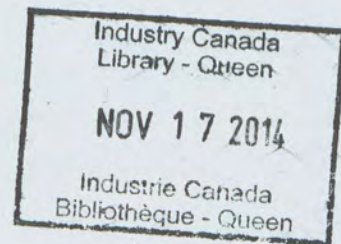


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CANADA'S EXPORT STRATEGY

The International Trade Business Plan

1995/96



***An Integrated Plan for Trade, Investment
and Technology Development***

The International Trade Business Plan is made up of an **Overview** highlighting Canada's international business development priorities, and a series of **Industry Sector Strategies**, which include lists of planned international activities. The following documents are available:

- Overview
1. Advanced Manufacturing Technologies
 2. Agriculture and Food Products
 3. Aircraft and Parts
 4. Automotive
 5. Biotechnologies
 6. Business, Professional and Educational Services
 7. Chemicals, Plastics and Advanced Materials
 8. Construction Products
 9. Consumer Products
 - Apparel and Fur
 - Textiles
 - Footwear
 - Sporting Goods (including recreational watercraft)
 - Tools, Hardware and Housewares
 - Residential Furniture
 - Business and Institutional Furniture
 10. Cultural Industries
 11. Defence Products
 12. Environmental Equipment and Services
 13. Fish and Sea Products
 14. Forest Industries
 15. Information Technologies and Telecommunications
 - Sector Overview
 - Computers and Peripheral Equipment
 - Electronic Components
 - Geomatics
 - Instrumentation
 - Software Products and Computer Services
 - Telecommunications
 16. Medical and Health-Care Products and Services
 - Medical Devices
 - Pharmaceuticals
 - Health-Care Services
 17. Minerals and Metals
 18. Oil and Gas Products and Energy Equipment
 19. Power Equipment
 20. Primary/Secondary Industrial Machinery
 - Mining, Forestry, Pulp and Paper
 - Agricultural Technology, Machinery and Equipment
 - Ocean and Marine Shipboard Technology
 21. Rail and Bus Equipment
 22. Space
 23. Tourism

For information on how to receive the Overview, or additional Industry Sector Strategies, please call: **1-800-267-8376**

All monetary figures in this document are expressed in Canadian dollars unless otherwise indicated.

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Aussi disponible en français sous le titre Agriculture et produits alimentaires.



Agriculture and Food Products

Agriculture and food products include primary products such as livestock and grains; semi-processed products such as flour and pet food; and value-added products such as bakery goods and beverages. Agricultural machinery, equipment and services are discussed in other industry sector reports.

Agri-food Products

The agri-food industry is an integral part of Canada's economy. It accounts for 8 percent of our gross national product (GNP) and employs close to 2 million people. For every \$1 billion of value-added exports, 15 000 new jobs are created in Canada.

Canada's Trade Strategy

The goal of Canada's agri-food trade strategy is to increase the value of our exports of agri-food products to \$20 billion by the year 2000. This goal will be reached by combining the strong determination of the industry with appropriate support from the Government. Ultimately, Canada's goal is a 3.5-percent share of the world's trade in agriculture and food.

The strategy will focus on four areas:

- providing up-to-date market information — country and product profiles, market information and intelligence, and information on Canadian companies and their capabilities;

- assisting Canadian companies to become export ready;
- promoting exports of value-added products while expanding the trade of bulk commodities in existing and new markets;
- streamlining the delivery of federal and provincial programs and services.

Canada's goal will be reached through sustained co-operation between the agri-food industry and all levels of government. A stronger partnership on trade development issues is evolving between Agriculture and Agri-food Canada, the Department of Foreign Affairs and International Trade (DFAIT), and the provinces as a means of achieving that co-operation. Increased industry/government collaboration will be pursued in the following areas:

Export Preparation

- assisting the food industry through the "Getting Ready to Go Global" campaign;
- developing a separate agri-food module for the Forum for International Trade Training (FITT) course;
- encouraging small- and medium-sized enterprises (SMEs) to form business networks through the Business Networks Program;
- implementing the Agri-food Trade Network for faster and more effective distribution of market information;
- maintaining public policies and programs that support increased food production and processing in Canada for domestic and international markets.

Table 1 — Agri-food Contribution to Canada's Economy

	% of Economy GDP	Number of employees	% of Total Employment
Agriculture	2.1	449 000	3.7
Food Processing & Beverage	2.1	230 000	1.9
Distribution, Retail & Food Service	3.8	1 143 000	9.4
Total for Industry	8.0	1 822 000	15.0

Source: Statistics Canada

Trade Development

- developing a Canadian theme to be used in market development and promotion;
- updating and combining provincial and federal government directories of Canadian export-ready companies and making them available to industry;
- encouraging industry subsectors to think strategically, to take responsibility for a share of the \$20-billion goal, and to work collectively to achieve their share;
- encouraging more industry associations and alliances, especially those producing value-added products, to participate in the Agri-food Industry Market Strategies (AIMS) process;
- fostering collaboration among subsectors by cross-marketing complementary products in markets of mutual interest;
- encouraging foreign companies to invest and make strategic alliances in Canada to give us better access to international markets, new technology and capital and to improve our supply capabilities.

Market Entry

- capitalizing on improved access for key Canadian products emerging from the General Agreement on Tariffs and Trade (GATT) negotiations;
- negotiating opportunities with new member countries joining the World Trade Organization (WTO);
- defending Canadian export interests against trade actions by other countries;
- using the provisions of the Agreement on Sanitary and Phytosanitary Measures, which are intended to ensure that health and sanitary measures in other countries are not barriers to trade.

Streamlining

- minimizing duplication and making the best use of shrinking resources through the Federal-Provincial Market Development Council;
- working with other government departments and industry to give priority to incoming missions over outgoing missions;

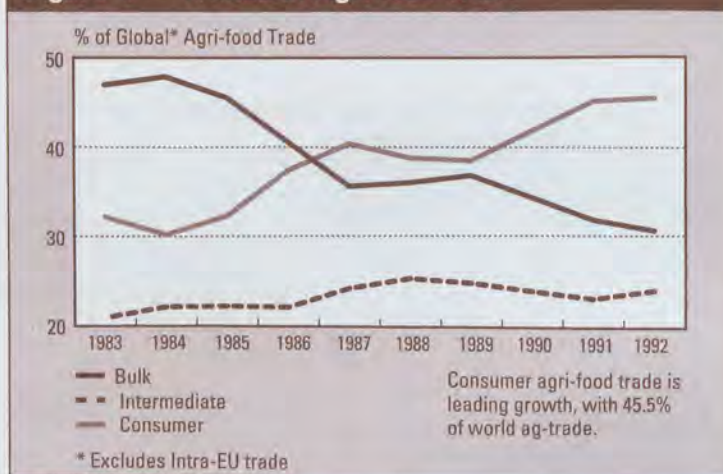
- improving service to industry through co-location of regionally based federal and provincial staff and “single-window” access to information on government services;
- developing the International Trade Business Plan with industry, Canadian agri-food specialists abroad, and federal and provincial departments.

