

Exporter

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OPPORTUNITIES *with independent retailers*

Independent retail chains around the Great Lakes hold exporting potential for Ontario suppliers

With their close proximity to Ontario and demand for niche products, independent retail chains in Michigan, Illinois, Ohio and Pennsylvania present an opportunity for Ontario suppliers. "Rather than beating their heads against a wall, with large chains like Wal-Mart and Meijer, the independents can present a great opportunity for smaller companies," says Tom Quinn, Trade Commissioner at the Canadian Consulate in Detroit, Michigan. There are numerous chains around the Great Lakes, including

Hiller's and Papa Joe's in Michigan, Sunset Foods in Illinois and Clemens Family Markets in Pennsylvania. "Many independents don't want to compete mainstream; they're looking for alternatives or niche products, where they can be profitable and get their share of the shopper," says Rick Tuma, OFEX trade advisor for the central US. The biggest opportunity for Ontario suppliers around the Great Lakes may be with upscale stores: "You can make more profit," says Tuma.



"You can ship one or two palettes because you're not dealing with huge chains, so while the freight may be higher, the mainline competition isn't carrying the items so the consumer can't compare prices."

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ONTARIO Food Exports (OFEX) Trade Events

Increase your export potential by participating in an OFEX trade-related event. Our seminars, incoming and outgoing missions and international trade show participation are all geared to developing and maximizing export opportunities for Ontario companies. Through them, we can help you generate export sales, get in-market exposure, meet buyers face-to-face and gather first-hand information about export markets. If any of these events fit your strategies, contact your client account officer for further details on how your company may participate (see the contact list on page 7).



Incoming Missions

Meijer, March 19-20, 2007

OFEX will be hosting a visit by Midwest-based grocer, Meijer. Their grocery and specialty food buyers will be visiting Ontario sourcing private label and branded products. One-on-one meetings will be arranged for qualified Ontario exporters. Headquartered out of Grand Rapids, Michigan, Meijer has 170 superstores throughout the Midwest. With product offerings ranging from electronics and automotive to an assortment of foods, Meijer emphasizes lower prices. For more information visit www.meijer.com and contact your client account officer.

Health Snacks Virtual Trade Mission – Hong Kong, March 19, 2007 Working in conjunction with the Canadian Consulate General in Hong Kong, OFEX is hosting a Virtual Trade Mission (video conference) (VTM) for Canadian companies meeting with major distributors for healthy snacks to schools, hospitals and general retail chains in Hong Kong. Contact Amos Tin, geographic specialist, to learn more about this unique opportunity.

Mexican Importers/Distributors, March 26-27, 2007 Several Mexican importers/distributors, currently working with Canadian suppliers will be visiting Ontario to source more products. OFEX, in conjunction with the Canadian Embassy Mexico City, will be arranging one-on-one meetings with Ontario suppliers.

Tutti Giorni is an Italian-oriented importer/distributor currently importing from several Canadian companies. The company is returning to seek dry, chilled and frozen prepared products that complement their focus. Visit www.tuttigiorni.com.mx for more information.

New York Deli & Bagel, originally founded as a sandwich shop, now supplies bread/sandwich oriented products to a number of retailers (e.g. Wal-Mart, Costco and Soriana) and foodservice operations (Nikko, Sheraton

Hotels and Them Croissants) in Mexico. They currently import several Canadian products and will be seeking more frozen bakery products. For more information on New York Deli & Bagel visit www.newyorkdelibagel.com.mx.

Distribuidora Continental de Alimentos S.A. de C.V. (Discontalsa) is a Monterrey-based importer of frozen prepared foods. Currently with offices in the US and Canada, their prime objective is to increase the variety and availability of high quality frozen food products. For a list of their current brands and company information visit www.discontalsa.com.

Globe Foods is a Guadalajara-based importer, supplying a wide range of products to foodservice operations in hotels and restaurants in Mexico. They are sourcing dry, chilled and frozen products such as condiments, deli meats and bakery.

Contact Diana Campbell for more information on the above incoming missions.

Accessing International Markets

Tabletop, March 26, 2007 Agriculture and Agri-Food Canada is hosting a one-day tabletop for international buyers en route to SIAL Montreal. Expected buyers from China, Hong Kong, Taiwan, South East Asia, Middle East, Europe and Latin America are seeking quality food and beverage products in all categories. Interested suppliers can purchase a table for this unique opportunity. Contact your client account officer for more information.

