

Exporter

2 Ontario Food Exports (OFEX) Trade Events

Increase your export sales by participating in an Ontario Food Exports trade-related event

3 Profile: Getting the most out of your Export Marketing Officer

How your sector officer can help build your export business

4 Trend Watch: The Export Market Access (EMA) Initiative

A global expansion funding program for Ontario businesses

4 Regulatory Update: Country of Origin Labelling (COOL)

Regulations now in effect

5 US Retailer Profile: Sunflower Farmers Markets

6 Stirring up success in export markets

Flexible packaging and a focus on quality have helped this Toronto manufacturer find success in the US and Japan

7 Ontario Food Exports Directory

Who's who and how to reach us

8 Follow-up is essential for striking a deal with potential buyers

Once you've made a buyer connection, these steps will help you sell your product

STREET Smart 2008 scored top marks with buyers and suppliers

The September session was the most successful ever



At September's Street Smart session, representatives from 78 Ontario suppliers met face-to-face with 35 buyers from 16 retail companies including Wal-mart Mexico and two retailers from Japan. It was the largest number of buyers to ever attend the event. According to the evaluation forms completed after Street Smart, 96% of Ontario suppliers felt that the tabletop event provided them with an

opportunity for one-on-one presentations to key retail decision-makers. One participant commented that "Street Smart is the best, most focused event around."

Part of the event's success is due to the wide range of retailers who were represented. "We had large national accounts like Safeway, but in addition to that we also had smaller chains interested in specialty products," says Murray Howatson, OFEX's geographic specialist on the US. "That appealed to smaller to mid-size Ontario companies. We really tried to be more

all-encompassing to all qualified Ontario export companies." The quality of the buyers won high praise from Allan Kliger, president of Victory's Kitchen Ltd. a Toronto-based custom manufacturer of frozen and fresh "spoonable" foods. "I can't even begin to imagine how much work and

—Continued on page 2



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 Export Marketing Officer for further details on how your company may participate (see the contact list on page 7).



Seminars

UK Retail Workshop January 26-27, 2009

This is an invitation-only workshop for companies selected by the UK retailer Sainsbury. The workshop will help companies prepare for selling and exporting into the EU market.

Mexico Export Preparedness Seminar February 17, 2009

This seminar is open to Ontario suppliers who are interested in learning more about

exporting into Mexico. For more information, please contact Shannon McCarthy, Geographic Officer for Mexico, or your Export Marketing Officer.

Cruise Ship Seminar June 2009 (TBD)

This seminar is open to Ontario suppliers interested in learning more about exporting to the US cruise ship market. For more information, please contact your Export Marketing Officer.

Incoming Missions

New York Deli & Bagel (Mexico) February 18, 2009

A buyer from Mexican retailer, New York Deli & Bagel, will be coming to Ontario to source bakery items, frozen foods and luncheon meats. Please contact your Export Marketing Officer for more information.

Comercial Mexican Incoming Mission April 2009 (TBD)

Buyers from Comercial Mexican will visit Ontario for this incoming buyer mission. For more information, please contact Shannon McCarthy, Geographic Officer for Mexico or your Export Marketing Officer.

A & P Incoming Mission April 2009 (TBD)

Buyers from the US retailer, A&P, will be coming to Toronto, Ontario for one-on-one meetings with Ontario suppliers. For more information, please contact your Export Marketing Officer.

Foodservice/Monarch Foods Incoming Mission May 2009 (TBD)

Buyers from US Foodservice/Monarch Foods will be coming to Toronto, Ontario for one-on-one meetings with Ontario suppliers. For more information, please contact your Export Marketing Officer.

STREET Smart 2008 scored top marks...

—Continued from page 1

time one would otherwise have to spend to meet such people, yet here they all were in a small, intimate and relaxed setting," says Kliger. "By the end of the day, I had five great potential deals to work on that we should be able to see through to completion."

