

Entering the Global Market Place: International Relations and Marketing Branch Panel

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Alberta Agriculture and Forestry

Alberta Agriculture and Forestry International Marketing Services

18 Staff focused on 3 geographic regions

Connecting buyers and sellers

Market Intelligence and Identifying export opportunities

Advice and consultation on export readiness and planning

Alberta Agriculture and Forestry International Marketing Services

Showcasing and profiling Alberta abroad

**Coordinating and supporting international
advocacy/trade missions**

Matching investors with opportunities

Alberta's international Offices

East Asia Trade



- 2014 Alberta Agri-food exports totaled **\$9.7B**

AGRI-FOOD IMPORTS

<i>Country</i>	<i>\$ Value (2014)</i>
China	124B
Japan	65B
South Korea	28B
Hong Kong	27B
Taiwan	13B

AB AGRI-FOOD EXPORTS

<i>Country</i>	<i>\$ Value (2014)</i>
China	1.3B
Japan	1.2B
South Korea	228M
Hong Kong	192M
Taiwan	41.9M

- Source: Statistics Canada; Global Trade Atlas October 2015

Market Trends & Opps – East Asia

China

- Greater awareness of health issues
- Strong media coverage
- Rising income levels
- Urbanisation
- Widening distribution channels and range of products
- Emergence of e-commerce

Hong Kong

- Increased government efforts on improved health
- Increased caution about diets

Taiwan

- Increased interest in healthy food
- Aging population
- Health conscious consumers

Market Trends & Opps – East Asia

Japan

- Large, Mature and sophisticated market (\$12 billion & growing)
- Health conscious consumers willing to spend
- Aging population (26%>65)
- Natural health products seen as healthy alternative to prescription drugs
- TPP improved access
- Organic Equivalency Agreement with Canada

South Korea

- Aging population
- Health conscious and convenience consumers
- Willingness to try new tastes and trends
- Growing health/wellness sector
- Consumers receptive to functional food substitutes and additives
- CKFTA improved access

Challenges to doing business in East Asia region

- Consumer preference for domestic products
- International Competition
- Price Competitiveness
- Complex Distribution Systems
- Packaging Modifications & Taste Preferences
- Language, cultural and way of doing business differences
- Market Access Barriers
- Complex Importation Procedures and Regulations

How can we help position your company for success in East Asian region?

- Enhance awareness of export opportunities
- Identify and monitor any market access issues
- Trouble shooting assistance with import regulations & procedures
- Work closely with new and experienced exporters in order to pursue market opportunities
- Lead market development initiatives and advocacy activities
- Build and maintain relationships with key industry stakeholders and contacts
- Business to business matchmaking facilitations

Upcoming Events – East Asia

Food and Hospitality China Trade Show

- Shanghai, China
- November 11 – 13, 2015

Foodex Japan Trade

- Show, Tokyo, Japan
- March 8 – 11, 2016

Food Asia Trade Show

- Singapore
- April 12 – 15, 2016

Seoul Food Show

- Seoul, South Korea
- May 10 – 13, 2016

Natural Health and Nutraceutical Products Video Conference

- Taiwan Market
- January 2016

Incoming Buyer Missions East Asia Region

- Ongoing

US- Country snapshot

- 319 million people, largest economy in the world, per capita GDP: USD \$53,041
- 11.6% – US household expenditure on food and NA beverages
- Why US? - Market size, high GDP, similar business practices, cultural affinities, preferential trade access and proximity
- The value of Alberta's agri-food exports to the US totaled **\$3.9 billion** in 2014

2014 Alberta exports to the US

Value in \$CDN Millions	2014
1- Beef (Fresh, Frozen or Chilled)	\$949.5 M
2- Other Cattle (Excl Purebred)	714.3
3- Wheat	326
4- Oilseed cake and meal	272.4
5- Processed potatoes	203.3
6- Canola seed	169.5
7- Pork	126.4
8- Canola oil	125.6

US - Market Trends

- US getting bigger: 400 million by 2050
- US is aging: 20% of the US population are baby boomers
- The impact of Millennials
- Americans want to eat healthier
- Functional food sales in the US: USD\$16.5 billion or 38% of global value*

Doing Business in the US

Opportunities

- Regional opportunities exist for various types of products
- PNW, PSW, Upper Midwest, Midwest, Mid Atlantic
- Exchange rate

Challenges

- Huge market to enter
- Highly competitive
- High marketing & transportation cost

Upcoming Events - US

PLMA (Private Label Market Assoc.)

