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Agriculture, Food and Beverages

Canada's International Business Strategy

1996-1997

Team Canada • Équipe Canada

Canada's International Business Strategy

*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. Aerospace and Defence
3. Agriculture, Food and Beverages
4. Arts and Cultural Industries
5. Automotive
6. Bio-Industries
7. Business, Professional and Educational Services
8. Chemicals, Plastics and Advanced Materials
9. Construction Products and Services
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    Pleasure Boats and Equipment
    Tools, Hardware and Housewares
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    Business and Institutional Furniture
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    Ocean and Marine Shipboard Technology
20. Space
21. Tourism
22. Urban Transit and Rail Equipment

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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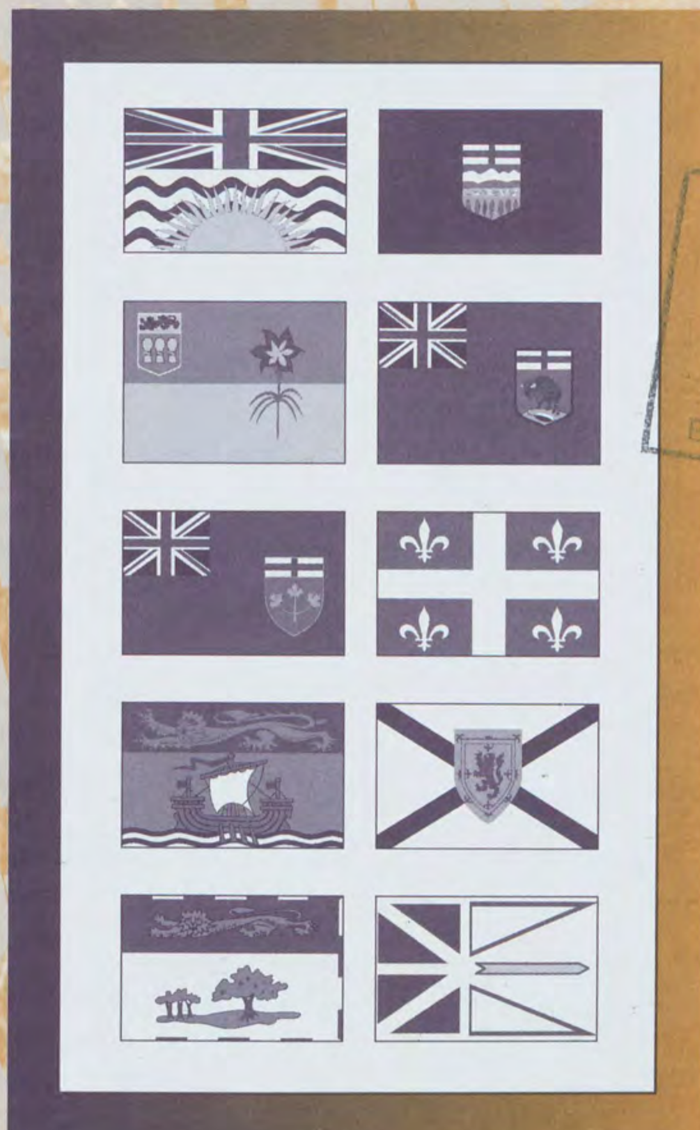

The agriculture, food and beverage chapter of *Canada's International Business Strategy* was jointly produced by agri-food and trade departments of the federal and provincial governments in consultation with representatives of the agri-food industry.

The agriculture, food and beverages sector encompasses primary commodities such as livestock, grains and oilseeds; semi-processed products such as flour and pet food; and further value-added goods such as entrées, confectionery, canned goods and beverages. (Agricultural machinery and equipment are discussed in the chapter entitled Resource Equipment and Technology.)

Specific trade development activities listed in this document are also available electronically through various federal and provincial bulletin boards and Internet sites. These preliminary listings are updated regularly, and should be consulted for the most recent information on planned activities. While a primary contact from one department is listed in each case, these are typically co-operative efforts organized jointly by federal and provincial agriculture and trade departments with industry officials.

Agriculture, Food and Beverages Sector

The agri-food sector is an integral part of Canada's economy, and is important in all of the regions. It accounts for 8 percent of Canada's 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.

Goal

The goal of Canada's agri-food trade strategy is to increase the value of Canada's exports of agri-food products to $20 billion by the year 2000. This goal will be achieved by combining the strong determination of industry with appropriate support from governments. Ultimately, Canada's goal is to recapture a 3.5-percent share of the world's trade in agri-food products, a share that was held in the early 1960s.

Good progress has been made in reaching this goal. In 1994, exports of agriculture and food products increased to $15.2 billion, from the base of $13.3 billion in 1993, when the goal was set.

Canada's Agri-food Trade Strategy

The strategy to achieve this goal recognizes the need for a more sharply focussed approach in support of the agri-food industry's export drive. Such an approach is necessary in the increasingly competitive world economy.

The emphasis is on value-added products, the most rapid growth sector in terms of international trade, which add to Canada's employment and prosperity. Efforts will be targeted to high-potential markets where significant, measurable results can be achieved. For example, the elimination of the Western Grain Transportation subsidy will encourage the export of more value-added products from Western Canada.

There are enormous opportunities for a motivated and capable Canadian industry to capitalize on Canada's food

Table 1
Agri-food Contribution to the Canadian Economy

	GDP – % of Economy	No. of Employees	% of Total Employment
Agriculture	2.1	449 000	3.7
Food and Beverage Processing	2.1	230 000	1.9
Distribution, Retail and Food Service	3.8	1 143 000	9.4
Industry Total	8.0	1 822 000	15.0

Source: Statistics Canada (1993)

production expertise and its highly regarded image abroad to build new export business. The strategy is underpinned by the vision of a globally competitive, market-oriented Canadian agri-food industry by the year 2000. Responding to these opportunities, the Government has focussed efforts in six key areas:

- helping Canadian companies become export-ready;
- enhancing trade performance;
- disseminating market information and intelligence;
- streamlining delivery of Government programs and services;
- improving market access; and
- encouraging investment, technology inflows and strategic alliances.

Detailed activities will be undertaken in each of the six areas of the strategy, as follows:

Helping Canadian Companies Become Export-ready

- developing a separate agri-food module for the Forum for International Trade Training course (AgFITT);
- encouraging small and medium-sized enterprises (SMEs) to form business networks or alliances through the Business Networks Program or other programs, such as Agri-food Trade 2000;
- developing and delivering training sessions for Canadian participants at major, world-class trade shows, such as ANUGA, SIAL and FOODEX;
- providing international trade training to SMEs as well as to Canada-based government officials who work with industry in developing international business; and
- helping Canadian companies that want to export through programs such as New Exporters to Border States (NEBS) and New Exporters Overseas (NEXOS).

Enhancing Trade Performance

- participating in, and enhancing the quality of Canada's presence in the world's major agri-food trade shows (SIAL, ANUGA, FOODEX);
- implementing the "new look" Canadian theme through a full range of appropriate materials in all international agri-food market promotional activities;
- establishing a strong agri-food sourcing capacity within the newly established International Business Opportunities Centre located at the Department of Foreign Affairs and International Trade (DFAIT);
- distributing a CD-ROM-based directory of Canadian food and beverage exporters;
- introducing a new Canadian food and beverage publication for foreign food buyers;
- implementing the Post-initiated Agri-food Fund (PIAF) to support activities that respond to opportunities and needs in markets abroad;
- encouraging more industry associations, especially those representing producers of value-added products, to participate in the Agri-food Industry Market Strategies (AIMS) process; and
- enhancing networking among industry and other federal and provincial players to maximize the potential from incoming missions.

Disseminating Market Information and Intelligence

- initiating a plan to address the need for information and intelligence on international business development that clients have identified;
- implementing the Agri-food Trade Network (ATN) for faster and more effective distribution of market information;
- encouraging and assisting SMEs to access and effectively use new information technology (e.g. Foodnet);
- developing a package of case studies of recent experiences of Canadian agri-food firms in exporting to new markets, as material for training and advice to the industry;
- maintaining the fully updated directories of Canadian agri-food exporters (WIN Exports database), and encouraging the formation of a single, shared database with provinces and industry;
- publishing, updating and distributing Export Market Assessment Reports (EMARs) on priority countries and other information and intelligence products for the sector; and
- encouraging other regions to look at the concept of Club Export, as developed in Quebec.