Based on the feedback from participants, Street Smart met its objectives: 86% of suppliers stated that the retailer introductions, during which each retailer gave a 5- to 10-minute presentation to provide a brief overview of their organization, achieved its goal of helping Ontario manufacturers better understand the buyers' needs and sales potential.

Ninety-three percent of Ontario suppliers said that the networking reception met its objective, giving them an opportunity to connect with retailers and other suppliers. "Networking with other suppliers is a very important part of



Street Smart," says Howatson. "The suppliers end up getting business from each other which is a huge side benefit."

Comments from the retailers also revealed Street Smart's success: Daymon buyers, who have attended every Street Smart since the beginning, wrote that this year's Street Smart was "the best event ever". "Many retailers come back year after year because they see Ontario as an excellent supplier of quality products," says Howatson. "More and more Ontario companies are getting products listed and sold through these companies. The buyers' comments revealed that they were extremely impressed with the quality and quantity available from Ontario suppliers."

GETTING the most out of your Export Marketing Officer

Your sector officer can help build your export business

When Ontario suppliers need information on exporting, OFEX's Export Marketing Officers are on hand to help. The five Export Marketing Officers cover all of the major food sectors, offering expertise in their respective areas. Mark Jonker who oversees beverages, meat and other proteins, for example, brings extensive experience in the protein industry to his role. "He's worked for many processors in the province, he knows what's going on in the plants and he also knows what it's like to try to find a buyer and send samples," says Alan Crawley, OFEX's Manager. "He's lived the life of many of our clients so he's well-versed in that field and understands the position they're in."

Ontario suppliers with any export-related issues can contact their Export Marketing Officer who can then link them internally to other OFEX staff and programs. "If you have a question about accessing a buyer in the UK, for example, your first stop may be to your Export Marketing Officer who may help you formulate your question as well as put you in

touch with Diana Campbell, OFEX's UK expert," explains Crawley. "The Export Marketing Officers also have access to OFEX's US trade advisors, who can provide information on the US market, and other trade professionals around the world, such as the trade commissioners. They can also help you tap into the Business Development Branch and other OMAFRA resources."

OFEX's Export Marketing Officers are also able to help Ontario suppliers track down helpful data. "We have access to a wide variety of research that we are willing to share with our clients," says Crawley. "Some of it is off the shelf research, while in certain cases we can do some tailored research as well."

The greatest resource the Export Marketing Officers offer is their time and expertise, says Crawley. "They can save you a considerable amount of time by helping you find the right resources and putting you in touch with the right people."

For contact information for the Export Marketing Officer for your sector, see page 7.

OFEX's Export Marketing Officers



Mark Jonker oversees protein, beverages and confectionary. He brings 18 years of food experience as a sales and marketing executive to the position.

Kathryn Liotta oversees specialty/gourmet, health food, dairy and delicatessen. She has 16 years of experience in the food industry and 25 years of sales and marketing expertise.



Shannon McCarthy oversees primary agriculture. With her international business background and work with the Canadian Food Inspection Agency and Export Development Canada, she brings an understanding of international markets, agricultural practices and food safety to her role.

Debra Oliver oversees prepared and dry ingredients, fruit, vegetables and horticulture and dry prepared foods. She has 18 years of extensive experience in food manufacturing, having worked for several manufacturers.



Karen Moore oversees baked good and prepared frozen foods. Besides her 20 years of experience at the Ministry, her education in business, international marketing and exporting and her work with a private company that was heavily involved in exporting, prepared her for her role.



TREND Watch

THE Export Market Access (EMA) initiative

A global expansion funding program for Ontario businesses



“You don’t have to be big
to take on the world”

With the weakening US economy, higher energy prices and increased global competition, Ontario’s economy is facing a number of challenges. To help small and medium-sized enterprises (SMEs) in the province, the Ontario Chamber of Commerce has introduced the Export Market Access (EMA) initiative, with support and funding from the Government of Ontario. The objective of the EMA is to help SMEs seek out, access and expand in new global markets beyond the US and to increase export sales of Ontario goods and services.

