

Exporting to Canada

LAOS

August 2018



IDRC | CRDI

International Development Research Centre
Centre de recherches pour le développement international

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AGENDA

1. Introduction to the Canadian Market
2. Services offered by TFO Canada
3. Overview of the ECSAF Project & Market Studies Findings
4. The Canadian Market for Specialty Foods
5. Questions

THE CANADIAN MARKET

Short Exercise

THE CANADIAN MARKET



BASICS BEFORE WE GET STARTED...

Currency in Canada : The Canadian Dollar (CAD\$)

✓ Different from the USD: 1 CAD = 0,76 USD or 1 USD = 1.30 CAD*

✓ 1 Lao Kip (LAK) = 0.00015 or 1 CAD = 6485.80 LAK*



Source: XE Corporation (xe.com) – August 12, 2018

THE CANADIAN MARKET

Market Characteristics



THE COUNTRY



Source: Statistics Canada, Population estimates and projections (2013)

Total population: 35,1 million
(2016 Census)

- **Second largest country in the world in area**
- **10% size of U.S. market in terms of volume/population**
- **Can be divided into 6 regional markets**
- **Officially bilingual: English and French**
- **6 time zones**

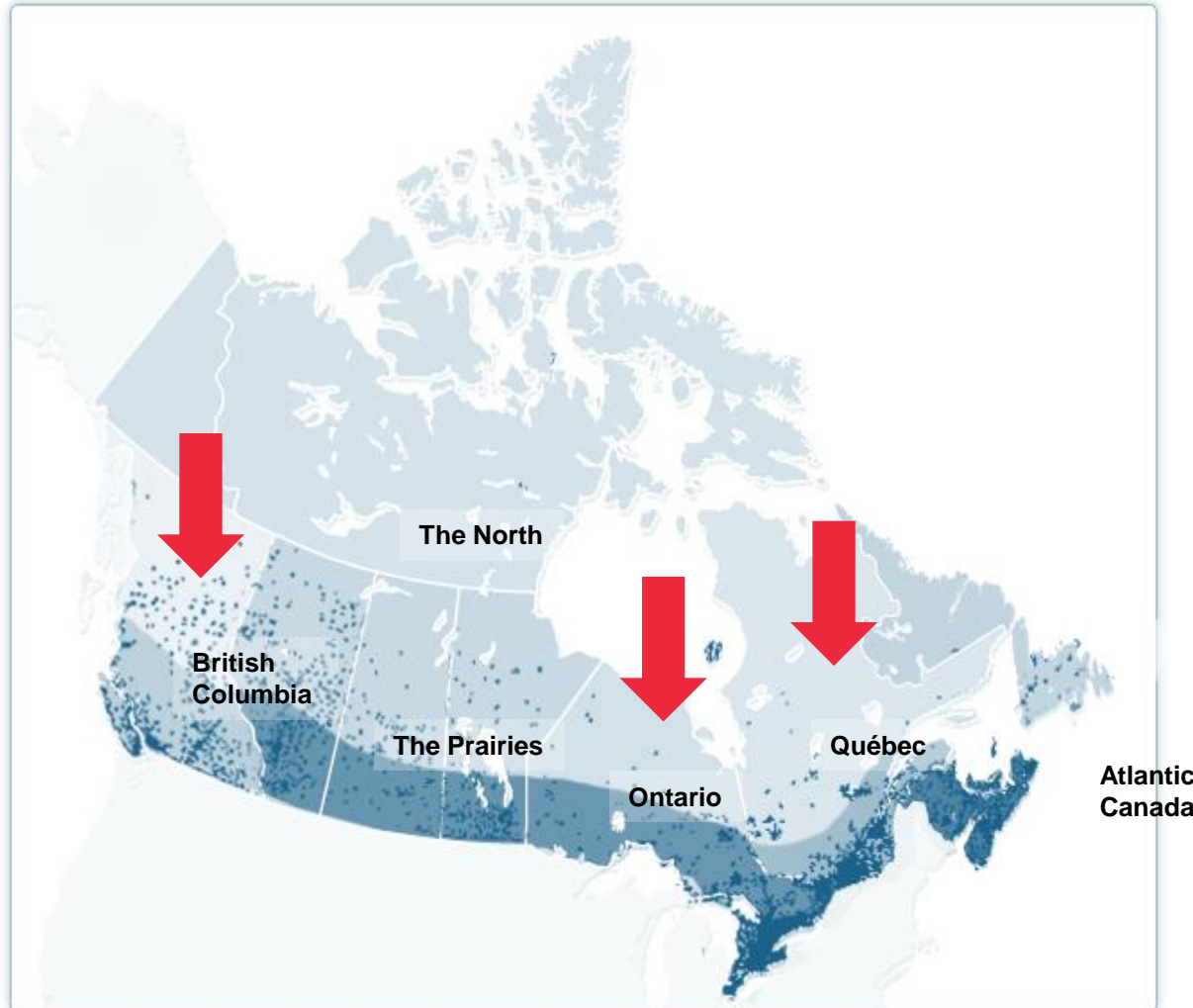
ENGLISH AND FRENCH SPEAKING COUNTRY



MAJOR CANADIAN CITIES



THE MARKET

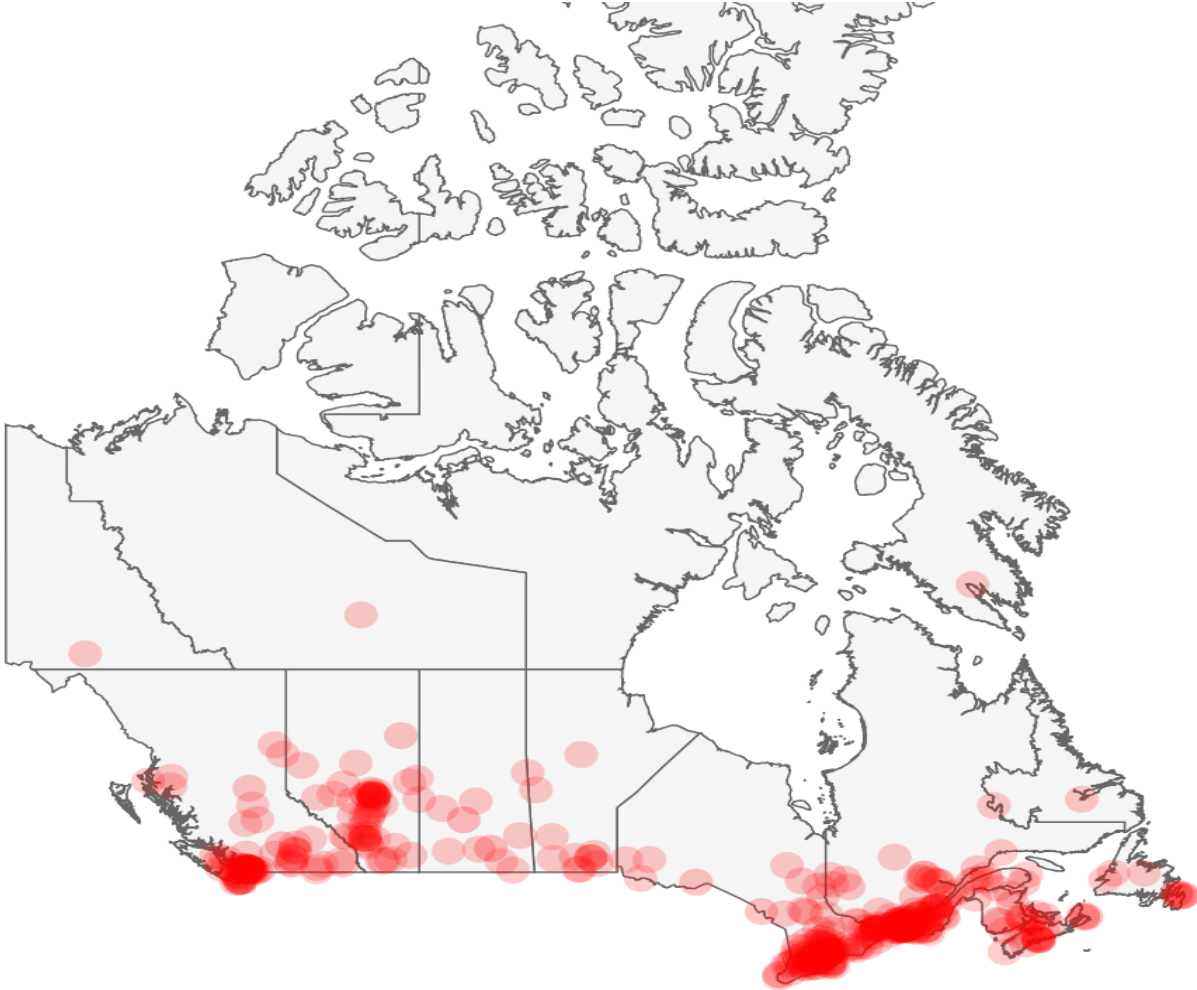


Source: Statistics Canada, Population estimates and projections (2013)

