

# Exporter



## **SIAL Returns to Toronto in 2015!** **Join us at the largest incoming buyers program of the year**

More than 14,000 buyers from around the world are expected to descend on Toronto's Direct Energy Centre for **SIAL Canada 2015 from April 28 to 30**, providing participating Ontario food exporters with the opportunity to make direct connections to grow their international exports.

SIAL Canada 2015 follows the record-breaking success of SIAL Canada 2014, where exhibitors made 350 contacts on average and reported 91%+ event satisfaction. SIAL 2015 will feature a new Group Summit from SET Canada: *Focus on Supply Chain*, where international keynote speakers will discuss materials handling, warehousing, transportation and logistics.



**SIAL Canada is part of the SIAL group, a global network of agri-food shows that drives innovation, and champions regional and local strengths.**

SIAL 2015 is expected to host more than 800 exhibitors from 45 countries in 240,000 sq/ft of exhibiting space. Exhibitors will have the opportunity to connect with buyers from the retail, food service, food processing and services sectors during B2B meetings from countries such as the UK, India, China, France, Italy, Mexico, the U.S. and more. It will have local, national and international promotion, with new partnerships to reach ethnic retailers and associations, and a responsive website.

Book your exhibit space with the Canadian Pavilion by contacting **Susan Powell, Canadian Food Exporters Association**, at [susanp@cfea.com](mailto:susanp@cfea.com) or **416-445-3747 x1**, or visit [sialcanada.com](http://sialcanada.com) to book an exhibit space or register to attend.

Demand for non-GMO products rising 2

Changes to EU labelling requirements 3

Market Watch: Food price inflation 4

Trend Watch: Changing face of grocery retailing 5

Staff Profiles 6

Trade Events 7

Taste of Canada 8



RETAILER  
PROFILE

## Demand for non-GMO products rising



The demand for non-GMO foods is becoming high – and not just in the organic aisle. Everyday brands are being pressured to offer alternatives to GMO foods, and with new legislation coming into place in the spring in Europe and the U.S., it's safe to say that this is not a trend.

The new legislation will allow European Union member states to restrict or ban the cultivation of crops containing GMOs in their own territory. The legislation allows member states to ban GMOs on environmental policy grounds other than the risks to health and the environment already assessed by the European Food Safety Authority (EFSA).

Some U.S. states have also taken the initiative in regulating the labeling and use of GMOs. Vermont became the first state to require labels for genetically-modified foods in 2014, passing a law that will take effect in mid-2016. Maine and Connecticut also passed laws, but the measures won't take effect unless neighbouring states follow suit. In California, Washington and Oregon, ballot initiatives to require labelling were narrowly defeated. And two leading U.S. grocers are paving the way with a commitment to decreasing GMOs in their stores: Trader Joe's and Whole Foods Market.

### TRADER JOE'S

Trader Joe's efforts to source non-GMO products began in 2001, driven by customer preferences. Subsequently, when developing products containing ingredients likely to come from genetically-modified sources, **Trader Joe's requires that suppliers for their private label foods provide documentation that the ingredients in question are from non-GMO sources.**

In addition, Trader Joe's **conducts random audits of items with suspect ingredients**, using an outside third-party lab to perform testing. Although not all products sold by Trader Joe's state "no-GMOs" yet, their private label does.



Whole Foods Market is requiring that by 2018, **all product labels in its Canadian and U.S. stores must indicate if they contain GMOs.** This will make it the first national grocery chain to set a deadline for full GMO transparency.

Whole Foods had already been collaborating with many of its suppliers for several years to source products without GMO ingredients and currently sells 3,300 non-GMO products from 250 brands. It will now expand this effort, **working with suppliers in all categories as they transition to ingredients from non-GMO sources**, or clearly label products containing GMOs by 2018.

*For more information, please contact your export marketing officer.*



## Regulatory Update: Changes to EU labelling requirements

Significant labelling changes are in store for Ontario food exporters following the implementation of EU Regulation 1169/2011 on December 13, 2014. The updates aim to ensure that consumers receive clearer, comprehensive and more accurate information on food content.

**Requirements for pre-packaged foods, including processed fish and seafood which fall under Chapter 16 CN codes, and some non-prepackaged food:**

- *Ingredients, including quantity of certain ingredients or categories;*
- *Nutrition declaration;*
- *Allergen information;*
- *Mandatory origin labelling of unprocessed meat from pigs, sheep, goats and poultry;*
- *Net quantity;*
- *Date of minimum durability/“use by” date;*
- *Special storage conditions and/or conditions of use;*
- *Name/business name and address and country of origin/place of provenance;*
- *Alcoholic strength by volume;*
- *Date of freezing for frozen meat, meat preparations and unprocessed fisheries products;*
- *Font size and language requirements.*



“There is a provision in both these regulations which stipulates that products and their packages which were labelled or marked prior to December 13, 2014, and which do not comply with this article, may be marketed until stocks have been used up,” says Jennifer Hannam, OFEX Geographic Specialist for the EU. “It will be up to the producers to prove that the items were indeed labelled prior to December 13, 2014, but as a note of caution, we have already seen a push by distributors and retailers to ensure that products are correctly labelled as of December 13, 2014.”