Streamlining Delivery of Government Programs and Services

- developing a strategic and comprehensive *Canada's International Business Strategy* (CIBS) with full participation by industry, agri-food specialists posted abroad, and federal and provincial departments and agencies;

- continuing the commitment by federal departments to the AIMS process to support industry-developed export strategies;

- minimizing duplication and making the best use of decreasing resources through mechanisms such as the Federal–Provincial Market Development Council for co-ordination among governments, and the Agri-food Trade Service (ATS) Steering Committee for co-ordination and strategic planning among federal departments;

- achieving greater co-operation between the agri-food industry and all levels of government, and offering a continuous, seamless service from initial enquiry to foreign market sales through implementation of the ATS;

- working with other government departments and industry to give priority to incoming missions and to develop a "Canada Food Week," during which foreign buyers from target markets will be invited to major exhibits of food products across Canada;

- establishing the Canadian Agri-food Marketing Council (CAMC) to advise Ministers on the needs and concerns of the agri-food industry with respect to international business development and competitiveness issues; and

- improving service to industry through the co-location of regionally based federal and provincial staff and "single-window" access to information on government services.

Improving Market Access

- capitalizing on and publicizing opportunities resulting from improved access for Canadian products that are emerging from the Uruguay Round of Multilateral Trade Negotiations and the North American Free Trade Agreement (NAFTA);

- capitalizing on and publicizing opportunities with new member countries joining the World Trade Organization (WTO) and the NAFTA;

- seeking to further reduce trade barriers;

- seeking to improve the competitive position of Canadian exporters by reducing or eliminating the use of export subsidies;

- defending Canadian export interests against unfair trading practices; and

- developing market-sensitive methods for ranking technical barriers to trade and allocating resources to combat them.

Note: A complete list of current agri-food trade policy issues is attached as Annex 1.

Encouraging Investment, Technology Inflows and Strategic Alliances

- providing a generic promotion tool for Canadian missions abroad and industry groups to inform potential investors of the opportunities in Canada's agri-food industry;

- supporting the identification and acquisition of new technologies that will improve the efficiency of Canadian agri-food operations and ensure that the industry is competitive in the global economy; and

- encouraging foreign companies to invest and make strategic alliances in Canada to give Canadian firms better access to international markets and to improve their supply capabilities.

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 just over 3 percent.

Globally, the demand for value-added products is expanding dramatically, creating tremendous export opportunities for the Canadian agri-food sector. Value-added products such as processed meats, baked goods and canned and frozen fruits and vegetables, constitute the largest, fastest-growing and most profitable part of the world's agri-food trade. If Canadian industry is to reach its goal of $20 billion by the year 2000, it will be through a major shift in its trade product mix. A substantial increase in exports of value-added, consumer-ready products is needed to complement the exports of bulk commodities.

Canada's International Markets

The United States continues to be Canada's most important market, followed by Asia, Mexico and Western Europe. The following is a breakdown of Canada's major foreign agri-food markets.

Activity	Date	Location	Dept.	Contact
Multiple Markets				
Investing in Canada's Agri-food Sector: Publication	Ongoing	TBD	DFAIT	613-995-7280
World Trade Organization Meeting	01-Apr-96	Singapore	AAFC/DFAIT	613-759-7535

Note: Dates and locations are subject to change.

United States

Regional Overview

The United States is Canada's largest agri-food export market, accounting for about 53 percent of total Canadian agri-food exports in 1994. Significantly, almost 47 percent of the $5.2 billion in Canadian exports were high value-added, consumer-level products.

The processed food and beverage sector is the largest manufacturing sector in the United States. Each year, over 250 million U.S. consumers spend in excess of $400 billion in the food and beverage sector. The U.S. is also the world's largest importer of processed food. In 1994, U.S. imports increased by 7.2 percent to slightly under $21 billion, over 75 percent of which were high value-added, consumer-oriented products. Canada's share of these imports increased by about 11 percent to capture 15.4 percent of the U.S. import market. In terms of both 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.

Market Opportunities

The vast U.S. market for processed food and beverages is characterized by consumers who have a high level of disposable income and a willingness to try new products. The geographic and cultural proximity of the U.S. enhances its attractiveness as an export destination, and the NAFTA has made exporting easier and less expensive. However, with these opportunities come challenges. The food products market in the U.S. is fiercely competitive — Canadian products must compete with established U.S. products as well as with imports from other countries. Many firms initiating an export program assume that selling their product in the U.S. merely requires a geographic extension of their current distribution and marketing programs. Canadian companies need to become aware of and understand the many differences between regional U.S. and Canadian markets. To be successful, Canadian exporters must research their target market and familiarize themselves with U.S. food preferences and lifestyles.

The well-researched and prepared Canadian exporter will find many opportunities in the U.S. for specialty and gourmet food items, products aimed at ethnic markets, and nutritious and fresh natural products. There is a continuing demand for convenient, attractively packaged and competitively priced foods. Canadian firms can capitalize on smaller production runs geared to niche markets in North America, building on established success in specific subsectors such as red meat

Table 2
Trends in Global Agri-food Trade

Percentage of Global Agri-food Trade, by Product Category

Year	Bulk	Intermediate	Consumer
1983	45	22	33
1984	46	22	32
1985	44	22	34
1986	41	23	36
1987	36	25	39
1988	36	26	38
1989	37	25	37
1990	35	24	41
1991	32	23	44
1992	31	24	45
1993	29	25	46

Consumer agri-food trade is leading growth, with 46 percent of world agri-food trade.

products, cereals, frozen fruit and vegetables, biscuits, chewing gum and confectionery, soft drinks and mineral water, as well as distillery and brewery products. The key to success in the U.S. market lies in targeting and maintaining a commitment to selected regional and niche product markets, establishing a presence in the U.S., and selecting appropriate methods of promotion and distribution.

Strategy

Efforts will focus on introducing new SMEs to exporting to the U.S., and encouraging currently exporting companies to expand into new regions. To do this, the Government will provide SMEs with access to comprehensive market information and intelligence. The goal is to help Canadian companies deal with regional market factors by providing information on and referral to markets best fitting their goals and capabilities. Partnerships and alliances between Canadian and U.S. firms will be encouraged to fulfil a number of different purposes, such as sales, research and development (R&D), investment, distribution/broker arrangements, private label agreements, and so on. Continued efforts will be made to improve Canadian exporters' visibility and image in the

Activity	Date	Location	Dept.	Contact
United States				
Canola Industry Association: Export Strategies and Activities	01-Apr-96	TBD	CCA	204-982-2100
Flax Industry Association: Export Strategies and Activities	01-Apr-96	United States	MFA/WFCNA	204-982-2115
Pork Industry Association: Export Strategies and Activities	01-Apr-96	United States	CPI	613-236-9239
Soybean Industry Association: Export Strategies and Activities	01-Apr-96	United States	OSGMB	519-352-7730
Special Crops Industry Association: Export Strategies and Activities	01-Apr-96	United States	CSCA	204-947-5394
Swine Genetics Association: Export Strategies and Activities	01-Apr-96	United States	CLEA	613-731-5531
Wine Association: Export Strategies and Activities	01-Apr-96	United States	CWI	905-949-8463
Food Marketplace: Broker Exhibit and Seminar	01-Apr-96	Washington, D.C.	DFAIT	613-944-9474
Distributor/Wholesaler Guide	01-Apr-96	Chicago	DFAIT	613-944-9474
Agri-food Market Study: Value-added Food	01-Apr-96	Washington, D.C.	DFAIT	613-944-9474
Investment Promotion	01-Apr-96	New York/ Chicago/ Los Angeles	DFAIT	613-944-9474
Pacific Northwest Food Study	01-Apr-96	Seattle	DFAIT	613-944-9474
Arizona Retail Grocers 1996: National Stand	19-Apr-96	Phoenix	DFAIT	613-944-9474
Processed Food Market Study	01-May-96	Atlanta	DFAIT	613-944-9474
Best of Canada Solo Food Show	30-May-96	Randolph, MA	DFAIT	613-944-9474
Summer Fancy Food Show '96: National Stand	23-Jun-96	Philadelphia	DFAIT	613-944-9474
National Food Distributors' Show '96: National Stand	01-Aug-96	Baltimore	DFAIT	613-944-9474
Canadian Food, Fish and Beverage Solo Show	31-Oct-96	Miami	DFAIT	305-579-1600
Private Label Manufacturers' Show: National Stand	11-Nov-96	Chicago	DFAIT	613-944-9474
Winter Fancy Food Show: National Stand	07-Feb-97	San Francisco	DFAIT	613-944-9474
Food Marketplace: Distributor Exhibit and Seminar	01-Mar-97	Minneapolis	DFAIT	613-944-9474

Note: Dates and locations are subject to change.