Small, concentrated population:

- **62%** of Canadians live in Ontario and Quebec
- **80%** of Canadians live within 160 km of the U.S. border
- **81%** of the population is urban
- **1 in 3** Canadians lives in one of Canada's three largest cities (Toronto, Montreal, and Vancouver) – so a largely urban market
- The 3 largest provinces: Ontario (14 mi), Quebec (8.3 mi) and British Columbia (4.8 mi)

POPULATION DENSITY AND CONCENTRATION



REGIONAL MARKETS



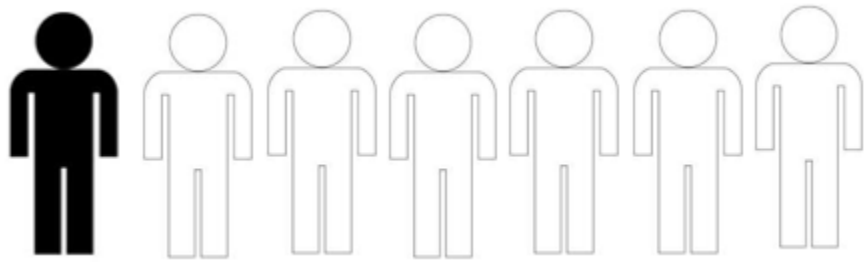
Second in importance, on the Pacific, perhaps more accessible for Asian Exporters?

Ontario and Quebec: The biggest and most important (65% of the market. The province of Quebec: different from the rest of the country.

DEMOGRAPHIC TRENDS



✓ POPULATION GETTING OLDER



- 1 in 6 Canadians are senior citizens (age 65+)
- Baby boomers (born 1946 to 1965) are the biggest group in the Canadian market: 9.6 mi
- Millennials (born between 1981 and 2000) are the 2nd biggest group: 8.9

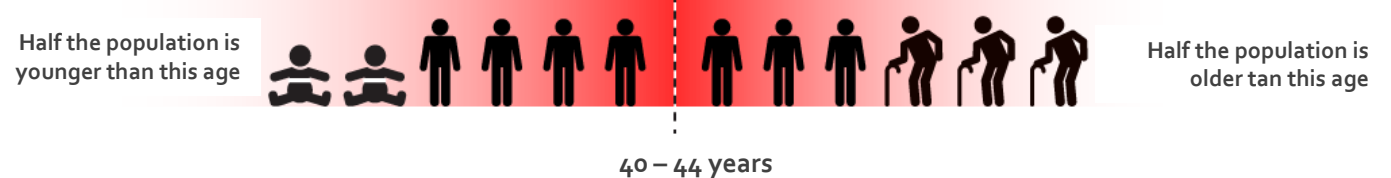
source: Statistics Canada, Census 2016

The latest data released shows how Canada's demographics are shifting due to unprecedented population ageing

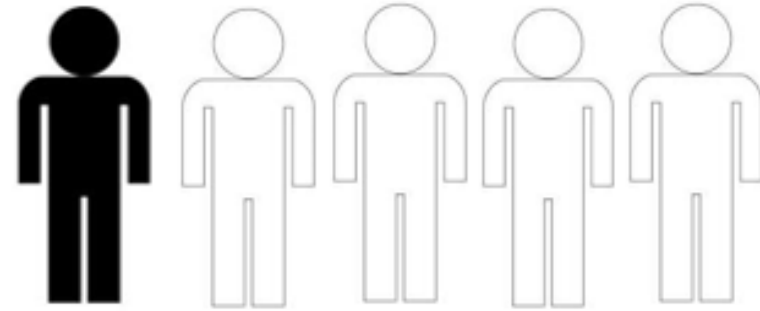
Over the past 5 years (2011 – 2016) the proportion of seniors in the Canadian population has increased from



The median age in Canada is currently



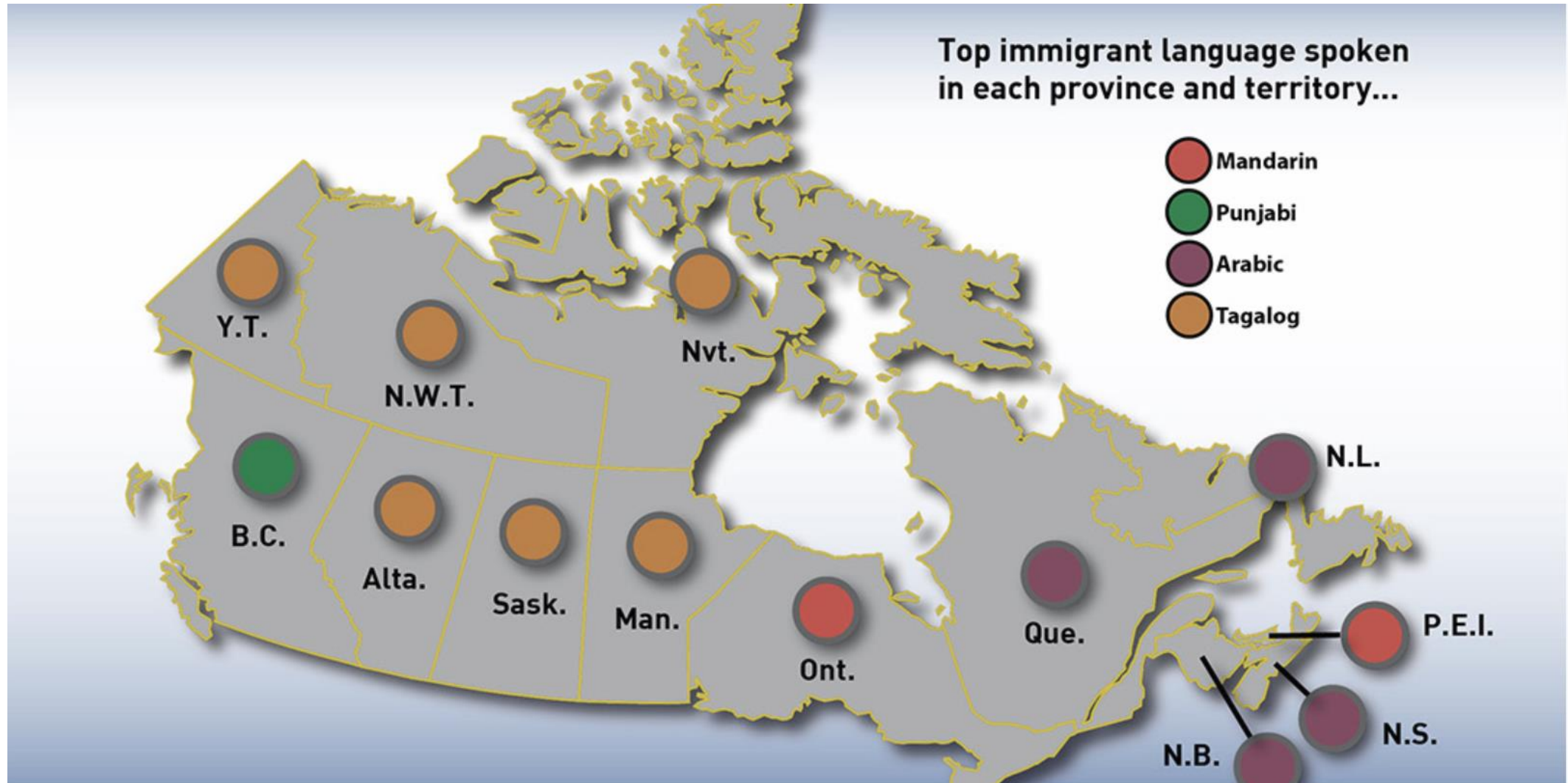
✓ IMPORTANCE OF IMMIGRATION



- **1.1 in 5** Canadians are immigrants (highest % in G7 countries)
- **1.2 million** new immigrants settled in Canada from 2011 to 2016
- **62%** of new immigrants settle in Toronto, Montreal and Vancouver