International Environment

Total global agri-food exports were close to US\$400 billion in 1993. Between 1972 and 1992 the average yearly growth rate was 8 percent. Canada’s share of this trade is about 3 percent.

Globally, the food side of the agri-food sector is experiencing dramatic growth. Value-added products, such as meat, bakery goods and dairy products, constitute the largest, fastest-growing and most profitable part of the world’s agri-food trade. If we are to exceed or even reach our goal of \$20 billion by the year 2000, we will have to make a major shift in our trade product mix. We need a substantial increase in exports of value-added, consumer-ready products and continued growth in exports of bulk commodities.

Figure 1 — Trends in Agri-food Trade



Prepared by: Int'l Markets Bureau, MISB, AAFC
 Source: FAO, UN Stats. Office, and USDA FAS

Canada's International Markets

The United States continues to be our most important market, followed by Asia, Mexico and Western Europe. The following briefly describes Canada's foreign agri-food markets.

United States

Regional Overview

The processed food and beverage sector is the largest manufacturing sector in the United States. In 1993, the value of this sector's shipments reached \$404 billion, 2 percent higher than in 1992. In 1993, U.S. imports of these commodities dipped slightly under \$21 billion; 45 percent of these imports were high-value-added, consumer-ready products. Canada's share of these high-value imports remained steady at just under 15 percent. In terms of volume and range of products sold, the United States continues to be Canada's most important export market for processed and semi-processed agri-food products.

Trade Policy Issues

The Uruguay Round of GATT talks has concluded, but there remain some bilateral issues regarding market access that have not been resolved by negotiators. A bilateral Blue Ribbon Commission has been established to examine the two countries' grain marketing and support programs, and work is

ongoing to reach long-term solutions to outstanding problems and achieve a better trading position for grains. Tariff elimination negotiated under the North American Free Trade Agreement (NAFTA) continues to be phased-in.

Market Opportunities

There are many opportunities for specialty and gourmet foods, for products aimed at ethnic markets, and for natural, nutritious and fresh products that are also tasty and safe. There is a demand for convenient, attractively packaged and competitively priced foods. The key to success in the U.S. market is targeting specific geographic and niche markets for items with a high profit margin, and selecting the best distribution channels.

Canadian firms can capitalize on smaller production runs geared to the niche markets in North America. In specific subsectors, our firms can compete successfully in the U.S. market on the basis of flexibility of operation, input advantages or overall cost. Good opportunities also exist for retail private-label products.

Processed food and beverage sales to the United States includes, among other items, red meat products, cereals, frozen fruit and vegetables, biscuits, chewing gum and confectionery items, soft drinks and mineral water, and distillery and brewery products.

Activity	Date	Location	Dept.	Contact
United States				
Chicago - Database Project Guide to the Midwest Market	TBD	Chicago	DFAIT	312-616-1860
Matchmaker Missions	TBD	U.S./Various	DFAIT	613-944-9474
Incoming Food Buyers' Mission - United States	TBD	Toronto	Ontario	416-326-3775
Food Beverage Canada	Ongoing	U.S.	WED	306-975-5880
PROFIT	Jan-95	Buffalo	Ontario	416-326-3564
NFDA Winter	12-Jan-95	San Antonio	Ontario	416-326-3790
Reception - Wine Tasting	Feb-95	Boston	Ontario	416-326-3790
Retail Bakers' Association Trade Show	09-Mar-95	Philadelphia	Ontario	416-326-3775
Fancy Foods Expo West - Trade Show	21-Mar-95	San Francisco	Ontario	416-326-3790

Activity	Date	Location	Dept.	Contact
Market Study - Specialty Distributors Alternatives	Apr-95	Minneapolis	DFAIT	612-333-4641
Publication Update - Marketing Food Products in the U.S.	Apr-95	Ottawa	DFAIT	613-944-9474
Booklet - Agri-food Trade Events in the U.S. - Review & Update	Apr-95	Canada	DFAIT	613-944-9474
Canadian Connections - Presentations at Meetings of Food Brokers	Apr-95	Washington, D.C.	DFAIT	202-682-1740
New Exporters - Grocery Products	Apr-95	Seattle	IC	604-666-1443
Nation's Capital Food Service Expo	Apr-95	Washington, D.C.	N.B.	506-392-6022
Food-Processing Strategic Alliance	Apr-95	Minneapolis	DFAIT	613-944-7348
Agri-food Strategic Alliance Project	Apr-95	Chicago	DFAIT	613-944-7348
New England Dairy-Deli Bake Association Taste Show	18-Apr-95	Dorchester	MAPAQ	514-873-4410
Northeast Food Service & Lodging Expo and Conference	23-Apr-95	Dorchester	MAPAQ	514-873-4410
Arizona Retail Grocers - Trade Show	May-95	Arizona	DFAIT	213-346-2767
Cluster Plus - Strategic Mapping - Market Study	May-95	Chicago	DFAIT	312-616-1860
Agriculture Strategic Alliance Project	May-95	Chicago	DFAIT	613-944-7348
North American Fur Fashion Exposition	May-95	Lyndhurst	N.S.	902-893-6388
NEBS to FMI - Chicago	07-May-95	Chicago	DFAIT	612-616-1860
FMI Trade Show & Mission	07-May-95	Chicago	N.S.	902-893-6388
FMI Trade Show	07-May-95	Chicago	Ontario	416-326-3790
National Restaurant Association Show	20-May-95	Chicago	DFAIT	613-944-9474
Food Packaging Seminar in Western Canada	Jun-95	Western Canada	DFAIT	612-333-4641
Atlanta - Livestock Fodder Study	Jun-95	Atlanta	DFAIT	404-577-6810
Minneapolis - Food Packaging Seminar in Western Canada	Jun-95	Western Canada	DFAIT	613-944-9474
International Food Technologists Trade Show	03-Jun-95	Anaheim	Ontario	416-326-3693
International Dairy & Deli Show	18-Jun-95	San Jose	Ontario	416-326-3481
Superfloral Show	22-Jun-95	Columbus	Ontario	416-326-3537
Texas Food Service Expo	25-Jun-95	Dallas	Ontario	416-326-3775
Nurserymen's Show Minneapolis - Mission	Jul-95	Minneapolis	DFAIT	612-332-4641
Summer Fancy Food Show	09-Jul-95	New York	DFAIT	613-944-9474
National Food Distributors - NFDA Show	20-Jul-95	New Orleans	DFAIT	613-944-9474
NFDA Trade Show	22-Jul-95	New Orleans	Ontario	416-326-3790
NEBS Mission - Grocery Products to Minneapolis	Aug-95	Minneapolis	DFAIT	612-333-4641
Michigan Restaurant Show	Aug-95	Michigan	Ontario	416-326-3564
Western Restaurant	26-Aug-95	Los Angeles	Ontario	416-326-3790
California Grocers' Association	Sep-95	Los Angeles	DFAIT	213-346-2726
New Exporters - Food Service Companies	Sep-95	Seattle	IC	604-666-1443
Southeastern U.S. Food Service Expo	Sep-95	Orlando	N.B.	506-453-2214
Natural Products Expo East	Sep-95	TBD	DFAIT	613-944-9474
Best of Canada - Trade Show	Sep-95	Atlanta	MAPAQ	514-873-4410

