

Notes from the field – Agri-Food Trade Commissioner Market Perspectives



The Agriculture and Food Trade Commissioner Service (AFTCS)

- **European Union** – Yannick Dheilily, Paris, France
- **India** – Parthi Muthukumarasamy, New Delhi
- **Mexico** – Marie-Michelle Poulin, Mexico City
- **Greater China** – Victor Qi and Sophia Yuan, Beijing
- **South Korea** – Tommy Couture, Seoul
- **U.S.A.** – Colette Lekborg, Boston



Yannick Dheilily
Embassy of Canada in France

European Union



Quick overview of Agriculture and Food Network in Europe

- **14 FTEs** in Europe working proactively on Agriculture and Food (including AAFC, CFIA & GAC resources)

- Located in:
 - BREU/Brussels – 7 resources / Market Access focused with some IBD
 - DDORF/Germany – 1 resource / IBD
 - PARIS/France – 1 resource / IBD & Market Access-Trade Policy
 - LDN – 1 resource / IBD
 - ROME/Italy – 2 resources / FAO, IBD and Market Access/Trade Policy
 - MDRID/Spain – 1 resource
 - COPEN/Denmark – 1 resource
 - BPEST/Hungary
 - HAGUE/Netherlands
 - WSAW/Poland
 - BERN/Switzerland

European Union



What's currently trending in the market...

Origin, story, different, local, small producer (More/Less)

Organic, vegan, vegetable foods, gluten-free

Street food, apps, small shops, take-away

Environment, eco-sth, responsible, less waste

Food as an on-line experience, TV shows, chefs, events

Foodservice: Korean, Peruvian, quality burger

What trends are phasing out....

Light, energy

Foodservice: "old" tradition, meat, processed meat, sushi

Groceries at large supermarkets

European Union



What to watch out for..... CETA

Exports and imports by sector (2015, € million)

	Exports		Imports	
	2015	% change 2014-2015	2015	% change 2014-2015
Drinks	28,309	+9	5,665	+11
of which: spirits	10,275	+7	1,517	+9
wine	9,824	+9	2,765	+13
beer	3,418	+18	413	+10
mineral waters and soft drinks	3,345	+14	925	+6
Various food products	22,347	+5	10,795	+3
of which: chocolate and confectionery	6,063	+6	2,865	+6
processed tea and coffee	2,195	+9	2,180	+9
Meat products	11,264	+4	7,332	+5
Dairy products	10,089	-9	707	-19
Processed fruits and vegetables	5,828	+6	9,536	+15
Oils and fats	5,257	+10	16,623	-1
Bakery and farinaceous products	4,207	+8	757	+13
Fish products	3,593	+2	17,561	+6
Animal feeds	3,493	+10	1,020	+15
Grain mill products and starch products	3,392	+11	1,873	+7

European Union



What CETA means

- Elimination of (small/medium/high/very high) tariffs
- Non-tariff barriers remain
- Almost no barriers: cereals, vegetable, fruit, oils, ingredients of vegetable origin
- Manageable barriers: oilseeds (GMOs), fishery products, bison meat, horse meat, honey, organic foods (certification)
- Difficult barriers: pork meat (ractopamin), beef meat (hormon), processed foods (certification, composition and labelling), live animals
- Current trend to create new barriers in the EU

There are opportunities we know of, and others that we ignore

European Union



Upcoming activities.....

- Flagship shows: ANUGA (Oct. 2017) / SIAL (Oct. 2018)
- Biofach in Nürnberg, Germany (Feb. 2017)
- Seafood Expo Global in Brussels, Belgium (Apr, 2017)
- FIE – Food Ingredients Europe in Frankfurt, Germany (Nov 2017)
- Other shows: PLMA, ISM, FruitLogistica, Conxemar, IFE, Zoomark, Prowein, London Wine Fair, Vinexpo, Vinitaly
- National shows of interest: SIRHA, Natexpo
- Taste of Canada events



Parthi Muthukumarasamy
Embassy of Canada in India

India

Quick overview of Agriculture and Food Network in India



5 FTEs in India working on Agriculture and Food (including AAFC, CFIA & GAC resources)

- DELHI– 3 resources - focus on IBD/Trade Promotion & Market Access
- Mumbai – 1 resource focus on IBD/Trade Promotion
- Chandigarh; Ahmedabad; Kolkata; Bangalore; Chennai and Hyderabad – GAC TCS resources



India



What's currently trending in the market...

