who imports and distributes foodstuffs for this market. The tourism trade (hotels, restaurants) which functions in dollars, is handled by ITH, Cubalse, Abatur, Treviso and Gaviota. Specialty shops for foreigners residing in Cuba, and for Cubans with special access cards functions only in dollars. Cubalse is their importing agency.

The Cuban government in August 1993 decriminalized the holding of foreign currency by Cubans, and is moving to set up special dollar shops for Cubans. Beef meat is not, at least yet, on the potential import lists for these stores. Given that at least 20% of Cubans have access to dollars, this channel could represent an additional market in the future.

ii) *Any indications of changes in such patterns.*

Other than dollar shops for Cubans, this pattern is not likely to change.

D. *List main industry contacts:*

i) *Government departments, agencies, government-regulated bodies involved in beef trade.*

Ministry of Food Industry
Meat and Edible Fats Enterprise Union
Aguiar No. 360, 7Mo. Piso, Habana Vieja
Tel: 62-5628
Contact: Raul Quitans, Technical Director

7. **OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS**

Persistence and patience are essential for firms interested in doing business with Cuba. Canadian exporters should visit Cuba at least twice a year with the objective of following up with established contacts and to identify new requirements. Exporters should normally not expect to conclude a business contract during the first two/three visits as Cuban buyers usually take time to scrutinize and build up confidence about new suppliers. Canadian exporters are also encouraged to participate in the tourism industry show (Tecnotur) in May of each year, Alimexpo (every two years in April) and Havana International Fair (Early November each year). Payment should be by letter of credit, at least until a track record of sales has been built up.

For Further Information Contact:

Canadian Embassy
Commercial Division
P.O. Box 500 (HVAN)
Ottawa, Ontario
K1N 8T7
Tel: (011-53-7) 33-2516/17/27, 33-2382, 33-2752
Fax: (011-53-7) 33-2044
Contact: Mr. Wayne MacKenzie, Counsellor (Commercial)



EL SALVADOR

GENERAL OVERVIEW

El Salvador is self sufficient in beef production. This country does not export any beef. Occasionally when shortages in local production occur, El Salvador will import small quantities of beef from Nicaragua.

For Further Information Contact:

Commercial and Economic Section
Canadian Embassy
P.O. Box 10303
San Jose, Costa Rica
Tel: (011-506) 55-3522
Fax: (011-506) 23-0609
Contact: Mr. Manuel Ruiz, Commercial Officer



HONDURAS

GENERAL OVERVIEW

Honduras is self sufficient in beef production. This country does not export any beef. Occasionally when shortages in local production occur, Honduras will import small quantities of beef from Nicaragua.

For Further Information Contact:

**Commercial and Economic Section
Canadian Embassy
P.O. Box 10303
San Jose, Costa Rica
Tel: (011-506) 55-3522
Fax: (011-506) 23-0609
Contact: Mr. Manuel Ruiz, Commercial Officer**



NICARAGUA

1. GENERAL OVERVIEW

At present, there are 5 meat processing plants that have been active during 1992, of which three ship to export markets. It is expected that by mid-1993, another plant will be established which will increase export capacity by 25%.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Domestic production in 1992: 45,000 MT (146,000 cattle were slaughtered).

ii) *Prices at wholesale level for an equivalent of U.S. choice striploin.*

\$3.65/US per pound.

iii) *Types of cuts.*

Sirloin butt, boneless rib, shank meat, tripe, tongues, and loin steaks.

iv) *Government policies which impact significantly.*

Privatization is taking place in the beef industry so government policies are not clear. Beef producers are requesting official support for improved environmental controls, animal health, and price supply management.

v) *Trends.*

At present, the Nicaraguan herd size is 1.9 million head. The government's new policy aims to increase its size by 5% per year, so that by the year 2000 they hope to have a herd size of 3.2 million.

B. Domestic Consumption:

i) Annual total, MT; annual per capita consumption, kgs.

Domestic consumption accounted for 26,100 MT - 7 kgs per capita.

ii) Self-sufficiency ratio.

172%.

iii) Brief description of consumer attitudes toward domestic and imported products.

Due to domestic beef quality, moderate prices and the high prices for imported beef meat, consumers have tended to buy local beef products.

iv) Trends.

It is expected that the situation will remain the same for the next 5-7 years, but the government will promote more consumption of pork and poultry meat in order to increase the export of beef meat.

C. Country Beef Imports:

None. Nicaraguans have never imported any beef meat and there are no indications that this situation will change in the future.

D. Country Exports:

i) Total exports by quantity and value.

Total exports - 20,045 MT.

Value - US\$46.9 million

Distributed as follows:

USA	5,000 MT
Puerto Rico	2,727 MT
Canada	5,228 MT
Mexico	4,863 MT
El Salvador	850 MT
Others	1,377 MT

ii) *Types of products exported.*

Sirloin butts and boneless ribs (frozen).

iii) *Government incentives/subsidies/credit programs for exporting.*

Government incentives for local exporters - exemption of import duties for processing equipment and inputs.

iv) *Trends.*

To increase exports to USA where they can get higher prices and transportation costs are lower.

3. **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

None as Nicaragua is self-sufficient.

4. **ACCESS AND BARRIERS**

There are no barriers for the importation of foreign beef, but local production is increasing 5% per year and local prices are 45% lower than foreign ones. They have never thought about quotas, quarantine measures, labelling and packaging regulations as they have never imported any beef products and do not have any plans to do so in the future.

5. **TRANSPORTATION**

For export - by refrigerated containers through regular shipping lines.

6. **INDUSTRY STRUCTURE**

A. *Location of domestic production facilities and brief description.*

There are 5 meat processing plants that have been active during 1992, of which 3 are for export markets. All plants are located in the Pacific side, close to port of Corinto.

B. *Storage/handling facilities:*

The 5 processing plants and the port of Corinto have good cold storage and handling facilities which were inspected recently by several Agriculture Canada missions.

C. Marketing Channels:

For local consumption through direct sales to supermarkets and for export markets by state-owned corporations.

D. List main industry contacts:

Lic. Edith Castilblanco, Director
Comision Nacional de Ganaderia
Ministerio de Agricultura de
Nicaragua
Tel: (5052) 66-6231, 66-6381
Fax: (5052) 66-0220

Empresa Nacional de Mataderos
P.O. Box 395
Managua
Tel: (5052) 66-0338
Tlx: 1230

Ing. Enrique Miranda, President
Corporacion Nicaraguense de la
Carne
Tel: (5052) 79591
Fax: (5052) 72266

Enabas
P.O. Box 1041
Managua, Nicaragua
Tel: (5052) 66-4636, 664540

7. OTHER COMMENTS AND TIPS FOR CANADIAN EXPORTERS

The Nicaraguan government provides the following incentives to domestic beef producers and exporters: - import duties exemption for processing equipment and inputs. All of Nicaragua's beef exports are handled by state-owned corporations (Enabas and Empresa Nacional de Mataderos), but the government plans to return these activities to private sector in 1-2 years.

Traditionally, Nicaragua has relied on beef exports as a vital source of foreign currency. Continued strong export demand for slaughtered cattle is expected for the next decade. Nicaragua continues in its efforts to diversify export markets for its beef, and has been successful in USA, Mexico, Central America, and EEC. Since Nicaraguan beef is now allowed entry into USA, exports to Canada have decreased significantly due to higher prices and better transportation systems with the USA. It is expected that beef exports to U.S. market will reach 75% of all Nicaraguan beef production by 1996.

For Further Information Contact:

**Commercial and Economic Section
Canadian Embassy
P.O. Box 10303
San Jose, Costa Rica
Tel: (011-506) 55-3522
Fax: (011-506) 23-0609
Contact: Mr. Manuel Ruiz, Commercial Officer**



PANAMA

GENERAL OVERVIEW

Panama's beef industry is self sufficient. The local beef cattle herd size was 1,561,022 heads in 1992. There were 125,600 cattle slaughtered in 1992, with 56% supplying domestic consumption and the balance being exported to the U.S.A. Panama has no plans of exporting any beef to Canada.

For Further Information Contact:

**Commercial and Economic Section
Canadian Embassy
P.O. Box 10303
San Jose, Costa Rica
Tel: (011-506) 55-3522
Fax: (011-506) 23-0609
Contact: Mr. Manuel Ruiz, Commercial Officer**



SECTION E

MIDDLE EAST





IRAN

1. GENERAL OVERVIEW

Beef sales to this market require permission of relevant Iranian government ministries, including the Ministry of Jihad, Slaughterhouse Affairs. Regulations require strict adherence to Islamic (halal) slaughter methods and inspection of foreign slaughterhouses by Iranian officials. Currently, the majority of beef imports (approximately 120,000 MT in 1992) are undertaken by the government-owned Iranian Meat Organization (IMO), operating under a global red meat quota system. The government's aim is eventually to pass much of the responsibility for meat imports to Iran's private sector.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

Iran's domestic market produces about 600,000 MT of meat annually, and carcasses are delivered directly to local butcher shops. Some cuts are equivalent to North American standards, others are particular to Iran. The government has in place an informal "marketing board system" which guarantees minimum prices to domestic producers, based on domestic production costs with a "reasonable level of profit." However, producers are free to sell at the highest price and fall back on minimum government-guaranteed prices when market forces at slaughterhouse level bring prices down.

The cost of domestic inputs (feeds, etc.) were subsidized until the unification of Iran's exchange rate on March 21, 1993, at which time some input prices reportedly doubled and tripled. This will no doubt have a deleterious effect on domestic production and wholesale prices.

B. *Domestic Consumption:*

Annual total consumption is estimated at 800,000 MT. Local, fresh beef is generally preferred by Iran's households, although low wage earning groups do choose frozen beef (cheaper) which is generally imported. Fresh beef will continue to be preferred.

C. Country Beef Imports:

i) Total quantity and value of beef imports.

Total imports in 1992 were approximately 120,000 MT, down from a reported 200,000 MT in 1981. Import prices were reportedly U.S.\$1.21/kg. With Iran's large population, which has doubled in the last decade or so, meat will continue to be imported because of the gap between demand and domestic production.