Activity	Date	Location	Dept.	Contact
Eastern States Exposition Food/Livestock	Sep-95	W. Springfield	N.S.	902-893-6388
Michigan Grocers' Show	Sep-95	Grand Rapids	Ontario	416-326-3564
Natural Products Expo East	15-Sep-95	Baltimore	Ontario	416-326-3693
California Grocers	29-Sep-95	San Diego	Ontario	416-326-3790
S.E. Restaurant/Hospitality/Food Show - Mission Produce Marketing Association	Oct-95	Atlanta	DFAIT	404-577-6810
Produce Marketing Association	Oct-95	Various	N.B.	506-453-2214
Pennsylvania Restaurant Association Food Service Show	Oct-95	Philadelphia	N.B.	506-392-6022
Buffalo - Needs & Requirements of U.S. Buyers	Oct-95	Toronto	DFAIT	613-944-9474
Best of Canada - Trade Show	Oct-95	Chicago	MAPAQ	514-873-4410
Eastern Dairy-Deli-Bakery Association Show	Oct-95	Edison	MAPAQ	514-873-4410
World Dairy Expo	Oct-95	Madison	Manitoba	204-945-4490
Illinois Grocers	Oct-95	St. Charles	Ontario	416-326-3564
Ohio Grocers	Oct-95	Ohio	Ontario	416-326-3551
NACSS (Convenience Store)	15-Oct-95	Chicago	Ontario	416-326-3693
Eastern Dairy-Deli-Bakery Association Show	18-Oct-95	Edison	Ontario	416-326-3790
International Hotel/Motel & Restaurant Show	Nov-95	New York City	N.B.	506-397-6022
Private Label Manufacturers (PLMA)	Nov-95	Chicago	DFAIT	613-944-9474
NEBS to PLMA Show	Nov-95	Chicago	DFAIT	613-944-9474
National Food Brokers' Show	Dec-95	Chicago	DFAIT	613-944-9474
Seattle - How to Access U.S. Agri-food Market Info	Dec-95	Vancouver	DFAIT	203-443-1777
North American Seed Potato Seminar	Dec-95	Various	N.B.	506-453-2214
NFBA Show (National Food Brokers' Association)	Dec-95	New Orleans	Ontario	416-326-3790
Food Marketing to Disney World	Jan-96	Florida	DFAIT	404-577-6810
Potato Marketing Association of North America	TBD	Various	N.B.	506-392-6022
Introduction to Disney World	Jan-96	Florida	DFAIT	613-944-9474
Boston - Best of Canada	Feb-96	Boston	DFAIT	617-262-3760
Chef de Cuisine - Trade Show	Feb-96	Minnesota	DFAIT	612-333-4641
National Food Distributors - NFDA Show	Feb-96	Orlando	DFAIT	613-944-9474
NEBS to Boston Solo Food Show	Feb-96	Boston	DFAIT	613-944-9474
Best of Canada Trade Show - Lombardo's	Feb-96	Randolph	MAPAQ	514-873-4410
North American Fur Auctions	Feb-96	Lyndhurst	N.S.	902-893-6388
Upper Midwest Hospitality Show	18-Feb-96	Minneapolis	DFAIT	612-333-4641
Buffalo - Solo Food Show	Mar-96	Buffalo	DFAIT	716-852-1247
Natural Products Expo West	Mar-96	TBD	DFAIT	613-944-9474
International Boston Seafood Show	Mar-96	Boston	MAPAQ	514-873-4410
International Fancy Food (West)	03-Mar-96	San Francisco	DFAIT	213-687-7432
Natural Products Expo West	14-Mar-96	Anaheim	DFAIT	213-346-3267
International Fancy Foods (East)	Jun-96	New York	DFAIT	905-893-6388

Asia-Pacific

Regional Overview

The countries of the Asia-Pacific region are characterized by a wide range of economic and market conditions. As a region, however, it can be described as a huge and growing food market, with growth being led by value-added food products. Canadian agri-food exports to the region exceed \$3 billion, representing approximately a 4-percent market share. Grains constitute approximately 50 percent of these exports; oilseeds account for 23 percent; and meats, hides and other products make up the balance. Growth in Canadian exports of value-added products is not keeping pace with growth in the market.

Not surprisingly, the Asia-Pacific region is a more important market for Western Canada than for Eastern Canada in agri-food products. It ranks first for British Columbia and Alberta; second for Saskatchewan and Manitoba; third for Quebec, Nova Scotia and Newfoundland; and fourth for Ontario, New Brunswick and Prince Edward Island. Targets are Japan, Taiwan, the Republic of Korea, Hong Kong, China and the Association of Southeast Asian Nations (ASEAN) — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Based on accessibility and size, the Asia-Pacific markets can be grouped into three categories: established, intermediate and long-term.