UK Distributors, April 2-3, 2007

OFEX, in cooperation with the Canadian High Commission in London, is hosting two key UK distributors, Porter Food Company Ltd. and Tree of Life. These high-end natural and specialty food distributors are visiting Ontario seeking innovative and quality products.

Porter Foods is a specialty food distributor providing quality products to catering and wholesale customers, as well as direct to the consumer. More information on their products and business can be found at www.porterfoods.co.uk.

Tree of Life UK, part of the global Tree of Life company provides natural and organic products to its retail customers throughout the UK. Refer to www.treeoflifeuk.com for more information.

Ontario Food Exports will be arranging one-on-one meetings within the Toronto area. Contact Diana Campbell for more information.

Publix, May 1-2, 2007 A bakery buyer from Florida, Publix Super Markets will be OFEX's guest in Toronto. The buyer is scheduled to visit Ontario in order to source private label and branded products. One-on-one meetings will be arranged for qualified Ontario exporters. Founded in 1930, Publix Super Markets is the largest and fastest-growing employee-owned supermarket chain in the United States. With close to 900 stores in the US southeast and sales in excess of US\$20 billion, Publix represents a tremendous opportunity for Ontario suppliers. For more information visit www.publix.com and contact your client account officer.

Outgoing Missions/ International Trade Shows

FOODEX Japan, March 13-16, 2007

FOODEX is Japan's premier annual food promotion event and the largest food trade fair in Asia. FOODEX Japan 2007 is expected to draw over 2,400 exhibitors from some 80 countries to exhibit their products and services to over 90,000 representatives of Japan and Asia's major food and beverage industry players.

OFEX is working with our federal colleagues to present the Canadian Pavilion. The pavilion will provide a dynamic Canadian marketplace environment designed to attract international buyers to the Canadian image for high-quality agri-food products. In addition to a live cooking demonstration area, the Canadian Pavilion's excellent visibility and outstanding reputation will be sure to attract quality leads from across the Asia Pacific region.

For more information on the show, contact Amos Tin or visit www.jma.or.jp/FOODEX/

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THE OFEX research team

OFEX researchers provide time saving research to Ontario exporters

When Ontario suppliers want information on export markets, the OFEX research team, led by marketing assistant Karen Edwards, is on hand to assist an exporter track it down. "We're trying to encourage more of our clients to take advantage of what the research team can offer," says Edwards. "Research is time-consuming and tedious work and we can save them a lot of valuable time by finding market intelligence information and putting reports together."

Led by Edwards, the university co-op students who make up the team—currently Jennifer Wettlaufer from the University of Guelph and Matthew Palmer from the University of Waterloo—are on hand to find information for suppliers, ranging from smaller to larger projects. The OFEX resource library also contains directories on specific markets, such as beverage or bakery. "Instead of coming physically to the library,

Ontario companies can call us and we can look up information for them." For example, at an Ontario supplier's request, the team may produce a list of the players in a particular market or work on behalf of a number of suppliers to complete a more comprehensive report on a particular market. "We can provide general contacts, information on all geographic markets, specific sector information and US food association information," says Edwards. "There is so much information out there that we can put our fingers on easily. Ontario suppliers can ask the question and we'll do much of the legwork and do our best to provide an answer."

Suppliers interested in taking advantage of the services provided by the research team should start by contacting their client account officers to discuss their needs. "Keep in mind that quality research takes time," says Edwards. "Realize that there is a lot of time involved in doing these projects to ensure they are accurate and comprehensive." OFEX's US advisors Joe Senft and Rick Tuma, are also available to provide clients with information on what is going on in their particular markets, for example in foodservice or specialty foods, and can comment on what the market status is in general. For contact information, see page 7.



Regulatory update: The new Whole Grains Stamp

The new Whole Grains Stamp available from the Whole Grains Council will help US consumers identify the whole grain content in their foods. "There is an obesity problem in the US and the new dietary guidelines for Americans recommend that adults consume three or more ounce equivalents of whole grain products per day," says Karen Moore, OFEX client account officer for bakery and prepared frozen foods. "With the stamp, the Whole Grains Council is helping the consumers, make better choices."