A New Look for Promoting Canadian Foods Abroad

The "new look" symbolizes to international customers that Canadian foods and beverages are made in the spirit of the land – natural, wholesome and pure – and meet their expectations for quality, purity and safety. It is a national theme, developed co-operatively by federal and provincial governments and industry, to enhance the presence of Canadian agri-food products in export markets.

U.S. through exposure at selected trade shows or solo promotional events, and through use of "new look" promotional aids.

Asia-Pacific

Regional Overview

The countries of Asia-Pacific display a wide range of economic and market conditions. As a region, however, it can be characterized 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. Canada has approximately a 4-percent market share, and while total exports are growing, market share is actually decreasing as growth in exports is outstripped by growth in the market. Grains constitute approximately 50 percent of Canadian exports, oilseeds account for 23 percent, and meats, hides and other products make up the balance.

In Asia-Pacific, Canada's key market is Japan, where it has an established presence, and benefits from a wholesome image. Recent developments include further opening of the Japanese market under the WTO, decreasing Japanese self-sufficiency in food production and changing consumer trends (decreasing brand loyalty and increasing price sensitivity). Further details on this market are described in *Canada's Action Plan for Japan*, available from DFAIT. Japan, as a flagship market, provides invaluable experience in addressing other Asian markets and highly sophisticated markets worldwide.

Major trade policy developments expected in the coming years will add to the allure of the Asia-Pacific market. These include the likely accession of China and Taiwan to the WTO, the Association of Southeast Asian Nations (ASEAN) free trade initiative, and regional trade liberalization under the auspices of the Asia-Pacific Economic Co-operation forum (APEC). Canada's push for tariff parity is also increasing access for special crops such as dried peas and lentils, as well as for canola oil.

Not surprisingly, Asia-Pacific is a more important market for Western Canada than for Eastern Canada. It ranks first for British Columbia and Alberta; second for Quebec, Saskatchewan and Manitoba; third for Nova Scotia, Ontario and Newfoundland; and fourth for New Brunswick and Prince Edward Island. Targets are Japan, Taiwan, South Korea, Hong Kong, China and the ASEAN countries of Indonesia, Malaysia, the Philippines, Singapore and Thailand.

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

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

Developing markets in the intermediate category include countries with emerging economies, or those that 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 South Korea (soon moving to the established category), parts of China and India, Thailand and Malaysia. Efforts will continue to improve access to these markets. Primary agricultural products, intermediate products (malt, cured tobacco, meat) and beverages will be promoted. Canada will be featured in general 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.

Some markets in this category offer substantive agri-food processing opportunities. Companies such as Seagram, Weston, and McCain, for example, are already active through wholly owned or joint-venture investments in India. Several other companies are interested, as indicated by applications for feasibility studies through CIDA INC.

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, there are immediate opportunities to improve the domestic agricultural sector by offering such commodities and inputs as animal genetic material and consulting services. Development projects should be pursued under the Canadian International Development Agency (CIDA). Projects financed through international financial institutions (IFIs) such as the Asian Development Bank and the World Bank should be followed more closely.

Market Opportunities

Processed Food and Beverages

The countries that offer the best opportunities for processed food 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, sports drinks, ice wines and ice beers. French-fried potatoes, bottled water, frozen juices, snacks, ice creams, confectionery and cookies are other products with potential.

Agricultural Products and Services

In South 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.

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

Strategy

To meet export targets, federal and provincial governments are encouraging inflows of investment and technology in the agri-food sector through strategic alliances and joint ventures. Activities promoting investment in agri-food will be held in several high-potential Asia-Pacific markets, with emphasis on Japan. The focus of these activities is to increase awareness of Canada's strengths in the agri-food sector and to inform potential foreign investors of opportunities for partnerships and strategic alliances in Canada. In other markets, the focus will be on gathering market intelligence to identify existing and emerging investment opportunities between Canadian and Asian companies.

Activity	Date	Location	Dept.	Contact
Asia-Pacific South				
Canola Industry Association: Export Strategies and Activities	01-Apr-96	ASEAN Countries	CCA	204-982-2100
Processed Food Association: Export Strategies and Activities	01-Apr-96	ASEAN Countries	FIC/QCE	613-722-1000
Soybean Industry Association: Export Strategies and Activities	01-Apr-96	Indonesia	OSGMB	519-352-7730
Special Crops Industry Association: Export Strategies and Activities	01-Apr-96	ASEAN Countries	CSCA	204-947-5394
Swine Genetics Association: Export Strategies and Activities	01-Apr-96	Thailand	CSBA/CSEA	613-731-5531
ASEAN Agri-food Trends Newsletter	01-Apr-96	Singapore	DFAIT/AAFC	613-996-3667
ASEAN Airlines Catering Study	01-Apr-96	ASEAN Countries	DFAIT/AAFC	613-996-3667
ASEAN Duty Free Opportunities Study	01-Apr-96	ASEAN Countries	DFAIT/AAFC	613-996-3667
ASEAN Food Promotions/Launches	01-Apr-96	ASEAN Countries	DFAIT/AAFC	613-996-3667
ASEAN Private Label Study	01-Apr-96	ASEAN Countries	DFAIT/AAFC	613-996-3667
Halal Food Opportunities Study	01-Apr-96	ASEAN Countries	DFAIT/AAFC	613-996-3667

Note: Dates and locations are subject to change.

Activity	Date	Location	Dept.	Contact
Canadian Food Mini-promotions	01-Apr-96	Kuala Lumpur	DFAIT/AAFC	613-996-3667
ASEAN Agri-food Planning Session	14-Apr-96	Singapore	DFAIT/AAFC	613-996-3667
Food and Hotel Asia: National Stand	16-Apr-96	Singapore	DFAIT/AAFC	613-996-5824
Grains Week Conference	22-Apr-96	Sydney	DFAIT/AAFC	613-995-7652
Chefs' Round Table Luncheon	15-May-96	Singapore	DFAIT/AAFC	613-996-3644
Innovations in Meat Products: Market Intelligence Reports	15-May-96	Sydney	DFAIT	613-995-7652
Food Editors' Mission from ASEAN Countries	01-Jun-96	Canada TBD	DFAIT/AAFC	613-996-3667
Swine Buyers' Mission from ASEAN Countries	01-Jun-96	Canada TBD	DFAIT/AAFC	613-996-3667
Food Buyers' Mission from ASEAN Countries	15-Jun-96	Canada TBD	DFAIT/AAFC	613-996-3667
Pork Buyers' Mission from New Zealand	21-Jun-96	Calgary/ Winnipeg/Toronto	DFAIT/AAFC	613-996-4012
Salmon Buyers' Mission from New Zealand	07-Aug-96	Vancouver	DFAIT	613-996-4012
Canadian Food Service Promotion	01-Sep-96	Singapore	DFAIT/AAFC	613-996-3667
Canadian Food Service Promotion	01-Sep-96	ASEAN Countries	DFAIT/AAFC	613-996-3667
Nutrition and Healthy Lifestyle Campaign	01-Sep-96	Singapore	DFAIT/AAFC	613-996-3667
Food Buyers' Mission from the Philippines	15-Sep-96	Canada TBD	DFAIT/AAFC	613-995-7659
Partnering Mission from Asia	01-Oct-96	Canada TBD	DFAIT	613-996-3667
Seafood Promotion: Solo Show	01-Feb-97	Manila	DFAIT	613-995-7659
Outlook '97 Conference	06-Feb-97	Canberra	DFAIT	613-995-7652
Food and Hotel Asia-Indonesia '97: Info Booth	19-Feb-97	Jakarta	DFAIT/AAFC	613-992-0959

