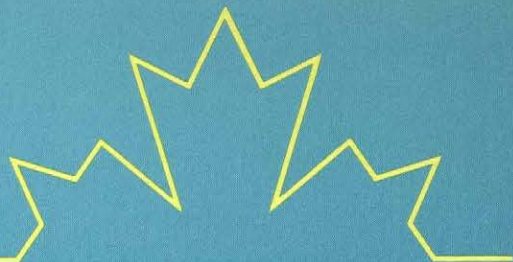


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IMPORT ANALYSIS

Market Research Support

CEREAL PRODUCTS

APRIL 1987

Pub. No.: 87025-RR April 1988



Government
of Canada

Regional Industrial
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CEREAL PRODUCTS

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EXPLANATORY NOTES

Method

The data shown in this analysis is 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 is 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

Department of Regional Industrial Expansion
Statistics Canada
Revenue Canada

FOR MORE INFORMATION PLEASE CONTACT:

Market Information and Analysis Division
Market Development Branch
Department of Regional Industrial Expansion
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 954-4970

OR

Grocery Products Division
Service Industries & Consumer
Goods Branch
Department of Regional Industrial
Expansion
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 954-2924

OR

The nearest DRIE Regional Office.
These offices are listed on the last
page of this publication.

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IMPORT ANALYSIS

CEREAL PRODUCTS

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.

This analysis of imports of cereal products is based on a detailed examination of Revenue Canada Customs import documents for the month of April 1987. The following Canadian International Trade Classification (C.I.T.C.) import commodity code was analysed:

066-99-89 Cereal Products N.E.S. (not elsewhere specified)

Total figures in this analysis do not correspond to those published by Statistics Canada - The differences are explained in Appendix F.

As noted, this analysis includes only those products classified to the above "not elsewhere specified" category. All commodity codes listed in the C.I.T.C. under the Other Cereal Products group are shown below.

<u>C.I.T.C.</u> <u>Code</u>	<u>1987</u>		
	<u>April</u> <u>(\$000)</u>	<u>Jan. to Dec.</u> <u>(\$000)</u>	
OTHER CEREAL PRODUCTS (066)			
Breakfast Cereal Foods (066-30):			
066-30-20	Oatmeal and rolled oats/breakfast cereal	*	7
066-30-90	Breakfast cereal foods, exc. infant foods n.e.s.	<u>1 470</u>	<u>17 888</u>
	Sub-Total	1 470	17 895
Cereal Grain Products n.e.s. (066-99):			
066-99-20	Cereal cake mixes, prepared	35	309
066-99-29	Cereal mixes, prepared n.e.s.	108	2 292
066-99-40	Rice preparations	404	4 886
066-99-89	Cereal products n.e.s.	<u>1 987</u>	<u>29 722</u>
	Sub-Total	2 534	37 209
	TOTAL, OTHER CEREAL PRODUCTS	4 004	55 104

* Less than \$500

II. IMPORT TRENDS

As shown below, annual imports by dollar value of cereal products, n.e.s., classified to C.I.T.C. commodity code 066-99-89 dropped significantly between 1984 and 1987. These figures correspond to those published by Statistics Canada.

IMPORTS OF CEREAL PRODUCTS, NES

<u>1984</u>		<u>1985</u>		<u>1986</u>		<u>1987</u>	
<u>Quantity</u> (000 lb.)	<u>Value</u> (\$000)	<u>Quantity</u> (000 lb.)	<u>Value</u> (\$000)	<u>Quantity</u> (000 lb.)	<u>Value</u> (\$000)	<u>Quantity</u> (000 lb.)	<u>Value</u> (\$000)
24 105	40 640	24 253	30 886	25 511	32 983	26 817	29 722

APRIL

1 338	2 445	1 700	2 085	2 888	4 158	1 721	1 987
-------	-------	-------	-------	-------	-------	-------	-------

Figures shown in the remainder of this report are as analysed on the basis of actual shipping documents.

