



AGEXPORT

Dept. of External Affairs
Min. des Affaires extérieures

DEC 1 1993

Vol.1, No. 4

December 1, 1993

TRADE SUCCESS

A number of Canadian companies are finding success and a greater demand for their products when they enter export markets. Here are just a few that recently have looked beyond our borders for new and exciting opportunities.

Daigle Wholesale, of Port Williams, Nova Scotia, has tapped a market in Iceland for Canadian vegetables. This spring the company sold 250,000 pounds of carrots, turnips and cabbage to a buyer there. The buyer is in touch with the company on a bi-weekly basis to keep abreast of crop conditions and further sales are anticipated. The company is excited about the market because Icelanders eat the same staples as Canadians.

Like some other Canadian breweries, **Upper Canada Brewing Co.**, of Toronto, has found a market for its non-additive line of beer. The company has sales in Belgium, Sweden, and Luxembourg.

Canadian Wines are being recognized and have been placed on the official wine list compiled by Department of Foreign Affairs and International Trade (DFAIT). From over 30 Canadian wine companies, 57 wines will be served at diplomatic missions overseas. Canadian wineries submitted 196 wines for consideration by

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CANADA PORK INTERNATIONAL
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New Logo for Canada Pork International

Canadian exporters should remember that one of the best marketing tools we have can be found around the world — our reputation.

Canada Pork International (CPI) is determined to ensure that consumers in nations like Mexico can identify Canadian pork. As a result, CPI has created a new logo, which includes a large Maple Leaf, that will set Canadian pork apart from that of other nations, especially the United States.

Jacques Pomerleau, Executive Director of CPI, said Mexican officials were ready to close the door to imported pork, but the potentially lucrative market was saved for Canadians by the North American Free Trade Agreement (NAFTA). Present tariffs on pork of 20 per cent will be gone within 10 years under NAFTA. Even with the duty, Canadian pork is doing well in Mexico.

After the market was opened to imports in 1988, Canadian sales remained at about \$12 million until last year, when Canadian exports

of pork to Mexico jumped to \$30 million. Mexico imports fresh cuts, frozen pork and processed pork products. Processed pork products sales have grown from zero two years ago to \$17 million in 1992.

The Mexican market has the potential to accept \$100 million in Canadian pork within five years. The market potential is enormous because population and prosperity are both expected to grow rapidly and Mexicans can be expected to spend their additional wealth on pork. Mexicans consume only about 10 kilograms of pork per person each year, compared with 34 kilograms in Canada. Mexico could consume almost one-sixth of Canada's \$665 million in pork exports.

Canada is the world's second-largest pork exporting country and is widely recognized as a supplier of high quality products.

For more information contact Jacques Pomerleau, Executive Director of Canada Pork International. Tel.: (613) 236-9886. Fax: (613) 236-6658.

Disease-Resistant Pears Grown

A disease-resistant pear developed at Agriculture and Agri-Food Canada's Harrow Research Station has opened export markets in Europe for fruit trees bred in Canada.

The Harrow Sweet Pear's resistance to fireblight disease has impressed French scientists and prompted the French fruit tree industry to import the pear tree. It meets a specific demand in France,

and healthy sales are expected.

Interest in the pear has also been demonstrated in Belgium and the Netherlands. Its success has prompted the interest of another French company in Canadian apricots, nectarines and peaches.

Scientists at the Harrow Research Station in southwestern Ontario first developed the pear in 1965,

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Middle East – an Excellent Market for Agri-Food

The nations of the Middle East imported over US \$12 billion in agri-food products in 1990. The sparse arable land and the growing population make this region an excellent market for agri-food products, especially value-added commodities and technology.

There are several key considerations to keep in mind when entering this highly competitive and price-sensitive market.

Canadian industry should be prepared not only to sell agricultural commodities, but also to provide consulting services and joint venture opportunities. Exporters should be aware of religious and cultural requirements on animal slaughter, processing and labelling of products for human consumption, specifically the slaughter methods of kosher and halal. Canadian exporters should also familiarize themselves with local trade regulations, including the law of agents in some countries, which prohibits foreigners from direct product sales to users.

The major exports from Canada to the Middle East are cereals and cereal products, meat and meat products, dairy products, sugar and preparations, and tobacco products.

Canada's agricultural exports to the Middle East in 1992 totalled \$404 million, including \$303 million in wheat.

Canada's largest grain markets in this region are Egypt and Iran for wheat and Saudi Arabia for barley. Canadian exports of grains are decreasing as domestic production increases. There is an excellent market potential in Iran, and good market potential in Egypt. Countries such as Iran should be encouraged to grow canola as an alternative crop, providing Canada with the opportunity to supply technical expertise and services. Forage products and technology

should hold potential for Canada, as the market has some 8 million head of cattle and large numbers of camels, goats, buffalo and 300 million poultry, but only produces less than 15 per cent of the required animal feed.