East Asia

Agri-food Partnering Opportunities in Taiwan and Korea: Study	TBD	TBD	DFAIT	613-995-7280
Beef Genetics Association: Export Strategies and Activities	01-Apr-96	China	CBBC	403-730-0350
Beef Genetics Association: Export Strategies and Activities	01-Apr-96	Korea	CBBC	403-730-0350
Beef Industry Association: Export Strategies and Activities	01-Apr-96	China	CBEF	403-274-0005
Beef Industry Association: Export Strategies and Activities	01-Apr-96	Korea/Taiwan	CBEF	403-274-0005
Canola Industry Association: Export Strategies and Activities	01-Apr-96	China	CCA	204-982-2100
Canola Industry Association: Export Strategies and Activities	01-Apr-96	Korea	CCA	204-982-2100
Fur Industry Association: Export Strategies and Activities	01-Apr-96	China	MFA/WF	416-675-9400
Fur Industry Association: Export Strategies and Activities	01-Apr-96	Korea	MFA/WF	416-675-9400
Pork Industry Association: Export Strategies and Activities	01-Apr-96	Korea	CPI	613-236-9239

Activity	Date	Location	Dept.	Contact
Soybean Industry Association: Export Strategies and Activities	01-Apr-96	Hong Kong	OSGMB	519-352-7730
Special Crops Industry Association: Export Strategies and Activities	01-Apr-96	Korea/Taiwan	CSCA	204-947-5394
Swine Genetics Association: Export Strategies and Activities	01-Apr-96	China	CSBA/CSEA	613-731-5531
Canadian Meat Promotion	01-Apr-96	Hong Kong	DFAIT/AAFC	613-995-6962
Consumer Tastes/Distribution Market Study	01-Apr-96	Hong Kong	DFAIT/AAFC	613-995-6962
Seoul Food '96: National Stand	01-Apr-96	Seoul	DFAIT/AAFC	613-996-7582
Canadian Oilseeds Seminar	01-Jun-96	Beijing	DFAIT/AAFC	613-996-6962
Taipei International Food Show: National Stand	23-Jun-96	Taipei	DFAIT/AAFC	613-996-7582
Canadian Food Promotion: Solo Show	01-Jul-96	Taiwan	DFAIT/AAFC	613-996-7582
Korean Food Market Study	01-Sep-96	Seoul	DFAIT/AAFC	613-996-7582
Canadian Solo Food Show	09-Sep-96	Shanghai	DFAIT/AAFC	613-996-6987
Peas/Pulses Mission from India	16-Sep-96	Canada TBD	DFAIT/AAFC	613-996-5903
Canadian Livestock Seminar	01-Oct-96	Jinan, Shandong	DFAIT	613-995-6962
Canadian Seafood Promotion	01-Oct-96	Hong Kong/ Guandong	DFAIT/AAFC	613-995-6962
Canadian Food Promotions	01-Oct-96	Seoul	DFAIT/AAFC	613-996-7582
Food Processing Mission from Pakistan	20-Oct-96	Toronto/ Winnipeg/ Saskatoon	DFAIT/AAFC	613-992-0952
Dairy Genetic Mission from Korea	01-Nov-96	Ontario/Quebec	DFAIT/AAFC	613-996-7582
Canadian Beef Promotion	01-Dec-96	Taipei	DFAIT/AAFC	613-996-7582
Canadian Canola Oil Promotions	01-Feb-97	Taipei	DFAIT/AAFC	613-996-7582
Livestock Show in China: Info Booth	01-Mar-97	T'ainan	DFAIT/AAFC	613-996-7582
NACF Mission from Korea	15-Mar-97	Canada TBD	DFAIT/AAFC	613-996-7582
Japan				
Agri-food Partnering Opportunities in Japan: Study	TBD	TBD	DFAIT	613-995-7280
Investing in Canada's Agri-food Sector: Seminar	TBD	TBD	DFAIT	613-995-7280
Beef Industry Association: Export Strategies and Activities	01-Apr-96	Japan	CBEF	403-274-0005
Blueberry Industry Association: Export Strategies and Activities	01-Apr-96	Japan	WBANA	506-451-8891
Canola Industry Association: Export Strategies and Activities	01-Apr-96	Japan	CCA	204-982-2100
Fur Industry Association: Export Strategies and Activities	01-Apr-96	Japan	MFA/WF	416-675-9400
Pork Industry Association: Export Strategies and Activities	01-Apr-96	Japan	CPI	613-236-9239
Processed Food Association: Export Strategies and Activities	01-Apr-96	Japan	FIC/QCE	613-722-1000

Activity	Date	Location	Dept.	Contact
Special Crops Association: Export Strategies and Activities	01-Apr-96	Japan	CSCA	204-947-5394
Wine Association: Export Strategies and Activities	01-Apr-96	Japan	CWI	905-949-8463
AAFC Ministerial Visit and Trade Mission	01-Apr-96	Japan/Singapore	AAFC/DFAIT	613-759-7636
Agri-food Investment Mission from Japan	01-Apr-96	Canada TBD	DFAIT	613-996-3644
Canada Food Fairs	01-Apr-96	Tokyo/Fukuoka/ Nagoya/Osaka	DFAIT/AAFC	613-996-3644
Food and Beverage Advertising Articles	01-Apr-96	Japan	DFAIT/AAFC	613-996-3644
Food Product Demonstration: Solo Show	01-Apr-96	Tokyo/Nagoya/ Fukuoka	DFAIT/AAFC	613-996-3644
Functional Food Mission	01-Apr-96	Japan	DFAIT/AAFC	613-996-3644
Japan Health Food and Beverage Market Study	01-Apr-96	Japan	DFAIT/AAFC	613-996-3644
Chef Seminar	01-May-96	Kansai	DFAIT	613-996-3644
Food Ingredient Solo Show	10-May-96	Tokyo	DFAIT/AAFC	613-996-3644
Wine Club Promotion	10-May-96	Tokyo/Fukuoka	DFAIT/AAFC	613-996-3644
Canada/Japan Canola Pre-consultations	15-Aug-96	Manitoba	AAFC	613-759-7704
Canadian Culinary Cup Competition	01-Sep-96	Tokyo	DFAIT	613-996-3644
Food and Beverage Buyers' Mission from Japan	01-Oct-96	Canada TBD	DFAIT/AAFC	613-996-3644
Processed Food Mission from Nagoya Tokai, Japan	01-Oct-96	Ontario/Quebec	DFAIT/AAFC	613-996-3644
Training Program for Japanese Chefs	10-Oct-96	Alberta	DFAIT/AAFC	613-996-3644
Private Brand Seminars and Solo Shows	01-Nov-96	Tokyo/Fukuoka/ Nagoya	DFAIT/AAFC	613-996-3644
Canada/Japan Canola Consultations	01-Dec-96	Tokyo	AAFC	613-759-7704
Fukuoka Toho Food Products Fair	16-Feb-97	Fukuoka	DFAIT	613-996-3644
Foodex '97 Japan: National Stand	01-Mar-97	Tokyo	DFAIT/AAFC	613-996-3644

Latin America and the Caribbean

Regional Overview

The 19 Latin American and 18 Caribbean countries have a population of approximately 460 million. In 1993, the region imported agri-food products worth $25 billion, of which Canada's share was less than $1 billion. In 1994, Canadian agri-food exports increased to $1.1 billion, and they are expected to increase again over the coming year. Oilseeds and grains, chiefly wheat, dominate the agri-food trade picture, comprising 80 percent of Canadian exports to South America and 60 percent to Central America and the Caribbean.