The Whole Grains Stamp is available to Canadian manufacturers exporting to the US. To be eligible to use it, a product must contain 8g of whole grains per serving. "It's a unique selling feature and an opportunity for Ontario manufacturers to alert consumers to the whole-grain content of their products making them more likely to buy it," says Moore. "In Ontario, many manufacturers make whole grain products. The stamp will be applicable to a wide variety of foods, from artisan breads to frozen foods that contain whole grains."

For further information on how to obtain the Whole Grain Stamp for your Whole Grain products, please contact Cynthia Harriman by email at cynthia@oldwayspt.org or visit the Whole Grains Council web site at www.wholegrainscouncil.org.

Ontario Food Exports...

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IFE, March 18-21, 2007 The Canadian High Commission in London, England is organizing the Canadian Pavilion at IFE, the UK's premier food and drink trade event and one of the most important in the world. It is an excellent opportunity for Ontario companies targeting the UK market.

The UK is arguably home to the world's most advanced grocery retail market and is one of the world leaders in foodservice. Situated in the capital city of London, IFE is at the very heart of a dynamic and vibrant food and drink industry and perfectly placed to play a leading role in the future of food and drink. Contact Diana Campbell for more information or visit www.ife.co.uk.

Alimentaria Mexico, June 5-7, 2007

OFEX's federal partner, Agriculture & Agri-Food Canada, is organizing the Canadian Pavilion for Canadian food and beverage exporters at Alimentaria Mexico, scheduled for June 5-7 in Mexico City. This premier trade show provides a solid opportunity to expand export sales into Mexico. Ontario food and beverage export sales to Mexico continue to grow year after year, especially value-added, consumer-oriented products. The Canadian Pavilion will feature an open plan, thereby providing outstanding exposure and a reduction in the price of booth space. Information and application forms may be found at http://ats.agr.ca/events/4089_e.htm or contact Diana Campbell.

PROFIT in the US (Retail Bus Tour), June 13-14, 2007

Visit five major US markets in two days! Gain valuable market information by joining us as we travel around Lake Erie. Participants will ride a motor coach to tour many retail food outlets in Buffalo, NY; Erie, PA; Cleveland, OH; Toledo, OH and Detroit, MI. Planned tours will feature many smaller independent retailers, as well as remarkable retailers such as Wegman's, Wild Oats, Wal-Mart Superstore and Giant Eagle. The two-day trip includes an overnight stay in Cleveland.

Our previous market trips focusing on the Buffalo or Detroit markets were a complete success. This is a great program for graduates of our PROFIT program and others keen on nearby US markets. Register early to ensure a seat on the bus! Contact your client account officer for more information.



TREND Watch

TRIMMING the fat in foodservice

The healthy eating trend gains ground with the recent ban on trans fat in the US foodservice sector

Proving that the healthy eating trend is here to stay, New York has become the first US city to pass legislation banning trans fats from its 24,000 restaurants. The trans fat ban will be executed in two phases; NYC restaurants must switch to oils, margarines, and shortening which contain less than half gram of trans fat per serving by July 2007 and eliminate trans fat in all food products by July 2008.

The trans fat ban comes after the Food and Drug Administration announced new product nutrition labelling legislation, effective January 2006, requiring the amount of trans fat per serving to be listed. Following New York's lead, other US

cities, including Chicago, Los Angeles and Philadelphia are working on passing legislation to ban artificial trans fat. Massachusetts state representative Peter Koutoujian also filed legislation, which if passed, would make Massachusetts the first state in the nation to eliminate trans fats in its restaurants. For a detailed listing of cities involved in trans fat legislation visit www.restaurant.org/government/state.

There are also proposals for nutritional information to be included on menus and menu boards. US cities including Chicago, New Jersey and New York have proposed that restaurant chains and large scale restaurants should indicate the number of calories, fat and sodium in their foods. For further information regarding updates on the State Menu Labelling Legislation visit www.restaurant.org/government/state.

The skinny on fat

Artificial trans fat increases "bad" (LDL) cholesterol levels and depletes "good" (HDL) cholesterol levels, leading to increased risk of heart disease and stroke. With the ban on trans fat becoming a growing reality, restaurants are looking for alternatives to partially hydrogenated oils. Included in the list of trans fat free alternatives are liquid vegetable oils such as canola, corn, olive, and soybean oils and other oils consisting of cottonseed and sunflower. "When looking for trans fat free alternatives, price, as well as flavour, are major factors in what US companies are going to buy," says Rick Tuma,

OFEX trade advisor for the central US.