The volume of meat imported to Iran is around 100,000 MT per year and is done so under the direct supervision of the Iranian Meat Organization (IMO) affiliated to the Ministry of Jihad. Although a major portion of importing is done by IMO and Government Trading Corporation (GTC), recently the private sector has also been allowed to import meat. To date, imports from this source have been negligible.

ii) Imports from Canada

There were no imports from Canada.

iii) Imports from major suppliers, quantity and value.

Major suppliers were Germany (50,000 MT) and France (30,000 MT), followed by Belgium and Australia.

iv) Promotional activities of competitors.

There are no major promotional activities (e.g. trade fairs, in-store promotion campaigns, etc.) undertaken by Iran's main suppliers.

v) Trends.

With regard to Iran's cattle inventory, there were 5.1 million head of cattle in 1982; this increased to around 7 million head in 1988. There are 31 feedmills in Iran, producing 285,080 tons/year of ruminant feeds. In 1992, feedstores with a storage capacity of 300,000 MT were established.

vi) Major importers, distributors and their organizations.

Iranian Meat Organization, established in 1966, imported more than 90% of the total foreign meat purchases, with the remainder imported by Iran's private sector. The key to this market is to develop contacts within the

Iranian Meat Organization to be considered as a serious and long-term supplier of red meat to Iran.

D. Country Exports:

There are no official exports of red meat from Iran.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

There will continue to be a need to import (frozen) red meat under a quota system. Few opportunities exist for specialty meats, which are not often chosen by the general population. As well, Iran's newly introduced monetary regulations following exchange rate unification may limit imports to essential commodities only. Nevertheless, the Iranian Meat Organization, the main importer and government-controlled group, is anxious to diversify its sources of supply, and very good opportunities exist for sales of Canadian frozen beef on a contract (and continuing) basis. There are no major food trade shows in Iran, or in the region, which attract the major meat importers. The most effective promotional tool is the use of trade delegations, made up either of producers or associations from Canada travelling to Iran, or of representatives of Iranian buyers travelling to Canada. Information on Canadian meat industry standards, slaughterhouses, annual export capacity, veterinary regulations, etc., are essential and should be transmitted to the Iranian Meat Organization in the near future to begin the necessary dialogue should Canada's meat industry be interested in this market. Canadian producers must also be aware of the halal slaughter requirements for this market. Iran's regulations in this regard were sent to Agriculture Canada in the first quarter of 1992.

4. ACCESS AND BARRIERS

There are no known tariff or non-tariff barriers, nor are there any particular labelling, packaging, or environmental regulations in place. Quotas are announced annually in global figures (there are no country quotas). Because of traditional trading patterns, European suppliers may be preferred in this market (EC meat standards are used in Iran, for example). Canadian suppliers, therefore, will have to overcome these traditional connections.

The Iran Veterinary Organization (IVO), also affiliated to Jihad, issues the necessary import permits as follows:

Veterinary Certificate

1. The carcasses were derived from animals inspected by the official veterinary inspection service before (ante-mortem), during (post-mortem), and after slaughter and found to be free from infectious and contagious disease and were also controlled during the final handling.

2. The carcasses have been examined and found to be good, sound, optimal, and fit for human consumption and do not contain any injurious ingredients such as preservatives, colour dyes, and/or chemical products of any type, and have been prepared, processed, packed, and shipped in line with edible hygiene requirements.
3. The range of slaughter dates applicable to the carcasses comprising the consignment shall be endorsed on the health certificate.

Inspection Requirements

4. Sanitary and technical conditions of export slaughterhouses which supply the work for the Iranian contract should be approved by the IMO representative. Slaughter time and livestock to be slaughtered for the Islamic Republic of Iran should be notified in advance. The IMO representative must be present at the commencement of slaughter. Attendance of the IMO representative shall be at his discretion during the period of production and his temporary absence will not interfere with production.
5. The meat will comply with the conditions of the Export Control Act and the Orders (Export Meat Orders) that are called up under that Act and the IMO requirements contained in this document.
6. Carcasses with evidence of defrost or sent to the detain rail with major defects cannot be exported to the Islamic Republic of Iran. Evidence of minor exudate in the neck tissues is acceptable.
7. Meat rejected on sanitary grounds by the veterinary authorities of overseas countries is ineligible for export to Iran.
8. Government inspection staff shall monitor industry compliance with production requirements. The IVO representative shall be afforded every assistance by industry and government inspection staff to monitor compliance with these requirements.

Production Requirements

9. Advance notice shall be provided to the IMO representative of the intention of slaughter for export to the Islamic Republic of Iran.
10. Carcasses are required to be chilled for a minimum period of 6 hours.
11. Electrical stimulation may be used prior to chilling.

12. The freezer is to be capable of operating at a temperature of -30°C . or colder. The carcasses must be frozen at -30°C . or colder. The freezer requirement for the current contracts shall be in the range of -20°C to -30°C .
13. Carcasses are to remain in the freezer until the deep bone temperature is -10°C . or colder. The temperature must be reached within 48 hours after entering the freezer. (Note: deep bone temperature means when the tip of the thermometer is in contact with the bone.)
14. Government inspection staff shall monitor production requirements for compliance with IVO staff.
15. The carcasses are to be transferred to and kept in a coldstore in which the temperature of the coldstore is at -14°C . to -16°C . or colder. During transfer to the coldstore, no carcasses shall arrive at the coldstore with a deep bone temperature warmer than -9°C .
16. Frozen carcasses for Iran must be stored at a deep bone temperature of -12°C . or colder. On the journey to the wharf, a temperature rise for a short period is tolerated, but no carcasses shall be loaded aboard the vessel at a deep bone temperature warmer than -8°C .
17. In order to maintain carcasses in a hygienic manner and to prevent desiccation, the carcasses are to be wrapped in polythene and stockinette prior to transport to the coldstore.
18. Maximum duration from slaughter to loading is 120 days and shipment is not permitted for product which exceeds this period except for GTC's failure to nominate the vessel in time and/or for reasons of force majeure.
19. Meat shall not be produced for the Islamic Republic of Iran except during the period of the contract and following the notification to the IMO representative of the commencement of production.

5. TRANSPORTATION

A. *Modes available to land product in the market and major companies/facilities.*

Red meat imported from Europe is currently shipped overland by refrigerated truck to government-controlled storage facilities owned by Iranian Meat Organization, or, in the case of private sector imports, to private warehouses. For possible Canadian sales, Iran-Misr Shipping Lines (a national shipping group)

in association with March Shipping of Montreal have established sea links between eastern Canada and Iran's ports on the gulf. There are no direct airlinks between Canada and Iran, but most European airlines have established cargo runs.

B. *Mode of transport available to move product from point of entry to consumer and major companies and facilities.*

In the case of local transportation, red meat is transported by truck from local distribution points to butcher shops throughout the country. Some of these trucks are unrefrigerated.

6. INDUSTRY STRUCTURE

Iranian Meat Organization operates 12 slaughterhouses in the country, four of which are in Tehran. This organization also operates 400 trucks (some refrigerated) for transportation of meat to market centres. There are also private slaughterhouses (of an unknown number since not all are registered with government regulatory bodies). In 1992, 16 new slaughterhouse complexes were established in the country, in keeping with Iran's commitment to expand local production capacity. Most meat imports are through Iranian Meat Organization, a government-controlled group, although the government plans to eventually allow the private sector to import up to 50% of Iran's total red meat purchases from abroad. Distribution network is generally from importer directly to local butcher. There are few supermarkets, even in Iran's major cities, and those which exist have their own facilities to receive carcasses and provide cuts to order. There is no pre-packaging of meat in Iran.

A. *Main industry contacts:*

Government Trading Corporation
(GTC)
No. 1854 Gharani Ave., Tehran
Tel: (98 21) 882 7121-8
Fax: (98 21) 83 53 33

Iranian Meat Organization (IMO)
663 Shariati Ave., 7th Flr.
Tehran, Iran
Tel: (98 21) 84 79 23
Fax: (98 21) 85 41 58
Tlx: 214118 IMO IR
Att: Mr. Alizadeh, Manager Meat Imports

Iran Trade Centre Co.
No. 20 Sharifi St. N.
Razan Avenue
Mirdamad Blvd.
Tehran 19119
Fax: (98 21) 222-5196
Tlx: 223801 ZRBF IR

Ministry of Jihad
Slaughterhouse Affairs
No 6 Asad Abadi Ave., 6th Flr.
Tehran
Tel: (98 21) 623 035
Fax: (98 21) 627 666
Att: Dr. Mostajabi, Director

For Further Information Contact:

**Canadian Embassy
P.O. Box 11365 - 4647
Tehran, Islamic Republic of Iran
Tel: (011-98-21) 622623
Fax: (011-98-21) 623202**



KUWAIT

1. GENERAL OVERVIEW

There is a growing consumer market for meat in the Gulf area. Supermarkets will regularly feature a range of beef products, including hamburger and minced products, but with a more limited range than in North America. While demand for American-style food products is growing, home consumption is still maintaining its usual pattern, as are hospitality functions. It is believed that hefty marketing effort would be required to find niche for frozen/chilled processed beef products and Canadian producers would need to deal with a number of marketing constraints.

First, imported frozen meat and chicken must meet local technical and hygienic specifications and conditions. Also, Arabic labels must be placed on canned or packed products, including details of its contents, characteristics, date of manufacture, and its validity.

Second, frozen meat or poultry cannot be owned, sold, or established if it is not slaughtered according to the Islamic laws, and it must be allowed by the Islamic Shariya (see appendix at the end of this country profile for the instructions and prerequisites of slaughter according to Shariya of Islam).

Third, Canadian beef products would need to compete with Australian products, as well as with products coming from New Zealand and the European community, particularly Ireland. The European community pays significant export restitutions in order to match prices of beef products from Oceania.

Fourth, Canadians would need to establish a presence in the market. The use of local agents is mandatory. Competitors, particularly Australians, are well-established with representatives in this territory. They know the commodity business well and have good contacts. The trade links have developed to the extent that several local importers maintain offices in Australia.