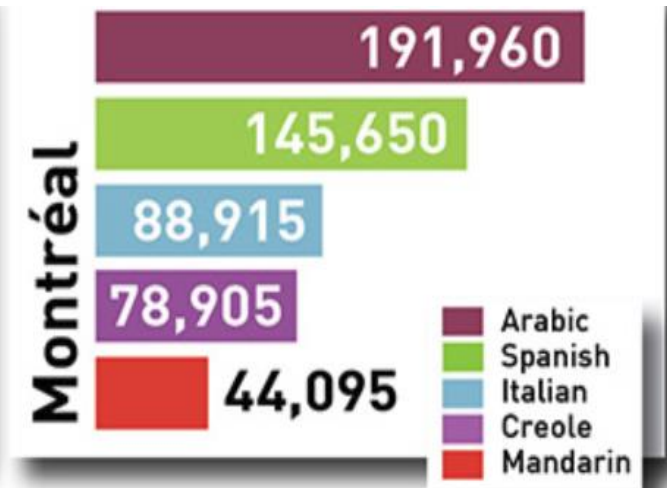
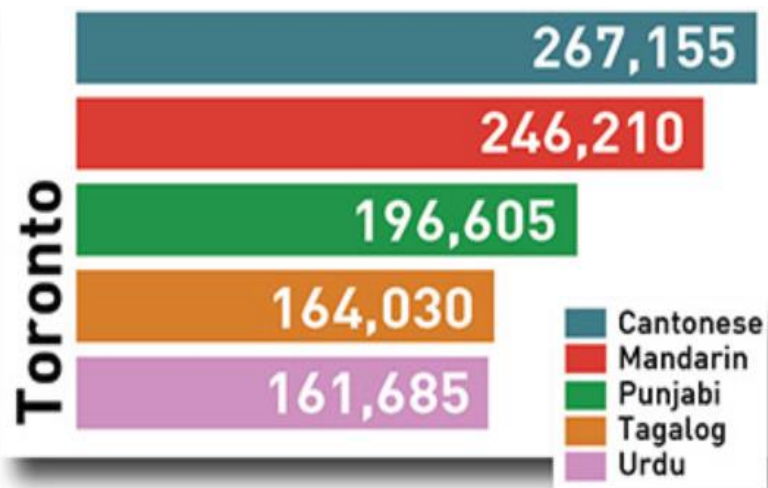
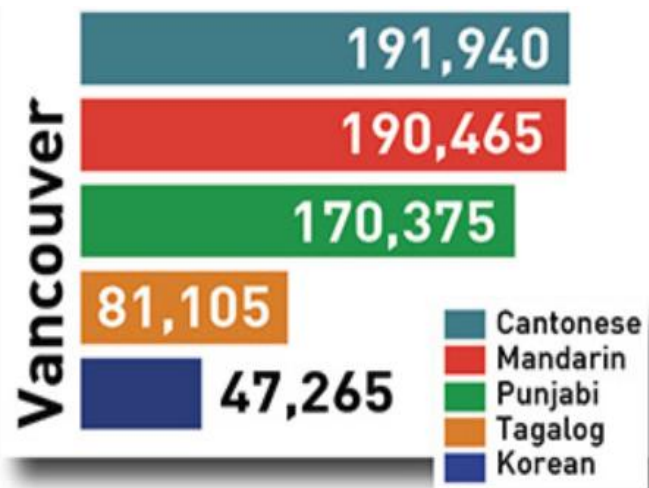
- Population with mother tongue **other than** English or French: 8 mi.
- Asia and Middle East: largest component of new immigration (2011-2016)
- Largest population growth is from immigration and not from natural increase

IMPACT OF IMMIGRATION



The top 5 immigrant languages spoken at home in Canada's largest cities...

Source: Statistics Canada – 2016
Census Infographics



In 2016,
7,335,745
 people in Canada spoke
 an immigrant language
 at home.



This represents
21.1%
 of the Canadian
 population,

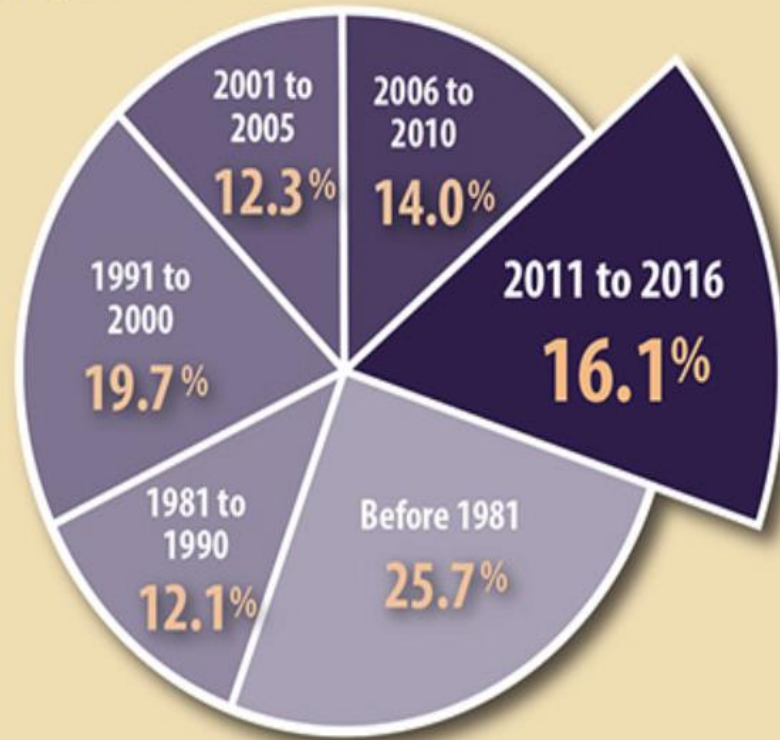


an increase of
14.7%
 from 2011 to 2016.

Source: Statistics Canada, 2016 Census of Population.

TOP IMMIGRANTS BY COUNTRY - 2016

Percentage of immigrants to Canada by period of immigration



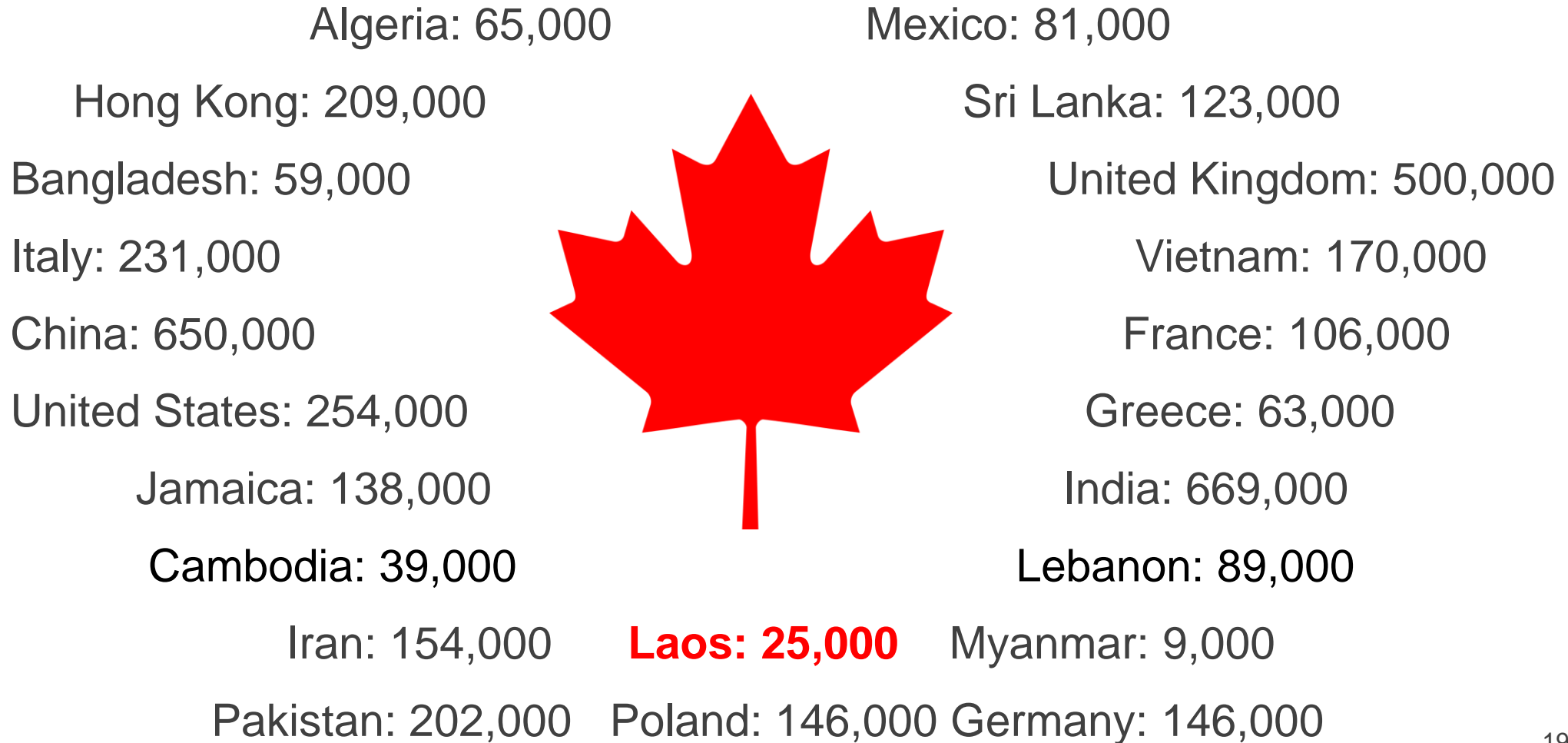
Approximately
1.2
million
are recent
immigrants

Top 10 countries of birth of recent immigrants



Source: Statistics Canada, 2016 Census of Population.