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

Opportunities exist in Latin America and the Caribbean for exporters from across Canada. The growing purchasing power of middle- and high-income consumers in key markets offers Canadian companies the opportunity to increase their exports of value-added food products. Alongside this, ongoing support will be provided to maintain and increase current exports of Canadian grains and oilseeds and their bulk products, areas in which Canada has a competitive advantage.

A third plank in the Canadian strategy for Latin America and the Caribbean will focus on minimizing the potentially adverse effects of expanding regional trade agreements such as Mercosur, the Andean Pact, Caricom and others. Canada will continue to promote the expansion of the NAFTA to include countries of the region into a more open trading environment in the Americas.

Within Latin America and the Caribbean, emphasis will continue to be placed on activities that promote exports to Mexico and Brazil, which offer the greatest potential to Canadian exporters by virtue of their size, economic potential and current propensity to import Canadian products. In 1994, Mexico imported $346 million in Canadian agri-food products and Brazil imported $288 million.

Although Mexico's economic crisis has slowed the expected growth in imported value-added products, it is still considered a medium- to longer-term opportunity. The food and beverage sector is currently adjusting to the new economic measures, and with the rise in prices of domestic products, competitively priced imports are receiving renewed interest. The NAFTA provides a welcome degree of predictability in the Mexican trade regime.

A secondary emphasis will be placed on expanding exports, primarily of value-added products, to Chile (1994 imports from Canada of $98 million), Colombia (1994 imports from Canada of $89 million) and Venezuela (1994 imports from Canada of $88 million). Chile's possible accession to the NAFTA has generated a great deal of activity, with many new market opportunities being identified, especially in processed foods and animal genetics.

Because of their geographic proximity and long-standing commercial connections, the Caribbean region and Cuba, in particular, are of interest to exporters in the Maritime provinces. Miami has become a large international distribution centre for merchandise going to the Caribbean Basin and, to a lesser extent, to the rest of South America. For this reason, it will be a focal point for more targeted Canadian export efforts.

Market Opportunities

There are 50 million middle- to high-income consumers concentrated in 40 major centres throughout Latin America and the Caribbean who offer potential long-term market opportunities for high-quality Canadian value-added foods. Another 200 million people living in urban centres could provide a stable market for Canadian agri-food commodities and low-priced grocery products.

Processed Food and Beverages

Strong opportunities exist in Mexico and Brazil for beverages and processed food like high-quality, deli-type cold cuts, pasta, frozen prepared meals, microwave entrées, and biscuits and crackers. Argentina, Chile and Colombia are emerging markets for value-added foods and food-processing equipment and technology. Research links are being established between Canada and Latin America in agri-food biotechnology, and there is increasing interest in finding capable local partners in the region.

Agricultural Products and Services

Exports of livestock genetic material to all key markets in the region can be expanded. The Brazilian livestock industry has a critical need to improve productivity to meet domestic market demand. Canada currently has a 24-percent share of the livestock and genetics market, and prospects are good for exports of frozen semen, embryos, dairy and beef cattle, sheep, goats and laying and broiler chickens. Both Argentina and Colombia continue to be important markets for Canadian genetics: Argentina is improving its huge bovine herds, and Colombia is creating a strong dairy sector. As Chile liberalizes its agriculture sector, more Canadian agriculture commodities will find solid markets. Opportunities exist for increased exports of dairy, beef, swine semen, and swine and cattle embryos.

The region is a major market for wheat and barley malt, and constitutes the largest market for Canadian seed potatoes. Mexico is a potential market for canola meal, and a priority market for canola seed and special crops such as beans and other pulses (barley, lentils and peas). Opportunities also exist in Colombia and, potentially, in Cuba and Venezuela. Canada is Brazil's second-largest supplier of wheat, lentils and canary seed, with good prospects for malting barley and canola. Canada traditionally exports wheat and special crops and seeds to Peru, with good opportunities in pulses and barley. Chile is a well-established and growing market for seed and special crops, with strong prospects in durum and red spring wheat, pulses, barley, seed potatoes and canary seed.

Strategy

Investment will play a significant role in strengthening the growing trade ties between Canada and Latin American markets. The high-growth markets of Mexico and Brazil are targeted for investment promotion activities, whose focus will be on increasing awareness of Canada's strengths in the agri-food sector, and informing potential foreign investors of opportunities for partnerships and strategic alliances.

Activity	Date	Location	Dept.	Contact
Latin America and the Caribbean				
Beef Genetics Association: Export Strategies and Activities	01-Apr-96	Argentina/ Brazil/Colombia	CBBC	403-730-0350
Beef Industry Association: Export Strategies and Activities	01-Apr-96	Mexico	CBEF	403-274-0005
Canola Industry Association: Export Strategies and Activities	01-Apr-96	Mexico	CCA	204-982-2100
Pork Industry Association: Export Strategies and Activities	01-Apr-96	TBD	CPI	613-236-9239
Special Crops Association: Export Strategies and Activities	01-Apr-96	Mexico	CSCA	204-947-5394
Swine Genetics Association: Export Strategies and Activities	01-Apr-96	TBD	CSBA/CSEA	613-731-5531
Agri-food Investment Seminars	01-Apr-96	Mexico/Brazil	DFAIT	613-995-7280
Desjardins Strategic Alliances Mission	01-Apr-96	Mexico	CCD	514-281-7413
Agri-food Market Study	01-Apr-96	Georgetown	DFAIT	613-943-8807
Imported Food Products Market Study	04-Apr-96	Georgetown	DFAIT	613-943-8807
International Expo '96: Info Booth	15-Apr-96	Port of Spain	DFAIT	613-943-8807
Canadian Fine Food Show: Mission from the Caribbean	01-May-96	Toronto	DFAIT/AAFC	613-943-8807
Agri-food Buyers' Mission from Brazil	17-Jun-96	Ontario/Quebec	DFAIT/AAFC	613-996-5549
Ontario Agri-food Mission to South America	01-Jul-96	TBD	Ontario	416-326-3767
Canada Food Week: Solo Show	01-Sep-96	Mexico City	DFAIT/AAFC	613-996-8625
Colombia: Canadian Catalogue/Product Solo Show	01-Sep-96	Cali/Medellin/ Bogota	DFAIT/AAFC	613-996-5548
Wheat Seminar for Chilean Processors	05-Sep-96	Winnipeg	DFAIT/AAFC	613-996-4199
ABRAS Supermarket Convention Food Show: N.B. Stand	18-Sep-96	Rio de Janeiro	N.B.	506-444-5891
Ontario Mission to the Caribbean	01-Oct-96	TBD	Ontario	416-326-3767
Grocery Canada Showcase: Buyers' Mission from Barbados and the Caribbean	21-Oct-96	Toronto	DFAIT/AAFC	613-943-8807
Miami Food Show: Mission from the Caribbean	31-Oct-96	Miami	DFAIT	613-943-8807
Royal Agricultural Winter Fair: Mission from Ecuador	01-Nov-96	Toronto	DFAIT	613-996-5358
Agribition/Royal Agricultural Winter Fair: Mission from Mexico	15-Nov-96	Regina/ Saskatoon/Toronto	DFAIT/AAFC	613-996-8625
Beef Cattle Mission from Argentina	23-Nov-96	Regina	DFAIT/AAFC	613-996-5549
Canada Expo '96: Solo Show	03-Dec-96	Santiago	DFAIT/AAFC	613-996-5358
Canadian Retail Food Festival	15-Dec-96	São Paulo	DFAIT/AAFC	613-996-5549
Expo of the Americas 1997: Ontario Stand	01-Jan-97	Mexico City	Ontario	416-326-3767
ANTAD '97: Info Booth	01-Mar-97	Guadalajara	DFAIT/AAFC	613-996-8625
ANTAD '97: Ontario Stand	01-Mar-97	Guadalajara	Ontario	416-326-3767

Note: Dates and locations are subject to change.