III. ANALYSIS OF IMPORTS

During the month of April 1987 imports of cereal products, not elsewhere specified, as analysed in this report, amounted to 980 136 pounds valued at \$1 375 198.

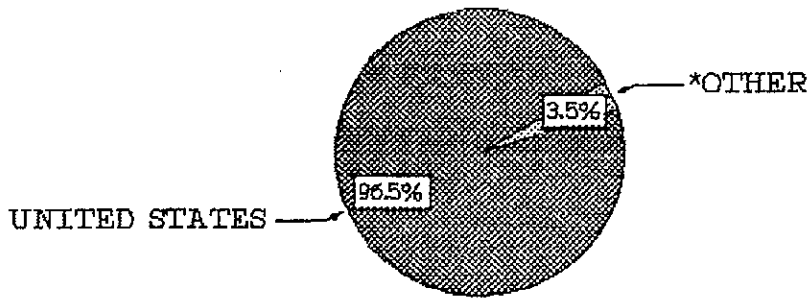
Imports of granola cereal bars, the largest single product classified to this commodity code, amounted to \$908 000 or 66 per cent of the total value of this report; corn chips and nachips/nachos, combined, amounted to \$289 000 or 21 per cent. Average price per pound of granola bars was \$1.68 and of corn chips/Nachos \$1.16 and \$1.02, respectively.

Packages of cereal products varied from six pound boxes to 55 pound bags.

IMPORTS OF CEREAL PRODUCTS, APRIL 1987
IN DESCENDING ORDER OF DOLLAR VALUE

<u>Product</u>	<u>Quantity</u> (000 lb.)	<u>Value</u> (\$000)	<u>% of Total</u> <u>Value</u>	<u>Average Price</u> <u>Per lb.</u> (\$)
Granola Cereal Bars (chocolate coated or not)	539	908	66	1.68
Corn Chips	129	150	11	1.16
Nachips/Nachos	136	139	10	1.02
Toasted Corn Nuts	53	51	4	.96
Farfel, Meal and Savouries	41	50	4	1.22
Cereal Products (not known)	<u>82</u>	<u>77</u>	<u>6</u>	.94
TOTAL	980	1 375	100	

COUNTRY OF ORIGIN

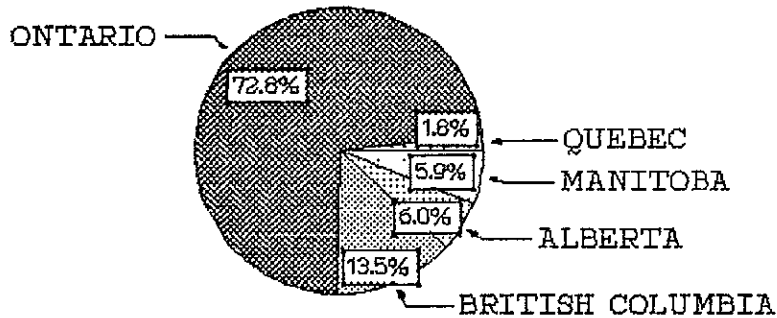


100% = \$1.4 MILLION

* Other includes Denmark, United Kingdom, India, The Netherlands and Federal Republic of Germany

The United States was the dominant exporting country accounting for 923 000 pounds with a value of \$1.3 million or 96.5 per cent of the total value of imports.

PROVINCE OF CLEARANCE



100% = \$1.4 MILLION

Consignee in Ontario accounted for one million dollars or 73 per cent of the total import value, and those in British Columbia accounted for \$186 000 or 13.5 per cent. Alberta and Manitoba followed with \$82 000 and \$81 000 respectively, six per cent each. Further details are provided in Appendix A.

IMPORT MARKET CONCENTRATION

There were 47 known consignees or importers of cereal products in April 1987. The principal 10 consignees/importers accounted for \$1.3 million or 91 per cent of the dollar value of imports. (All consignees/importers are listed in alphabetical order in Appendix B).