The established markets include Japan, Taiwan, Hong Kong, Singapore, Australia and New Zealand, of which Japan is by far the largest. For these markets, the focus will be promotional activities such as solo shows featuring specific products. Although bulk commodities will not be neglected, the emphasis will be on higher value (e.g. meat) and value-added products (e.g. processed foods and consumer-ready products). There will be an evaluation of corporate and distribution linkages radiating from Singapore, Hong Kong and Taiwan to determine the key entry points for specific products.

The intermediate category includes countries that have emerging economies or are on the verge of liberalizing their markets. Market access and sales of value-added products should be possible by the year 2000. Countries in this group include the Republic of Korea (soon moving to the established category), China, India, Thailand and Malaysia. Government efforts will focus on improving access to these markets. The approach will be to promote Canada as a supplier of primary agricultural products as well as a source of high-quality food products. Although there is a growing demand for processed foods, these countries prefer to add as much value domestically as possible.

The long-term category includes countries with severe economic and development difficulties that are not expected to be overcome by the year 2000. In these markets, in addition to prospects for sales of grains and oilseeds, there are immediate opportunities to improve the domestic agricultural sector by offering such products and inputs as animal genetic material, technology and consulting services. Development projects should be pursued under the Canadian International Development Agency (CIDA). Projects financed through international financial institutions such as the Asian Development Bank and the World Bank should be pursued more intensely.

The nature of government support for Asia-Pacific is changing rapidly. This is partially in response to changing industry needs and priorities and partially in response to financial restraints. Generally, the emphasis is on market information and intelligence, as well as getting companies export ready. The focus will be on companies, and groups of companies, that have done strategic export market planning.

In the Asia-Pacific region, targeted promotions such as solo food shows are more cost effective than major national shows. Follow-up missions to targeted markets are preferred over a diverse range of exploratory missions. All participants require advance notice, and adequate preparation and follow-up is essential.

Trade Policy Issues

Although the Government is responsible for negotiating market access, industry input is required to direct our efforts to commercially feasible issues. There are two priorities in the Asia-Pacific region. The first is ensuring fair tariff treatment for Canadian products such as canola seed, oil and meal that compete with products like soya. The second is negotiating plant and animal health protocols in countries where industry has identified market potential. When Taiwan and China join the WTO, as they are negotiating to do, access for Canada's agri-food products should improve in these markets.

Market Opportunities

Processed Foods and Beverages

The countries that offer the best opportunities for processed foods and beverages are Japan, Taiwan, Hong Kong, Singapore and Australia. For the highly competitive markets, larger companies are able to promote brand-name retail products, but most SMEs cannot afford the necessary promotional efforts. Hotels, restaurants and institutions are alternative markets, particularly for meats. In general, Canadian companies can fill specialty

niches for health foods, fruit juices, ice wines and ice beers. French-fried potatoes, confections and cookies are other products with potential.

Livestock and Genetic Materials

In the Republic of Korea, opportunities exist for dairy cattle and elk. This is a good time to export dairy cattle to Taiwan, as that country is unable to import from the United States. There is also a demand for swine genetic material in Taiwan, and health protocol negotiations are under way. China has a demand for livestock and genetic material, but commercial shipments have had mixed success in meeting health requirements for imports. Malaysia and Thailand have been identified as markets for dairy genetic material and livestock, but these markets are price sensitive.

Crops

China, the Republic of Korea, Taiwan and Japan not only are major markets for grains and oilseeds, but also offer opportunities for specialty crops such as food-grade soya beans. Japan, Taiwan and the Republic of Korea are also major markets for alfalfa products.

Activity	Date	Location	Dept.	Contact
Asia-Pacific South				
Foodex Japan & Consular Solo Shows	08-Mar-95	Japan	Ontario	416-326-6809
Canada Food Fair - Mission to Singapore	Apr-95	Singapore	DFAIT	613-996-5824
Canadian Food Promotion in New Zealand	Apr-95	Auckland, Wellington, Christchurch	DFAIT	613-996-5824
India Market Strategy	Apr-95	New Delhi	DFAIT	613-996-5903
Trade Mission Processed Foods & Reconnaissance	15-Apr-95	Korea, Taiwan, Philippines	Ontario	416-326-6809
Incoming Food Buyers' Mission from the Philippines	May-95	Montréal, Toronto, Alberta, Vancouver	DFAIT	613-995-7659
Consumer & Food Buyers' Mission from Indonesia	May-95	Vancouver, Winnipeg, Toronto, Montréal	DFAIT	613-992-0959
ASEAN Food Executives' Mission to Canada (also FMI)	May-95	Toronto, Montréal, Vancouver	DFAIT	613-996-5824