NUMBER OF CANADIANS BY SELECTED PLACE OF BIRTH OUTSIDE OF CANADA –TOTAL: 7.5 mi. (2016)



THIS TRANSLATES INTO:

++ 350,000 from Latina America

++ 3.7 mi. from Asia

++ 275,000 from Africa

++ 1.6 mi. from the Middle East

++ 520,000 form the Caribbean

++ 1.9 mi. from Central and Eastern Europe



OTHER IMPORTANT FACTS...



HOUSEHOLD SPENDING:

Average household expenses (2016): \$84,500 by selected type of expenses:

- Shelter/Accommodation: 21%
- Income taxes: 18%
- Transportation: 14%
- **Food: 10%**
- Household operations and furnishings: 8%
- Direct Health and Personal Care: 5%
- Recreation: 4,5%
- Clothing: 4%
- Education: 1,5%



- Source: Statistics Canada – Table 11-10-0225-01 – Household Spending by Household Tenure

CANADA & THE USA

	Canada	United States
Population	36.1 mi.	325.7 mi.
GDP	\$1,776 bi.	\$17,946 bi.
Exports	\$524 bi.	\$1,941 bi.
Imports	\$535 bi.	\$2,782 bi.

Values in \$CAD estimates (2016)

Source: Canadian & US Government Sources, ITC Trade Map

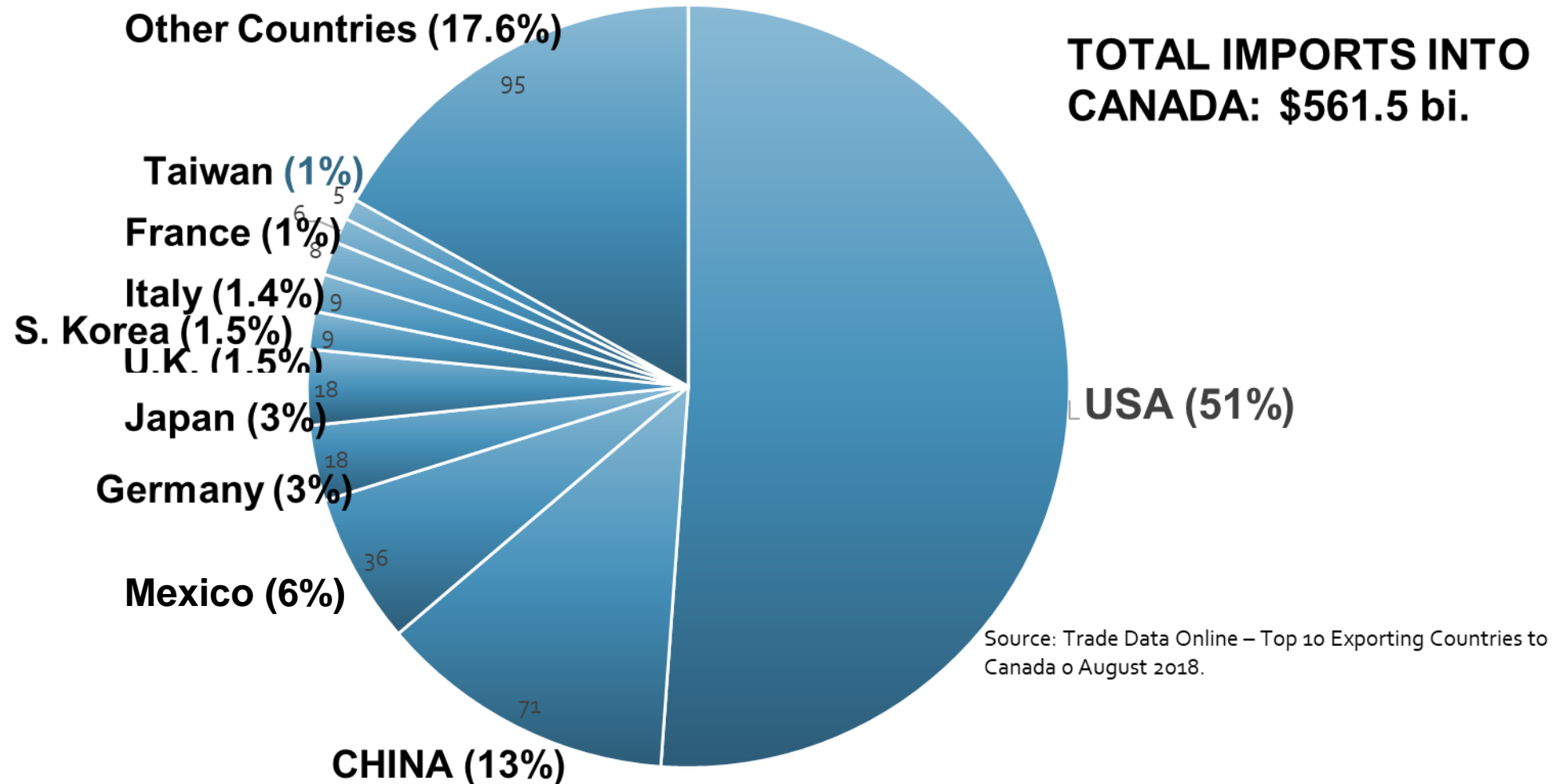
CANADA & THE USA per capita

	Canada	USA
GDP	\$46,638	\$55,560
Exports	\$14,705	\$6,009
Imports	\$14,985	\$9,278

Values in \$CAD estimates (2016)

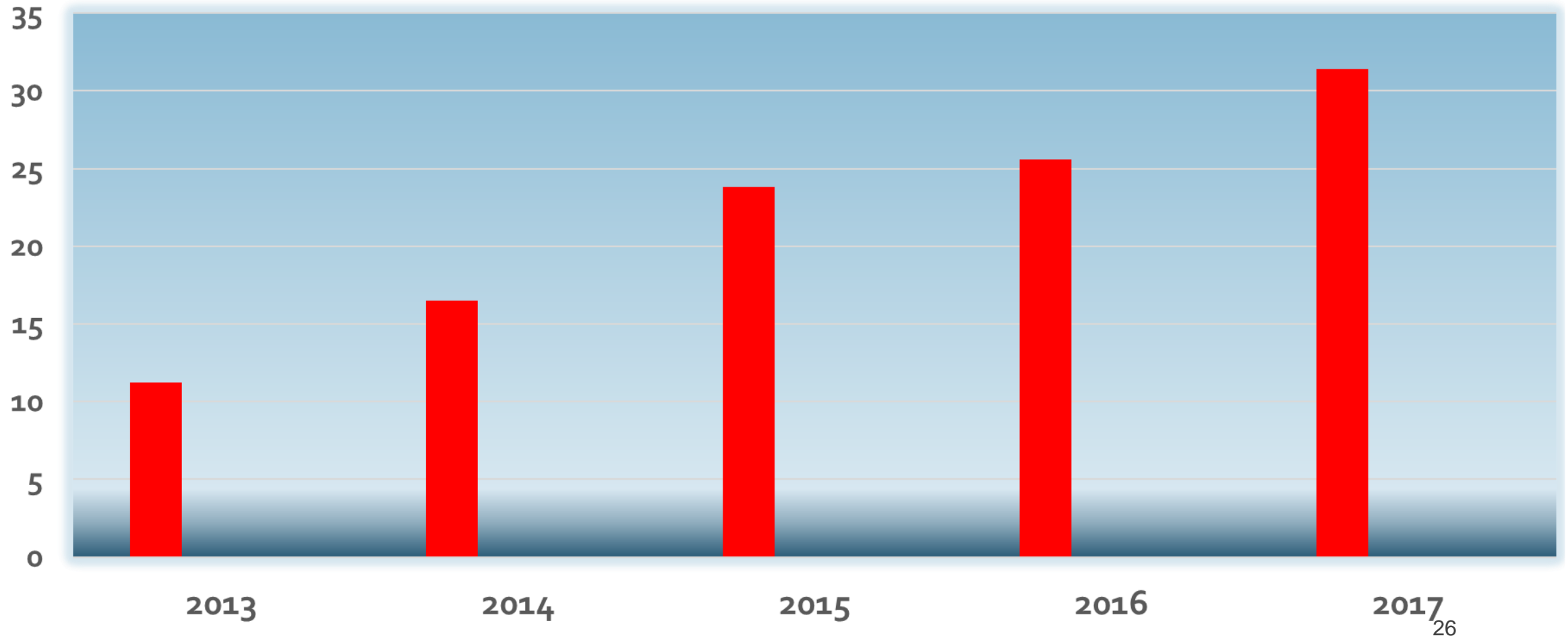
Source: Canadian & US Government Sources, ITC Trade Map

TOP 10 EXPORTING COUNTRIES TO CANADA - 2017



EXPORTS FROM LAOS TO CANADA (2013 – 2017)

In Millions of CAD



TOP LAOS EXPORTS TO CANADA – 2017

(in \$)

Product Group	Value
Electrical & electronic equipment and machinery (HS 85)	19,776,100
Apparel (HS 61 & 62)	7,704,400
Inorganic chemicals & compounds of precious metals and radioactive elements (HS 28)	2,373,100
Footwear (HS 64)	526,200
Pearls, precious stones or metals, coins & jewellery (HS 71)	393,900
Coffee, tea, maté & spices (HS 09)	322,600
Optical, medical, photographic, scientific & technical instruments ((HS 42)	99,200
Miscellaneous manufactured articles (HS 96)	58,900

WHY CANADA?