<u>Principal Consignees/Importers (By Value)</u>	<u>Cumulative Quantity (000 lb.)</u>	<u>Cumulative % of Total Quantity</u>	<u>Cumulative Value (\$000)</u>	<u>Cumulative % of Total Value</u>
3	642	66	1 040	76
6	777	79	1 162	85
10	874	89	1 257	91
All Consignees/ Importers (47)	980	100	1 375	100

IV. MARKET SUMMARY

The cereal products market encompasses a wide range of items from breakfast cereals and cake mixes to snack foods. Some products within this category, such as snack foods and nachos, enjoy an expanding market while others such as breakfast cereals face a relatively mature market. This import analysis includes several items in the snack food category. These items, in terms of value, account for the bulk of the imports surveyed in this analysis.

Raw materials for cereal products are largely wheat, oats, corn and rice. Wheat and oats in Canada are marketed by the Canadian Wheat Board. Wheat is priced according to the domestic wheat pricing policy. This has meant that Canadian wheat processors are paying approximately double international prices for wheat and are at a cost disadvantage when competing with imports. The rate of increase of imported cereal products into Canada has been considerable.

The government has announced its intention to change the domestic wheat pricing policy so that cereal processors have access to wheat at internationally competitive prices. The urgency for such changes has increased with the prospects of a Free Trade Agreement with the U.S. where tariff protection for cereal processors will be eliminated.

Imports of products containing substantial amounts of wheat and oats are controlled by the Canadian Wheat Board's imports permit system. Under this system certain types of cereal products in retail packages may be imported directly by a retailer through standing permits. There is provision in the Free Trade Agreement for the elimination of the import permit system, once subsidies to producers of wheat, oats and barley are equal in Canada and the U.S.

APPENDIX A

IMPORTS OF CEREAL PRODUCTS, APRIL 1987
BY PROVINCE OF CONSIGNEE

	<u>Quantity</u> (000 lb.)	<u>Value</u> (\$000)	<u>% of Total</u>	
			<u>Quantity</u>	<u>Value</u>
Ontario	669	1 001	68	73
British Columbia	156	186	16	14
Alberta	78	82	8	6
Manitoba	54	81	6	6
Québec	<u>24</u>	<u>25</u>	<u>2</u>	<u>2</u>
TOTAL	981	1 375	100	100

CANADIAN IMPORTERS

Importers of cereal products during the period April 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>
Alph Basics Corporation	Markham, Ont.
B.C. Adventist Book Centre	Abbotsford, B.C.
Burns Foods Ltd.:	Burnaby, B.C.
	Calgary, Alta.
	Winnipeg, Man.
	Brampton, Ont.
	Vancouver, B.C.
CRS Food Wholesalers	Surrey, B.C.
Christmas Natural Foods Ltd.	Vancouver, B.C.
Duncan & Stokes Importers Ltd.	Burnaby, B.C.
Economy Trading Co.	Calgary, Alta.
El Molino Foods of Canada Ltd.	Cobourg, Ont.
General Foods Inc.	Markham, Ont.
General Mills Canadian Inc.	Montréal, Qué.
Hahamovitch Kosher Imports Inc.	Chatham, Ont.
Holland Food Brokers	Laval, Qué.
I.D. Foods Incorporated	Mississauga, Ont.
Imperial Flavours Inc.	Richmond, B.C.
International Food Importers Ltd.	Richmond, B.C.
JB Johnsons Coffee & Food Sales Ltd.	Downsview, Ont.
Johnvince Foods Ltd.	Coquitlam, B.C.
Kavanagh Foods Ltd.	Richmond, B.C.
Koffman Foods Ltd.	Concord, Ont.
Kofman-Barenholtz Foods Ltd.	Montreal, Qué.
Le Courtier Du Réseau	Markham, Ont.
Lifesource Natural Foods Limited	Richmond, B.C.
Lifestream Natural Foods Ltd.	Mississauga, Ont.
Marks & Spencer Canada Inc.	Brantford, Ont.
Murphy Distributing Ltd.	Vancouver, B.C.
Nalley's Canada Ltd.	Richmond, B.C.
Nationwide Natural Foods Inc.	Mississauga, Ont.
Oetker Canada Limited	Calgary, Alta.
Old Dutch Foods Ltd.:	Winnipeg, Man.
	Thunder Bay, Ont.
Olympic Foods Ltd.	Victoria, B.C.
PSC Workers Co-op.	Montréal, Qué.
Pokonobe Industries Inc.	Mississauga, Ont.
Poppa Corn Company Ltd.	Weston, Ont.
Primo Foods Ltd.	Trenton, Ont.
Quaker Oats Co. Canada Ltd.:	Winnipeg, Man.
	Fort Erie, Ont.
Rich Products of Canada Ltd.	