Companies can apply twice in a 12 month period. Each eligible application can receive a maximum non-repayable grant of \$30,000 to cover up to 50% of exporting costs. To be eligible for the EMA, companies must be established and operating in Ontario, registered for at least two years, with a minimum sales of \$500,000 and between five and 500 employees. Companies must have existing goods and services produced in Ontario and cannot be in receipt of public funds towards activities contained in the application other than from the Ontario Ministry of Economic Development.

Eligible activities include direct costs (international trade shows, incoming or outgoing missions), marketing tools (developing promotional material, translating promotional documents, etc.), market research (contracting market research on market size, developing international market entry plans, etc.) and foreign bidding projects (pre-feasibility studies, etc.).

EMA applicants will be considered based on the eligibility of activities and expenditures; their financial and management capability; the level of funding requested in relation to performance measures and validation of expected results.

To check the eligibility criteria and review the EMA Application Guide for detailed program information, go to www.exportaccess.ca.

“Each eligible
application
can receive a
maximum non-
repayable grant
of \$30,000...”

REGULATORY Update

Country of Origin Labelling (COOL) Regulations now in effect

Since September 30th, 2008, the new COOL regulations are now in effect within the US market. The mandatory labelling requirements, which provide information to the consumer as to the country of

origin of the commodity at the point of purchase, apply to certain beef, lamb, pork, fish and shellfish, fruit, vegetables and peanut products sold at US retail outlets. For more information, log on to Agriculture and Agri-Food Canada at www.agr.gc.ca.



US Retailer Profile – Spotlight on: Sunflower Farmers Markets



“They like to think of themselves as the low-price alternative to Wild Oats and Whole Foods.”



Sunflower Farmers Market (www.sfmarkets.com) is a rapidly growing natural and organic foods retailer with 14 stores in the south western US. Launched by Mike Gilliland and Elizabeth Cook, the founders of Wild Oats Markets, after they stepped down from the Wild Oats board in 2001, Sunflower Farmers Market has plans to open 50 more locations within the next five years. Ontario Food Exports brought buyers from Sunflower Farmers Market to Toronto in November 2008. 18 food and beverage companies from Ontario had the opportunity to meet face-to-face with the buyers from this exceptional US retailer.

The market appeal

With their “Serious Food, Silly Prices” tagline, Sunflower targets consumers who want to eat healthy, but can’t afford the high prices. The store’s motto is to offer “better-than-supermarket quality at better-than-supermarket prices”. “They like to think of themselves as the low-price alternative to Wild Oats and Whole Foods,” says Rick Tuma, OFEX trade advisor for the central US. “Sunflower keeps its prices low by buying direct from farmers and manufacturers.”

On the shelves

Each Sunflower store is approximately 25,000 to 27,000 square feet and has a unique farmer’s market design, providing a smaller format which is convenient for shoppers. Many of the products Sunflower stocks are perishables, and nine out of ten are natural or organic, says Tuma. Thirty-three percent of Sunflower’s sales are in produce, 17% is meat and the remaining 50% is grocery items and body care products. If you’re interested in targeting Sunflower Markets as a potential buyer, “you should be natural-minded and organic-minded and your prices must be low since they are looking for ways to be lower in price than Whole Foods and Wild Oats,” says Tuma.

For more information, visit www.sfmarkets.com.