- Favourable demographics and mobility of people
- One of the fastest growing economies
- Tremendous opportunity in agriculture and food processing
- New government in place – more pro trade and investments.
- Significant potential for growth in infrastructure; online retail; and manufacturing

What trends are phasing out....

- Moving from multiple taxation system to GST
- Red tape and regulatory challenges for doing business

India



What to watch out for.....

Challenges

- Need patience, time and efforts.
- Tariff's and Duties
- Stringent Food import; Plant Quarantine and Animal Health Requirements –Protectionist approach

Opportunities

- Pulses; Vegetable oil; Agriculture Commodities (Oats; Barley; Mustard; Flax; Apples and Berries)
- Processed Food Products (Unique; Organic; Healthy)
- Animal Products (Pork; Animal Genetics)
- Crop Inputs; Farm machinery; Grain Storage systems; Lab services; Technology transfer;

India



Upcoming activities.....

Food:

- Food and Grocery Forum – Mumbai – Jan 2017
- Gulfood – Dubai - Feb 2017
- Aahar – Delhi - March 2017

Agriculture:

- Globe oil/Global Grain – Delhi– Feb 2017
- Agritech – Bangalore – Aug 2017
- Agrimach – Dec 2017



Marie-Michelle Poulin
Embassy of Canada in Mexico

Mexico



Quick overview of Agriculture and Food Network in Mexico

- **8.05 FTEs** in Mexico working proactively on Agriculture and Food (including AAFC, GAC and CFIA resources)

- Located in:
 - Mexico City (MXICO) – 6.5 resources
 - 2 focus on IBD/Trade Promotion
 - 4.5 focus on Market Access/Trade Policy

 - Guadalajara (GJARA) – 0.75 focus on IBD/Trade Promotion

 - Monterrey (MNTRY) – 0.80 focus on IBD/Trade Promotion

Mexico



What's currently trending in the market...

- “Ready-to-eat” or “ready-to-cook” food
- Chocolate (consumer-ready or ingredient)
- Health and Wellness products
- Private Label
- Gourmet products
- What Mexican food manufacturers are anticipating: increased food allergies/intolerances, GMO labelling, clean labels, sustainable certifications, volatile exchange rates affecting the costs of their inputs.

What trends are phasing out....

- Pasta, high sugar foods, cereals (in favour of cereal bars)

Mexico



What to keep an eye on...

- Positive Canada-Mexico relationship
- Uncertainty following the US election
- Challenges:
 - Security-related costs – theft continues to occur during transit
 - Phytosanitary regulations
- Opportunities:
 - Key positioning in the market as Mexico's second most important supplier of agri-food products after the U.S.
 - Continued emphasis on quality and safety of our products.
 - Categories where Canada can compete / grow its market share include canola oil and seed; wheat; malt; waffle and wafers; french fries; oats; chocolate; maple sugar and syrup; herring; live lobster; pork; beef, live cattle; pet food, and more.