Significant volume of imports valued at \$561 Billion (2017)

- Imports: 1/3 of GDP
- 4% average yearly growth in imports over the past 5 years
- 10th largest import market in the world
- Canada is 6th largest food importer, representing 3% of total world agriculture and agri-food products.
- A stepping stone into the larger North-American market.
- Diversification Strategy

CONCEPTS THAT ARE GAINING GROUND ...

- **CSR:**

- Corporate Social Responsibility (CSR) is defined as “the voluntary activities undertaken by a company to operate in an economic, social and environmentally sustainable manner” – Global Affairs Canada

Examples:

- At the company level: helping youth education programs in the community;
- Hiring people with disability, involvement in charitable organizations.
- At the government level: important component in a bilateral trade agreement with another country;

- **Gender Equality:**

- Gender equality refers to the equal rights, responsibilities and opportunities of women and men and girls and boys.
- Implications at both the government and corporate/company levels

HOW CAN CSR HELP???

- CSR can help your business become more competitive and productive through:
 - ✓ Improved reputation and branding
 - ✓ Better operational efficiency
 - ✓ Better risk management
 - ✓ Better access to investment and capital
 - ✓ Stronger relationship with your employees and the community

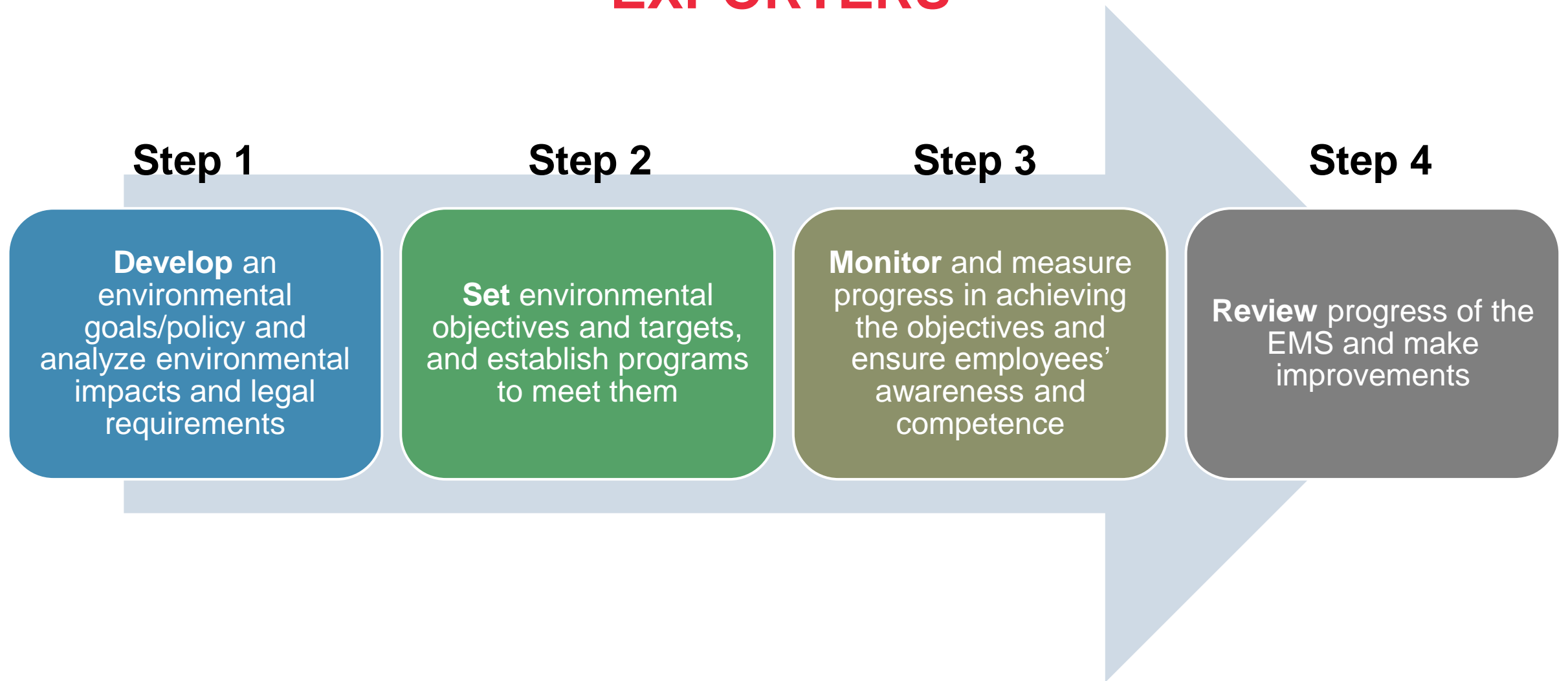


SOUND ENVIRONMENTAL PRACTICES

- As an exporter, it is also crucial that you demonstrate a commitment to environmental issues and that your policies and practices demonstrate such commitment.
- Examples:
 - Sound waste management
 - Water purification systems
 - Solar energy programmes
 - Carbon footprint reduction



ENVIRONMENTAL MANAGEMENT SYSTEMS FOR EXPORTERS



TFO CANADA

Mandate

Statement of Purpose

TFO Canada improves lives through the creation of sustainable trade partnerships for exporters from developing countries with Canadian and foreign buyers.

Vision Statement

TFO Canada is a recognized leader at improving lives through facilitating sustainable international trade opportunities for small and medium enterprises in developing countries

History

- Founded by the Government of Canada in 1980, became an NGO in 1985
- Headquarters in Ottawa, regional representatives in Quebec, Ontario and British Columbia
- Clients: SMEs Exporters and Trade Support Institutions (TSIs)
- Funding from:
 - Global Affairs Canada
 - Partner governments and other donors such as IDRC
 - Cost sharing by participants, partners, Canadian corporation.

OUR SERVICES

Information

- Comprehensive online trade information service
- Guide on Exporting to Canada
- Market Information Papers
- Webinars, Newsletter, Trade News and Events

Advice

- Trade capacity building projects with TSI partners
- Market familiarization tours in Canada's major cities
- Market Entry Studies with Canadian MBA programs

Contact

- Promotion of product offers to Canadian importers through our Foreign Supplier Database
- In-bound and out-bound trade missions
- Trade Shows and B2B meetings with Canadian buyers

EXPORTER SERVICES

Welcome to the Canadian Marketplace



Exporters!!
Let TFO Canada be your partner in accessing the Canadian market

Register with us and be included in our online Supplier Database

TFO
CANADA
Exporters' Trade Organization
Trade Development and Investment
Exporters' Association of Canada (EAC)

TFO CANADA'S WEBSITE

A Wide Variety of Tools for Exporters to Access!!

www.tfocanada.ca

The screenshot shows the TFO Canada website homepage. At the top, there is a navigation bar with links for Information, Advice, and Contact, and a search bar. Below the navigation bar, there is a main banner for "EMPOWERING PERUVIAN MANGO EXPORTERS" with a video player and a "READ MORE" button. To the right of the banner, there is a navigation menu with links for "SERVICES FOR FOREIGN SUPPLIERS", "SERVICES FOR CANADIAN BUYERS", "SERVICES FOR TRADE SUPPORT INSTITUTIONS", and "ABOUT TFO CANADA". Below the banner, there is a section titled "Promoting sustainable economic development through trade with Canada" with a brief description of TFO Canada's services. To the left, there is a "Trade Matters" section with a video player. To the right, there is a "Grow With Us" section with a grid of icons and a "Register Now" button. Below these sections, there is a row of icons for "Canadian Market", "Countries", "TFO Webinars", "Success Stories", and "Supplier Search". At the bottom, there is a "Trade News" section with a list of news items and a "See all news" button. On the left side of the bottom section, there is a "Tweets by @TFOcan" section with a tweet from TFO Canada.