In summary, Canadian exporters of processed meat products will have a difficult time getting established and maintaining market share. It is believed that the greatest opportunity for Canadian product in this market would be to focus on very distinctive products that could be considered novelties or luxuries for which locals may be willing to pay premium. The Canadian Embassy can provide a list of local food importers with whom Canadian firms may wish to start dialogue. In the end, a visit to the territory by firms that are prepared to make long-term commitment to this region will be required to initiate trade.

2. MAJOR IMPORTERS AND DISTRIBUTORS

Kuwait Protein Co.
Box 26332 Safat 13124 KU
G.M Khalil I. Al-Khateeb
Tel: (965)484-6659/484-1733
Fax: (965)483-6885/484-9572

Union of Co-operative Society
Tel: (965)254-2219/254-3659
Fax: (965)254-0794

Abdul Hussain Jawahery
Box 5324 Manama, BHR
Tel: (973)790-974
Fax: (973)244-529

Al Bab Marketing Est
Box 500 Manama, BHR
Tel: (973)242-294
Fax: (973)246-037

Universal Enterprises
Box 1062 Manama, BHR
Tel: (973)290-303
Fax: (973)293-818

Matrah Cold Stores LLC.
Box 4158 Ruwi, OMN
Tel: (968)704-333
Fax: (968)793-055

Masaco Trading Est.
Box 5809 Ruwi, OMN
Tel: (968)799-510
Fax: (968)706-736

Food Centre WLL
Box 5164 Doha, QTR
Tel: (974)427-432
Fax: (974)327-682

Boland Group
Box 50937 Dubai, UAE
Tel: (971)4-229-640
Fax: (971)4-229-646

Al Falasi Group of Est
Box 1753 Al Ain, UAE
Tel: (971)2-644-423
Fax: (971)2-655-300

The Sultan Centre
Box 26567 Safat 13126 KU
Mr. Zafar Malik
Tel: (965)434-3155
Fax: (965)431-9071

Ali Al Ali Commercial Est.
Box 26025 Safat 13121 KU
Tel: (965)241-8140/241-8141
Fax: (965)244-5566

Abdulla Sayid Rajab Al-Rifai & Sons WLL.
Box 23777 Safat 13098 KU
Tel: (965)242-4477/242-4488
Fax: (965)243-4666/243-4777

Al Taadul Trading Est.
Box 32325 Isa Town, BHR
Tel: (973)785-646
Fax: (973)784-896

Muscut Cold Stores LLC
Box 3565 Ruwi, OMN
Tel: (968)707-021
Fax: (968)704-536

Hamad Bin Hamood Al-Amri & Sons Trading
Box 9509 Seeb, OMN
Tel: (968)620-612
Fax: (968)620-612

Al-Afia Foodstuff
Box 5196 Doha, QTR
Tel: (974)329-608
Fax: (974)429-180

Transind Company
Box 1772 Doha, QTR
Tel: (974)417-935
Fax: (974)421-043

Al Ain Cold Stores O.
Box 1865 Al Ain, UAE
Tel: (971)2-642-332
Fax: (971)2-669-898

Central Traders
Box 528 Dubai, UAE
Tel: (971)4-228-509
Fax: (971)4-216-652

Oriental Trading Co.
Box 122 Safat 13002 KU
Tel: (965)484-0979
Fax: (965)484-0737

Starlight Trading Est.
Box 15520 Al-Deiem 35454 KU
Tel: (965)533-9817
Fax: (965)531-3777

Abdul-Aziz S. Al-Babtain & Sons For Trading
Co.
Box 599 Safat 13006 Kuwait
Tel: (965)241-2736/241-2730

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Major shows*

Kuwait

10th Agricultural and Food Exhibition January 19-28, 1994
Kuwait International Fair Grounds

Kuwait International Consumer Fair January 31 - February 8, 1994
- organized under the patronage of:

Ministry of Commerce and Industry
Kuwait Chamber of Commerce and Industry
Kuwait International Fair Grounds

P.O. Box 656
Safat 13007, Kuwait
Tel: (965)538-7100
Fax: (965)539-3872

Bahrain

Mefex '94 January 22-25, 1994

The Middle East Food Technology Show
8th Food, Hotel & Catering Exhibition & Salon Culinaire
Bahrain International Exhibition Centre
Arabian Exhibition Management

Bahrain International Exhibition Centre
P.O. Box 20200
Manama, Bahrain
Tel: (973)550-033
Fax: (973)553-288

APPENDIX

Details

1. The Required Shariyah Method

This method may be summarized as follows:

First: (the slaughtering), i.e. cutting the Pharynx⁽¹⁾ (throat), and the jugular vein⁽²⁾ from the front with a specific instrument⁽³⁾ with recitation of the intention (NIYAT). The slaughtering of cows, buffaloes, sheep, goats, and birds should be accompanied by the citation of Allah's name with recollection and ability. The slaughterer should be either a Muslim or an adherent of any of the revealed religions, and must not willingly raise his hand before the conclusion of the slaughter. The dispensation of the slaughter by an adherent of any of the revealed religions other than Islam is conditioned on his slaughtering animals which are permissible in his religion according to Islamic Shariyah⁽⁴⁾. Any animal with claw or nail, e.g. camel, duck, and geese, which has uncloven hoof which is slaughtered by a Jew should be considered illegitimate since it is forbidden in the Jewish religion and has been proved to be so by Islamic Shariyah. As to the livestock permissible in their religion, e.g. pigeons, fowl, and the like, these are considered permissible when slaughtered by a Jew. However, should the adherent of revealed religion other than Islam be one of those who allow the meat of animals not slaughtered in accordance with ritual requirements, the presence of a Muslim who is versed in the provisions of slaughtering is stipulated when the former embarks upon slaughtering.

Second: the second part of the required Shariyah method is the immolation. This is achieved by the stabbing of a discriminative Muslim or an adherent of a revealed religion, of the upper part of the chest of an animal (between the neck and the chest) without prolonged raising of the hand before the conclusion of slaughter. This should be accompanied by recitation of 'Intention'.

The immolation of the camel is obligatory, while it is only permissible act with regard to cows and buffaloes where slaughtering is preferred under suitable circumstances. Should the adherent of any of the revealed religions other than Islam embark upon

(1): Pharynx (throat).

(2): Jugular veins: main blood arteries at the sides of the foreneck (from left and right).

(3): Specific instrument: any sharp cutting instrument such as knife.

(4): Adherents of revealed religions are the believers of 'Tora' and 'Evangel'. The slaughter of a pagan, mayus, or anyone who has reverted from Islam is not permissible.

immolation, the previous clarification regarding slaughter carried out by him should be considered.

It is worthy of observation that these double methods of killing animals, i.e. slaughtering and immolation, are considered to be the designed scientific and practical methods which are capable of cleansing the immolated animal from blood, whereas the heart continues to function for some time, pumping out the blood through the main outlets which have been cut during the slaughter as has been clarified.

As regards slaughtering methods in which the life of the animal is expediently taken, and the termination of the functions of the heart and the brain occurs immediately, e.g. beating of the head, or severing the spinal cord by severing the whole neck in a single blow, or slaughtering from the rear by cutting off the vertebral column, or puncturing of the heart, or electrocution, etc.; all these methods do not lead to the attainment of immolation as required by Islamic Shariyah. Since the immediate termination of the heart's function by these methods cannot adequately pump out the blood, hence, the slaughtered animal is not properly purified from blood which is the main purpose of immolation according to the Shariyah. Therefore, all these methods are prohibited.

2. The Proposed Method of Application

In consideration of the many demands, the abundant quantities, the time and manpower it consumes, discussion is ongoing regarding the possibilities of utilizing modern equipment which insures legitimate (Shariyah) slaughter in a rapid and easy manner as per the accompanying clarification models. (1). The question should be left, however, for the flexible advancement towards the best and the most expedient should some of the slaughterhouses and companies have advanced ideas regarding slaughtering in accordance with the previously stated Shariyah method.

For Further Information Contact:

**Canadian Embassy
P.O. Box 25281
Safat, Kuwait City 13113,
Emirate of Kuwait
Tel: (011-965) 256-3025
Fax: (011-965) 256-4167
Contact: Mr. Richard Ablett, Counsellor (Commercial) and Consul**



SAUDI ARABIA

1. GENERAL OVERVIEW

The beef market in Saudi Arabia is fairly large. Total imports for 1991 were approximately 12,000 MT for chilled (vacuum-pack) and 36,000 MT for frozen.

2. CHARACTERISTICS OF THE MARKET

Import Structure

Beef is imported as hindquarter pistola (common for chilled) and frontquarter pistola (mainly for frozen and catering usage). Hindquarter pistolas are composed of seven main cuts (French cuts or straight cuts): top side, silver side, tenderloin, rib-eye, knuckle, striploin, and rump. Another eighth piece would be the shank as an option; its import is not considerable. Pieces come in two separate cartons (A & B); in another word, the pistola of seven pieces (or 8) comes in two cartons containing each 4 and 3 pieces for chilled and frozen.

No import license is required. There are no custom duties applied on beef meat. A 12% tariff is applied only to processed beef meat.

Animal Health Certificate

Certificate must be issued from an official veterinary/health department stating the following: I hereby certify that: A) the meat and/or meat food products described below was/were derived from animals subjected to ante and post mortem veterinary inspection at the time of slaughter and found to be free from disease and suitable in every way for human consumption, and that it/they has/have not been treated with chemical preservatives or other foreign substances injurious to health. B) Foot and mouth disease, rinderpest, anthrax, swine fever, swine vesicular disease and contagious bovine pleuropneumonia do not occur in Canada. C) The animals from which the meat was derived were of Canadian origin.

Shipment

For small and immediate orders, the meat comes by airfreight to the major airports in Saudi Arabia. Consignments usually take only 2 days to reach Saudi Arabia. Orders by airfreight/by importer are not believed to exceed 2-3 MT per shipment for only the chilled vacuum-packed meat and not frozen.