Europe

Western Europe

Regional Overview

The main economic force in Europe is the European Union (EU), which consists of 15 member states: Belgium, Germany, France, Italy, Luxembourg, Netherlands, Denmark, Ireland, the United Kingdom, Greece, Spain, Portugal, Austria, Sweden and Finland. The latter three countries became members in 1995. As the EU will eventually expand to include Central and Eastern European countries (after the turn of the century), virtually all trade in Europe will be dominated by EU regulations.

Market Opportunities

With a population of about 360 million and a GDP larger than that of the United States, the EU is the world's largest market for agri-food products. Total agri-food imports of the current members (excluding fish and fish products) amounted to over $200 billion in 1993, of which the Canadian share of slightly over $1 billion was 0.5 percent. In 1994, Canadian agri-food exports to these 15 countries rose 37 percent over the previous year to about $1.4 billion, representing nearly 9 percent of Canada's total agri-food exports. However, the trade surplus ($99 million) continued to be in the EU's favour. For the first six months of 1995, exports to the EU totalled $915 million (a significant increase over the same period in 1994), with much of the growth taking place in value-added products. For the last four years, Canadian exports to the EU have been increasing faster than imports. Top importing countries included the United Kingdom (Canada's second-largest market for processed food products after the U.S.), Germany (the world's largest agri-food importer), France and Italy.

Although access to the EU will improve for Canadian food exporters as a result of the successful conclusion of the Uruguay Round of Multilateral Trade Negotiations, and the creation of the WTO, exports of some products are constrained by trade restrictions. However, the overall size and sophistication of the market provide great opportunities for value-added Canadian products, and concerted marketing efforts are paying great dividends. In addition, under the new, tougher rules of the WTO, significant and ongoing efforts by officials in Canada and at the Canadian mission accredited to the EU in Brussels will be able to more effectively resolve trade access issues on behalf of Canadian exporters.

World demand for processed products is expanding, as is their market share, compared with slow or stable growth and a declining market share for bulk commodity exports such as grains. Canadian food processing companies are well known for their innovation and quality improvements, with a number winning awards at SIAL d'OR in Paris in 1994. Market opportunities in Europe have been identified for frozen prepared entrées, seafood, hormone-free beef, high-value pork cuts, frozen and canned vegetables, niche snack items (e.g. confectionery), dry or frozen ingredients for baking, vegetable oil, pasta, specialty gourmet foods, and foods that address health concerns. Opportunities also exist in non-food uses of agricultural products, such as pharmaceuticals, cosmetics, inks, dyes and energy products.

Strategy

Agri-food products grown in a clean, natural environment and transformed in processing facilities that meet the highest standards of cleanliness and reliability are increasingly in demand with European consumers. Federal and provincial governments, in concert with industry, developed a new logo and theme for Canadian agri-food export promotion, which reinforces consumer awareness of Canada's ability to supply products meeting this growing consumer demand. This "new look" for Canadian agri-food exports was launched September 30, 1995, at ANUGA in Cologne, Germany, with great success, and will be used to promote Canadian agri-food excellence in Europe and around the world.

Export market promotion will continue to focus on informing Canadian firms about opportunities in Europe. In this context, the world's two largest agri-food fairs, SIAL and ANUGA, which take place in alternate years in Paris and Cologne respectively, provide the ideal focal point for bringing Canadian suppliers in contact with buyers from Europe and around the world.

SIAL 1996 will provide a showcase for Canada's capabilities. Government support will be directed toward the export preparedness of Canadian firms and the positioning of Canada as a world-class supplier of agri-food products.

Generic promotional campaigns will continue to be supported in key European markets to increase consumer recognition of Canadian products.

The European market represents the richest market for investment opportunities due to its sophisticated technologies and advanced stage of development in the agri-food sector. To increase Canadian competitiveness in agri-food, strong emphasis will be placed on encouraging joint ventures and strategic alliances between Canadian and European companies. The federal and provincial governments will promote investment activities to increase awareness of Canadian strengths in the agri-food sector, and will identify opportunities for technology transfers and partnerships.

Central and Eastern Europe

Regional Overview

The recent establishment of democracies, privatization and market economies in Central and Eastern Europe is providing trade opportunities as a growing middle class wants to "Westernize" quickly.

As these countries harmonize their policies and become members of the EU, their tariff and demand structure will change. The income growth that should ensue will encourage greater demand for more sophisticated processed-food products, offering new opportunities for Canadian exporters.

Market Opportunities

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 will also be in increasing demand.

Former Soviet Union

Regional Overview

The transition to a market economy in the former Soviet Union (FSU) has created a large and growing demand for consumer food products, particularly in Russia — a market of 150 million people.

Market Opportunities

Canada is now exporting an increasing variety of value-added products on a cash basis to Russia, such as meat, pulses, fruits, vegetables, dairy products, potato flakes, chocolate, beverages, sausages, baby foods, chewing gum, jams and fruit jellies, coffee extracts, ice cream and tobacco products. The main features of the market today are a burgeoning demand and a lack of brand loyalty.

Activity	Date	Location	Dept.	Contact
Central/Eastern Europe and the Commonwealth of Independent States				
Pork Industry Association: Export Strategies and Activities	01-Apr-96	Russia	CPI	613-236-9239
Selkhos '96/Agriculture '96: Info Booth	01-Apr-96	Kiev	DFAIT	613-996-2147
POLAGRA '96: Info Booth and Seminar	01-Oct-96	Poznan	DFAIT	613-996-2147
World Food '96: Info Booth	01-Nov-96	Moscow	DFAIT/AAFC	613-996-2147
Western Europe and the European Union				
Euro-Alliancing in Agri-Food: Study	01-Apr-96	TBD	DFAIT	613-995-7280
Beef Genetics Association: Export Strategies and Activities	01-Apr-96	United Kingdom	CBBC	403-730-0350
Blueberry Industry Association: Export Strategies and Activities	01-Apr-96	Germany	WBANA	506-451-8891

Note: Dates and locations are subject to change.

Activity	Date	Location	Dept.	Contact
Canola Industry Association: Export Strategies and Activities	01-Apr-96	Denmark/ Germany/ Spain/U.K.	CCA	204-982-2100
Fur Industry Association: Export Strategies and Activities	01-Apr-96	Germany/ Greece/Italy	MFA/WF	416-675-9400
Pork Industry Association: Export Strategies and Activities	01-Apr-96	Denmark/ Netherlands	CPI	613-236-9239
Special Crops Industry Association: Export Strategies and Activities	01-Apr-96	Various Cities	CSCA	204-947-5394
Wine Association: Export Strategies and Activities	01-Apr-96	France/Italy/U.K.	CWI	905-949-8463
Canada Food Fair: Promotion	01-Apr-96	London	DFAIT/AAFC	613-996-2147
Canadian Food and Fish Promotion	01-Apr-96	Copenhagen	DFAIT	613-996-2147
Canadian Food Promotions	01-Apr-96	Milan	DFAIT	613-996-2147
In-Store Canadian Food Promotions	01-Apr-96	Madrid/Barcelona	DFAIT	613-996-2147
European Strategic Alliances Program	01-May-96	TBD	DFAIT	613-995-7941
INTERPACK '96: Info Booth	01-May-96	Dusseldorf	DFAIT/AAFC	613-995-8296
Fine Fancy Food Fair: Info Booth	15-Sep-96	Utrecht	DFAIT	613-996-2147
Interzoo '96: Info Booth	01-Oct-96	Dusseldorf	DFAIT/AAFC	613-996-2147
SIAL '96: National Stand	15-Oct-96	Paris	DFAIT/AAFC	613-759-7631
Food-TEC: Info Booth	05-Nov-96	Cologne	DFAIT/AAFC	613-996-2147
International Grains Council and Food Aid Committee Meetings	01-Dec-96	London	AAFC	613-759-7696
Canadian Food Mission	01-Feb-97	London	DFAIT	613-996-2147
SIMAAFCENA '97: Info Booth	25-Feb-97	Paris	DFAIT/AAFC	613-996-2147
Vita Food Fair: Info Booth	09-Mar-97	Copenhagen	DFAIT	613-996-2147

Middle East

Regional Overview

A strong economy based on oil and gas provides a large, stable agri-food market with good potential for steady growth. The current tariff structure in most countries is favourable to agricultural imports. The 15 countries in the region have a total population of 146 million and total agri-food imports of $22 billion. Canada's agri-food exports to the Middle East were $458 million in 1994 and $357 million for the first six months of 1995.