“We strongly advise Canadian exporters to work closely with their EU buyers or importers to ensure that the new labelling/ packaging fully meets the new EU requirements, as enforcement is expected to begin following the implementation date for new products entering the EU.”

**Contact Jennifer Hannam, Geographic Specialist for UK, Germany, Netherlands, Belgium at 519-826-3982 or [jennifer.hannam@ontario.ca](mailto:jennifer.hannam@ontario.ca) to understand your labelling requirements for the EU.**



## Wholesale food price inflation in 2014 highest in three years

**Ontario food companies and processors will likely be facing higher prices** driven by the skyrocketing inflation of commodities like butter (39%), pork (22%), eggs (20%) and beef (18%) in 2014. **Year-to-date wholesale food prices were up 5.3%, the highest rate in three years**, according to the United States' National Restaurant Association (NRA).

Statistics show that restaurants have not been passing all of the increased costs onto consumers (2.3% menu price inflation) and year-to-date grocery store prices were up 2.2% in 2014. The general inflation rate stands at 1.7%, said the NRA in its Restaurant Performance Index (RPI) report on December 1, 2014. In October, the RPI was 102.8, an increase of 1.8% over September.

## Canada ranks as leading food exporter

**Canada's rank as #1 in food exports per capita is holding steady**, according to Farm Credit Canada's (FCC) annual report on global trade. When compared to all other countries in 2013, **the value of Canada's agriculture imports and exports was more than \$2,100 US per person**, followed by Australia at approximately \$1,900/person. The report also highlights opportunities that growing Chinese and Indian markets will present to Canadian exporters, specifically opportunities for beef, pork and pulse crops.

Key to continued success will be remaining competitive in strong export markets, while creating new opportunities among more affluent populations and the expanding middle class in developing markets, says the FCC. While Canada has remained competitive in the overall food and beverage manufacturing sector, its overall trade balance in the secondary food processing sector has steadily declined since 2004, to a deficit of \$6.8 billion in 2013.

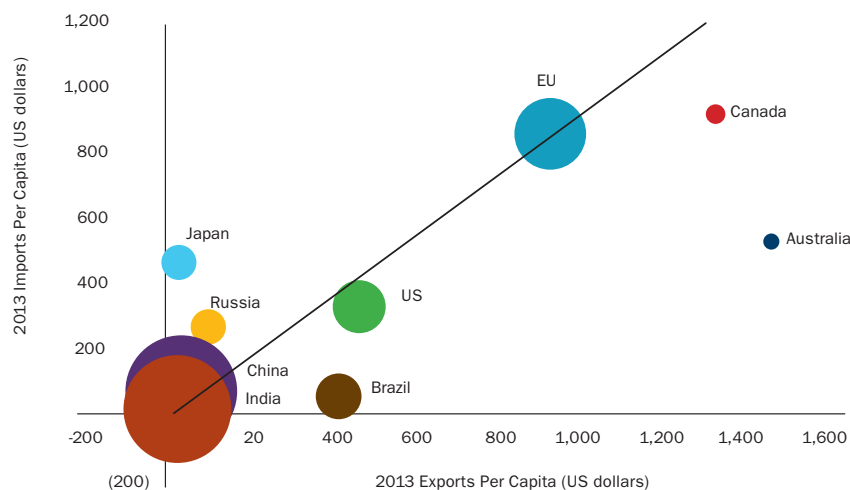
The FCC report **ranked Canada #5 in total food exports**, behind the European Union, United States, Brazil and China, with the U.S. accounting for 68 per cent of food manufacturing exports and 89% of beverage manufacturing exports across all Canadian agri-food export markets.

Read the report – **FCC Ag Economics: A 2014 Look at Global Trade** – at [www.fcc-fac.ca](http://www.fcc-fac.ca).

### Canada: the world's top per capita agriculture trader in 2013

Bubble size = Country population

Countries appearing above the line have higher per capita imports than exports; those below have higher exports relative to imports.