For larger orders, of 10 plus MT, consignments are seafreighted by refrigerated containers mainly to the two major sea ports of Jeddah and Dammam. These consignments could be for either frozen or chilled meat.

Price Structure (CIF) Saudi Arabian Port of Entry

Airfreight - chilled/boneless/7 cuts -	US\$3,700/MT
Seafreight - chilled/boneless/7 cuts -	US\$2,700/MT
Seafreight - frozen/boneless/7 cuts -	US\$1,350-\$1,700/MT

Prices are for young bulls. For young steers, prices could increase by 20%-30%.

Quality of the Meat

In accordance to the price structure, the common imported chilled meat standard from the European classification "EUR + RO" is the "R+" combined with some of the "U" standards. The cheapest quality for the frozen are believed to be some "R+" combined with "R and O."

Shelf-Life

Seventy (70) days from the date of slaughter for the chilled meat and nine (9) months for the frozen meat.

3. MAJOR IMPORTERS, DISTRIBUTORS, AND THEIR ORGANIZATIONS

Forsan Cold Stores
P.O. Box 8103, Riyadh 11482
Saudi Arabia
Tel: (1)465-9144
Fax: (1)465-6892

Abdullah A. Al-Munajem & Sons
P.O. Box 1544, Riyadh 11411
Saudi Arabia
Tel: (1)478-7933
Fax: (1)476-4318

Al-Sawani for Trading Services Co.
Ltd.
P.O. Box 4816, Riyadh 11412
Saudi Arabia
Tel: (1)465-4612
Fax: (1)462-7268

Halwani Bros.
P.O. Box 690, Jeddah 21421
Saudi Arabia
Tel: (2)636-6487
Fax: (2)637-1905

Saudi Livestock Transport & Trading
P.O. Box 17363, Riyadh 11484
Saudi Arabia
Tel: (1)477-3474
Fax: (1)478-8211

Abbar & Zainy Cold Stores
P.O. Box 2495, Jeddah 21451
Saudi Arabia
Tel: (2)637-1315
Fax: (2)637-3012

Panda United Corporation Ltd.
P.O. Box 3311, Riyadh 11471
Saudi Arabia
Tel: (1)464-4992
Fax: (1)463-3348

Sharbatly Est. for Trade &
Development
P.O. Box 293, Jeddah 21411
Saudi Arabia
Tel: (2)647-0054
Fax: (2)691-0826/ext.3406

Binzagr Company
P.O. Box 54, Jeddah 21411
Saudi Arabia
Tel: (1)647-4388
Fax: (1)647-5856

Islam Commercial Enterprises
P.O. Box 488, Jeddah 21411
Saudi Arabia
Tel: (2)647-4741
Fax: (2)647-5124

For Further Information Contact:

Canadian Embassy
P.O. Box 94321
Riyadh 11693
Kingdom of Saudi Arabis
Tel: (011-966-1) 488-2288
Fax: (011-966-1) 488-0137



SECTION F

NORTH AMERICA





MEXICO

1. GENERAL OVERVIEW

Mexican imports of beef meat, particularly from the USA, have increased dramatically in recent years, with value and volume tripling between 1990 and 1991, and exceeding US\$380 million in 1992. In an effort to diminish imports, the Mexican government, in November 1992, increased customs tariffs from 0 to 15%, 20%, and 25% on carcasses, fresh and chilled beef, and frozen beef, respectively. Irrespective of recent import volume surges, imports still only represent about 10% of total apparent consumption, which, until 1991 and 1992, was trending downwards due to reduced consumer purchasing power/real income and consequent reductions in overall Mexican demand and meat production. Per capita consumption of beef meat, contrary to that for poultry and pork, also declined throughout the 80's, but with the resurgence of more disposable income among the upper and middle classes of the population has since recovered to a current level of about 16 kgs.

Preliminary estimates for bovine meat production in 1992 show an increase of 4.9% over the previous year, reaching 1,247,000 MT. However, substantiating detailed information for 1992 is not yet available. For this reason, statistics used in this report for production and exports and imports correspond to 1990 and 1991 based on definitive annual data released by the Mexican government.

In 1991, Mexican statistics indicate imports from Canada of about US\$4.5 million of beef meat and US\$3 million of beef offals. Statistics Canada figures, meanwhile, indicate only about Cdn\$23,000 of beef meat and about Cdn\$1 million of beef offals was imported by Mexico. We assume the discrepancy is due to the failure to submit Canada Customs export documents, or the description of origin therein as the USA, rather than Canada. Even if one accepts the much higher Mexican statistics as accurate, Canadian shipments of beef meat and offals to Mexico have been marginal at only 1.9% of total imports of meat and offals in 1991. It is assumed this is in large part due to a situation of non-price competitiveness with USA origin beef meat, particularly from Texas. However, in view of the size of the import market (US\$380 million in 1992) and its attractive growth potential, particularly in the event of the establishment of a North American free-trade area, a 10% market share is feasible. Traditionally, the Mexican consumer has preferred a lean, boneless, thinner cut, as opposed to the American marbled thicker cut of beef. The demand for the latter, however, is increasing, both in the hotel/restaurant and retail trade. One possible market niche which could be exploited would be to establish Canadian beef as leaner than U.S. cuts and closer to the traditional very lean Mexican cut.

2. CHARACTERISTICS OF THE MARKET

A. *Domestic Production:*

1,188,687 MT (5,580,000 head) of animals slaughtered in 1991

Cattle inventory: 1991 - 31,823,000 head

1992 - 32,417,000 head

i) *Government policies which impact significantly.*

Domestic beef production does not receive any supports or incentives from government.

ii) *Trends.*

This no-support policy is not expected to change in the short to medium-term.

B. *Domestic Consumption:*

i) *Annual consumption.*

- Total consumption - 1,309,810 MT

- Annual per capita consumption - 16 kgs

ii) *Self-sufficiency ratio.*

90.8%.

iii) *Consumer attitudes toward domestic and imported products.*

Consumers have a preference for imported processed meats and beef-based food preparations. However, for fresh beef, domestic product is usually preferred. Frozen beef is considered to be of lesser quality than fresh product. Nevertheless, American frozen beef cuts are available in most upper class retail outlets.

iv) *Trends.*

It is believed that elderly Mexican consumers will continue to prefer fresh/chilled beef to frozen imported product. However, the younger population is more favourably disposed to convenience packaged beef products and frozen cuts.

C. *Country Beef Imports:*

i) *Total quantity and value of beef imports.*

H.S. Num/Prod Fresh, Chilled	1990		1991	
	Value	Volume	Value	Volume
0201.10.01 - Whole & Half				
Carcasses	27,089,316	12,903	61,580,546	26,864
USA	23,859,975	10,733	52,175,130	22,768
Nicaragua	3,229,341	2,170	0	0
Canada	0	0	131,541	57
Guatemala	0	0	9,273,875	4,039
0201.20.99 - Other Cuts,				
Bone-In	18,499,991	7,576	64,756,363	23,411
Costa Rica	16,118	4	3,694,423	1,091
USA	18,483,873	7,572	55,253,145	20,418
Guatemala	0	0	1,346,050	427
Nicaragua	0	0	538,082	166
Panama	0	0	3,924,663	1,309
0201.30.01 - Other Cuts,				
Boneless	16,385,931	5,763	71,375,117	21,099
Australia	0	0	255,864	87
Canada	2,325	*	107,871	31
Costa Rica	1,055,102	296	9,834,585	2,974
USA	5,011,052	1,444	42,277,168	11,829
Guatemala	21,627	3	2,056,571	789
Honduras	2,324,898	653	3,433,689	997
Ireland	0	0	48,417	22
Nicaragua	2,403,072	1,225	4,864,583	1,671
Pacific Island	55,719	21	0	0
Panama	5,300,461	2,061	7,319,824	2,459
United Kingdom	0	0	48,608	18
Virgin Islands	211,625	60	1,127,997	322
Other	50	*	0	0
Frozen				
0202.10.01 - Whole & Half				
Carcasses	5,510,101	2,930	11,739,266	5,587
USA	5,041,075	2,658	5,540,420	2,450
Finland	209,226	122	5,616,159	2,768
Ireland	61,342	36	0	0
Sweden	198,458	114	201,644	111
Denmark	0	0	54,012	33
Philippines	0	0	80,613	40
Norway	0	0	246,418	185

H.S. Num/Prod Fresh, Chilled	1990		1991	
	Value	Volume	Value	Volume
0202.20.99 - Other Cuts, Bone-In	9,173,166	4,031	10,859,156	4,588
Australia	0	0	835	*
Belgium	0	0	749	*
Canada	0	0	5,624	*
Denmark	0	0	50,056	42
USA	8,547,486	3,665	7,278,713	2,414
Finland	0	0	2,789,250	1,679
France	0	0	1,944	*
Ireland	275,960	169	262,668	160
Norway	0	0	82,596	55
New Zealand	0	0	6,526	1
United Kingdom	37,738	20	0	0
Sweden	274,575	157	378,033	236
0202.30.01 - Other Cuts, Boneless	38,264,998	15,330	113,700,73	43,299
Germany	0	0	8	20
Australia	87,291	20	39,480	*
Austria	0	0	2,162	16
Belgium	0	0	53,185	*
Canada	289,306	127	4,1177,345	1,038
Costa Rica	0	0	46	*
Denmark	114,733	60	8,703,400	4,292
USA	29,510,928	11,471	55,483,232	17,988
Finland	0	0	185,914	97
France	0	0	5,302	1
Guatemala	247,381	85	121,443	41
Holland	0	0	74,280	40
Ireland	1,280,724	720	25,762,508	12,999
Japan	0	0	4,873	*
Nicaragua	6,443,967	2,681	6,199,864	2,172
Norway	0	0	130,305	90
New Zealand	67,758	30	4,893,162	1,397
Panama	56,955	19	501,699	160
United Kingdom	0	0	1,575,029	841
Sweden	165,955	99	1,146,297	654
Switzerland	0	0	11,370	*
Offals				
0206.10.01 - Edible Offals of Bovine Animals	1,686,209	1,620	3,352,789	2,384
USA	1,686,209	1,620	3,352,789	2,384

