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# MARKET INTELLIGENCE

XANTHAN GUM

APRIL, MAY AND JUNE 1987

Pub. No.: 88017-PM January 1989



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EXPLANATORY NOTES

Method

The data shown in this analysis are extracted from Revenue Canada Customs documents. These documents provide a description of the products, names of importers, exporters, quantities, dollar values, unit prices, countries of origin, provinces of entry, tariff applications and rates of exchange.

The information presented in this report is more detailed than that generally available from Statistics Canada or other publications. Data which might reveal information about individual importers are aggregated.

Valuation

Dollar values shown in this report are based on selling price F.O.B. plant, in Canadian dollars. This selling price represents the value paid by the importer, excluding all freight, packing and insurance costs when specified. All trade discounts, when applicable, are also deducted from the selling price.

Rounding

Figures may not add due to rounding.

REFERENCE SOURCES

Industry, Science and Technology Canada  
Statistics Canada  
Revenue Canada

FOR MORE INFORMATION PLEASE CONTACT:

Market Intelligence Division  
Services to Business Branch  
Industry, Science and Technology Canada  
235 Queen Street  
Ottawa, Ontario  
K1A 0H5  
Tel: (613) 954-4970

OR

Plastic, Rubber and Chemical  
Specialties Division  
Chemicals and Investments Directorate  
Industry, Science and Technology Canada  
235 Queen Street  
Ottawa, Ontario  
K1A 0H5  
Tel: (613) 954-3120

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IMPORT ANALYSIS

XANTHAN GUM

I. INTRODUCTION AND SCOPE

This Import Analysis is one of a series prepared in order to assist businesses and other organizations in their market research of specific products. The detailed import information provided in these reports supports studies by organizations seeking to expand existing production lines, change individual product characteristics or engage in new manufacturing investment in Canada. The coverage of an import analysis is developed in close consultation with the client, and is tailored to meet those specific requirements. It is important to emphasize that this report does not attempt any assessment as to the feasibility of competing in a particular market.

An examination of imports into Canada of xanthan gum was undertaken to ascertain the amount imported during the period April, May and June 1987.

Xanthan gum is a synthetic biopolymer made by fermentation of carbohydrates; it is a thickening and suspending agent that is heat-stable, with good tolerance for strong acid and base solutions. Viscosity remains stable over a wide temperature range.

Its uses are in drilling fluids, ore flotation and the food and pharmaceutical fields, especially in prepared mixes and high-protein fast foods.

Imports classified to Canadian International Trade Classification (C.I.T.C.) import commodity code 423-99-89 Plastic Materials, Not Shaped, Not Elsewhere Specified were studied.

II. ANALYSIS OF IMPORTS

The investigation showed that 240 000 pounds of xanthan gum valued at \$1.05 million were imported into Canada during April, May and June 1987.

The United States was the dominant source of xanthan gum imports, accounting for over 95 per cent of the total quantity and value. France was the only other exporting country.

Unit prices ranged from \$1.81 to \$9.40 per pound. A total of 185 000 pounds or \$703 000 (77 per cent and 67 per cent, respectively) were priced at less than \$5.00 per pound. (Refer to Appendix A for more detailed unit price information.) Xanthan gum in the price range of \$4.18 to \$4.99 per pound accounted for 42 per cent of the weight and 45 per cent of the value.

SUMMARY OF IMPORTS  
BY PRICE RANGE  
APRIL, MAY AND JUNE 1987

<u>Price Range</u> <u>(\$/lb.)</u>	<u>Quantity</u>		<u>% of Total Quantity</u>	<u>Value</u> <u>(\$000)</u>	<u>% of Total Value</u>
	<u>(lbs.)</u>	<u>(kgs.)</u>			
1.81 to 3.30	63 000	28 577	26	163	15
3.32 to 4.10	21 000	9 526	9	73	7
4.18 to 4.99	101 200	45 904	42	467	45
5.10 to 9.40	54 790	24 852	23	343	33
TOTAL	239 990	108 859	100	1 046	100

Xanthan gum was imported into Canada in various container sizes. The most common container size was 100 pound drums, which accounted for 62 per cent of the total quantity and 69 per cent of the total value (or 148 000 pounds and \$722 000). A further 29 per cent of the quantity was in 200 pound drums and 9 per cent in 50 and 55 pound bags.