APPENDIX B

CANADIAN IMPORTERS (CONT'D)

<u>Name</u>	<u>Address</u>
Shah Trading Co. Ltd.	Scarborough, Ont.
Snak Tyme Foods Ltd.	Winnipeg, Man.
Tasty Treat Foods Ltd.	Surrey, B.C.
U-Buy Discount Foods Ltd.	Hamilton, Ont.
Vita Health Company (1985) Ltd.	Winnipeg, Man.
Western Grocers (Westfair Foods Ltd.)	Edmonton, Alta.

APPENDIX C

FOREIGN EXPORTERS TO CANADA

Major exporters to Canada of cereal products, shown in this report, are listed in descending order of dollar value. These exporters (11 out of 45) accounted for 93 per cent of the total analysed value of \$1.4 million.

<u>Name</u>	<u>Address</u>	<u>Value of Imports</u> (\$000)
The Quaker Oats Co.	Shiremanstown, PA United States)	
Nalley's Fine Foods	Tacoma, WA United States)*	1 040
McCleary Industries Inc.	South Beloit, IL United States)	
Cornuts Inc.	Oakland, CA United States	49
B. Manischewitz Company	Jersey City, NJ United States)	
Arinco	Copenhagen, Denmark)*	105
Tom's Foods Inc.	Macon, GA United States)	
Pet Incorporated	St. Louis, MO United States)	
Wyandot Exporting Co.	Marion, OH United States)	
Coosa Baking Co.	Rome, GA United States)*	<u>79</u>
Nachos Incorporated	Memphis, TN United States)	
		1 273

* Aggregated to preserve confidentiality of Canadian importers.

CANADIAN SUPPLIERS

The following lists are taken from two sources: a) the Business Opportunities Sourcing System (BOSS), a computerized data bank established by the federal Department of Regional Industrial Expansion (DRIE) and b) the Canadian Trade Index, published by the Canadian Manufacturers' Association (CMA). These lists may not include all suppliers of the products in question, as companies must themselves register in BOSS or the Canadian Trade Index. In both cases, information of Canadian products supplied is as given by the companies.

BOSS

Canadian companies are arranged in alphabetical order within the following Canadian International Trade Classification (C.I.T.C.) commodity code.

066-99-89 Cereal Products, n.e.s.

<u>Name</u>	<u>Address</u>
General Foods Div. de Phillip Morris	Lasalle, Qué.
Gibbons Foods Div. of Eden Mfg. Co. Ltd.	Toronto, Ont.
* Kavanagh Foods Ltd.	Coquitlam, B.C.
Lifestream Natural Foods Ltd.	Richmond, B.C.
Robin Hood Multifoods Inc.	Willowdale, Ont.
* Shehirian Bulgor Co.	Scarborough, Ont.
* The Griffith Laboratories Ltd.	Scarborough, Ont.

* Company engaged in export trade

Any enquiries and/or comments regarding the BOSS list should be directed to:

Business Opportunities Sourcing System (ABOS)
Department of Regional Industrial Expansion
235 Queen Street
Ottawa, Ontario K1A 0H5
Tel: (613) 954-5031 - Telex: 053-4123

Canadian Trade Index

Companies are arranged in alphabetical order.