IN Good Company: Stirring up success in export markets

Flexible packaging and a focus on quality have helped this Toronto manufacturer find success in the US and Japan



A focus on quality and flexibility helped transform Victory's Kitchen from a small manufacturer of retail, deli-style fresh soups into Canada's largest high-quality manufacturer of private label "spoonable" foods. Established in Toronto in 1985, the company started out making soups for retail and then began getting requests from restaurant chains to help them with their products, essentially becoming a boutique custom manufacturer. "Some of them already had their own recipes which their customers were used to. But the problem is when you have many units in a chain, you need to get consistency between the different locations, something that's impossible to do when each unit has its own cook," explains Victory's Kitchen President Allan Kliger. "That's where we came in; by

"When a customer says: 'We've got a great idea. Would you be open to it?' We jump at the opportunity!"

making the product in a consistent way, we could ensure that every one of their units had the same perfect product every day."

Within a few years, Victory's Kitchen started to grow and process its own vegetables to ensure even greater consistency. "It was the only way I thought we could make good on the promise of consistency," says Kliger. "Other manufacturers bring in their vegetables IQF (individually quick frozen) but the problem is you never know what you're getting or where it's from. It seemed to me if we were putting the seeds in the ground, we knew what was coming out, and then we knew what was going in the finished products. I can feel good about guaranteeing consistency to our customers and that's really important."

Today Victory's Kitchen produces its line of soups, salsas, chilis, dips, marinades, sauces, pie fillings, pizza sauces and frozen entrées for restaurant chains and other food manufacturers. Its branded and private label frozen soups and entrees are available at retailers. In another attempt to ensure the quality of its product, Victory's Kitchen's 120,000 square-foot Toronto plant is USDA, AGCAN, HACCP, SEAFOOD & FISHERIES, and ORGANIC certified. "We were producing to federal standards even before we had our federal certification because to me it's all about quality of product and quality control. Quality isn't something you do half-way", says Kliger. "In fact, we just received our OU Kosher designation which is generally regarded to be the most difficult to get."

In addition to its emphasis on quality, Victory's Kitchen has always been flexible and open to its customers' needs, setting up different packaging lines to accommodate them. Frozen entrées are packaged in tray format and the company offers shelf stable packaging in jars, as well as bulk and portion pouches and other containers for both

The company: Victory's Kitchen Ltd., a Toronto-based custom manufacturer of frozen and fresh "spoonable" foods

The challenge: Making headway into the US and Japanese markets

How OFEX helped: By making introductions to top retail and foodservice decision-makers

Words to grow by: "You've got to know what you stand for, be clear in your message and consistently deliver it," says Allan Kliger, President of Victory's Kitchen. "If you say you're known for quality, your products better taste awesome. If you say you're flexible and the customer asks for something different, then you do it."



foodservice and retail. "We're not a huge company so we can't be everything to everybody but if we want to succeed and grow, we have to be open to what our customers want," says Kliger. "When a customer says: 'We've got a great idea. Would you be open to it?' We jump at the opportunity!"



Once Victory's Kitchen was large enough to supply Canada efficiently, it started to look south of the border to build a successful export business; the US is now its largest export market. The company also exports to Korea and Mexico and this past year started shipping to Dubai. Early on,



—continued on page 7

IN Good Company: Stirring up success in export markets

—Continued from page 6

Kliger was interested in conquering the Japanese market. "It has the world reputation of being the most demanding from a quality point of view so it seemed to me if we could meet their standards, that it would be a wonderful testimonial to the marketplace," he says. By introducing Kliger to a Japanese buyer looking for a Canadian frozen soup manufacturer, OFEX was instrumental in getting Victory's Kitchen up and running in Japan, where it works with several large foodservice chains and distribution companies, producing private label frozen soups, salsas and sauces. "OFEX suggested the buyer call me and they put us together," says Kliger. "While it normally takes years to close deals with Japan, we closed ours in one day. The buyers flew in from Japan to meet us and check out the plant. The first thing we did was take them to tour the fields. We picked fresh crops together, and two hours later we were enjoying fabulous soup made with the very same vegetables that we had picked, all done in a state of the art facility. They could track it from field to plate and could see the high-quality philosophy all the way through. Needless to say they were ecstatic."



"...it normally takes years to close deals with Japan, we closed ours in one day."