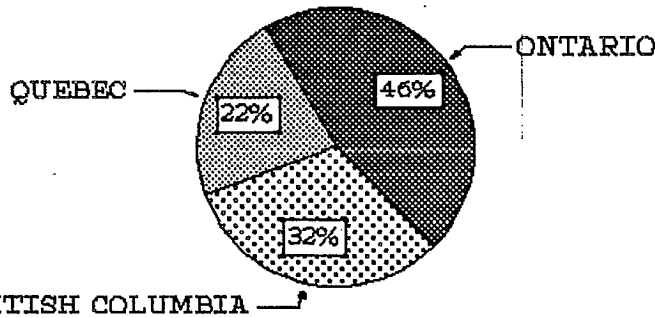
SUMMARY OF IMPORTS  
BY CONTAINER SIZE  
APRIL, MAY AND JUNE 1987

<u>Container Size</u>	<u>Quantity</u>		<u>% of Total Quantity</u>	<u>Value</u> <u>(\$000)</u>	<u>% of Total Value</u>
	<u>(000 lbs.)</u>	<u>(000 kgs.)</u>			
100 lb. Drums	148	67	62	722	69
200 lb. Drums	71	32	29	228	22
50 & 55 lb. Bags*	21	10	9	95	9
Total	240	109	100	1 046	100

\* Aggregated in order to preserve the confidentiality of Canadian importers.

Ontario was the major province of consignee, accounting for 42 per cent of the total quantity and 46 per cent of the total value, or 100 000 pounds and \$481 000. For further details, see Appendix B.

PROVINCE OF CONSIGNEE



100% = \$1.05 MILLION

There were 9 known consignees/importers of xanthan gum during April, May and June 1987. The principal three consignees/importers accounted for \$910 000 or 87 per cent of the total dollar value of imports. All consignees/importers are listed in alphabetical order in Appendix C.

IMPORT MARKET CONCENTRATION  
APRIL, MAY AND JUNE 1987

<u>Principal Consignees/Importers (By Value)</u>	<u>Cumulative Quantity (000 lbs.)</u>	<u>% of Total Quantity</u>	<u>Cumulative Value (\$000)</u>	<u>% of Total Value</u>
3	212	88	910	87
All Consignees/ Importers (9)	240	100	1 046	100

III. CANADIAN PRODUCTION

Xanthan gum is not manufactured in Canada at the present time.

APPENDIX A

IMPORTS OF XANTHAN GUM  
BY PRICE RANGE  
APRIL, MAY AND JUNE 1987

<u>Price Range</u> <u>(\$/lb.)</u>	<u>Quantity</u>		<u>% of Total Quantity</u>	<u>Value</u> <u>(\$)</u>	<u>% of Total Value</u>
	<u>(lbs.)</u>	<u>(kgs.)</u>			
1.81 to 1.84	3 900	1 769	2	7 164	1
1.86 to 3.30	59 100	26 808	25	156 487	15
3.32 to 3.47	17 700	8 029	7	59 718	6
3.74 to 4.10	3 300	1 497	1	12 934	1
4.18 to 4.29	16 400	7 439	7	69 703	7
4.30 to 4.38	13 400	6 078	6	58 113	5
4.40 to 4.99	71 400	32 387	30	338 993	32
5.10 to 5.35	21 600	9 798	9	111 987	11
5.41 to 5.64	8 300	3 765	3	45 473	4
5.68 to 6.10	2 770	1 256	1	16 663	2
6.16 to 6.67	3 400	1 542	1	21 979	2
7.34 to 9.40	<u>18 720</u>	<u>8 491</u>	<u>8</u>	<u>146 542</u>	<u>14</u>
	239 990	108 859	100	1 045 756	100