Information Advice Contact
TFO CANADA Experts in trade for developing countries
SERVICES FOR FOREIGN SUPPLIERS
SERVICES FOR CANADIAN BUYERS
SERVICES FOR TRADE SUPPORT INSTITUTIONS
ABOUT TFO CANADA
Search Go

Home Not a member? Register here SIGN IN

EMPOWERING PERUVIAN MANGO EXPORTERS

TFO Canada provides information, advice and contact services to access the fresh organic foods market

READ MORE

Promoting sustainable economic development through trade with Canada
TFO Canada helps to make trade happen for over 1,500 exporters from developing countries, over 1,200 trade support institutions and more than 1,600 Canadian importers.

Trade Matters

TFO Canada: Welcome to the Canada...

Grow With Us

[Register Now](#)

Exporters: Increase your export knowledge and chance of success in the Canadian market

Canadian Importers: Diversify your Canadian import activity and discover rich new supply sources

Trade Support Institutions: Enhance your Canadian market expertise to achieve export development goals

[Canadian Market](#) [Countries](#) [TFO Webinars](#) [Success Stories](#) [Supplier Search](#)

@TFOcan on Twitter

TFO Canada @TFOcan
Interested in exporting to Canada? Download your free copy of our Access Canada Guide [#trade](http://ow.ly/Uzg2j) pic.twitter.com/0Wq11VBSZW

Access Canada:

Tweet to @TFOcan

Trade News

[Ethiopia to launch four more industry parks within two years](#)
(Citizen Digital) Ethiopia, which wants to become a hub for light...

[Trade between Canada and Africa to grow by \\$10 bln](#)
(Fresh Plaza) Canadian ECA and EDC has announced plans to grow its...

[Viet Nam e-commerce developing](#)
(Vietnam News) E-commerce has developed vigorously in Viet Nam in...

[Making trade and environment policies work for Africa](#)
(ICTSD) In just over a month: WTO members will gather in Nairobi,...

[See all news](#)

Determining Export Readiness:

Export Readiness Assessment

The screenshot shows the TFO Canada website interface. At the top left is the TFO Canada logo with the tagline 'Experts in trade for developing countries'. To the right are navigation links: 'SERVICES FOR FOREIGN SUPPLIERS', 'SERVICES FOR CANADIAN BUYERS', 'SERVICES FOR TRADE SUPPORT INSTITUTIONS', and 'ABOUT TFO CANADA'. A search bar with a 'Go' button is also present. Below the navigation is a breadcrumb trail: 'home > Foreign Suppliers > Getting Ready to Export'. On the right side of the page, it says 'Welcome clarecia' and a 'SIGN OUT' button. A left-hand navigation menu is visible, with 'FOREIGN SUPPLIERS' at the top, followed by 'Getting Ready to Export' (which is highlighted), 'Exporting to Canada', 'Market Entry', 'Export to Canada Newsletter', and 'Frequently Asked Questions'. The main content area is titled 'GETTING READY TO EXPORT' and 'ASSESSING YOUR EXPORT READINESS'. It includes a 'Back to menu' link and a printer icon. The text on the page discusses the wealth of information and education offered by TFO Canada and other organizations to help exporters prepare for success. It mentions that the first step is to register your company with us if you haven't already. It also states that selling goods and services to another country requires time, resources, and knowledge to prepare products and staff for a foreign marketplace, to identify specific opportunities, and to maximize the potential of a successful venture. Finally, it mentions a 'this brief questionnaire tool' that helps put context to your level of export readiness and takes a couple of minutes to complete, guiding you to information and publications that may help you on your way to export success. A link 'Go to the quiz' is provided at the bottom of the text.

Accessing Import Statistics:

Trade Data Online

FOREIGN SUPPLIERS

→ Getting Ready to
Export

→ Exporting to Canada

Canadian Market
Overview

Canadian Market Trends
& Statistics

Access Canada: A Guide
on Exporting to Canada

Market Information
Papers

Connecting with
Canadian Importers

Approved Certifications

Canadian Tradeshows

Search the Canadian
Importers Database

[Search Canada's
Trade Data Online](#)

Automated Import
Reference System
(AIRS)

Foreign Representatives
in Canada

→ Market Entry

→ Export to Canada
Newsletter

→ Frequently Asked
Questions

SEARCH CANADA'S TRADE DATA ONLINE

Use one of the following options to search data on Canada's trade with the world. The results will open in a new window outside of the TFO Canada website, where you can further edit or filter the results. This database is maintained by Industry Canada.

Search by Product

Search by Industry

Top 25 Products (HS6 Codes), All Countries

Trade Type

Trader

Value in

FOREIGN SUPPLIERS

→ Getting Ready to Export

→ Exporting to Canada

Canadian Market Overview

Canadian Market Trends & Statistics

Access Canada: A Guide on Exporting to Canada

Market Information Papers

Connecting with Canadian Importers

Approved Certifications

Canadian Tradeshows

Search the Canadian Importers Database

Search Canada's Trade Data Online

Automated Import Reference System (AIRS)

Foreign Representatives in Canada

→ Market Entry

→ Export to Canada Newsletter

→ Frequently Asked Questions

AUTOMATED IMPORT REFERENCE SYSTEM (AIRS)

The purpose of the AIRS is to provide accurate and timely information on import requirements. The results will open in a new window outside of the TFO Canada website, where you can further edit or filter the results. This database is maintained by the Government of Canada.

Automated Import Reference System (AIRS)

Find by Commodity:

Ensure at least one check box has been selected. **Required*
 When doing a search by HS Code, use only the first six digits. **Required*

HS Description HS Code Alternate Description Key Words Latin Names

Search →

OR

Select by Drill-down:

Please select HS Code Level 1. Use the 'Go' button to continue.

▼

Go →

**Accessing
Entry
Requirement:**

**Automated
Import
Reference
System (AIRS)
Tool**

FOREIGN SUPPLIERS

→ Getting Ready to Export

→ Exporting to Canada

Canadian Market Overview

Canadian Market Trends & Statistics

Access Canada: A Guide on Exporting to Canada

Market Information Papers

Connecting with Canadian Importers

Approved Certifications

Canadian Tradeshows

[Search the Canadian Importers Database](#)

Search Canada's Trade Data Online

Automated Import Reference System (AIRS)

Foreign Representatives in Canada

→ Market Entry

→ Export to Canada Newsletter

→ Frequently Asked Questions

SEARCH THE CANADIAN IMPORTERS DATABASE

Use one of the following options to search the Canadian government's database of registered Canadian importers. The results will open in a new window outside of the TFO Canada web site. This database is maintained by Industry Canada.

By Keyword / HS Code

By Products

By Location

Enter a keyword / HS code (6-digit maximum)

Search →

Accessing Listings of Major Importers in Canada:

Canadian Importers Database

Accessing Market Information:

- Market Information Papers
- 21 detailed reports on key sectors in the Canadian market
- Examples: beverages, organic, ethnic and FT products, dried food, spices & nuts...

The screenshot displays the 'FOREIGN SUPPLIERS' website interface. On the left is a navigation menu with categories like 'Getting Ready to Export', 'Exporting to Canada', and 'Market Information Papers'. The main content area is titled 'MARKET INFORMATION PAPERS' and lists 21 reports, each with a thumbnail, title, and language options (EN, FR, ES). The reports include: 'Access Canada: A Guide on Exporting to Canada', 'Alcoholic Beverages', 'Apparel and Textiles', 'Beverages', 'Building Materials', 'Canadian Market Access Guide for LDCs', and 'Carpets and Rugs'. A 'Download Adobe Acrobat' link is visible at the top of the main content area.

FOREIGN SUPPLIERS

- Getting Ready to Export
- Exporting to Canada
 - Canadian Market Overview
 - Canadian Market Trends & Statistics
 - Access Canada: A Guide on Exporting to Canada
 - Market Information Papers**
 - Connecting with Canadian Importers
 - Approved Certifications
 - Canadian Tradeshows
 - Search the Canadian Importers Database
 - Search Canada's Trade Data Online
 - Automated Import Reference System (AIRS)
 - Foreign Representatives in Canada
- Market Entry
- Export to Canada Newsletter
- Frequently Asked Questions

Currency Rates

Canadian Customs Tariffs

Webinars

Market Links

MARKET INFORMATION PAPERS

[Download Adobe Acrobat](#)

- Access Canada: A Guide on Exporting to Canada** | EN | FR | ES
- Alcoholic Beverages** | EN | FR | ES
- Apparel and Textiles** | EN | FR | ES
- Beverages** | EN | FR | ES
- Building Materials** | EN | FR | ES
- Canadian Market Access Guide for LDCs** | EN | FR | ES
- Carpets and Rugs** | EN | FR | ES

OTHER RESOURCES AVAILABLE ON OUR SITE:

- ✓ A guide to **CSR Best Practices** in which there is a step-by-step implementation process

- ✓ A Guide to **Environmental Best Practices** for SMEs wishing to Export to Canada

Guides:

Access Canada: A Guide on Exporting to Canada

- Practical guide to access the Canadian market
- Information on taxes, tariffs, regulations, and tips for finding a Canadian buyer.