- Chicago, USA
- November 15 – 17, 2015

Export Readiness Workshop

- Edmonton, November 23 - 24, 2015
- Calgary, November 25 – 26, 2015

New Exporters Mission to Seattle

- March 2016

Natural Products Expo West

- Anaheim
- March 9 – 13, 2016

Taste of Canada

- Minneapolis
- January 13 – 14, 2016

IFT (Institute of Food Technologists)

- Chicago
- July 16 – 19, 2016

EU – Market Summary

- The EU is the union of 28 countries with 508 million people, per capita GDP: USD\$36,699
- Largest exporter and importer of agri-food products in the world
- EU imported C\$181.7 billion worth of ag products in 2014
- The leading EU agricultural producers: France, Germany, Italy, Spain and Poland

2014 Alberta exports to the EU

Value in \$CDN Millions	2014
1- Wheat	\$166 M
2- Animal Feed	49.2
3- Horse Meat	15.5
4- Whiskey	15
5- Bovine Semen	11.7

- The value of Alberta agri-food exports to the EU totaled \$305 million in 2014
- CETA agreement will create a beneficial market for Alberta

EU - Market Trends

- 14.6% - EU household expenditure on food and NA beverage products
- Consumers demand convenience, but they are not willing to compromise with the quality
- Increased interest in natural, organic and functional foods
- Functional food sales in the EU: USD\$8.7 billion or 20% of global value

Doing Business in the EU

Opportunities

- Market access through CETA
- Market size and affluence
- Market sophistication and innovation
- Health and wellness trends

Challenges

- Strong competition
- Current market access requirements
- Low consumer and importer awareness
- Location
- Market diversity

Upcoming Events – EU

SIAL Paris

- October 16 – 20, 2016

Health Ingredients / Natural Ingredients

- Frankfurt, Germany
- November 29 –
December 1, 2016

MEXICO

- Population over 120 million; per capita GDP USD\$10,307.28
- Middle-aged consumers (40-64) dominate the market
- Increased health concerns related to excess weight, obesity and diabetes
- Alberta's agriculture exports to Mexico in 2014 valued at \$ 537M
- Price sensitive market with complex regulatory and distribution system

Upcoming Events - Mexico

Food Ingredients Mission to Mexico

- Guadalajara,
Monterey, Mexico City
- January 25 – 29, 2016

ANTAD

- Guadalajara
- March 16 – 18, 2016

BRAZIL

- Latin America's largest economy with population of over 200 million and per capita GDP USD\$11,208
- Huge middle class – 94.9 million
- Overweight and obesity rates are increasing in Brazil
- Alberta's agriculture exports to Brazil in 2014 valued at \$30 M
- Doing business in Brazil is not easy!

2014 Alberta exports to Middle East

Value in \$CDN Millions	2014
1- Wheat	300.9 M
2- Canola Seed	54.8 M
3- Pulses	8.5 M
4- Barley	6.1 M
5- Beef	3.3 M
6- Dairy Produce	2.9 M

- The value of Alberta agri-food exports to the Middle East totaled \$385 million in 2014
- The biggest markets for Alberta in the region are United Arab Emirates (\$104 Million) and Saudi Arabia (\$ 88 Million)

United Arab Emirates (UAE)

- The current population of UAE is estimated to be 9.6 Million
- 88% of the population are expatriates with a majority of Asian origins followed by Middle Eastern and Western
- The UAE depends on food imports for about 90% of its needs
- Consumers in the UAE are increasingly concerned about overweight and various health issues.
- The emergence of special health conditions has triggered a considerable expansion in a new niche market for foods with special health benefits.
- Consumers tend to look for European and North American suppliers when it comes to organic and health foods.

Doing Business in Middle East

- Canada has fairly good market access for agriculture and food products into the Middle East, however, there are some challenges of access in Saudi Arabia
- Natural Health Products destined for Middle East should not include animal derivatives or animal by-products unless they are Halal certified
- The Business culture in the Middle East is very different from the rest of the world
- It is all about building relationships in the market!

Upcoming Events – Middle East

Middle East Natural & Organic Expo

- Dubai
- November 2 – 4, 2015

Gulfood 2016

- Dubai
- February 21 – 25, 2015

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