Activity	Date	Location	Dept.	Contact
Food Buying Mission of Hong Kong Buyers	Jun-95	Canada	DFAIT	613-995-6962
Franchisers' Mission to Manila	Jun-95	Manila	DFAIT	613-996-5824
Feed Grain Seminar	Jun-95	Manila	DFAIT	613-995-7662
Tobacco Outgoing Mission	Jun-95	Viet Nam	Ontario	416-326-3564
Trade Show - Agro Viet Nam	20-Jun-95	Ho Chi Minh City	Ontario	416-326-6809
Boat Quay Canadian Food Promotion	Jul-95	Singapore	DFAIT	613-996-5824
Agri-food Mission from Southeast Asia	Aug-95	Canada/Various	DFAIT	613-995-7662
IMFEX and Halal Food Conference	16-Aug-95	Singapore	DFAIT	613-996-5824
Incoming Meat Inspection Mission from Philippines	Sep-95	Ontario, Alberta, B.C.	DFAIT	613-995-7659
Canadian Food Promotion	Sep-95	Kuala Lumpur	DFAIT	613-996-5824
Biotechnology Mission to India	Sep-95	India	DFAIT	613-996-5903
Food & Hotel China '95	Sep-95	Shanghai	Ontario	416-326-6809
FMI - Plus Processed Foods Promotion	18-Oct-95	Hong Kong, Guangdong	Ontario	416-326-6809
Beef Cattle Mission	Nov-95	Alberta, Sask.	DFAIT	613-995-6962
Halal Inspection Mission	Nov-95	Calgary, Toronto, Montréal	DFAIT	613-996-5824
Outgoing Mission	05-Nov-95	India, Pakistan	Ontario	416-326-6809
Food Fair Festival	Jan-96	Bangkok	DFAIT	613-995-7662
Food Sector Promotion/Canada Food Fairs	Jan-96	Jakarta, Surabaya	DFAIT	613-992-0959
In-Store Food Fair Festival	Jan-96	Bangkok	DFAIT	613-995-7662
ASEAN Beef & Seafood Promotion (+beverages)	Mar-96	Asia/Various	DFAIT	613-996-5824
Food & Hotel Asia (attendance only)	Mar-96	Singapore	DFAIT	613-996-5824
East Asia				
Food Promotion	TBD	Seoul, Pusan	DFAIT	613-996-7582
Mission to Viet Nam	TBD	Viet Nam	Manitoba	204-945-4490
Incoming Vietnamese Mission - Dairy/Swine	TBD	Toronto	Ontario	416-326-3481
Opportunities for Exporting Agri-food Products to China	Ongoing	Vancouver	DFAIT	613-996-6987
Meat Cutting Seminar	Jan-95	Hong Kong	DFAIT	613-995-6962
Food & Beverage Promotion with Grocery Stores/Restaurants	Jan-95	Hong Kong	DFAIT	613-995-6962
Agricultural Access for Korea, Taiwan, Indo China	Apr-95	Seoul	DFAIT	613-996-7582
Korea's Post-Uruguay Round Market	Apr-95	Seoul	DFAIT	613-995-8744
Product Validation Mission (International Food Technology '95)	Apr-95	Seoul	MAPAQ	514-873-4410
Seoul Food '95	10-Apr-95	Seoul	DFAIT	613-995-8744
Hofex '95 Fair	May-95	Hong Kong	DFAIT	613-995-6962
Peat Moss Mission from Taiwan	May-95	Canada	DFAIT	613-996-7582

Activity	Date	Location	Dept.	Contact
Processed Food Association Mission from Taipei	Jun-95	Western and Central Canada	DFAIT	613-996-7582
Taipei International Food Industry Show	Jun-95	Taipei	DFAIT	613-966-7582
National Agricultural Co-operative Federation Mission from Korea	Jun-95	Quebec, Ontario, N.B.	DFAIT	613-996-7582
Commercial Mission to Korea (Solo Food Show at Embassy)	Jun-95	Seoul	MAPAQ	514-873-4410
Meat Mission - Incoming Mission from Korea	Jul-95	Ontario, Quebec	DFAIT	613-995-8744
Food Expo Shanghai '95	Sep-95	Shanghai	DFAIT	613-992-7256
Buyers to Forage Summit (Alfalfa) from Taiwan & Korea	Sep-95	Edmonton, Saskatoon	DFAIT	613-995-8744
National Animal Quarantine Service - Mission from Korea	Sep-95	Western Provinces	DFAIT	613-996-7582
Food & Hotel China 1995	Sep-95	Shanghai	MAPAQ	514-873-4410
Food Promo with Dak Chong Hong	Oct-95	China	DFAIT	613-996-7256
Incoming Chain Store Mission from Korea	Nov-95	Vancouver, Toronto, Montréal	DFAIT	613-995-8744
Beef Recipe/Cooking Contest	Dec-95	Taipei, Taichung, Kaoh	DFAIT	613-996-7852
Dairy Genetics R&D JV Project	Dec-95	East Asia	DFAIT	613-996-7852
Special Crop Technical Seminar	Jan-96	Taiwan	DFAIT	613-996-7582
Canola Oil Promotion	Feb-96	Taiwan	DFAIT	613-996-7582
Flour Outgoing Mission to Taiwan	Feb-96	Taipei	DFAIT	613-996-7582
Guangzhou International Food & Packaging Show	Mar-96	Guangzhou	DFAIT	613-992-7256
Pet Food/Product Mission from Taiwan	Mar-96	Canada	DFAIT	613-996-7582
Swine Mission - Incoming Mission from Korea	Mar-96	Western Provinces	DFAIT	613-995-8744
AGRO CHINA '96	Apr-96	Beijing	DFAIT	613-996-7256
Seoul Food '96	Apr-96	Seoul	DFAIT	613-995-8744
Japan				
Follow-up Japan Mission - Mission to Foodex	Mar-95	Japan	B.C.	604-844-3156
Canadian/Japanese Company Product Demos	Apr-95	Japan/Various	DFAIT	613-992-6185
Menu Development - Canada Food Program	Apr-95	Tokyo, Nagoya, Fukuoka	DFAIT	613-992-6185
Canada Food Fairs	Apr-95	Japan/Various	DFAIT	613-992-6185
Pacific 2000 Key Sectors - Beef & Pork	Apr-95	Tokyo	DFAIT	613-992-6185
Bovine Genetics Business Plan	Apr-95	Tokyo	DFAIT	613-992-6185
Dehy Alfalfa Market Development	Apr-95	Tokyo	DFAIT	613-992-6185
Annual Canadian Culinary Competition	Apr-95	Tokyo	DFAIT	613-992-6185
Regional Food Market Analysis	Apr-95	Tokyo	DFAIT	613-992-6185
Food Buyers' Mission from Fukuoka	Apr-95	Canada/Various	DFAIT	613-992-6185
Solo Food Show	Apr-95	Fukuoka	DFAIT	639-992-6185

Activity	Date	Location	Dept.	Contact
Food Service Trade Show	Apr-95	Tokyo	DFAIT	613-992-6185
New Food Business Development	Apr-95	Osaka	DFAIT	613-992-6185
Food Product Seminars	Jun-95	Nagoya	DFAIT	613-992-6185
Chef Seminars (Series)	Sep-95	Osaka	DFAIT	613-992-6185
Culinary Competition - Promotion	Jan-96	Osaka	DFAIT	613-992-6185
Food Buyers' Mission from Nagoya	Feb-96	Canada	DFAIT	613-992-6185
Foodex '96	Mar-96	Makuhari	DFAIT	613-992-6185
Solo Food Show	Mar-96	Osaka	DFAIT	613-992-6185

Latin America and Caribbean

Regional Overview

The 19 Latin American and 18 Caribbean countries have a population of 454 million people. In 1992, the region imported agri-food products worth \$21 billion, of which Canada's share was more than \$1 billion. Oilseeds and grains, chiefly wheat, dominate our trade — 80 percent of our exports to South America and 60 percent of our exports to Central America and the Caribbean.