Access Canada: A Guide on Exporting to Canada



Webinars:

- Regular webinars for registered members on how to use TFO Canada Online Services

- Guest presentations from industry experts on sector-specific trends, regulations, legislation, etc.

The screenshot shows a webinar interface. The main content area displays a slide with the following text:

Lessons Learned about Women Exporters in Developing Countries

- Cultural challenges exist but vary from region to region
- Small, steady steps, due to time and resource constraints
- Respond best to individual coaching which meets their specific needs
- Need to understand their positioning in global value chains (importance of distributors)
- Need tools and templates (fill in the blanks approach)
- Need to embrace technology
- Need to integrate, not segregate
- Some reluctance to networking, partnering and sharing information
- All must work together to achieve success – governments, trade promotion organizations, business support organizations, donor agencies
- Women who are economically empowered, can make a positive impact on family health, education and overall economic well-being.

The slide number 23 is visible in the bottom right corner of the slide area.

On the right side of the interface, there is a video feed showing two participants: Mary Anderson and Diane. Below the video feed is a list of attendees:

Attendees (20)

- Active Speakers
- Hosts (1)
- Presenters (4)
- Participants (15)

The chat window at the bottom right shows the following messages:

GUEST: FRED ASANTE-OMANE

Jacqueline Emmanuel-Flood 2: Good morning Danielle, I am experiencing some difficulty hearing Mary's presentation

Jacqueline Emmanuel-Flood 2: currently not hearing Diane

Danielle Mulligan: Hi Jacqueline- Will send you a private message, watch the bottom of your screen

Jacqueline Emmanuel-Flood 2: OK

Danielle Mulligan: Jacqueline- I have sent you a message, it should show at the bottom of your chat box

GUEST: I can hardly hear all that Diane is saying

Danielle Mulligan: I will send you a private message Fred

Danielle Mulligan: If any of you have participants or examples to add, please send a message here

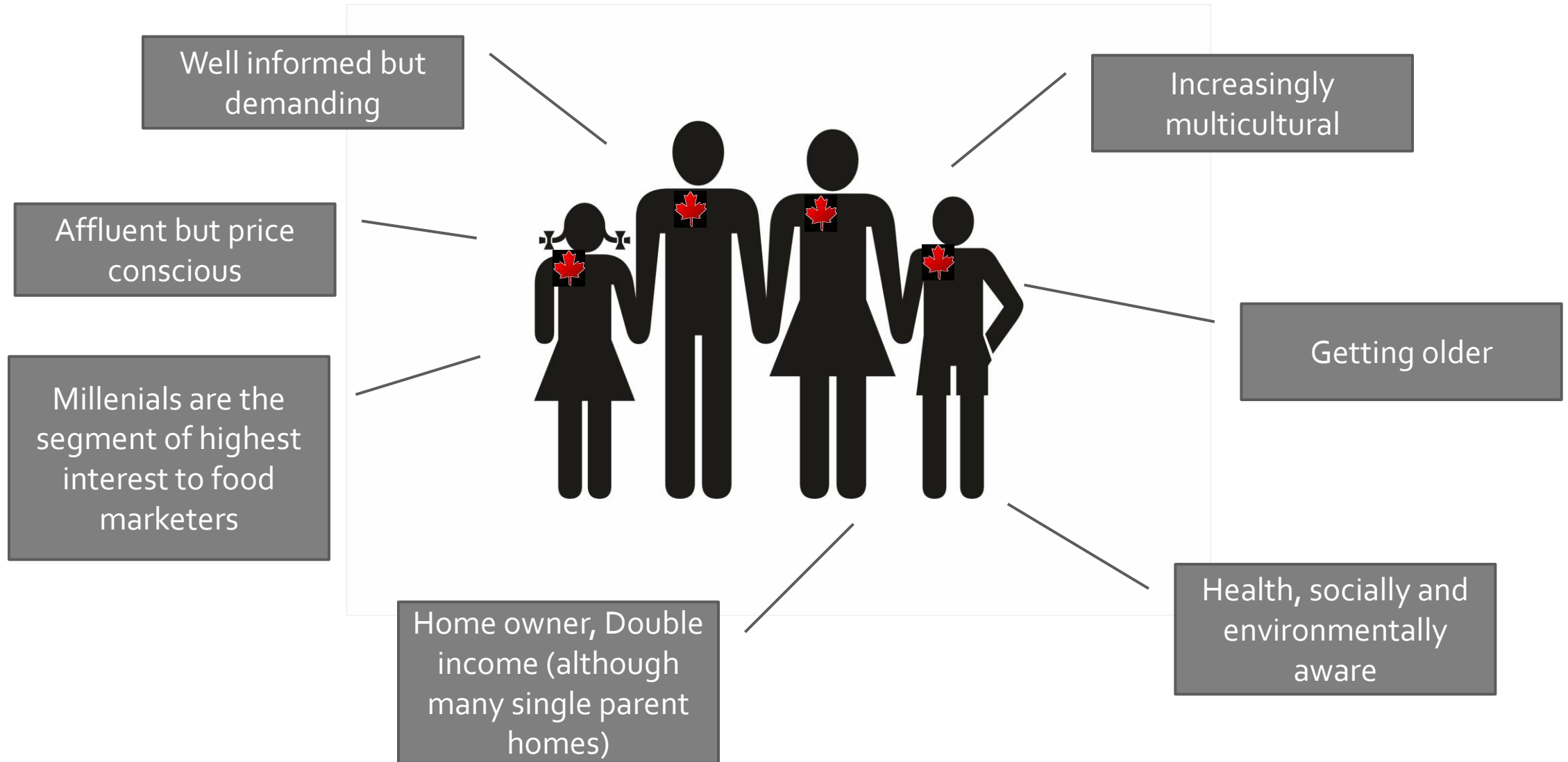
And...last but not least: project-specific activities such as this IDRC-funded project with CLM to enhance access to the Canadian Market

-Processed food sector

-Technical support, capacity building and business outreach – **goal:
50% women led and owned SMEs as participants**

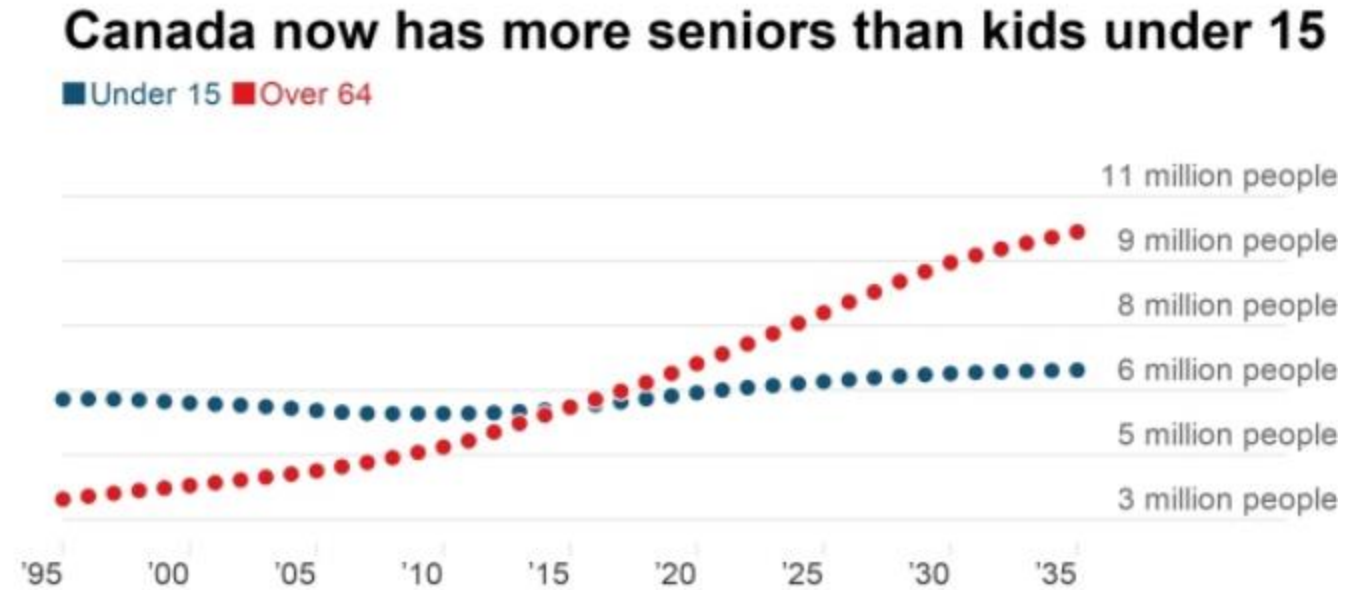
-Karishma Zaman, TFO Canada Programme Manager