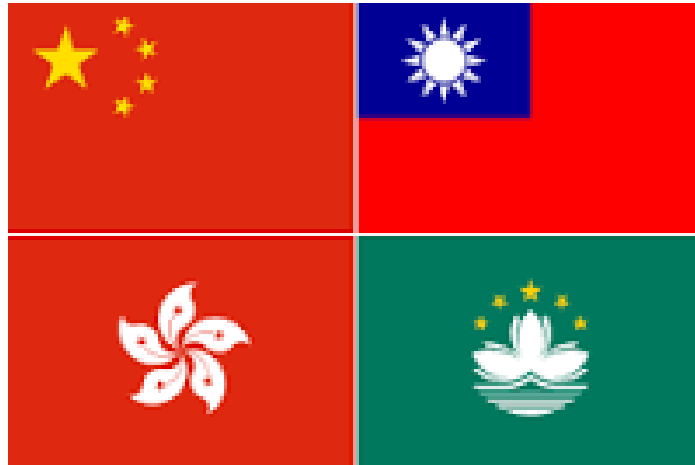
Mexico



Upcoming activities.....

- Retail-focused table-top and subsequent consumer promotion with retailer HEB (US & Mexico), February 2017
- Food Ingredients Mission to Mexico, February 2017
- ANTAD-Alimentaria (retail-focused trade show), March 2017
- Agro-Alimentaria (Agriculture Machinery & related technologies trade show), November 2017

Please let TC know if a project/initiative is of interest to you!



Sophia Yuan, Victor Qi
Embassy of Canada in China

Greater China

Quick overview of Agriculture and Food Network in Greater China

- **19 FTEs** in Greater China working proactively on Agriculture and Food (including AAFC, CFIA & GAC resources)
- Located in:
 - BEJING – 8 colleagues (with 3 colleagues on market access file)
 - HKONG – 3 colleagues
 - GANZU – 1 colleague
 - SHNGI – 3 colleagues
 - CHONQ – 2 colleagues
 - TAPEI – 2 colleagues



Greater China

What's currently trending in the market:

- Consumption driven economy
- More protein rich diets
- Food safety and quality
- New commercial channels
- Innovative technology



Greater China

Opportunities

- China is a huge market!
- Recent developments of e-commerce
- Market access for Canadian bone-in beef
- Price inversion of imported products and domestic products
- Expansion of livestock industry in China



Greater China

Challenges



- China is again a huge market!
- Dealing with local customs/ports
- Navigating the local business environment
- Large national reserves
- Competition from peer countries

Greater China



Upcoming activities in 2017:

- China Food and Drinks Fair (March, Chengdu)
- SIAL (May, Shanghai)
- CFSE (November, Qingdao)
- FHC (November, Shanghai)
- ANUFOOD China (November, Beijing)

- China Alfalfa, Forage and Grains Conference (March, Beijing)
- China Pulse & Flaxseed Conference (April & Sept)
- China Animal Husbandry Expo (May, Qingdao)
- China Dairy Expo (June, Nanjing)
- China Oils & Oilseeds Conference (July)



Tommy Couture
Embassy of Canada in South Korea

South Korea



Quick overview of Agriculture and Food Network in South Korea

- **3 FTEs** in South Korea working proactively on Agriculture and Food (including 2 AAFC & 1 GAC resources)
- Located in: SEOUL (Seoul)
- 3 resources / IBD & Market Access/Trade Policy :
 - Tommy Couture (AAFC)
 - LE-09 GAC Senior position (Vacant)
 - Ok-Jin Cho (AAFC LE-06)

South Korea



What's currently trending in the market...

- Fast adoption of imported food by the younger generation
 - Koreans travel more and more and they experience food from different countries.
- Polarization of import food
 - Price sensitivity vs. quality-consciousness: Korean seek deep bargain prices on daily necessity products, while nearly taking lesser notice of prices for premium items in the recent economic crisis.
- Growing concern about health
 - In the past few years, there has been a growing concern over health and food safety.
 - Products that are considered having medicinal benefits (and/or functional foods) have become in greater demand. Ex. Super food; blueberry, specialty grains (flaxseed, hemp seed, etc.)
- Increase of sales on-line
 - TV home shopping is also popular

South Korea



What to watch out for.....