H.S. Num/Prod Fresh, Chilled	1990		1991	
	Value	Volume	Value	Volume
0206.21.01 - Beef Tongue	11,960,444	6,272	12,698,780	4,559
Canada	154,500	82	1,507,411	558
USA	11,742,550	6,145	9,670,243	3,340
Nicaragua	63,394	44	11,617	5
australia	0	0	1,432,235	486
Norway	0	0	20,720	5
NewZealand	0	0	56,554	165
0206.22.01 - Beef Livers	7,971,571	13,733	9,103,031	12,270
Canada	10,180	23	257,637	553
USA	7,961,391	13,710	8,843,239	16,715
Other	0	0	2	2,155
0206.29.99 - Other	23,960,926	110,698	33,201,310	26,775
Australia	145,839	141	1,877,370	1,431
Canada	284,486	242	1,263,970	1,039
Nicaragua	146,162	288	53,557	92
Argentina	0	0	18,320	17
Austria	0	0	16,291	16
Denmark	0	0	139,053	86
NewZealand	0	0	243,048	203
Sweden	0	0	94,408	58
0210.20.01 - Bovine Meat	3,415	4	28,381	3
Taiwan	0	0	*	5
USA	3,415	4	28,376	3
0210.90.01 - Bovine Guts and Lips Salted and/or Salt Pressed	85,969	61	17,400	10
USA	85,969	61	17,400	10

1 MT

Value in U.S. dollars; volume in MT; asterisk (*) denotes less than

Source: Secretaria de Comercio Y Fomento Industrial (SECOFI)

ii) *Imports from Canada, quantity and value; Canadian % share of market.*

- 1990 - 474 MT - US\$740,797
- 1991 - 3,276 MT - US\$7,451,399

Market share 0.2% in 1990, 1.9% in 1991, as percentage of imports.

D. *Imports from major suppliers, quantity and value.*

USA: 1990 - 169,109 MT - US\$135,318,362
1991 - 124,153 MT - US\$269,415,152

i) Promotional activities of competitors.

Consistently attractive pricing and packaged cuts. The U.S. Meat Export Federation has for several years conducted a point of sale promotional program coupled with periodic hotel restaurant promotions and general media promotion of U.S. beef. For the first time, Australia had a large pavilion at the Mexico '93 Mexican National Retailers Show promoting Australian beef (and lamb). The U.S. Meat Export Federation had a similar stand.

E. Country Exports:

i) Total exports by quantity and value.

Total exports: 1990 - volume 4,167 - value US\$16,568,429
 1991 - volume 3,725 - value US\$8,541,872

To U.S. 1990 - volume 3,496 - value US\$5,833,917
 1991 - volume 2,929 - value US\$4,088,910

No exports to Canada.

ii) Types of products exported.

Fresh, chilled, and frozen meat (bone-in and boneless) and cuts.

iii) Government incentives/subsidies/credit programs for exporting.

There are no such programs available in support of exports.

iv) Trends.

Government is not expected to provide any incentives for exports of meats (beef) in the foreseeable future.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

A. *Possibilities to increase sales through better merchandising, better quality, more variety, differing forms.*

There may be an interesting market niche that could be developed for "lean Canadian beef" between the very lean traditional Mexican domestic beef cuts and the more marbled thicker American beef cuts. This manner of differentiating Canadian beef from American beef could in part be achieved through a point of (retail) sale identification program similar to that being employed by the U.S. Meat Export Federation with respect to beef through the use of plastic identification logos and point of sale advertising (brochures and posters).

B. *Short to long-term potential for increased Canadian sales.*

Considering the current size of the import market, even the accomplishment of a 5% market share in the medium-term would mean an export volume of almost US\$20 million.

C. *Major shows*

Convencion Nacional de Empacadores de Carnes Frias Y Embutidos Y Exposicion Internacional de Proveedores: the national meat packers convention and suppliers expo held annually in February in Monterrey, Nuevo Leon. Contact for rental expo space is:

Promocion Creative International
S.A. de C.V.
Mexico D. F.
Tel: (5)286-2107
Tel: 553-0559
Fax: (5)256-3354

Convencion Nacional de Comercio Detallista Y Antad Exposicion: national Mexican food and consumer products retailers convention and trade show held annually in March in Guadalajara, Jalisco. Contact for space rental is:

Antad
Mexico, D.F.
Tel: (5)545-8803
Tel: 254-9174
Fax: (5)203-4495

Expoalimentos: a food and beverage industry exhibition held annually in September in Monterrey, Nuevo Leon. Contact for space rental is:

Apex
Monterrey, Nuevo Leon
Tel/Fax: (83)69-6660

D. Suggestions for generic/non-generic promotional activities, point of sale, and point of purchase promotional materials.

Participation of industry firms and associations, possibly in a joint industry/External Affairs and International Trade Canada information booth or pavilion, in the trade shows, coupled with an annual seminar/meat display/reception in Mexico City and a retail level Canadian beef industry program, are considered to be worthy of consideration as part of any industry trade development strategy. Hotel restaurant promotions featuring Canadian beef is another possible activity and one that has been successfully employed by the U.S. Meat Export Federation.

4. ACCESS AND BARRIERS

Animal health requirements for importing meat to Mexico is that packing companies must have prior authorization from the Animal Health Department of Mexico. The procedure is to submit a written notification to Agriculture Canada regarding interest in exporting products to Mexico. The contact is Dr. Bertrand St. Arnaud, Chief, Export Programs, Meat and Poultry Products Division, Agriculture Canada. Agriculture Canada will then send a letter to the Canadian Embassy requesting to place this company on the list of Canadian establishments that are accredited to export meat to Mexico. Post in turn will request from Secretariat of Agriculture (SARH) to register the company. Written approval will be issued within a few days. Without such approval, meat products will not enter Mexico. A list of Canadian accredited plants is available from Dr. St. Arnaud.

An import permit (in Mexico it is called import application) is required by the Mexican importer stating: name of exporter (must be on accredit list), quantity, identification of meat (type, grade, etc.), port, and date of entry.

- ▶ Tariffs - 20% ad valorem on fresh, chilled beef - 25% ad valorem on frozen beef.
- ▶ Variable levies, other duties - none.
- ▶ Quotas - none.
- ▶ Preferential access for certain suppliers - none.
- ▶ Quarantine measures, residue tolerances, etc. - as per codex alimentarius for residue tolerances.
- ▶ Labelling and packaging requirements - although this is expected to change in 1993 or 1994, labelling information on processed meat products at the consumer level presently can be in English. However, a small stick-on label in Spanish is required, listing generic product name, importer and exporter data, weight or volume, and principal ingredients.
- ▶ Any relevant environmental legislation - none.
- ▶ Any other non-tariff barriers - none.

5. TRANSPORTATION

The bulk, if not all, of Canadian meat imported into Mexico is by refrigerated or freezer trucks. Air transport would also be possible for higher value products (such as vacuum-packed portion control steaks). Because of: 1) the perishability of the product; 2) the lack of any direct, fast, and frequent ocean freight service between Canadian and Mexican port; 3) the shortage in Mexican ports and some urban consumption areas of sufficient refrigerated and freezer storage and reefer trucking capacity; and 4) the inadequate road and rail service between Mexican ports and inland consumption centres such as Mexico city, the use of ocean freight to land product in the market is not considered to be practical.

The most economical "facilities/mode of transport" is the shipment by truck from Canada, with a switch (as currently required by Mexican law) to a Mexican tractor/driver at the border (or the off-loading into a Mexican truck) and the direct shipment to the

buyer/consumer/warehouse/packing plant. This will likely continue to be, for the foreseeable future, the most common mode of transport.

6. **INDUSTRY STRUCTURE**

A. ***Location of domestic production facilities and brief description.***

There are an estimated 1,529 slaughterhouses in Mexico, most of which are municipally-owned and have relatively low sanitary standards. There are 103 T.I.F. (federal inspected plants) plants, of which 78 are exclusively beef or beef/pork plants. Out of the 103 plants, 10 are accredited by USDA to ship meat to the USA. Eighty percent of the TIF plants are owned and operated by the regional livestock producers unions. 40% of the slaughterhouses are located in the central zone near Mexico City, 35% in the Gulf and southeast zones, and 26% in the north. Most of the TIF plants are located in the north. There are an estimated 115 beef meat processing companies in Mexico, producing a wide variety of fresh beef cuts and processed beef products from domestic and imported beef carcasses and primal cuts. One third of the companies have their head offices in Mexico City or the state of Mexico. The remainder are located in Nuevo Leon, Jalisco, Chihuahua, and 12 other states.

B. ***Storage/handling facilities:***

All of the 103 TIF slaughterhouses and the 115 processing plants have cold storage capacity. Although no official government or industry data on total storage/handling capacity for beef is available, the Confederacion Nacional Ganadera (CNG)/National Livestock Producers Association is of the view that capacity utilization of Rastros/Frigorificos (slaughterhouses and associated refrigerated storage) is only about 60%. This underutilization, coupled with a decline in both purchasing power and per capita consumption over the past 20 years, and a resultant unchanged total consumption level, in the view of CNG suggests that storage/handling capacity is more than sufficient for both domestic production and imports, i.e. it is not a constraint on the importation or marketing of beef in Mexico.

Ample in-bond storage and fiscal warehousing capacity is also available for Mexican importers of perishable and non-perishable products, and is utilized to a limited degree by some importers of beef.