Accessed: August 2014 Source: UN Comtrade, US Census



## Changing face of grocery retailing in the U.S.



Consumer desire for convenience in the U.S. is leading to a rapid evolution in the grocery landscape, says Planet Retail in its May 2014 Trend Report. **Many retailers are eyeing small-box convenience as the future growth vehicle**, with the channel size estimated at \$700 billion US. **The impact on Ontario suppliers will be increased competition in packaging innovation for limited shelf space, and a focus on high-frequency and fast-moving SKUs.**

“We are seeing a definite shift and new opportunity for sure,” says Greg Merlihan, Geographic Specialist – United States. “A lot of channels are moving to convenience in product size. Think ‘fresh on-the-go’, takeaway formats and single-serve sizes. Stores’ smaller square footage is part of it yes, but part of a bigger ‘on-the-go’ and convenience aspect for consumers.”

Small-box ‘convenience’ stores will be some of the fastest-growing banners through 2018, says the Planet Retail report. The channel will be a significant target for new market players as well as established operations (Walmart to Go and TargetExpress). Small-box value retailers such as dollar stores have already been taking advantage of increasing consumer desire for convenience for a number of years, says Merlihan, adding stores and on-the-go items to their food line-ups.

“These retailers are shifting their product lines. We’re looking at 8,000 SKUs, not 40,000. It’s a curated selection. Suppliers must be careful about what they present. They have to look at their products in a different way: how can I package this for consumers buying for themselves as opposed to those buying for a family of four?”



## Ontario Food Export Award recognizes agri-food excellence

The 2014 recipient of the Ontario Food Exporter Award was **Super-Pufft Snacks Corp.** with Giraffe Food & Beverage Inc., and TWI Foods Inc. acknowledged as finalists. The award was presented in December 2014 at the Super-Pufft plant by Jeff Leal, Minister of Agriculture, Food and Rural Affairs.



**Super-Pufft OFEA recipients and Jeff Leal (centre), Minister of Agriculture, Food and Rural Affairs.**

“The Ontario Food Exporter’s award winner and finalists represent the entrepreneurial leadership and innovation offered in our province’s agri-food sector,” says Minister Leal. “Through drive and innovation, they are helping to create new jobs within the province while building Ontario’s brand around the world as a leader in food safety and quality.”

Super-Pufft is one of North America’s largest manufacturers of private label popcorn, potato chips, extruded snacks and canister chips. It exports to more than 30 countries, with sales that represent almost 70 per cent of the 20 million canisters manufactured annually.

*Since 2011, Ontario Food Exports has celebrated remarkable Ontario exporters who strengthen and contribute to the success of the province’s agri-food industry with its Ontario Food Exporter Award. The OFEA recognizes business’s successful expansion into new export markets, as well as their excellence in working with international markets.*





## Fresh faces in new places

---



### **Emerson Cheng – Geographic Specialist – Asia/Pacific**

519-826-4474 or [emerson.cheng@ontario.ca](mailto:emerson.cheng@ontario.ca)

Emerson Cheng, Geographic Specialist – Asia/Pacific, is supporting Ontario agri-food export businesses in the Asia Pacific Region, including mainland China, Hong Kong, Taiwan, South Korea, ASEAN countries, Australia and New Zealand. He replaces Amos Tin. Before joining OMAFRA, Emerson had been working for more than 10 years leading Canadian food companies covering Asia/Pacific markets. With this experience he can assist Ontario food companies to understand and penetrate the right markets in an effective and efficient way.

---



### **Cheryl Chlebus – Client Information Coordinator**

519-826-3767 or [cheryl.chlebus@ontario.ca](mailto:cheryl.chlebus@ontario.ca)

Cheryl Chlebus replaces Jennifer Hannam as Client Information Coordinator, bringing a range of marketing, communications and public affairs experience from a variety of coordination positions since joining OMAFRA in 2008. In her new position Cheryl will be responsible for coordinating OFEX marketing materials and key events such as SIAL Toronto 2015 and PROFIT.

---



### **Jennifer Hannam – Geographic Specialist – UK, Germany, Netherlands, Belgium**

519-826-3982 or [jennifer.hannam@ontario.ca](mailto:jennifer.hannam@ontario.ca)

Jennifer Hannam is the new Export Marketing Officer responsible for the EU, replacing Diana Campbell who retired in 2014. Jennifer joined the Ministry in 2006 as a Marketing and Communications Officer before moving to the Ontario Food Exports team in 2007. Jennifer has been responsible for many educational programs for exporters over the years and is looking forward to working with companies interested in the EU market.

---



### **April Schnurr – Export Marketing Assistant**

519-826-3768 or [april.schnurr@ontario.ca](mailto:april.schnurr@ontario.ca)

April Schnurr is the new Export Marketing Assistant, replacing Karen Edwards who retired in September of 2014. April joined the ministry in 2008 as an Administrative Services Representative and has worked in many branches of the Ministry, most recently with Rural Programs. April is looking forward to working with the OFEX team and helping to organize many beneficial events for Ontario companies.