The economic conditions in these countries vary, but most are moving toward market-driven economies. Trade integration is happening at a fast pace, and the gross domestic product (GDP) is growing more quickly in these countries than in other Western industrialized nations.

Industry, the provinces and the federal government consistently view this region, particularly Mexico, as offering significant and growing market opportunities. There are opportunities for exporters in all regions of Canada. The objective is to increase the exports of value-added food products to take advantage of the purchasing power of the growing middle- and high-income consumers in the region and, at the same time, to support the continuing and growing market for Canadian grains and oilseeds and their bulk products where they have a competitive advantage.

Miami is an important gateway for the distribution of processed foods in the region. This should be kept in mind when market development strategies are being formulated.

The Latin American and Caribbean countries can be divided into three groups: major markets, emerging markets and minor markets.

Mexico is the major market, but Brazil, Venezuela and Colombia are fast becoming major destinations for Canadian agri-food exports. Argentina and Chile should also emerge as part of this group because their economic performance is outstanding and they have a growing middle class — potential consumers of high-value food products.

The emerging markets are Costa Rica, Panama, Peru, Ecuador and Cuba. The rest of the South and Central American countries and the Caribbean are minor markets.

Trade Policy Issues

Extensive policy reforms and trade integration under way in the region will modify historic trading patterns. There are currently 16 trade agreements, involving virtually all the major markets for Canadian agri-food products. Expanding free trade through the NAFTA will benefit the Canadian agri-food industry. Stimulated by the debt crisis of the 1980s and the success of the NAFTA and the European Union (EU), many Latin American countries are preparing to negotiate free trade agreements. Income growth will accelerate, and with increasing population, these countries will tend to exploit the agricultural sector where they have an advantage. However, these reforms may be slowed or reversed because of public reaction to unemployment and other

adjustment problems associated with such agreements. Trade barriers, mainly non-tariff barriers, could rise again to protect employment in infant industries or those considered a national priority.

Market Opportunities

There are 50 million middle- to high-income people concentrated in 40 major centres, a huge potential market for Canadian value-added foods. Another 200 million people living in urban centres could provide a continuing market for Canadian agri-food commodities and low-priced grocery products.

The opportunities identified are based on the views of the provincial and federal agencies that support the international trade initiatives of industry.

Processed Foods and Beverages

Mexico is the largest market in the region for processed foods and beverages. Good opportunities exist for Canadian manufacturers of processed food, particularly for high-quality, deli-type cold cuts, frozen prepared meals, microwaveable entrees,

and biscuits and crackers. Brazil, Argentina and Colombia are emerging markets.

Livestock and Genetic Materials

Exports of livestock genetic material to all the key markets in the region can be expanded. Specifically, the demand for dairy and beef genetic material is high in Mexico, Argentina, Brazil and Colombia and medium to low in Venezuela and Uruguay. Swine genetic material is a high priority in Mexico.

Crops

The Latin America and Caribbean region is a major market for wheat and barley malt and constitutes the largest market for Canadian seed potatoes. Canada will continue its efforts to remove access barriers to seed potatoes. Industry also plans to expand the market for blueberries and flax.

The Canola Council of Canada sees Mexico as a high-priority market for canola seed. Special crops such as beans and other pulses are also a high priority in Mexico, a medium priority in Colombia, and a low priority in Cuba and Venezuela.

Activity	Date	Location	Dept.	Contact
Latin America and the Caribbean				
Incoming Food Buyers from Latin America	TBD	New Brunswick	N.B.	506-453-2214
Expo of the Americas - Trade Show	10-Jan-95	Mexico	Ontario	416-326-3767
New Exporters' Mission to Expo of the Americas	10-Jan-95	Mexico	Ontario	416-326-3767
Outgoing Seed Potato Mission to Cuba	Feb-95	Havana	N.B.	506-453-2214
Ministerial Potato Mission	Feb-95	Mexico	N.B.	506-453-2214
Foodservice Mission	15-Feb-95	Caribbean	Ontario	416-326-3767
Commercial Mission to Argentina and Chile	Apr-95	Buenos Aires	MAPAQ	514-873-4410
Mexico Information Studies	Apr-95	Canada	DFAIT	613-996-8625
Tecnotour '95	May-95	Havana	N.B.	506-453-2214
Incoming Seed Potato Buyers from Latin America	May-95	New Brunswick	N.B.	506-453-2214
Tremplin Mexico - Following Mission	Jun-95	Mexico City	MAPAQ	514-873-4410
Agro Expo - Fair	Jul-95	Bogota	DFAIT	613-996-5548
Incoming Seed Potato Buyers from Latin America	Jul-95	New Brunswick	N.B.	506-453-2214
Asach Show and Trade Mission	31-Jul-95	Chile, Colombia, Argentina	Ontario	416-326-3767

Activity	Date	Location	Dept.	Contact
Tremplin Mission - Brazil	Sep-95	Sao Paulo	MAPAQ	514-873-4410
National Swine Congress	Oct-95	Mexico	DFAIT	613-996-8625
Solo Food Show	Oct-95	Mexico City	DFAIT	613-996-8625
Canadian Table Top Show	15-Oct-95	Mexico	Ontario	416-326-3767
Mission to Canada Food Expo - Miami Conference	Nov-95	Miami	DFAIT	613-943-8807
Havana International Trade Fair	Nov-95	Havana	N.B.	506-453-2214
Commercial Mission to Mexico - Show	Nov-95	Mexico	MAPAQ	514-873-4410
ANTAD EXPO '96	Feb-96	Guadalajara	DFAIT	613-996-8625
Foire agricole de David	Mar-96	David, Panama	DFAIT	613-996-6129
New Exporters to Mexico	Mar-96	Mexico/Various	DFAIT	613-996-8625

Europe

Western Europe

The 15-member European Union (EU) has recently expanded, and could grow to as many as 19 countries with a population of 370 million, controlling more than 40 percent of total world trade (all sectors). Europe is a large, affluent, sophisticated market, with a high level of competition in most sectors.