Opportunities exist to supply alfalfa cubes and pellets to the dairy industry in the United Arab Emirates. The racing camel industry is also a potentially large market for forage and dehydrated alfalfa products.

Dairy genetics and breeding livestock show potential in several countries which are trying to develop larger herds. These include Egypt, Kuwait, Iran, Saudi Arabia,

the United Arab Emirates, Jordan and Syria.

Seed potato exports hold promise after successful trials of Canadian varieties in Jordan, Syria and Egypt. More variety testing, marketing and the assignment of agents in the region to lobby on behalf of the Canadian industry should be undertaken to take advantage of a market which imported 100,000 tonnes of seed potatoes in 1990.

Imports of processed food products totalled US \$3.8 billion in 1990, in almost equal amounts for meat products, fruits and vegetables and dairy products. Saudi Arabia and the United Arab Emirates are the

Continued on page III — Markets

New Packaging Seals the Deal

Agriculture and Agri-Food Canada's Summerland Research Station and a B.C. produce company have developed an innovative technique to preserve fresh herbs that allows them to be exported to faraway markets.

5B Produce and Agriculture and Agri-Food Canada researchers developed the modified packaging after two years of research.

The packaging involves a special gas mixture surrounded by a carefully selected plastic packaging film, which manages the gas exchange inside the package with the surrounding air. This preserves the herbs for a longer period of time. The technology is being used to help the company sell salads to upscale restaurants in Vancouver.

However, **5B Produce** is also building a large processing facility near Surrey, B.C. to take advantage of the export opportunities in Asia provided by the longer shelf life of the packaging system.

This packaging has been adapted to cherries, and researchers have succeeded in extending their shelf life from two weeks to a maximum of three months.

5B Produce is an exporter of 190 different products, ranging from herbs to miniature vegetables to edible flowers.

Last year, sales exceeded \$2 million, including both exports and domestic sales. Twelve per cent of the exports were destined for Hong Kong, Taiwan, Singapore and another 40 per cent to the U.S.

The packaging research done at the Summerland station was co-sponsored by **5B Produce**. This type of commercially viable research demonstrates the necessity of scientific exploration, in cooperation with shrewd marketing techniques.

For more information contact Dr. Tom Beveridge, Summerland Research Station. Tel.: (604) 494-7711. Fax: (604) 494-0755.

Training Programs Can Boost Our Exports

Successful exports are those which keep customers coming back for more.

In today's hyper-competitive world market, luring and keeping customers is harder than ever. As a result, some commodity groups in Canada have learned that training, education about products and their uses, is an investment with concrete financial rewards.

Two organizations with well-developed training programs with direct benefits for exports are the **International Livestock Management Schools (ILMS)** and the **Canadian International Grains Institute (CIGI)**. Both organizations work to ensure that potential customers are well aware of the qualities of their products and that customers know how to use the products effectively.

ILMS, a branch of Semex Canada, has trained over 900 persons from 62 countries since 1985, delivering up-to-date commercially viable livestock technologies and management skills that have been immediately applicable in their own economies. ILMS and its trainees now have trained an additional 20,000 persons in foreign markets.

The results of this training can be dramatic. For example, in late 1992, a group of trainees for the British market returned with what they had learned at ILMS and their sales increased 23 per cent, or by about \$1 million.

The primary goal of ILMS is to service the market expansion goals of the Canadian livestock genetics industry. But it also provides industry development training on a cost-recovery basis for countries which may be of future market interest to Canadian livestock genetics vendors; those who would not normally at this time be identified as part of their immediate marketing strategy plans.

Training is designed to show prospective buyers of Canadian livestock genetics how to manage those genetics profitably. Because margins on a dose of semen are very small and initial sales into a country may be unprofitable, it is important that the investment made to gain access to a market leads to large volumes. Failure of the resulting animals to perform effectively closes a market and loses the initial investment.

The importance of this can't be underestimated. In 1992, dairy genetics exports injected over \$85 million in offshore currency into the Canadian economy.

Similarly, the Canadian International Grains Institute works to ensure that potential customers of Canadian grains are aware of the many varieties of Canadian grains and their applications. Through training, CIGI demonstrates the milling, baking, and

noodle-making properties of Canadian wheat and flour to both Canadian and foreign millers.

It is also important for CIGI to understand what foreign customers require from Canadian flours and wheat. As a result, CIGI, together with the Canadian Wheat Board, the Canadian Grain Commission and other organizations, holds seminars in other countries to discuss wheat, barley, canola and other crops.