Positive impact

- CKFTA (tariff schedule phase-out). Next decrease January 1st, 2017
- Canada benefits from food safety issues in China and Japan
- Canada's image associated with clean environment
- To less extend: US election and possible renegotiation of KORUS

Negative impact

- Rigorous regulations on imported agricultural and food (Ex. Positive List System for Maximum Residue Limit (MRLs))

What to watch out for.....



Challenges

- Commitment to the market / takes time to build relationship
- Lack of brand awareness
- Weak in price competitiveness
- Korean market has shorter product/brand life cycles
- Need for customization to the Korean market (Ex. Small packages for retail products)
- Local importers require support from foreign suppliers in terms of marketing (Financial or in-kind support)

Opportunities

- Grains, oilseeds, and pulses
- Animal products and by-products
- Health Functional food (Natural health products)
- Live animals and genetics
- Fish and Seafood
- Processed food products
- Alcoholic beverages

South Korea



Upcoming activities.....

- **Seoul Food and Hotel 2017, May 16th-19th**
Biggest Edition, Pilot Project to become AAFC Flagship Show
- **Wine, beer and Spirit Event, Feb., March or April 2017**
Tasting event (Table-Top) or Seoul International Wines and Spirits Expo
- **Canadian Seafood Export Café, Fall 2017**

Please let TC know if a project/initiative is of interest to you!



Colette Lekborg
Consulate General of Canada in Boston

United States of America



Quick overview of Agriculture and Food Network in the U.S.A.

- **8 FTEs** in the U.S.A. working proactively on Agriculture and Food (including AAFC, CFIA & GAC resources)

- Located in:
 - BOSTN – 1 resource / IBD
 - CHCGO – 1 resource / IBD
 - DALAS – 1 resource / IBD
 - DTROT – 1 resource / IBD
 - MNPLS – 2 resources / Advocacy, IBD & Market Access/Trade Policy focused
 - WSHDC – 3 resources / Market Access & Trade Policy focused
 - 6 other missions reactive on Ag files

United States of America



What`s currently trending in the market...

- “Better For You” – Clean label, organic, friendly to the environment and non-GMO
- Time is of the Essence – On the Go
- International Flavours – Demand will increase for authentic ethnic cuisine
- Snacking – Health/Convenient and Indulgent
- Customizable, Build-your-own
- LTO (Limited Time Offer) – Seasonally Relevant
- The Best Value for Your Money
- Transparency to the Consumer – Where does the food come from?

United States of America



What trends are phasing out....

- Low-fat diet of the last 40 years
- Overhyped Waters
- Unhealthy Fast Food
- Gluten-free Craze is Still Large But Slowing in Growth
- Soy Milk & Rice Milk Giving Way to Almond & Coconut
- Greek Yogurt Slowing Down
- Grocery Shopping Once a Week
- Full Service
- Concentration of Natural Sales in Natural Channels
- Big Food – Large food manufacturers are losing the growth game

United States of America



What to watch out for.....

- US Election!

Statement by Ambassador David MacNaughton

“Canada & the US enjoy extraordinary cooperation on shared interests such as creating economic opportunities for people on both sides of the border and enhancing security in North America and abroad.”

United States of America



What to watch out for.....

Challenges for Canadian Exporters

Building capacity, labelling requirements and regulatory adherence, transportation/distribution and local competition

Opportunities/Where Canada Can Compete

*Foodie Startups*Foodtech Companies*Convenience*
*Pulses and Ingredients*Functional Foods*Innovative
Snacks*Plant Based Protein*Plant Water (maple?)*Low
Sugar/No Sugar*Non Dairy Alternatives

United States of America



Upcoming activities.....

- Supplier Days - Price Chopper, NY, Jan 2017 and HEB, Texas, Feb 2017
- Seafood Expo North America, Boston, March 2017
- SIAL Canada, Toronto, May 2017
- “TASTE OF CANADA”, Boston, MA, June 5-6, 2017
- Summer Fancy Food Show, NY, June 2017
- IFT 17, Las Vegas, June 2017
- PLMA’s Private Label Trade Show, Chicago, Nov 2017