Interesterified oils (those created by combining fully hydrogenated oils with non-hydrogenated oils) are trans fat free and share similar texture and taste properties to partially hydrogenated oils, which suggests they may be a suitable alternative. However, a recent study published in *Nutrition & Metabolism* found the health properties of this popular substitute were no better than its counterpart. When researching alternatives to trans fat, companies must keep in mind the importance of not increasing the saturated fat content in order to reduce trans fat.

Staying competitive

A number of quick service restaurants have voluntarily switched to trans fat free alternatives. KFC has eliminated trans fat from all fry and chicken products in its 5,500 US locations, using soybean oil instead. Red Lobster and the Olive Garden have substituted canola oil and Ruby Tuesday's, Taco Bell, Arby's, and Wendy's have all cut out trans fat from their menus.

In order to remain competitive in the US foodservice market, Ontario suppliers must start developing suitable alternatives to trans fat now. "Developing new products takes time so they should start early," says Joe Senft, OFEX trade advisor for the US Northeast. "Due to the field to fork nature of this issue, it is important for Ontario suppliers to analyze the situation and recognize this will quickly become widespread across the United States."



Opportunities with independent...

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With close proximity to Ontario—it's a mere four-hour drive from Toronto to Detroit and eight hours to Chicago—it's a lot easier to service accounts in this area. "Collectively, the independents around the Great Lakes represent a meaningful opportunity," says Joe Senft, OFEX trade advisor for the eastern US. "If you can get products into the major distributors—you could conceivably distribute to as many small stores as if you were selling to one large store—and it could amount to quite a bit of business."

That said, distribution and logistics might be complicated when you're dealing with smaller chains. "Most independent chains don't have the warehouse space to be able to buy a truckload; they have to take LTLs which is more difficult and more costly for the manufacturer," says Senft. For that

reason, Ontario suppliers have to determine if it's possible to ship LTL efficiently. "Or put together a pedal run that makes four stops every two weeks at four different places in the region," suggests Tuma.

Many independent retailers around the Great Lakes operate through wholesalers and distributors. The good news: "a lot of times if these smaller chains want the item, they will tell the wholesaler to decrease the cost of slotting and do what they have to do to get it," says Tuma. "If a smaller chain is working with a wholesaler, like Supervalu, and they want to take on your product, once the wholesaler takes the product, it's also available to all other independents within that distribution centre." However, when Ontario companies are dealing with retailers that are serviced by distributors, such as Spartan and Lipari, they should keep in mind that they not only have to sell the retailer, they also have to sell the distributor. "To some degree, it may be more challenging than working with

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PROFIT UPDATE: *Clearing US customs*

Ontario suppliers will need to pack their passports to make sales calls to the US

As of January 23, 2007, travellers entering the US by air are required to present a valid passport. That means Ontario suppliers planning to fly to the US for sales calls or conferences will not be permitted entry without a valid passport, explains Jonathane Ricci, a US lawyer at Juroviesky & Ricci LLP in Toronto.

Phasing in passport requirements

While Canadians could use a valid driver's license to enter the US by air in the past, as part of the first phase of the Western Hemisphere Travel Initiative, created by the US Department of Homeland Security and the Department of State, a valid passport is now required to prove identity and citizenship when arriving in or departing the US by air.

The second phase of the initiative, which will require a valid passport for all travellers entering the US by land or sea ports of entry, is slated to commence on January 1, 2008.

If you lose your passport

"It's important to know that the Initiative requires a passport for entry and departure from the US," says Ricci. "That means that if you lose your passport while you're in the US, you need to go to a Canadian embassy or consulate to replace it before you leave." While the embassy will be able to replace your passport if you're in the US on business, keep in mind that it could take days or weeks, which could be costly to your company's bottom line.



Time for a new passport?

While your passport may be valid beyond your travel dates, it's important to note that US citizenship and immigration officers like to see passports that are valid for at least six months beyond the date you enter the US. "Don't be running close to the expiry date," says Ricci. "To be safe, if the expiry date is within six months, get a new passport."