C. ***Marketing Channels:***

Although not as long, nor with as many intermediaries as the distribution system for domestic pork, the distribution system for domestically-produced beef meat is still considerably more complex than that in Canada. Cattle offered for sale by small producers are usually collected on the farm by a "collector" or trucker and delivered to the slaughterhouse. "Introducers" receive the truckloads of live cattle at the slaughterhouse, take the carcass, skin, and offals after slaughter, and distribute them to their customers for further processing and/or sale. Introducers usually pay the producer cash for the cattle and cover slaughterhouse fees, as well as charging the producer a 3% commission on each operation. Very often they also act as financiers for their customers, who pay on average within 8-30 days. Presently, the role of the introducer is viewed as a necessary evil, basically because there are not enough slaughterhouses in close proximity to producers, and consequently the producer relies on the introducer to receive the live animals at the slaughterhouse and also to distribute the end product for him. At the same time, the butchers, etc., rely on the introducers for temporary financing. Some producers, in particular the large ones located in northern Mexico and in the states of Veracruz, Tabasco, and Jalisco, have slaughterhouses, thereby circumventing the need for the introducer, and at the same time reducing their transportation costs by using refrigerated trucks to transport up to 50 carcasses (rather than the traditional 10 head of live animals to slaughterhouses) directly to the large consumer centres.

At the retail level, many butchers rely on additional intermediaries to select and deliver their meat without having to do so themselves at the slaughterhouse. Out of the total retail price, it is estimated that 30% goes to the producer, 22.5% to the introducer, and 47.5% to the butchers. The distribution channel for imported meat is usually much simpler, i.e. either directly to an importer/distributor or to a meat processor or abattoir for subsequent sale to supermarkets and butchershops, hotels, and restaurants. The simpler distribution channel for imported beef would seem to provide it with an economic advantage over domestic beef. Both the Mexican government and the Confederacion Nacional Ganadera (CNG/National Livestock Producers Association) appreciate this fact and are intent on eliminating unnecessary intermediaries in the distribution chain (for domestic beef) and increasing producer returns and reducing the cost to the retail consumer (and as a result increasing domestic beef demand and consumption). The various regional and state livestock producer unions under the CNG have gradually acquired 80% of the TIF slaughterhouses with the objective of buying live animals directly from their member producers and selling carcasses, primal cuts, and even some boxed meat directly to meat processors, supermarket chains, and butcher shops. Many of the Mexican meat processors and retailers prefer to buy imported meat from an importer/distributor, rather

than directly from foreign suppliers. The distributor looks after the necessary import documentation, customs clearance, warehousing, and delivery to stores or their central distribution warehouses, as well as providing up to 60 days credit to the buyer. However, it is anticipated that in the short to medium-term more and more of the larger purchasers, such as the major processors and supermarkets (e.g. Aurrera supermarket chain), will commence buying directly from foreign suppliers. The implications for Canadian suppliers of this trend toward more direct purchase is the elimination of the distributor's margin (which on highly processed product can reach 30%), making their product more price-competitive with domestic product.

D. List main industry contacts:

i) Government departments, agencies, government-regulated bodies involved in beef trade.

Dr. Hector Campos Lopez
General Director Animal Health
Secretaria de Agricultura Y Recursos
Hidraulicos
Recreo No. 14, Piso 11
Col Actipan Del Valle
03230 Mexico, D.F.
Tel: (5)534-5111/1580/5216/4966
Fax: (5)534-4061

Mvz Marco Antonio Hidalgo Mendoza
Director General
Comision Nacional Para El Mejoramiento
Genetico Y
La Reproduccion Animal (Conamegra)
Recreo No. 14, Piso 2
Col Actipan Del Valle
03100 Mexico, D.F.
Tel: (5)524-0006/0433
Fax: (5)534-6426

Dr. Igor Romero
Director General
Desarrollo Agropecuario
Secretaria de Agricultura Y Recursos
Hidraulicos
Recreo No. 14, Piso 9
Col Actipan Del Valle
03100 Mexico, D.F.
Tel: (5)534-9744
Fax: (5)534-7985

Ing Emiliano Gonzalez
Director de Comercio Internacional
Secretaria de Agricultura Y Recursos
Hidraulicos
Av Benjamin Franklin No. 146
Col Escandon
Mexico, D.F.
Tel: (5)286-2000/2347
Fax: (5)256-1379

Ing Cesar Gonzalez Quiroga
Presidente
Confederacion Nacional Ganadera
Mariano Escobedo No. 714
Col Anzures
Mexico, D.F.
Tel: (5)533-2175 to 79
Fax: (5)514-1245

Lic Hector Rodriguez Licea
Director General
Asociacion Nacional de Empacadoras TIF,
A.C.
Miguel Angel de Quevedo No. 350
Col Coyoacan
04310 Mexico, D.F.
Tel: (5)658-1120/8347
Fax: (5)658-3688

Ing Luis Muzoz Cano
Consejo Nacional Agropecuario (Canagro)
Rio Elba No. 47, 1er Piso, Despacho 3
Col Cuauhtemoc
06500 Mexico, D.F.
Tel: (5)286-2000/2347
Fax: (5)256-1379

Sr. Alejandro Urzua Bustamante, Presidente
Empacadores de Carnes Frias (Fresh Meat
Packers)
Camara Nacional de la Industria de
Transformacion
Av. San Antonion No. 256
Col. Ampliacion Napoles
03849 Mexico, D.F.
Tel: (05)611-2387
Fax: (5)563-3400

Dr. Jose Meljem Moctezuma
Director General de Control
Sanitario de Bienes Y Servicios
Secretaria de Salud
Donceles No. 39, Piso 1
Col. Centro
06010 Mexico, D.F.
Tel: 521-9134/521-3050
Fax: 512-9628

For Further information Contact:

Canadian Embassy
Appartado Postal 105-05
11580 Mexico D.F.
Tel: (011-52-5) 724-7900
Fax: (011-52-5) 724-7984
Contact: Sam Elkady, Counsellor (Agriculture)

Canadian Trade Office
Edificio Kalos
Zaragoza 1300 Sur, Despacho 314
CP 64000 Monterrey, Nuevo Leon
Tel: (011-52-83) 44-32-00
Fax: (011-52-83) 44-30-48



UNITED STATES

1. GENERAL OVERVIEW

Although the U.S. market currently represents the largest foreign market for Canadian beef exports, the focus of this report is on markets other than the U.S., that may be new territory for Canadian beef exporters. Because of the importance of the U.S. market it was felt that it was necessary to include some background information on the U.S. beef market even if it is presented on a macro level. It should be noted that the information collected for the U.S. portion was not compiled in the same manner as the other countries (i.e. a Canadian post was not surveyed).

The U.S. is the most important market for Canadian beef exports. Historically, the U.S. market has absorbed approximately 90% to 95% of Canadian beef exports.

2. CHARACTERISTICS OF THE MARKET

A. *Local Production:*

According to the United States Department of Agriculture (USDA), beef production in the United States is projected to increase over 3% to almost 11 million MT in 1994. Likewise, cattle and calf slaughter is expected to increase 3% to 35.4 million head.

Over 85% of American beef cow operations are concentrated in the Southeastern states, the Great Plains and the North Central regions. It appears that the industry is restructuring, smaller producers are exiting the industry and the larger operators are expanding. The number of beef operations has declined steadily from 1,013,570 in 1986 to 907,630 in 1992.

Fed cattle prices for 1994 are expected to average in the mid US\$70's and peak seasonally in the spring of 1994 in the mid to upper US\$70's. Projected prices for 1994 are considerably below the 1993 prices which reached a US\$80 (or more) high.

Retail Choice beef prices, according to the USDA are expected to decline from 1993 estimated average of US\$6.50 per kilogram to approximately US\$6.30 per kilogram in 1994.

B. *Domestic Consumption:*

Per capita beef consumption in the U.S. is one of the highest in the world, with an estimated 44 kilograms (also includes veal) expected in 1994. According to USDA statistics, total American beef and veal consumption in 1993 (preliminary) was 11,165,000 MT and is expected to increase to 11,417,000 MT in 1994.

C. *Country Beef Imports:*

American beef imports are projected to decline by an estimated 1.6% from 1.09 million MT in 1993 to 1.075 million MT in 1994. It is anticipated that imports from Australia and New Zealand will be reduced. The U.S. negotiated Voluntary Restraint Agreements with both Australia and New Zealand in 1993, which in effect, limits Australia's beef exports to the U.S. to 315,000 MT (product weight) and for New Zealand, its limit is 193,000 MT (product weight).

The USDA expects that cattle imports will reach an estimated 2.75 million head, which represents another historical high after 1993 levels that reached approximately 2.65 million head.

While 1993 Canadian fed cattle imports (for the period Jan-Aug) were up 9% from the corresponding eight month period in 1992, Mexican cattle imports for the same period jumped by almost 55%. It is estimated that for 1993 (Jan-Dec.) Canada will have exported approximately 1.35 million head to the U.S., whereas Mexico will have exported 1.3 million head.

D. *Country Exports:*

The largest markets for American beef are (in order), Japan, Canada, Mexico and Korea. U.S. exports of beef are expected to increase by nearly 8% in 1994, to reach an estimated 635,000 MT. Partially responsible for the increase is the completion of the U.S. - Korean beef agreement in July 1993, as well as anticipated growth in sales to Japan. It should be noted that the estimate for exports in 1994 does not assume the implementation of the proposed North American Free Trade Agreement (NAFTA). It is believed that the implementation of NAFTA will encourage exports to Mexico by eliminating the 15% tariff (introduced November 1992) on slaughter cattle.

Beef exports to Japan for the eight month period Jan-Aug in 1993 increased by 15% (product weight basis) for the same period in 1992. However, the USDA believes that further export growth to Japan in 1993 is threaten by greater beef production in Japan, larger Japanese imported beef stocks, heighten competition from Australian suppliers, and price declines in several market segments in recent months.

The USDA predicts that for 1993, exports to the next three largest American beef markets (Canada, Mexico and Korea) will fall by approximately 2% to 590,000 MT.

The U.S. Meat Export Federation (USMEF) is a national trade organization responsible for developing foreign markets for U.S. red meat products. With offices in Osaka, Mexico City, Seoul, Taipei, Hong Kong, Singapore and Hamburg, USMEF had a budget of approximately \$23.3 million in 1992. The membership of USMEF is diverse and includes livestock and grain producing groups, packers, processors and exporters as well as agri-business organizations.

3. MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

The United States is currently the only export market where a full range of Canadian beef products are sold. Historically, commodity beef products have gone to the U.S. in large volume, based more on a "production-oriented selling" than on "market selling".

Short term potential for Canadian exports remains good. Canada has a long standing tradition of supplying this market, has a high quality product, and a favourable exchange rate. With the concentration of Canadian beef production in the western provinces, Canadian companies have an attractive location (transportation) advantage to the large markets on the American west coast.

American and Canadian consumers are exposed to very similar demographic and lifestyle trends, consequently, their consumption patterns and buying behaviour are very closely linked. For example issues such as, woman in the work force, concern with fat content, etc. all contribute to the shaping of consumer needs. Changing consumer needs are, in part, responsible for the shift in demand towards value-added (further processed) beef products.

Although, the U.S. market is highly competitive and Canadian exporters have had difficulty in the past getting their branded products listed with U.S. companies, it is believed that the highest returns and the strongest long run market opportunities rest in the value-added sector. Value-added beef products (such as: convenience packaging, lean and well trimmed products, portion control cutting and packaging, ready to serve meals, deli meats, beef jerky etc.) allow the exporter to compete on a market-oriented basis in an environment where their product can be differentiated.

As a result of the trade negotiations between Canada, the U.S. and Mexico, it is believed that Canadian exporters will notice new market opportunities arising. For example, the U.S. will conceivably market more and more beef to Mexico and consequently Americans will have to replace these stocks, hence the opportunity for Canadian beef exporters.

The impact of the GATT negotiations is not clear at this time. However, it is believed that the underlying principles of the GATT negotiations demonstrate a positive step for the Canadian beef industry. The GATT agreement will tariff the U.S. Meat Law and the Canadian Meat Act so that there will be common treatment of third country imports (Mexico exempt from tariff rates). Additionally, the GATT agreement provides clear trading rules and an effective dispute settlement mechanism.

4. INDUSTRY STRUCTURE

From a general perspective, the U.S. market is organized and operates in a similar fashion to that in Canada. Both countries appear to follow the same trends, and there are many structural characteristics in common. However, despite the similarities there are some important differences between the countries particularly in terms of distribution that must not be overlooked.

Although the U.S. food wholesaling industry has become more and more concentrated in recent years, it does not approach the high degree of concentration inherent in the Canadian wholesaling industry. In Canada, food wholesaling is also more closely linked with the retailing industry. Likewise, the retail sector in Canada is more concentrated than the American counterpart.

Proportionally, there are more food stores in Canada than in the U.S. (1.4 versus 0.6 stores per 1,00 population), however the average size of the food store is much larger in the U.S. Another interesting difference is that warehouse stores and large discounters (e.g. Price Club) play a more important role in the United States, accounting for 6% of retail food sales compared to 3% in Canada.

For Further Information Contact:

**Canadian Embassy - WASHINGTON
501 Pennsylvania Avenue, N.W.,
Washington, D.C. 20001, U.S.A
Tel: (202) 682-1740
Fax: (202) 682-7726**

Appendix A - WHERE THE WORLD SHOPS

Selected Major Trade Fairs for Beef Products

ALIMENTARIA INTERNATIONAL FOOD FAIR

Barcelona, Spain

March 1994

Frequency: Biannual

Products: Food products and beverages

Contact: FAIT - Hélène Guillot Tel: 613-996-6359

ANTAD

Guadalajara, Jalisco

Feb. 1994

Frequency: Annual

Products: Food Products and Beverages

Contact: FAIT - Paul Schutte Tel: 613-996-5358

CANADIAN FOOD SOLO SHOW

Osaka, Japan

March, 1994

Frequency: Annual

Products: Food products and beverages

Contact: FAIT - Greg Bates Tel: 613-995-8614

CANADA EXPO

Mexico City,

March, 1994

Frequency: Biannual

Products: Multi-sectoral. Large food component.

Contact: FAIT - Paul Schutte Tel: 613-996-5358

FOODEX

Tokyo, Japan

March, 1994

Frequency: Annual

Products: All food items incl. beverages, meat, poultry, dairy, seafood, canned goods, etc.

Visitor Profile: 90,000 food industry executives and buyers expected to attend

Organizer: Japan Management Assoc. Fax: 03-343-48076

Contact: FAIT - Greg Bates Tel: 613-995-8619

INTERNATIONAL FOOD AND DRINK EXHIBITION,

London, U.K.

April, 1995

Frequency: Biannual

Products: Food and Drinks

Contact: FAIT - Gayle McCallum (613) 996-1530

FOOD MARKETING INSTITUTE (FMI)

Chicago

May, 1994

Frequency: Annual

Products: Equipment and food products

Visitor Profile: (1991) 35,000 Top management from food companies in Canada, Mexico and overseas

Organizers: Food Marketing Institute Fax: 202-429-4519

Contact: FAIT - David Shaw Tel: 613-944-9474

HOFEX '93

Hong Kong

May, 1995

Frequency: Biannual

Products: Food and Food Processing

Visitor Profile: food trader from all over the world.

Contact: FAITC - Dan Markich Tel: 613-995-6962

NATIONAL RESTAURANT ASSOC. SHOW

Chicago, U.S.A.

May, 1994

Frequency: Annual

Products: Hotel, Restaurant, Supermarket and Institutional Equipment and Services

Contact: FAIT - David Shaw Tel: 613-944-9474

2ND INTERNATIONAL FOOD EXHIBITION

Caracas, Venezuela

July, 1994

Frequency: Annual

Products: Food and Processed Food and Beverages

Contact: FAIT - Jon Dundon Tel: 613-996-6921

EXPO ALIMENTOS

Monterrey, Nuevo Leon

Aug. 3-6, 1993

Frequency:

Products: Multi Sectoral, Large Food Component

Contact: FAIT - Paul Schutte (613) 996-5358

FOOD EXPO '94

Hong Kong

August, 1994

Frequency: Annual

Products: Consumer Food products

Organizers: Hong Kong Trade Development Council

Contact: FAIT - Dan Markich Tel: 613-995-6962

POLAGRA

Poznan, Poland

October, 1993

Frequency: Annual

Products: Food and Food Processing

Contact: FAIT - Michael Vujnovich Tel: 613-996-7107

ANUGA

Cologne, Germany

October, 1993

Frequency: Biennial (alternates with SIAL)

Products: Food and food provisions of all types.

Exhibitors: (1989) National 1565 Foreign 3422

Organizers: KolnMessa und Ausstellungen Fax: 0221-821-2574

Contact: FAIT - Lorraine Reardon Tel: 613-996-2147

SIAL

Paris, France

October, 1994

Frequency: Biennial (alternates with ANNUGA)

Products: Food products including dairy, game, met, poultry, confectionery, fruit, vegetables, seafood, etc.

Contact: FAIT - Pascal Andre Tel: 613-996-5555

NATIONAL PREPARED FROZEN FOOD FESTIVAL

U.S.A., East Rutherford

October, 1993

Frequency: Annual

Products: Food products only - refrigerated and frozen

Visitor Profile: 4,100 qualified buyers from the Tri-state area foodservice trade

Contact: FAIT - David Shaw Tel: 613-944-9474

NATIONAL FOOD BROKERS' ASSOCIATION SHOW

Chicago

December, 1993

Frequency: Annual

Products: Semi-processed and Processed Food and Beverage

Visitors Profile: 15,000 attendees incl. NFBA members from across North America

Contact: FAIT - David Shaw Tel: 613-944-9483

INFAHEX (INTERNATIONAL "HALAL" FOOD & TECHNOLOGY EXHIBITION)

Kuala Lumpur, Malaysia

September, 1995

Frequency: Biennial

Products: Focus manily on Halal technologies for Moslem countries

Contact: Alif Management Services Sdn. Bhd., Suite 1, 4th Floor, Wisma Datuk Dagang,
53 Jalan Raja Alang, 60300 Kuala Lumpur, Malaysia, Tel: (60-3) 298 2324, Fax:
(60-3) 292 5714

FOOD AND HOTEL INDONESIA

Jakarta, Indonesia

Last Show February 1993

Frequency: Biennial

Products: catering equipment and food exhibition

Contact: P.T. Pamerindo Buana Abadi, Bank Bume Daya Plaza, Unit 2102, 21st Floor, Jl
Imam Bonjol 61, Jakarta 10310, Indonesia, Tel: 21 325560, Fax: 21 331223

FOOD AND HOTEL ASIA

Singapore, Singapore

Last Show April, 1992

Frequency: Biennial

Products: Food, drink, hotel and catering Equipment

Contact: Singapore Exhibition Services, 11 Dhoby Ghaut, #15-09, Cathay Building,
Singapore 0922, Singapore, Tel: 65 338 4747, Fax: 65 339 5651

APPENDIX B

LIST OF FEDERAL GOVERNMENT CONTACTS TO ASSIST THE BEEF INDUSTRY

FOREIGN AFFAIRS AND INTERNATIONAL CANADA
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

INTERNATIONAL BUSINESS ASIA AND PACIFIC DEVELOPMENT

Asia Pacific South Trade Development Division (PST)
Fax: (631) 996-4309
Mrs. Louise Fortin
Director
Tel: (613) 996-0910
East Asia Trade Development Division (PNC)
Mr. Colin Russel
Director
Tel: (613) 995-7575

TRADE & ECONOMIC POLICY

Japan Trade Development Division (PNJ)
Mr Peter Campbell
Director
Tel: (613) 995-8985
EUROPE
Central and Eastern Europe Trade Development Division (RBT)
Mr. Melvyn L. MacDonald
Director
Tel: (613) 996-6835

GEOGRAPHIC DIVISIONS

AFRICA AND MIDDLE EAST

Western Europe Trade, Investment and Technology Division (RWT)
Mr. Robert Dery
Director
Tel: (613) 995-9402

Africa and Middle East Trade Development Division (GBTE)
Fax: (613) 990-7431
Mr Daniel Marchand
Director
Tel: (613) 6591

LATIN AMERICA AND CARIBBEAN

Latin America and Caribbean Trade Division (LCT)
Fax: (613) 943-8806
Mr. Denis Thibault
Director
Tel: (613) 996-4198

UNITED STATES

United States Trade Investment and Development Division (UTI)
Ms Cynthia Hartman
Director
Tel:(613) 993-5912
United States Trade and Tourism Development Division (UTO)
Mr. Bernard Giroux
Director
Tel: (613) 991-9477

A COMPLETE LIST OF ALL CANADIAN EMBASSIES AND HIGH COMMISSIONS IS AVAILABLE FROM : INFOEX, Tel: 1-800-267-8376

INTERNATIONAL TRADE CENTRES

Foreign Affairs and International Trade and Industry, Science and Technology Canada established **International Trade Centres (ITCs)** across Canada to assist first-time and experienced exporters by providing export publications, recruiting participants for trade fairs and missions, providing a wide range of services to companies seeking export counselling, technology transfer or joint ventures with foreign investors. For further information exporters are encouraged to contact the ITC nearest you. Export counselling is also available through Foreign Affairs and International Trade's Info Export Office in Ottawa which can be reached toll free at 1-800-267-8376; local callers; 944-6435.