APPENDIX B

IMPORTS OF XANTHAN GUM  
BY PROVINCE OF CONSIGNEE  
APRIL, MAY AND JUNE 1987

<u>Province</u>	<u>Quantity</u>		<u>% of Total Quantity</u>	<u>Value</u> <u>(\$)</u>	<u>% of Total Value</u>
	<u>(lbs.)</u>	<u>(kgs.)</u>			
Ontario	99 920	45 323	42	481 195	46
Québec	36 970	16 769	15	227 989	22
Alberta ) British Columbia) <sup>(1)</sup>	<u>103 100</u>	<u>46 766</u>	<u>43</u>	<u>336 572</u>	<u>32</u>
Total	239 990	108 858	100	1 045 756	100

(1) Aggregated in order to preserve the confidentiality of Canadian importers.



APPENDIX C

CANADIAN IMPORTERS

Consignees or importers of xanthan gum during the period April, May and June 1987, as indicated in this report, are listed below in alphabetical order. Where the importer is not the same as the consignee (i.e. the recipient of the goods shipped), the name of the consignee rather than that of the importer is listed. The importer or consignee is not necessarily the end-user of the product.

NOTE: This list includes all importers except individuals.

<u>Name</u>	<u>Address</u>
Dart-Kraft Foods Ltd.	Lachine, Qué.
Drummond Brewing Company Ltd.	Red Deer, Alta.
Livingston Dist. Centres	Calgary, Alta.
	Toronto, Ont.
Malcolm Food Specialties Div. of Beatrice Foods Inc.	St. George, Ont.
May & Baker Canada Inc.	Mississauga, Ont.
Milcrae Warehousing	Richmond, B.C.
Popsicle Industries	Burlington, Ont.
Rich Products Canada Ltd.	Fort Erie, Ont.
Spécialités de Boulangerie Inc.	St-Chrysostome, Qué.

APPENDIX D

FOREIGN EXPORTERS TO CANADA

There were a total of three exporters to Canada of xanthan gum during the period April, May and June 1987. They are listed below in descending order of dollar value.

<u>Name</u>	<u>Address</u>	<u>Value of Imports</u> (\$000)
Kelco Division of Merck & Company Incorporated	Chicago, IL United States)	
	Clark, NJ United States)	
	)	
Rich Products Corporation	Buffalo, NY United States)	1046
	)	
Rhone Poulenc Chimi	Paris France )	

CANADIAN AND FOREIGN TARIFFS

Xanthan gum included in this analysis was dutiable under the following most commonly applied tariff item.

Tariff Item	Description	Tariff Treatment				
		British Preferential Tariff	Most Favoured Nation Tariff	General Tariff	General Preferential Tariff	U.K. and Ireland
		%	%	%	%	%
25404-1	Gums and blends consisting wholly or in chief part gums, n.o.p.	Free	Free	15	-	Free

N.o.p. - Not otherwise provided for

Tariff Arrangements and Foreign Countries of Export:

Exporting countries which qualify for the Most Favoured Nation tariff treatment: United States and France

Enquiries concerning tariffs should be directed to the nearest Customs and Excise office or to:

TARIFF PROGRAMS  
 REVENUE CANADA  
 CUSTOMS AND EXCISE  
 OTTAWA, ONTARIO  
 K1A 0L5  
 TEL: (613) 954-6908

Foreign Countries

Enquiries concerning tariffs and other government trade regulations in foreign countries should be directed to:

INFO EXPORT  
 EXTERNAL AFFAIRS  
 OTTAWA, ONTARIO  
 K1A 0G2  
 TEL: (613) 993-6435 OR 1-800-267-8376