While it may be possible to get a new passport quickly if you pay an extra fee or can show that you have an emergency, keep in mind that Passport Canada has been experiencing a sharp volume increase in applications as a result of the US requirements, so getting a new passport may

take longer than usual. Visit www.pptc.gc.ca for more information on getting a new passport and an online application form.

Sailing through customs

Even when your passport is valid, taking a few simple steps before you leave for that trade show could help make your trip through US customs smoother. "I tell my clients that especially for a business trip, it's always good to bring the printed agenda that includes your conference and hotel information—any details of what you'll be doing while in the US—to help the process along and help answer any questions that the US immigration officer may have about your stay."



Export services review

OFEX is currently undertaking another Export Services Review. "Every few years we get feedback from our clients on the services we provide," says OFEX manager Dermod Mark. "Client feedback is instrumental. It allows us to evolve the program with the needs of our clients in mind and to provide relevant services in the most effective manner." For example, when clients asked for assistance with the Bioterrorism Act, OFEX responded with seminars to help clients meet those requirements. Street Smart,

which connects suppliers with buyers also evolved out of reviews, which revealed that Ontario suppliers highly value one-on-one meetings with buyers.

The next Export Services review survey will be conducted in March 2007. "We hire a consultant to do the survey and anything said to the consultant is held in confidence," says Mark. "We really appreciate it when clients are forthcoming about which programs are effective and which need improvement."

IN GOOD COMPANY: *Sprouting success in the US*

Knowing how to market its unique products to customers helped this Ontario exotic mushroom producer find success south of the border



The company: Enviro Mushroom Farm Inc.

The challenge: Finding a market in the US for its unique products

How OFEX helped: By providing US market information and connections to potential customers

Words to grow by: "Service your customers beyond their expectations," says Yun Joon (Ben) Park, president of Enviro Mushroom Farm Inc. "By listening and working with our customers, we are able to research new opportunities to improve and expand our product offerings."

When Korean marketing executive Yun Joon (Ben) Park immigrated to Canada in 2000, he brought with him both an entrepreneurial spirit and knowledge of Korean mushroom-growing techniques, both of which helped build a business that is now the leading supplier of exotic mushrooms in Ontario. Enviro Mushroom Farm Inc. in Milton, Ont., grows, packs and markets exotic mushrooms in one of the most cutting-edge, environmentally controlled facilities in North

on innovative ways to promote and expand its product offerings domestically and in the US. "Our basic principle is we supply the product together with a marketing service," says Park. "That's how I differentiate my farm from others. We take pride in our goal of consistently producing high quality products and pledging to work with all our customers to develop their exotic mushroom sales." For example, since the company was introducing a unique product, it provided retailers with product information sheets and recipes for its Enoki and King Oyster mushrooms for in-store display purposes and to help educate consumers on the benefits and uses of exotic mushrooms. Enviro customized the recipes to suit different consumers, with text printed in English, Chinese, Korean and plans for text for Spanish for the Hispanic community in the US. "The informed consumer is more likely to purchase a new product," says Park, so Enviro also regularly organizes in-store retail demo programs to give consumers an opportunity to sample the products and learn more about preparation, usage options, nutritional benefits and shelf life of the mushrooms. In 2006, Enviro conducted more than 170 in-store retail demo promotions at 30 locations in Canada and the US.

While Enviro products were initially sold only in specialty and Asian supermarkets catering to customers that regularly purchased exotic mushrooms, the company's marketing and promotion efforts have resulted in its products now being available at mainstream

supermarkets such as Loblaw, Longo's and Sobeys'. Paying attention to the consumer's needs has helped Enviro hone its product offerings over the years. Initially, the foodservice processing industry was the only sector interested in purchasing, at a very low price, Enviro's leftover King Oyster mushroom trimmings and scrapes. Since those small pieces are not inferior in quality compared to whole King Oyster mushrooms, Enviro conducted consumer surveys to determine if there was any demand for sliced King Oyster mushrooms. As a result of the survey findings, the company launched a retail package of sliced King Oyster mushrooms, which has now become its number one selling item, especially in Korean supermarkets in the United States. "Our growth and success is directly linked to seeking input from our customers and listening to their suggestions and concerns," says Park.