Recently, CIGI hosted a group of buyers from Central America who learned how Canadian Durham Wheat is grown and what differentiates it from other wheats. The group then toured a terminal elevator to see how it was handled, toured a flour mill to see it milled into semolina, then to a pasta manufacturer. Finally, the group went to a restaurant to taste the end product. With this type of tour, all aspects of the industry are highlighted and customers are more likely to work with the products effectively.

For more information contact Arnold Tremere, Canadian International Grains Institute. Tel.: (204) 983-5344. Fax: (204) 983-2642. Or contact Doug Lousley, International Livestock Management Schools. Tel.: (613) 258-5639. Fax: (613) 258-2391.

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largest importers in the Middle East. However, Kuwait and Syria are also significant importers of processed food products. The Gulf region imports almost all of its food and beverages. A high per-capita income makes this an important high-value products market. Consumers are health and quality conscious, however the number of fast food outlets is growing to cater to a younger market.

Given the good economic conditions of most Middle East countries, the increasing population, limited water resources and increasing government and private-sector cooperation, there will be a continued dependence on off-shore suppliers for a large portion of food and agricultural products and technology.

Canadian companies can supply that market, particularly in the areas of grains and oilseeds, dairy genetics and breeding livestock, seed potatoes, processed food products, forage products and technology, and agri-food technology and consulting services.

For more information contact John Smiley, Agriculture and Agri-Food Canada. Tel.: (613) 993-6671. Fax: (613) 995-0949.

The Canadian Dehydrators Association

Canada's processed alfalfa industry produces over \$100 million worth of products annually, 80 per cent of which are exported.

Alfalfa has become a commodity in demand in markets around the world including the U.S., Europe, the Pacific Rim, Central America, the Middle East and North Africa.

A big part of this industry's success has been the work of the **Canadian Dehydrators Association (CDA)**, representing the interests of 26 member plants.

Since its creation in 1984, the CDA has been involved in a wide range of activities to promote the interests of its members. The association conducts research and market development, resolves regional and national issues, and works to improve the production, processing and handling, utilization and promotion of processed alfalfa products.

The CDA supports and advises research centres, universities and government bodies on alfalfa issues. The CDA Research and Technical Priorities Committee meets annually to identify areas which require research activity. The Committee includes members of the CDA Board of Directors, the CDA Market Development Committee and various government and private research institutions.

Areas of research include nutrition, product performance, quality improvement, product durability, feeding trials, production and harvest, processing technology, storage handling and transportation, product development and the development of new domestic and export markets.

CDA alfalfa processing company members market their products

primarily through industry-owned marketing companies: these companies are also represented on the CDA Marketing Development Committee.

This committee works to promote Canadian processed alfalfa products in offshore markets, improve existing products and develop new products for export, educate end-

users and buyers on the nutritional benefits of processed alfalfa products, sponsors incoming missions, and identifies and develops new markets for Canadian processed alfalfa products.

For more information contact Garry Benoit, Canadian Dehydrators' Association. Tel.: (403) 450-1269. Fax: (403) 450-0604.

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a panel of nine accredited wine judges from across Canada. EAITC reserves 25 per cent of its wine list for domestic producers. It is one venue for Canadian wine products to be sampled in overseas markets.

Canadian beef exports to Taiwan should increase after a decision to lower tariffs against AAA grade Canadian beef. This decision by the Taiwanese gov-

ernment now puts Canadian AAA beef on par with United States Department of Agriculture (USDA) choice beef. Previously Canadian beef was rated at a higher tariff, and was not able to fairly compete against the U.S. product. Now the two top grades of Canadian and U.S. beef face the same tariff in a market which holds good opportunities for the Canadian beef industry.

Sweet Pears — from page 1

and continue to refine it. A scientific exchange between the Harrow Station and a French research group in Angers, France, led to an offer to import the pear in 1990.

Agriculture and Agri-Food Canada negotiated a commercialization contract with Castang Co., which gives the company the right to propagate, sell and sub-license Harrow Sweet Pear trees within the EEC. As part of the agreement, Castang Co. has agreed to obtain the registration fee in France for the new pear, and maintain it for 25 years.

Royalties in the first year of release for the Harrow Research Station amounted to almost \$4,000. Harrow

officials expect that this could open the door to a wide range of tree exports to Europe, and attract the interest of other world fruit tree importers.

The success of the Harrow Sweet Pear proves that research and development of agri-food products is a very important aspect of exporting. A new or improved product can easily penetrate and monopolize a niche market that had previously been untapped or had grown stagnant.

For further information contact Dr. David Hunter, Harrow Research Station. Tel.: (519) 738-2251. Fax: (519) 738-2929.

 AGEXPORT

Vol. 1, No. 4 • December 1, 1993

AgExport is published in French and English as a supplement to **CanadExpo**, International Programs Directorate of Agriculture Canada's Agri-food Development

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