Join  
US! →



## Trade Events Ahead!

Increase your exporting potential by participating in an OFEX trade-related event in 2015

Our seminars, incoming and outgoing missions and international tradeshow 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 8.)

| 2015 Date:     | Trade Show/ Event Name:                     | Location:                    |
|----------------|---------------------------------------------|------------------------------|
| February 4-16  | Gulfood 2015                                | Dubai, UAE                   |
| February 26-28 | Store Brand Decision Summit                 | Chicago, IL                  |
| March 1-4      | Snaxpo Show                                 | Orlando, FL                  |
| March 3-6      | Foodex show                                 | Chiba, Japan                 |
| March 5-8      | Natural Products Expo West                  | Anaheim, CA                  |
| March 8-10     | Kehe Show                                   | Milwaukee, WI                |
| March 9-11     | Midwest Restaurant Show                     | Milwaukee, WI                |
| March 10-14    | Aahar-2015                                  | New Delhi, India             |
| March 15-17    | ProWein Germany                             | Dusseldorf, Germany          |
| March 18-20    | Expo ANTAD                                  | Guadalajara, Jalisco, Mexico |
| March 22-25    | International Food & Drink Exhibition (IFE) | London, UK                   |
| April 28-30    | SIAL Toronto – <b>See page 1!</b>           | Toronto, ON                  |

# In Good Company

## Taste of Canada, San Francisco, November 3-4, 2014

Forty Canadian food and beverages exporters enjoyed good company during the two-day Taste of Canada program in San Francisco from November 3-4, 2014, connecting with 25 qualified retail and food service buyers, as well as distributors from across the U.S. and Mexico.



Exporters took part in an educational market seminar, tours at five regional grocery stores, and a table-top showcase featuring more than 250 Canadian products. **More than 340 B2B meetings were held**, where a total of **at least \$6 million in anticipated sales was discussed**, and **more than 139 solid leads were reported**. **Seventy-six percent of participants expected to expand** their company's export initiatives as a result of Taste of Canada.

"It is the only collaborative, Canadian-wide food trade event targeting the U.S.," says Greg Merlihan, Geographic Specialist – United States. "It's a dedicated show that gets everyone together in one room for a day."

Feedback has been very positive says Merlihan, from both suppliers who had opportunity to make good solid buyer interactions, and buyers who enjoyed the informal browsing of the table-top and the opportunity to meet separately with individual suppliers.

"It is an excellent education opportunity for suppliers. They take place in discussions about the market and find out what it takes to do business there. It also provides immediate engagement opportunities for buyers, who had opportunity to preselect 15-minute meetings with suppliers, or to arrange a meeting onsite after browsing."

Planning is currently underway for a June 2015 Taste of Canada event with a focus on natural and organic foods. **Contact your export marketing officer for more details.**

### Ontario Food Exports<sup>OM</sup>

Ontario 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

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, grocery, snack foods  
519-826-3945 debra.oliver@ontario.ca

**Kiran Pandey**, Export Marketing Officer  
Protein, beverages & confectionery  
519-826-3489 kiran.pandey@ontario.ca

#### GEOGRAPHIC SPECIALISTS

**Jennifer Hannam**  
Geographic Specialist – UK, Germany, Netherlands, Belgium  
519-826-3982 jennifer.hannam@ontario.ca

**Greg Merlihan**  
Geographic Specialist – United States  
519-826-3790 greg.merlihan@ontario.ca

**Shannon McCarthy**  
Geographic Specialist – Mexico and Latin America  
519-826-7765 shannon.mccarthy@ontario.ca

**Emerson Cheng**  
Geographic Specialist – Asia/Pacific  
519-826-4474 emerson.cheng@ontario.ca

**Kiran Pandey**  
Geographic Specialist – India  
519-826-3489 kiran.pandey@ontario.ca

**Athar Shah**  
Geographic Specialist – MENA  
519-826-3140 athar.shah@ontario.ca

#### EXPORT SERVICES

**April Schnurr**, Export Marketing Assistant  
Market Research  
519-826-3768 april.schnurr@ontario.ca

**Cheryl Chlebus**, Client Information Coordinator  
519-826-3767 cheryl.chlebus@ontario.ca

**Pat Passmore**, Program Support  
519-826-3713 patricia.passmore@ontario.ca

**Mark Jonker**, Manager, Ontario Food Exports  
519-826-3564 mark.jonker@ontario.ca

#### REPRESENTATIVES BASED OUTSIDE OF CANADA

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

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

**Nick Orledge**, Ontario Food Exports: UK  
Special Projects  
Email: n.orledge@ontariofoodexports.co.uk