In 1993, total EU imports of agri-food products exceeded \$200 billion. Of this, slightly more than \$1 billion was from Canada (45 percent more than in 1991). The balance of agri-food trade consistently favours the EU. The recent conclusion of the GATT should improve our access in a number of sectors, including fresh and processed fruits and vegetables, meat, whisky, beer, wheat and canola.

The United Kingdom imports more agri-food products than most nations, although under the EU's Common Agricultural Policy (CAP) reform it is becoming more self-sufficient. Despite recent gains in Canadian exports of bovine semen, honey, cheese, maple products, bakery mixes and pet food, there is a downward trend in exports of wheat, apples, whisky and frozen corn.

Germany is the world's largest net agri-food importer and provides growth opportunities in oilseeds, vegetable oils, pulses, bovine semen, maple syrup products and whiskies. A joint promotional program between the Canadian government and Germany's major food-distribution chain (Tengelmann) should increase sales of Canadian agri-food products in the German retail food sector.

Canadian exports to France almost doubled in 1993, mainly because of increased oilseeds exports. There are market opportunities for horse and bison meat, pulses, edible offal and pet food.

Italy is a steady market for Canadian durum wheat, pulses, horse meat and seed potatoes. There are market opportunities for bovine semen, canary seed and whisky.

Eastern Europe

The recent establishment of democracies, privatization and market economies in Eastern Europe is providing trade opportunities — a growing middle class wants to become more "Westernized" quickly.

The main markets for Canadian agri-food are the Czech Republic, Hungary and Poland, with a combined population of 75 million people. In

these countries, the average annual growth in GDP is 2.5 percent. Canada's agri-food exports to these three countries totalled \$70 million in 1993. They are trying to join the EU and are harmonizing their policies accordingly. They can offer a gateway for Canadian commodities and value-added food products into other central and eastern European countries.

A Canadian priority is to help with technology transfer through DFAIT's Technical Assistance Program. Lines of credit from the Export Development Corporation (EDC) also assist in market penetration. There is a potential market for beef, dairy, poultry and swine genetic materials, coupled with production management support. Possibilities for commodity exports include wheat, corn, barley, beans, peas, canola, animal feed, tobacco and seed potatoes. Processed and semi-processed food, including meat, fruit, vegetables and dairy products, should also do well.

Trade Policy Issues

Extensive policy reforms and trade integration are under way in Western and Eastern Europe. The reduction of tariffs and non-tariff barriers through recent GATT agreements offers opportunities for Canadian agri-food exports. The reduction of import measures will lead to improved access for horticultural products, processed fruits and vegetables, pork, whisky, beer, wheat and canola. Canada is consulting with the EU to improve access for Canadian quality wheat, cheese and beef.

Market Opportunities

Processed Foods and Beverages

The EU presents good opportunities for beverages and processed food, especially frozen fruit, berries, vegetables, maple syrup, cheese, specialty meats and honey.

Livestock and Genetic Materials

Market opportunities exist for animal genetic materials, pork and pork products, other red meats, horsemeat and other non-traditional meats.

Crops

Crops in demand include seed potatoes, dehydrated alfalfa, grains, animal and poultry feeds, and canola seed. There are also markets for blueberries, Saskatoon berries, nursery products, wild rice, peas and lentils.

Former Soviet Union

The Government of Canada has targeted three countries in the former Soviet Union (FSU) — Russia, Ukraine and Kazakhstan (total population 220 million people) for agri-food exports. During the current transition to a market economy, Canadian agri-food exporters should try to fill the large and growing demand for consumer food products, particularly in Russia.

Canada, the United States and the EU have all seen exponential growth in exports of their processed agri-food products to Russia since 1991. Russia's demographic and economic importance (population 150 million people) in the region makes it the most favourable market in the long term. Declining grain imports have been partially offset by significant growth in meat, poultry and chocolate imports (in 1993, Canadian agri-food exports to Russia were worth \$126 million, of which \$51 million was for non-grain products). The main features of the market today are a burgeoning demand and limited brand loyalty. Market development at this stage will reap future dividends.

Trade Policy Issues

Some of the republics of the FSU have applied for membership in the GATT. Negotiations are accelerating but an examination of these countries' trade regimes, and changes to them (i.e. Estonia, Latvia, Russia, Ukraine) will take time. Not only

will this provide for market disciplines and increased economic stability within these markets, it will increase opportunities for Canadian exports and investments in many sectors including agriculture. Russia is by far the most advanced in negotiations to join the GATT.

Market Opportunities

Processed Foods and Beverages

Confectionary items, baby food, pet food, alcoholic beverages and mineral waters can be exported to this region. Honey, frozen berries, and fried and

dehydrated potatoes are other possibilities. Canada already exports maple syrup and fresh lobsters to Russia.

Livestock and Genetic Materials

Opportunities continue to exist for animal genetic materials, and also for pork and beef.

Crops

In addition to wheat, there are markets for peas and seed potatoes. Canola, all seeds, and technology for seed crushing continue to provide real opportunities.

Activity	Date	Location	Dept.	Contact
Central/Eastern Europe and the Commonwealth of Independent States				
Outgoing Mission	Jan-95	Central Europe	Ontario	416-326-3692
Canada Food Fair - Promotion	Apr-95	London	DFAIT	613-996-2147
Western Europe				
New Exporters to Western Europe	TBD	Various	DFAIT	613-995-9403
Incoming Mission - Potato Marketing Board from Europe	TBD	New Brunswick	N.B.	506-392-6022
Regional Shows (Maple)	TBD	France	N.B.	506-453-2214
Incoming Food Buyers' Mission - Europe	TBD	Toronto	Ontario	416-326-3693
London Wine Fair	TBD	London, England	B.C.	604-844-3156
Processed Food - U.K. Team Mission - Outgoing Mission	03-Mar-95	U.K./Various	B.C.	604-844-3156
Helix Show & Mission & Solo Reconnaissance Mission	Apr-95	Birmingham, Sweden, Spain	Ontario	416-326-3692
The 9th International Food & Drink Exhibition (IFE)	23-Apr-95	London	MAPAQ	514-873-4410
Private Label Europe Show & Mission	May-95	Amsterdam, U.K., France, Belgium	Ontario	416-326-3692
Outgoing Livestock Mission - Royal Show	Jun-95	London	N.B.	506-453-2214
Western Canada Farm Progress Show	TBD	Regina	DFAIT	613-996-2147
Market for Specialty Meats Study & Seminar	Jul-95	Western Europe	Ontario	416-326-3692
Market Development Mission	Jul-95	Russia, Ukraine, Baltic	Ontario	416-326-3692
ANUGA	Oct-95	Cologne	DFAIT	613-996-2147
Product Assessment Testing	Oct-95	Western Europe	Ontario	416-326-3692
Canadian Food Festival - Solo Fair	Nov-95	Brussels	DFAIT	613-996-7544
Agribition Farm Show - Incoming Buyers from Various Markets	TBD	Regina	DFAIT	613-996-2147
Market for Nursery Products Study & Seminar	Nov-95	Western Europe	Ontario	416-326-3692