The Gulf Co-operation Council (GCC), whose members are Saudi Arabia, Kuwait, the United Arab Emirates (UAE), Oman, Qatar and Bahrain, account for 65 percent of Canada's agri-food exports to the region. Significant increases in Canada's exports have occurred, particularly in certain value-added areas. For instance, exports of frozen vegetable and fruit products to the UAE increased from $105 000 in 1992 to over $1.5 million halfway through 1995, and exports of food preparations such as sauces and ice cream to Saudi Arabia increased from $247 000 in 1992 to almost $3.5 million in 1994.

Market Opportunities

Most Middle Eastern countries have accepted the fact that they are unable to grow all of their own food on an ongoing basis. As a result, international trade policies are being revised to become less restrictive. Most countries now wish to break up the market hold of a few foreign exporters. This trend to diversifying sources of supply should provide increased opportunities for Canadian agri-food exporters.

Existing world-class trade shows such as SIAL and ANUGA have been used with great success to promote Canadian exports to the Middle East, and will continue to be used to this end. Regional shows such as the Gulf Food and Equipment Show in Dubai will also serve as a means of following up on contacts, focussing on a market and introducing new companies and products to the market. Missions to the region will be co-ordinated to present a Team Canada[1] approach to the market.

Opportunities exist for grain, canola meal, animal feeds, seeds, special crops, and processed foods such as frozen vegetables, fruit and dairy products. Canadian agri-food firms should position themselves for trade in value-added products and the sale of agricultural technology and services.

Africa

Market Opportunities

In 1994, Algeria was the fifth-largest importer of Canadian agricultural products and is the leading importer of Canadian durum wheat.

South Africa, with its well-developed infrastructure and geographic location between the Atlantic and Indian oceans, provides a launching pad for accessing the markets of neighbouring countries in southern Africa. Export opportunities include grains, processed food and beverages, pork and pork products, poultry, animal genetics, pulses and beef.

Activity	Date	Location	Dept.	Contact
Africa and the Middle East				
Beef Genetics Association: Export Strategies and Activities	01-Apr-96	TBD	CBBC	403-730-0350
Canola Industry Association: Export Strategies and Activities	01-Apr-96	TBD	CCA	204-982-2100
Pork Industry Association: Export Strategies and Activities	01-Apr-96	TBD	CPI	613-236-9239
Market Intelligence and Information Reports Update	01-Apr-96	Johannesburg	DFAIT	613-944-6590
Agri-Food Sector Mission	01-Apr-96	Harare	DFAIT/AAFC	613-944-6586
Saudi Agriculture '96: National Stand	06-Oct-96	Riyadh	DFAIT/AAFC	613-944-5984
Food and Hotel Africa '96: Info Booth	10-Nov-96	Johannesburg	DFAIT/AAFC	613-944-6590
Hostex '97: Info Booth	09-Mar-97	Johannesburg	DFAIT	613-944-6590
Agri-food Sector Mission to Morocco	24-Mar-97	Casablanca	DFAIT/AAFC	613-944-0396

Note: Dates and locations are subject to change.

For up-to-date and detailed information on the activities in this document and those contained in other sectors, you may consult the CIBS Compendium. This on-line compilation of activities planned by the federal and provincial governments is continuously revised and is accessible via the Department of Foreign Affairs and International Trade World Wide Web site, at the following address: http://www.dfait-maeci.gc.ca

[1] To serve business more effectively, the Goverment is pursuing new approaches, based on a Team Canada partnership with the provinces and the private sector, to help Canadian enterprises compete internationally.

Contacts

Agriculture and Agri-Food Canada
930 Carling Avenue, 10th Floor
Ottawa K1A 0C5
Tel: (613) 759-7638
Fax: (613) 759-7506

Department of Foreign Affairs
and International Trade
Trade Opportunities Division
125 Sussex Drive
Ottawa K1A 0G2
Tel: (613) 995-1773
Fax: (613) 943-1103

Nova Scotia Department of Agriculture
and Marketing
160 College Road
Truro, Nova Scotia B2N 5E3
Tel: (902) 893-6388
Fax: (902) 895-9403

British Columbia Ministry of Agriculture,
Fisheries and Food
808 Douglas Street
Vancouver, British Columbia V8W 2Z7
Tel: (604) 356-2946
Fax: (604) 356-2949

British Columbia Trade Development Corporation
999 Canada Place, Suite 730
Vancouver, British Columbia V6C 3E1
Tel: (604) 844-1944
Fax: (604) 844-1925

Alberta Agriculture, Food and Rural Development
7000 113 Street, 3rd Floor, Suite 300
Edmonton, Alberta T6H 5T6
Tel: (403) 427-4241
Fax: (403) 422-9746

Saskatchewan Agriculture and Food
3085 Albert Street, Suite 329
Regina, Saskatchewan S4S 0B1
Tel: (306) 787-8523
Fax: (306) 787-0271
Saskatchewan Economic Development
1919 Saskatchewan Drive, 6th Floor
Regina, Saskatchewan S4P 3V7
Tel: (306) 787-2222
Fax: (306) 787-3989

Manitoba Agriculture
401 York Avenue, Suite 903
Winnipeg, Manitoba R3C 0P8
Tel: (204) 945-4490
Fax: (204) 945-6134

Ontario Ministry of Agriculture and Food
33 Yonge Street, Suite 800
Toronto, Ontario M5E 1X2
Tel: (416) 326-3510
Fax: (416) 326-7630

Quebec Ministry of Agriculture,
Fisheries and Food
201 East Crémazie, 4th Floor
Montreal, Quebec H2M 1L4
Tel: (514) 873-4410
Fax: (514) 873-2364

New Brunswick Department of Agriculture
P.O. Box 6000
Fredericton, New Brunswick E3B 5H1
Tel: (506) 457-7268
Fax: (506) 453-7170

Enterprise P.E.I.
75 Fitzroy Street
Charlottetown, Prince Edward Island C1A 1R6
Tel: (902) 368-0051
Fax: (902) 566-7098

Newfoundland Department of Fisheries,
Food and Agriculture
P.O. Box 8700
St. John's, Newfoundland A1B 4J6
Tel: (709) 729-6769
Fax: (709) 729-6568

Annex 1: Current Canadian Agri-food Trade Policy Topics

The following summary of broad trade policy challenges has been prepared by the Trade Advisory Committee's Secretariat to help the Agriculture, Food and Beverage Sectoral Advisory Group on International Trade (SAGIT) select general topics upon which to concentrate its advisory effort.

1. Managing Relations with the United States

Effective management of the Canada-U.S. trade relationship continues to be an overriding priority and will influence decision making for meeting other trade policy challenges. Examples of specific Canada-U.S. trade issues include:

- NAFTA Working Groups on subsidies, dumping and the operation of trade remedy laws;
- Joint Commission on Grains and long-term resolution of disputes;
- defence of tariffication as consistent with obligations under the WTO and the NAFTA (e.g. NAFTA Chapter 20 Consultation on Certain Dairy, Poultry and Barley Products);
- U.S. restrictions on sugar and sugar-containing products.

2. Improving Market Access

Further liberalization of trade through various forums (e.g. the NAFTA, the WTO, APEC, Cairns Group, the Transatlantic Economic Initiative) for agricultural products. Examples include:

- an agreement in the WTO to prohibit export subsidies;
- reduction of access barriers by tariff line in the course of negotiations over accessions to the WTO or the NAFTA;
- Canada's request that the WTO examine the EU's regime on cereals;
- an annual derogation from the EU in order to supply traditional seed potato markets in certain EU member states;
- special relationship with Korea.