This past spring, OFEX helped Victory's Kitchen make more headway into the US market by inviting them to do a 20-minute presentation to buyers from a large retailer based in the US northeast. "We're a huge fan of OFEX and were fortunate to be invited to participate in this event," says Kliger. "The buyers loved some of the innovative packaging that we developed and patented and invited me to come and make a full-scale presentation at their offices a few months later." Before that meeting was finished, the buyers approved a new line of retail ready frozen portion pouch soups. "That was a very unusual thing; normally a retailer doesn't make a decision to launch a new private label into the market that quickly. It's a testament that we're great at what we do and they felt very comfortable in thinking of us as their partner."

Ontario Food Exports®

Ministry of Agriculture, Food and Rural Affairs
1 Stone Road West, 3 NE, Guelph, ON, N1G 4Y2, Canada
Telephone: 519-826-4210 Toll free: 1-888-466-2372
(in Ontario only. Ext. # is last five digits of applicable direct dial #)
Fax: 519-826-3460 Website: www.ontario.ca/omafra

This publication has been assembled for informational purposes only and OMAFRA does not warrant that the information is accurate and expressly denies any liability to the parties using this information. The materials contained herein are covered by copyright.

SECTOR SPECIALISTS

Kathryn Liotta, Export Marketing Officer
Specialty/gourmet, health food, dairy, delicatessen
519-826-4018 kathryn.liotta@ontario.ca

Shannon McCarthy, Export Marketing Officer
Primary agriculture
519-826-7765 shannon.mccarthy@ontario.ca

Karen Moore, Export Marketing Officer
Bakery, prepared frozen foods
519-826-3686 karen.moore@ontario.ca

Debra Oliver, Export Marketing Officer
Prepared & dry ingredients, fruit, vegetables, horticulture, dry prepared foods
519-826-3945 debra.oliver@ontario.ca

Mark Jonker, Export Marketing Officer
Protein, beverages & confectionary
519-826-3482 mark.jonker@ontario.ca

GEOGRAPHIC SPECIALISTS

Diana Campbell
Geographic Specialist - UK, Germany, the Netherlands, Belgium
519-826-3982 diana.campbell@ontario.ca

Murray Howatson
Geographic Specialist - United States
519-826-3790 murray.howatson@ontario.ca

Shannon McCarthy
Geographic Specialist - Mexico
519-826-7765 shannon.mccarthy@ontario.ca

Kiran Pandey
Geographic Specialist - Asia/Pacific
519-826-3489 kiran.pandey@ontario.ca

EXPORT SERVICES

Karen Edwards, Export Marketing Assistant
Market research, library
519-826-3768 karen.edwards@ontario.ca

Jennifer Taylor, Client Information Coordinator
519-826-3767 jennifer.taylor@ontario.ca

Alan Crawley, Manager, Ontario Food Exports
519-826-3693 alan.crawley@ontario.ca

REPRESENTATIVES BASED OUTSIDE OF CANADA:

Joseph Senft, Ontario Food Exports: Eastern US
10 Pewter Lane, New Providence, New Jersey, USA, 07974
Phone: 908-790-0156 Fax: 908-898-1075
E-mail: joesenf@att.net

Rick Tuma, Ontario Food Exports: Central US
1006 Park Hill Circle, Aurora, Illinois, USA 60504
Phone: 630-820-7144 Fax: 630-820-7144
E-mail: tumarick@aol.com



FOLLOW-UP is essential for striking a deal with potential buyers

MARKET Watch

Once you've made a buyer connection, these steps will help you sell your product

Attending OFEX events such as Street Smart or an incoming buyer mission is a good first step for Ontario suppliers interested in securing business south of the border. But that's only the beginning; once that first contact is made, following up with retailers is essential for getting the business.