BRITISH COLUMBIA

International Trade Centre
P.O. Box 11610,
900-650 West Georgia Street
Vancouver, British Columbia
V6B 5H8
Tel: (604) 666-0434
Telex: 045-1191
Fax: (604) 666-8330
Contact: Mr. Paul Lau
Senior Trade Commissioner
(604) 666-1438

ALBERTA

Edmonton
International Trade Centre
Room 540, Canada Place
9700 Jasper Avenue
Edmonton, Alberta
T5J 4C3
Tel: (403) 495-2944
Telex: 037-2762
Fax: (403) 495-4507
Contact: Mr. William Roberts
Senior Trade Commissioner
(403) 495-4415

Calgary

International Trade Centre
11th Floor,
510 - 5th Street S.W.,
Calgary, Alberta
T2P 3S2
Tel: (403) 292-6660
Fax: (403) 292-4578
Contact: Mr. Paul Hubbard
Trade Commissioner
(403) 292-6409

SASKATCHEWAN

International Trade Centre
The S.H. Cohen Building
#119-4th Avenue South, Suite 401
Saskatoon, Saskatchewan
S7K 5X2
Tel: (306) 975-5315
Telex: 074-2742
Fax: (306) 975-5334
Mr. John Grantham
Senior Trade Commissioner
(306) 975-4343

MANITOBA

International Trade Centre
P.O. Box 981, Newport Centre
330 Portage Avenue, 8th Floor,
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 983-8036
Telex: 07-57624
Fax: (204) 983-2187
Mr. Carl A. Rockburne
Senior Trade Commissioner
(204) 983-4099

ONTARIO

International Trade Centre
Dominion Public Building,
4th Floor,
One Front Street West
Toronto, Ontario
M5J 1A4
Tel: (416) 973-5053
Telex: 065-24378
Fax: (416) 973-8161
Mr. Dennis Baker
Senior Trade Commissioner
(416) 973-5049

QUEBEC

International Trade Centre
P.O. Box 247,
Stock Exchange Tower
800 Place Victoria, Suite 3800,
Montreal, Quebec
H4Z 1E8
Tel: (514) 283-8185
Telex: 055-60768
Fax: (514) 283-8794
Mr. Bruno Goulet
Senior Trade Commissioner
(514) 283-6796

NEW BRUNSWICK

International Trade Canada
P.O. Box 1210, Assumption Place
770 Main Street
Moncton, New Brunswick
E1C 8P9
Tel: (506) 851-6452
Telex: 014-2200
Fax: (506) 851-6429
Mr. Guy-André Gélinas
Senior Trade Commissioner
(506) 851-6440

P.E.I.

International Trade Centre
P.O. Box 1115,
Confederation Court Mall,
134 Kent Street, Suite 400,
Charlottetown, P.E.I. C1A 7M8
Tel: (902) 566-7400
Telex: 014-44129
Fax: (902) 566-7450
Mr. Fraser Dickson
Senior Trade Commissioner
(902) 566-7443

NOVA SCOTIA

International Trade Centre
P.O. Box 940,
Station "M",
1801 Hollis Street
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-7540
Fax: (902) 426-2624
Mr. Dennis R. Panter
Senior Trade Commissioner
(902) 426-6125

NEWFOUNDLAND

International Trade Centre
215 Water Street, Suite 504,
P.O. Box 8950,
Atlantic Place
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Telex: 016-4749
Fax: (709) 772-2373
Mr. Graham Weber
Senior Trade Commissioner
(709) 772-5511

INDUSTRY ASSOCIATIONS

Canada Beef Export
Federation (CBEF)
235,6715 - 8th St. N.E.
Calgary, Alberta
T2E 7H7
Tel: (403) 274-0005
Fax: (403) 274-7275

Contact:
Ted J. Haney
Director
Canadian Operations

Canadian Meat Council
5233 Dundas Street
Islington, Ontario
M9B 1A6
Tel: (416) 239-8411
Fax: (416) 239-2416

Contact:
John Lauer, President
Robert Weaver,
General Manager
Larry Campbell, Secretary

AGRICULTURE INDUSTRY MARKETING STRATEGY (AIMS) INITIATIVE

The Agri-Food Industry Market Strategies (AIMS) Initiative is a process by which Canadian agri-food associations seeking assistance for export development can access federal government funding. In conjunction with a working group of representatives from the funding departments, industry associations develop long term strategic market plans consistent with current requirements.

Based on the recommendation of the sector working group the AIMS Steering Committee reviews the business plan and approves funding through appropriate federal government departments. The committee is composed of officials from Agriculture Canada, Industry, Science and Technology, External Affairs and International Trade Canada, and Western Economic Diversification.

AIMS WORKING GROUP - BEEF

AIMS SECRETARIAT

Elwood Hodgins
Secretary
International Programs Directorate
Agriculture and Market and Industry Services
Branch, Ottawa
Tel:(613) 993-6671

Randy Nelson
International Market Services Division
Marketing and Services Branch
Agriculture Canada
240 Sparks Street, 1st Floor G-West
Ottawa, Ontario K1A 0C5
Tel: (613) 993-6671
Fax: (613) 995-0949

John Ross (team leader)
Chief, Red Meats Marketing and Strategy
Development
Red Meats Division
Market and Industry Services Branch
Sir John Carling Bldg.
Ottawa, Ontario KIA 0C5
Tel: (819) 994-0246
Fax: (819) 953-0969

Maurice Egan
Foreign Affairs and International - TOSA
Ottawa
Tel:(613) 996-3644
Fax:(613) 943-1103

Jackie Draper
Food Products Branch
Market and Industry Services Branch
235 Queen Street, 10 East
Ottawa, Ontario
K1A 0H5
Tel:(613) 954-2922
Fax:(613) 954-3776

Colin Campbell
Market and Industry
Services Branch
Market and Industry Services Branch
9700 Jasper Ave., Suite 810
Edmonton, Alberta
T5J 4G5
Tel:(403) 495-4186
Fax:(403) 495-3324

Ed Wiens
Western Economic Diversification Canada
P.O. Box 2025
601, 119-4th Avenue South
Saskatoon, Saskatchewan
S7K 5Y2
Tel:(306) 975-5854
Fax:(306) 975-5484

AGRICULTURE AND MARKET AND INDUSTRY SERVICES BRANCH REGIONAL CONTACTS

Newfoundland

Derek Banfield
St. John's, Nfld.
A1C 5R4
Tel: (709) 772-4063
Fax: (709) 772-4803

Prince Edward Island

Joy Bell-McKenzie
P.O. Box 2949
Charlottetown, P.E.I.
C1A 8C5
Tel: (902) 566-7300
Fax: (902) 566-7316

Nova Scotia

Allan Sorflaten
P.O. Box 698
Truro, N.S.
B2N 5E5
Tel: (902) 893-0068
Fax: (902) 893-6777

New Brunswick

Mike McCormick
Room 209
633 Queen Street
Fredericton, N.B.
E3B 1C3
Tel: ((506) 452-3706
Fax: (506) 452-3509

Quebec - Montreal

Marc Chenier
Guy Favreau Complex
200 Rene Levesque Blvd. West
Montreal, Quebec
H2Z 1Y3

Ontario

Frank Webster
174 Stone Road West
Guelph, Ontario
N1G 4S9
Tel: (519) 837-9400
Fax: (519) 837-9782

Manitoba

Dave Wasylyshen
Room 402
303 Main Street
Winnipeg, Manitoba
R3C 3G7

Saskatchewan

Jim Hannah
P.O. Box 8035
Regina, Saskatchewan
S4P 4C7
Tel: (306) 780-5545
Fax: (306) 780-7360

Alberta

Rodney Dlugos
Room 810
9700 Jasper Avenue
Canada Place
Edmonton, Alberta
T5J 4G5
Tel: (403) 495-4141
Fax: (403) 495-3324

British Columbia

Gretchen Bozak
P.O. Box 2522
New Westminster, B.C.
V3L 5A4
Tel: (604) 666-6344
Fax: (604) 666-7235

FOR FURTHER INFORMATION, PLEASE WRITE TO:

**AGRI-FOOD, FISHERIES, AND RESOURCES
SECTORAL LIAISON SECRETARIAT (TOSA)
INTERNATIONAL BUSINESS DEVELOPMENT BRANCH
EXTERNAL AFFAIRS AND INTERNATIONAL TRADE CANADA
125 Sussex Drive
Ottawa, Canada K1A 0G2
Tel: (613) 995-1712
Fax: (613) 943-1103**

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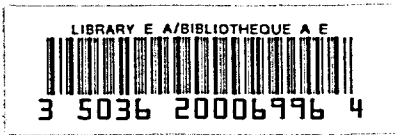
**CANADA BEEF EXPORT FEDERATION
235, 6715 - 8th Street N.E.
Calgary, Alberta
T2E 7H7
Tel: (403) 274-0005
Fax: (403) 274-7275**

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