3. Regional and Bilateral Arrangements

A global approach under the WTO is the preferred means of achieving free, rules-based trade. However, there are some circumstances in which regional (and, in exceptional cases, bilateral) arrangements could be a faster and more effective means of negotiating better market access for Canadian exports and a higher level of obligation with respect to such issues as investment and competition policy. Key agreements currently under consideration or negotiation include:

- **Western Hemispheric Trade Liberalization:** At the Miami Summit, heads of government resolved to conclude by 2005 the negotiations of a Free Trade Agreement of the Americas, in which barriers to trade and investment would be progressively eliminated. Trade ministers met in Denver in June and will meet again in Colombia in March 1996.
- **APEC Trade Liberalization:** In the context of achieving freer trade and investment within the region by developed APEC economies by 2015 and by developing countries by 2020, Canada is pressing for early action through such measures as customs co-operation, mutual recognition of standards, more transparent investment regulations and the identification of key barriers to trade.
- **Transatlantic Economic Initiative:** As the EU proceeds with its own plans for expansion eastward, North America's relationship with Europe may well need refurbishing to meet the economic challenges of the 21st century.
- **WTO-Plus:** The potential exists for forging a coalition of countries willing to move further and faster toward a more intensive and comprehensive rules-based trade and investment framework based on the Uruguay Round outcome.
- **Other:** For example, Canada-Israel and Canada-Singapore arrangements.

4. Establishing an Effective World Trade Organization

As the preferred method of securing trade liberalization on a global basis, Canada is working to establish the WTO's credibility through both management of trade problems and pursuit of a forward-looking agenda, particularly in light of the upcoming first ministerial-level meeting in Singapore in 1996. Examples include:

- ensuring that Canada's major trading partners implement their trade agreement obligations by taking full advantage of the new WTO dispute settlement provisions (e.g. resolution of dispute regarding access to the EU market for wheat and barley);
- confirming or extending WTO rules on trade and the environment (e.g. to prohibit unilateral extrajurisdictional trade restrictions taken in the name of environmental protection);
- discussing accessions to the WTO (e.g. China, Taiwan, Saudi Arabia, Russian Federation);
- influencing WTO working groups/committees.

5. Trade Remedies

Strengthening the operation of trade remedy measures under the NAFTA: Canada, Mexico and the United States have agreed to seek solutions that reduce the possibility of disputes concerning subsidies, dumping and the operation of trade remedy laws regarding such practices.

6. Trade and Investment

Trade and investment are increasingly interlinked. Improvements and/or binding of rules for access and treatment of investment, are being pursued by:

- negotiating a Multilateral Agreement on Investment under the auspices of the Organization for Economic Co-operation and Development (OECD), launched in May 1995;
- building support for transparency in regulation and the longer-term objective of broadly based negotiations on investment in APEC and the Western Hemisphere;
- conducting bilateral negotiations on foreign investment protection agreements.

7. Trade and Standards/Regulations including SPS Standards

In a variety of forums, Canada seeks to ensure that diverse national systems of standards and regulations, including sanitary and phytosanitary (SPS) standards, are not only legitimate on scientific grounds, but that they are harmonized or their equivalency is recognized, through such means as mutual recognition agreements (MRAs).

8. Trade and the Environment

The WTO's Committee on Trade and Environment (CTE) work program includes trade measures for environmental purposes (including those in international environmental agreements), and environmental measures with significant trade effects (including packaging, labelling and recycling programs and environmental taxes). Analysis will focus on the relationship of these measures to trade rules, provisions for transparency, and market access issues. The OECD has a Joint Session of Trade and Environment Experts, which is working toward better integration of trade and environment policies.

9. Export Financing

The OECD is currently discussing the establishment of guidelines for the use of credit and credit insurance for exporting agricultural commodities.

10. Tariff Simplification and Acceleration of Tariff Reductions

The Department of Finance has initiated a review of the existing tariff system to ensure that the Customs Tariff is responsive to the competitive conditions created by freer trade and that costs to both the business community and the Government are reduced. Regarding the NAFTA, products covered by approximately 200 Canadian tariff lines are under consideration for accelerated tariff reduction. It is hoped that this first round will be concluded this fall, with a second round to follow dealing with the many requests received since 1994.

11. Prioritization of Trade Policy Challenges

DFAIT, in close co-operation with Agriculture and Agri-Food Canada, is currently working to establish priority of agriculture and agri-food trade policy challenges consistent with private-sector requirements. As this document illustrates, the Government's trade policy resources can be devoted at any time to many different, but related, objectives in a variety of forums for many agriculture and agri-food sectors. SAGIT advice is welcome on either the best method of establishing priorities or on the priorities themselves.

12. Domestic Policy Response/ Adjustment to Trade Liberalization and Globalization

An example would be domestic management of Tariff Rate Quota allocation consistent with the WTO Agreement

Acronyms and i ernational Business Strate

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AAFC	Agricult
ACOA	Atlantic
APEC	Asia-Pac forum
ASEAN	Associat
BBS	electroni
BOOT	build, ov
BOSS	Business System
CCC	Canadiai
CIBS	Canada's Strategy
CIDA	Canadiai Agency
CIS	Common
CSA	Canadiai
DFAIT	Departm Internati
DFO	Departm
DND	Departm
EC	Environn
EDC	Export D
EU	Europeai
FITT	Forum for International Trade Training
FORDQ	Federal Office of Regional Development — Quebec
FSU	former Soviet Union
FTA	Canada-U.S. Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GNP	gross national product
HRDC	Human Resources Development Canada

	International Business Opportunities Centre
	Industry Canada
	International Development Research Centre
	international financial institution
	International Standards Organization
	International Trade Advisory Committee
	International Trade Centre
	Ministry of Agriculture, Fisheries and Food of Quebec
	multilateral development bank
	multinational enterprise
	North American Free Trade Agreement
	North Atlantic Treaty Organization
	National Research Council
	Natural Resources Canada
	Natural Resources Canada — Canadian Forest Service
	National Sector Team
	Organization for Economic Co-operation and Development
PEMD	Program for Export Marketing Development
R&D	research and development
S&T	science and technology
SAGIT	Sectoral Advisory Group on International Trade
SME	small and medium-sized enterprise
UNEP	United Nations Environmental Program
WED	Western Economic Diversification
WTO	World Trade Organization

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Acronyms and … ernational Business Strat…

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AAFC	Agriculture and Agri-Food Canada
ACOA	Atlantic Canada Opportunities Agency
APEC	Asia-Pacific Economic Co-operation forum
ASEAN	Association of Southeast Asian Nations
BBS	electronic bulletin board system
BOOT	build, own/operate, transfer
BOSS	Business Opportunities Sourcing System
CCC	Canadian Commercial Corporation
CIBS	Canada's International Business Strategy
CIDA	Canadian International Development Agency
CIS	Commonwealth of Independent States
CSA	Canadian Standards Association
DFAIT	Department of Foreign Affairs and International Trade
DFO	Department of Fisheries and Oceans
DND	Department of National Defence
EC	Environment Canada
EDC	Export Development Corporation
EU	European Union
FITT	Forum for International Trade Training
FORDQ	Federal Office of Regional Development — Quebec
FSU	former Soviet Union
FTA	Canada-U.S. Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GNP	gross national product
HRDC	Human Resources Development Canada
IBOC	International Business Opportunities Centre
IC	Industry Canada
IDRC	International Development Research Centre
IFI	international financial institution
ISO	International Standards Organization
ITAC	International Trade Advisory Committee
ITC	International Trade Centre
MAPAQ	Ministry of Agriculture, Fisheries and Food of Quebec
MDB	multilateral development bank
MNE	multinational enterprise
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NRC	National Research Council
NRCan	Natural Resources Canada
NRCan-CFS	Natural Resources Canada — Canadian Forest Service
NST	National Sector Team
OECD	Organization for Economic Co-operation and Development
PEMD	Program for Export Marketing Development
R&D	research and development
S&T	science and technology
SAGIT	Sectoral Advisory Group on International Trade
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