Enviro's emphasis on its customers' needs has helped the company find success south of the border. The company started exporting to retailers and wholesalers in the US in 2001 and now exports 50 percent of its production there. Being strategic about packaging has helped the company knock out the competition in Canada and the US. After Enviro carved out a substantial market for its Enoki mushrooms, there was a significant increase of imported Enoki mushrooms from Korea, Taiwan, Singapore, China and the US. In order to differentiate its Enoki mushrooms from the competition, and increase its domestic and

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America. Within its 80,000 square-foot, state-of-the-art automated mushroom production facility, which employs 71 people, Enviro is the first and only mushroom farm in North America to use a liquid mushroom spawn cultivation method, which maximizes the yield of healthy mushrooms.

Innovation is not only present within the Enviro plant. The company has also focused

In Good Company...

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export market share of its product, Enviro redesigned its packaging from a semi-vacuum clear bag to a tray with a clear bulk seal and attractive label. While the shelf life of the product was marginally reduced, the new packaging improved the mushroom quality and appearance, making it more appealing to customers. Because the new packaging was more dense, and had a shorter shelf life, it also made it very expensive for competitors who wanted to duplicate it to ship it to Canada and the US. Enviro compensated for the product's shorter shelf life by increasing the frequency of deliveries to Canadian and U.S. markets.

To promote the fact that Enoki products are grown in Canada, and further distinguish them from similar products from Asian countries, Enviro labels were also redesigned to display the Canadian maple leaf. "We believe it upgrades our brand image with consumers to identify mushrooms as being consistently fresh and of high quality," says Park. Today, Enviro has displaced imports of Enoki mushrooms in Ontario and has experienced a 100% increase in sales to the US.

En route to achieving exporting success to the US, Enviro faced a major hurdle: transportation of its perishable product. "That was the biggest challenge in the beginning," says Park. "We had small volumes and had to rely on third-party transportation companies." While Enviro's mushrooms require a transport temperature of 34-degrees, transportation companies failed to provide the temperature promised. "So the product would arrive in poor condition," says Park. "Now we have the volume to employ our own truck. However, our product is perishable, so we only export to the east coast of North America. We don't want to ship long-distance where we can't control the quality."

Aside from resolving the company's transportation issues, and strategic marketing and promotions, Park attributes Enviro's exporting success to OFEX. "We attended PROFIT to learn about exporting and OFEX provided us with market information and key contacts in the US," says Park. "OFEX also helped us by telling us about upcoming US food trade shows. When we couldn't attend them, OFEX met with potential customers for us and provided us with information about them so we could follow up with one-on-one meetings. No man walks alone. All of our employees, along with the government and our industry partners have played an integral role in building a successful, innovative and commercially viable farm."

Opportunities with...

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the larger retailers because you have to sell two customers," says Senft. "It requires that extra call."

The work for the Ontario supplier doesn't stop once the product is on the independent's shelves either: "Even among the independents it's very competitive and the Ontario companies have to work the market," says Quinn. "You can't get your product on a shelf in a store or in a distributor's warehouse and say 'they've bought my product and now I can sit back and write orders'. There will always be other companies trying to push you off the shelf to get their product onto the shelf, so you need a salesperson or rep or broker to continue to work the market. Once you gain a foothold in those smaller markets, there may be an opportunity to expand to larger retailers and distributors."

For Ontario suppliers interested in opportunities with independents around the Great Lakes, there are several avenues for exploring the region. This June OFEX is offering PROFIT in the US (Retail Bus Tour) whereby OFEX will take Ontario suppliers on a two-day bus tour of five major US markets, with visits to smaller independent retailers in Pennsylvania, Michigan, New York and Ohio (see OFEX Trade events for more information). Smaller retailers and distributors will also be invited to OFEX's upcoming Street Smart tabletop event in September (stay tuned for more information). Ontario companies can also contact Joe Senft for information on independent retail chains in the eastern US and Rick Tuma for information on independents in the central US.

Ontario Food Exports

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CAPITALIZING on international food manufacturing trends

A report at SIAL shows health and wellness foods are of increasing importance globally

A report on global food trends revealed at SIAL last fall shows that health and wellness products appear to be gaining in importance internationally while convenience foods are declining. SIAL partner XTC, which conducted the survey, examined international food manufacturing trends to find where innovations were happening and then grouped 15 trends together in five axes: pleasure, health, fitness, convenience and ethics.