Cereals, Breakfast Foods and Sausage Meal

<u>Name</u>	<u>Address</u>
Byers Flour Mills Ltd.	Camrose, Alta.
Ellison Enterprises Ltd.	Lethbridge, Alta.
General Foods Inc.	Don Mills, Ont.
General Mills Canada Inc., Grocery Products Division	Rexdale, Ont.
Humboldt Flour Mills Co. Ltd.	Humboldt, Sask.
Jackson Newport Foods Limited	Montréal, Qué.
* Kellogg Salada Canada Inc.	Rexdale, Ont.
Kent, B.P., Flour Mills Limited	Virden, Man.
* MacDowell Brothers	Brockville, Ont.
* Maple Leaf Mills Limited	Toronto, Ont.
Nabisco Brands Ltd.	Toronto, Ont.
* Ogilvie Mills Ltd.	Montréal, Qué.
* Quaker Oats Company of Canada Limited	Peterborough, Ont.
Reid Milling a Division of Nabisco Brands Ltd.	Mississauga, Ont.
Rogers Foods (1982) Ltd.	Armstrong, B.C.
Sunny Boy Limited	Camrose, Alta.
United Grain Growers Limited	Winnipeg, Man.

* Company engaged in export trade.

Any enquiries and/or comments regarding the Canadian Trade Index list should be directed to:

The Canadian Manufacturers' Association
One Yonge Street
Toronto, Ontario M5E 1J9
Tel: (416) 363-7261 - Telex: 065-24693

CANADIAN AND FOREIGN TARIFFS

Cereal products included in this analysis were dutiable under the following most commonly applied tariff items.

Tariff Item	Description	Tariff Treatment				
		British Preferential Tariff %	Most Favoured Nation Tariff %	General Tariff %	General Preferential Tariff %	U.K. and Ireland %
2300-1	Preparations of cocoa or chocolate, n.o.p., and confectionery coated with or containing chocolate on and after January 1, 1987	10	12.5	35	5	-
4505-1	Prepared cereal foods, in packages not exceeding twenty-five pounds weight each 1987	10	10	27.5	6.5	10

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: The United States, Denmark, United Kingdom, The Netherlands and The Federal Republic of Germany
 Exporting country which qualifies for the Most Favoured Nation tariff treatment or General System of Preference tariff treatment*: India

* Note: In order to qualify for the General System of Preference, a special certificate of origin is required.

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

RECONCILIATION

Imports of cereal products during the period April 1987, as reported on documents analysed in this report, amounted to \$1.4 million.

The value reported in this import analysis does not correspond to official Statistics Canada figures for various reasons.

Reconciliation of the two total figures is explained as follows:

<u>Values Accounted For</u>	<u>Value</u> <u>(\$000)</u>
Documents referring to products which should have been classified elsewhere:	
(a) Bakery Products, NES (tortillas, tacos)	178
(b) Other*	394
Values reported by Statistics Canada but not included in this report (e.g. documents not available for processing, Canadian goods returned)	40
Total values reported in this import analysis	<u>1 375</u>
Total values accounted for as above	1 987
Total values published by Statistics Canada	1 987

* Includes, in descending order of value, noodle type products, corn bran, rice products and others.

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90 O'Leary Avenue
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-4884

Prince Edward Island

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134 Kent Street, Suite 400
Charlottetown, Prince Edward Island
C1A 7M8
Tel: (902) 566-7400

Nova Scotia

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Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-2018

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Assumption Place
770 Main Street
Moncton, New Brunswick
E1C 8P9
Tel: (506) 857-6400

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Montréal, Québec
H4Z 1E8
Tel: (514) 283-8185

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4th Floor
Dominion Public Building
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Toronto, Ontario
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Tel: (416) 973-5000

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330 Portage Avenue
Room 608
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 983-4090

Saskatchewan

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Tel: (306) 975-4400

Alberta

Cornerpoint Building
10179 - 105th Street, Suite 505
Edmonton, Alberta
T5J 3S3
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Tel: (403) 668-4655

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