Make contact

After making a connection with a retailer at Street Smart's tabletop or other OFEX events, it's a good idea to send an email thanking the retailer for their time and expressing that you'll be in touch with them within a week to discuss your products and how you might work together, suggests Joe Senft, OFEX trader advisor for the US northeast. *Then make a call one week to 10 days later while you're still fresh in their mind. During the conversation reiterate what you discussed at the trade show and ask them how they'd like you to proceed, for example, would they like you to send some samples,* says Senft.

Sending samples

The buyer should tell you how many samples he or she wants but always send a minimum of two per item. In your conversation, specify when the retailer will receive the samples, for example, within one week or by a certain day

and then make sure you get them there by then. You'll also want to ensure that the buyer knows what they're receiving, says Rick Tuma, OFEX trade advisor for the central US. "Don't send a label that might not be common in the US. Use something as simple as a piece of masking tape and write on it, 'premium quality', 'mainstream quality' or 'low-end generic quality'.

Don't opt for the cheapest means of transporting samples. "You might have to spend a little more than you want but it's going to be cheaper to send samples right the first time than to resend them a second time," says Tuma. (When shipping samples, be sure to comply with all US border regulations). Once you've sent the samples call the potential buyer within 24 hours to make sure they have received them. Ask them when you should call to follow-up and then make sure you call back at the suggested time.

The initial meeting

If the potential buyer likes the samples, you'll want to meet them face-to-face. "When you've got interest, get on a plane and strike while the iron is hot," says Tuma. "Business can be done on the phone but compared to emails and phone calls the face-to-face meeting is going to pay for itself." At the initial meeting, you'll want to discuss what your company is prepared to do and what you're capable of and work out a lead time and the transportation time. You can also find out their perceptions of how much they expect to sell and how they receive products; for example, do they do their own distribution or have warehouses to store their products. "You will have to determine if you can service them in the manner they require," says Senft. "You may need to find a distributor initially because the quantities you're sending might be small."

The follow-up

Follow up with the potential buyer until you get the business or they tell you they're not interested in your products and can't use it in their stores, says Tuma. "Buyers do work longer than average hours in the US and they get to work early so an excellent time to get a hold of them is between 7:30 a.m. and 8 a.m." And be patient if you're waiting for an answer. "A lot of people send samples and then want answers immediately but in some cases, the product might have to go through several

layers of approval, such as a buying committee, and it might be almost a year before you get an answer," says Senft. "Follow up monthly but don't pester the buyer."

Broker or no broker?

Give some thought to how you'd cover the account if you get it. Will you go there directly every month to make personal calls or hire someone local who knows the market and can provide consistency of coverage? "Most Canadian companies use brokers in the US and that's an efficient way to do it," says Senft. Whether or not you consider using a broker depends on the account. "With organic, natural and health/specialty products, you almost have to have a broker; someone who is in there weekly or monthly talking to those buyers," says Tuma. "I'm not saying you need a broker if you've got a mainstream product like a canned vegetable—it's going to sell anyway. But with slower moving products, you may need a broker to make sure it's promoted."

What to do... if you do get the business?

"You've sold your product on its quality and price, and now you have to come through with service," says Tuma. Make sure you comply with regulations, such as prior notice and you deliver on what you promise. Get your product there in the specified time and meet the buyer's expectations. "If you don't have on-time deliveries and complete deliveries, you'd probably lose the business," says Senft. If the lead time is usually two weeks, try to get three weeks on the first order so you can make sure you get it there on time. Going forward, make sure you manage the buyer's expectations: "There will be times when something happens beyond your control but the important thing is to let them know in advance if the product is going to be late," says Senft.

What to do... if you don't get the business?

Patience and persistence are the most important things: follow-up every three to six months with an email, phone call or visit. "Don't give up; buyers change accounts and nothing is wrong with a phone call six months later," says Tuma. "There are all sorts of variables: maybe your quality has improved or the Canadian dollar has weakened to the US dollar so it's going to cost the US account less. Nothing is forever; the market is continually changing."