Food products that fall within the Pleasure axis are those that have a high added value, such as exotic and exclusive ingredients, sophisticated recipes, and stylish packaging, which reflects exclusivity. The Health axis describes food products that provide health protection and prevent disease, such as natural, medical and vegetarian foods. Products attributed with diet and energy benefits compose the Fitness axis. The Convenience axis includes products that save time, are easy to handle or nomadic (they can be consumed any time at any place). Lastly, the Ethics axis includes products that promote a feeling of good citizenship, such as fair trade products or those that are considered good for the environment.

A GLOBAL SNAPSHOT

North America — "It's interesting to see that according to the results, North America is the only market in the world where health products are more important than pleasure products," says OFEX manager Dermot Mark. "This speaks to what we're observing from our perspective at OFEX, that there is an increased interest from buyers in products in the health and wellness category, the good-for-you products. It's an indication to companies that these categories are a good place to be in North America." In terms of the pleasure axis in North America, there is increasing interest in variety and exotic flavours, such as Indian foods.

South America — Diet and medical products are up and products with a variety of tastes, colours etc. and fun products (i.e. children's products) are also still important. On the other hand, interest in sophisticated and convenient foods appear to be declining.

Europe — The pleasure axis—sophistication and exotic flavours—and diet, medical and health products seem to be increasing in the European market. Convenience foods are down.

Asia Pacific — Foods that offer variety, health and wellness are of increasing interest in Asia and there are fewer new product launches of convenience foods that are easy to handle or time-saving.

"This study gives us insight into where the markets are going. It seems to indicate that around the world, regardless of markets, a lot of products are being launched in the very broad

health and wellness category while convenience is declining in importance," says Mark. "Of course, this supports where the OFEX program is going. Clients may have noticed that over the last year, OFEX events have increasingly focused on health and wellness and good-for-you products. We're looking at continuing that theme again at Street Smart this September."

CASHING IN ON THE TRENDS

Ontario suppliers of food products in up-and-coming categories, such as health and wellness, can contact their OFEX client account officer. "If you've got products that fit into these categories, that is something of interest for us," says Mark. "We've got a lot of interested buyers and want to promote those products."

For Ontario manufacturers in categories, such as convenience, that, according to the study, appear to be declining, it's important to note that there are still opportunities in these categories. "There will always be a market for convenience," says Mark. "But ideally, if you're in that category, you should probably position towards health and wellness, for example, light potato chips, instead of full fat. This is just one more piece of information for companies to take note of and consider."

Staying in tune with international trends can pay off down the road for Ontario suppliers. "It's good to be aware of the global environment," says Mark. "That's one of the reasons for going to trade shows: not only are you meeting buyers there but it's useful to pick up the buzz, to see what's in the market and get an indication of the direction it's heading."

Canadian Organic Standards move forward

The Canadian Organic Regime (COR) became law in December 2006 but will not be fully enforceable until December 2008. This new regulation falls under the Canadian Agricultural Products Act, and works along the lines of ISO 65 & ISO 1711 (internationally recognized standards for food quality assurance programs). The Canadian Food Inspection Agency (CFIA) wrote the regulation, established a system to accredit the certifying bodies and operators, established an organic labelling requirement and designed a voluntary Canada-Organic mark for use on certified organic products. The two main organics certifiers in Ontario are Quality Assurance International (QAI) and Organic Crop Producers and Processors (OCPP).

The COR only covers products that are over 70% organic. If the product contains less than 70% organic content, a manufacturer cannot declare that the product

contains organic ingredients, however they may list organic products in the ingredients list. If the product contains 70-95% organic content, the manufacturer may say "contains x% organic ingredients" on the label. If the product contains over 95% organic content, the product and manufacturer must be certified to the standard, they may say "organic" on the label and use the logo.

To export a product from Ontario, companies must meet two criteria. First, "you must certify to Canadian standards because you are manufacturing in Ontario just like any registered establishment must meet the requirements of the country of origin," says Kathryn Liotta, OFEX's client account officer for organics. "Second, you may need to acquire extra certification to meet your target country's import requirements. If you are exporting to a country with higher standards you will need to certify to those higher standards, and if you are exporting to a country with lower standards, you don't need to obtain any higher certification."