Middle East

A strong economy based on oil and gas production provides a large, stable agri-food market with a strong potential for steady growth in the Middle East. The current tariff structure in most countries is favourable to agricultural imports. The 15 countries of the region have a total population of 146 million people and total agri-food imports of \$22 billion. Canada's agri-food exports to the region are worth \$344 million (1.5 percent of the market). The Gulf Co-operation Council (GCC), whose members are Bahrain, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates, imports 65 percent of the Canadian agri-food going to the region. A market in one country can act as a springboard to others in the GCC.

Most Middle Eastern countries have accepted the fact that they are unable to grow enough of their own food on an ongoing basis. Because of this, they are rethinking their international trade policies. Most countries now wish to break the market hold of a few foreign exporters. This trend to diversifying sources of supply should provide increased opportunities for Canadian agri-food exporters.

Our priorities are to maintain market share in grain and to increase and diversify our commodity trade to include canola oil, beef, poultry, animal feeds, seeds, special crops and processed foods. Canadian agri-food firms should position them-

selves for trade in value-added products and the sale of agricultural technology and services. Key markets are Saudi Arabia, Iran, United Arab Emirates and Kuwait.

Trade Policy Issues

The current tariff structure in most Middle Eastern countries is favourable to agri-food imports. Many of these countries have signed the GATT, and most of the ones that have not signed have applied for membership. This recent trend, coupled with new GATT requirements, should result in improving access for Canadian agri-food products.

Market Opportunities

Processed Foods and Beverages

Baby food, confectionery items (chocolates, baked goods) and honey are in demand.

Livestock and Genetic Materials

Beef and poultry meat, breeding stock and genetic materials are good prospects. Because of religious beliefs, however, the meat sector is difficult to penetrate.

Crops

There is significant interest in canola oil, special crops (lentils, peas, beans), seeds (potato, alfalfa) and barley.

Activity	Date	Location	Dept.	Contact
Africa and the Middle East				
2nd International Agricultural & Food Fair	May-95	Tehran	DFAIT	613-944-7039
International Grain Industry Program - East Africa Participants	May-95	Winnipeg	DFAIT	613-944-6586
Trade Mission	28-May-95	South Africa	Ontario	416-326-3767
Agri-food Industry Mission to Morocco	Jun-95	Casablanca	DFAIT	613-944-0396
Incoming Farm Equipment Mission	Jun-95	Regina	DFAIT	613-944-7029
Market Development Mission	Sep-95	Middle East	Ontario	416-326-3767
Agri-food Processing Equipment Mission from Africa and Middle East	Oct-95	Toronto, Montréal, Vancouver	DFAIT	613-944-7029
Saudi Agriculture '95	Oct-95	Riyadh	DFAIT	613-944-5984

Contacts

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Agriculture and Food Products

Activity	Date	Location	Dept.	Contact
Canada				
Incoming Ginseng Buyers	TBD	Toronto	Ontario	416-326-3564
Incoming Buyers - Quarterama	Mar-95	Toronto	Ontario	416-326-3481
Japanese Chefs Training Program	Apr-95	Alberta	DFAIT	613-992-6185
Incoming Mission from Viet Nam	Jun-95	Canada/Various	DFAIT	613-995-8649
Bakery Showcase '95	Sep-95	Toronto	N.S.	902-893-6388
Hong Kong Mission to Canadian Agriculture Trade Show(s)	Dec-95	Canada/Various	DFAIT	613-995-6962
Apex - Trade and Incoming Buyers	Mar-96	Moncton, Halifax	N.S.	902-893-6388
Multiple Markets				
Incoming Food Buyers' Mission Emerging Markets	TBD	Toronto	Ontario	416-326-3551
PROFIT - Emerging Markets	Sep-95	Toronto	Ontario	416-326-3564
Royal Winter Fair 1995	Nov-95	Toronto	DFAIT	613-944-6590

Note: Dates and locations are subject to change.

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Acronyms and Initialisms Used in The International Trade Business Plan

(This list does not include sector-specific references)

ACOA	Atlantic Canada Opportunities Agency	IC	Industry Canada
AG Can	Agriculture and Agri-Food Canada	IDRC	International Development Research Centre
ASEAN	Association of Southeast Asian Nations	IFI	international financial institution
BBS	electronic bulletin board system	ISO	International Standards Organization
BOSS	Business Opportunities Sourcing System	ITBP	International Trade Business Plan
CCC	Canadian Commercial Corporation	ITC	International Trade Centre
CIDA	Canadian International Development Agency	MAPAQ	Ministry of Agriculture, Fisheries and Food of Quebec
CIS	Commonwealth of Independent States	MDB	multilateral development bank
CSA	Canadian Standards Association	NAFTA	North American Free Trade Agreement
DFAIT	Department of Foreign Affairs and International Trade	NATO	North Atlantic Treaty Organization
DFO	Department of Fisheries and Oceans	NRC	National Research Council
DND	Department of National Defence	NRCan	Natural Resources Canada
EC	Environment Canada	NRCan-CFS	Natural Resources Canada - Canadian Forest Service
EDC	Export Development Corporation	OECD	Organization for Economic Co-operation and Development
EU	European Union	PEMD	Program for Export Marketing Development
FITT	Forum for International Trade Training	R&D	research and development
FORDQ	Federal Office of Regional Development - Quebec	SMEs	small- and medium-sized enterprises
FSU	former Soviet Union	UNEP	United Nations Environmental Program
FTA	Canada-U.S. Free Trade Agreement	WED	Western Economic Diversification
GATT	General Agreement on Tariffs and Trade	WTO	World Trade Organization
GDP	gross domestic product		
GNP	gross national product		
HRDC	Human Resources Development Canada		



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