The Canadian Consumer



CONSUMER GROUPS OF INTEREST

1. “Baby Boomers”: 51-69
 - Biggest Segment: 9.6 mi. Canadians



Source: Statistics Canada

Made with Chartbuilder

CONSUMER GROUPS OF INTEREST (continued)

2. The “Millenials” – 18-34 (8.9 mi.)
3. “Generation “X” – 35-50 (7.5 millones)

THE 3 SEGMENTS REPRESENT 70% of the TOTAL MARKET IN CANADA

MARKET SEGMENTS

Different Market Segments in Canada for consumers:

✓ **The 'Mass' market segment:**

- the largest of all the market segments, the bulk of the market
- Consists of more traditional products, staple products and increasingly more 'ethnic' products, mix of consumers
- Stable, constant growth

✓ **The 'Ethnic' market segment:**

- Smaller than the mass market but growing rapidly; products a result of immigration consumer behaviour; high growth

✓ **The 'gray zone' in between these 2 market segments:**

- High growth, a mix of products

MARKET SEGMENTS (continued)



DIFFERENT CONSUMER GROUPS

- ✓ End consumers who buy the food products to consumer at home
 - Mostly in different types of stores, some online



- ✓ End consumers who buy in Restaurants, Hotels (foodservices)



- ✓ Food manufacturers who buy ingredients or part of products for manufacturing or further processing

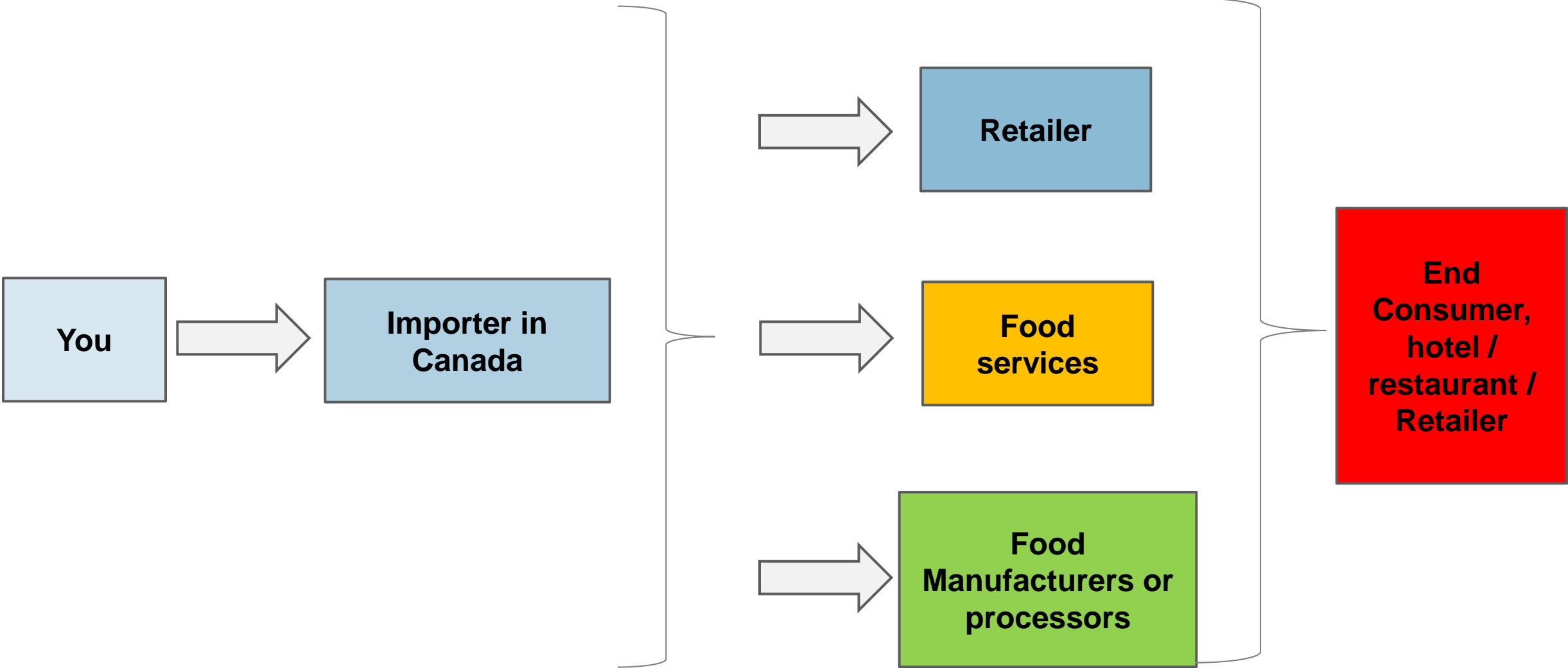


HOW TO REACH THESE GROUPS OR SEGMENTS?

DISTRIBUTION OPTIONS



WHAT ARE YOUR OPTIONS?



You



**RETAILER /
Manufacturer or
Processor**



**End
Consumer**



Broker/Agent

OTHER OPTION: FOOD MANUFACTURERS OR PROCESSORS

- Largest of all the manufacturing industries in Canada
- 16% of GDP
- More than \$ 103 bi. In shipments - more than 50% are: meat, dairy and beverages manufacturing



FOOD IMPORTS

CANADIAN FOOD IMPORT MARKET BY SECTOR (2017)



Cereals - \$900 mi.



**Sugars & sugar
confectionery - \$1.48 bi.**



**Cereal, flour, milk, starch preparations
(incl. pastry & bread) - \$ 3.8 bi.**



**Meat, fish and seafood
preparations –
\$1.84 bi.**



**Cocoa & cocoa
preparations - \$ 1.97
bi.**



**Fruit, vegetable and nut
preparations - \$2.97 bi.**

CANADIAN FOOD IMPORT MARKET BY SECTOR (2017) - continued



Beverages, spirits & vinegar - \$ 6.4 bi.



Fish, crustaceans & molluscs - \$2.79 bi.



Vegetables (all forms) - \$ 4.1 bi.



**Fruit & nuts (all forms)
- \$1.84 bi.**



Coffee, tea, mate & spices - \$ 2.15 bi.

IN BRIEF...

- Food - 10% of personal expenses (as per census)
- 30% of food consumed is **imported**
- 75% of fresh fruit and vegetables are **imported**
- High degree of market concentration at the retail level: 3 principal buying/retail groups represent more than 75% of sales – each has different banners: Loblaw, SOBEY's (Empire), METRO
- 60% of all food sales in Canada are at retail level and 40% are at food service level.
- The consolidation phenomenon is strong: Metro: Adonis, Jean Coutu, Sobeys: Safeway, Loblaw: Shopper's Drugmart, T&T = Supermarkets increasing power



WHAT GOES TO CANADA FROM LAOS?



MAJOR FOOD EXPORTS TO CANADA FROM LAOS - 2017

PRODUCT (HS)	VALUE in \$	VOLUME
Coffee, not roasted, not decaffeinated (HS 090111)	310,800	82,600 (KGM)
Coffee, roasted, not decaffeinated (HS 090121)	6,800	803 (KGM)
Fruits of the Genus Capsicum or Pimenta, crushed or ground (HS090422)	3,600	391 (KGM)

COFFEE EXPORTS TO CANADA – HS 090111 (not roasted, not decaffeinated) - 2017

- ✓ Laos: 32nd largest exporter to Canada
- ✓ Total imports of this category to Canada:

200 million KGM or \$918 million

- ✓ Major players: Colombia, Brazil, Guatemala, Peru and Honduras
 - ✓ 21 countries exported more than \$1 million
 - ✓ 40 countries exported more than \$100,000
- = INTENSE COMPETITION!**

COFFEE EXPORTS TO CANADA – HS 090121 (roasted, not decaffeinated) - 2017

- ✓ **Laos: 73rd largest exporter to Canada**
- ✓ **Total imports of this category to Canada:**

59.1 million KGM or \$701 million

- ✓ **Major players: USA, Switzerland, Italy and Germany**
 - ✓ **15 countries exported more than \$1 million**
 - ✓ **40 countries exported more than \$100,000**
- = INTENSE COMPETITION IN THE ROASTED CATEGORY
AS WELL!**

THE FOOD RETAIL LANDSCAPE IN CANADA

MAJOR SUPERMARKET CHAINS

1. Loblaw Companies Limited:

-200,000 employees. Annual Revenues: \$46 bi. Different banners operating in food, clothing, pharmacy, financial services. Banners: Loblaw's Market, Shoppers' Drugmart, Joe Fresh, T&T, No Frills...

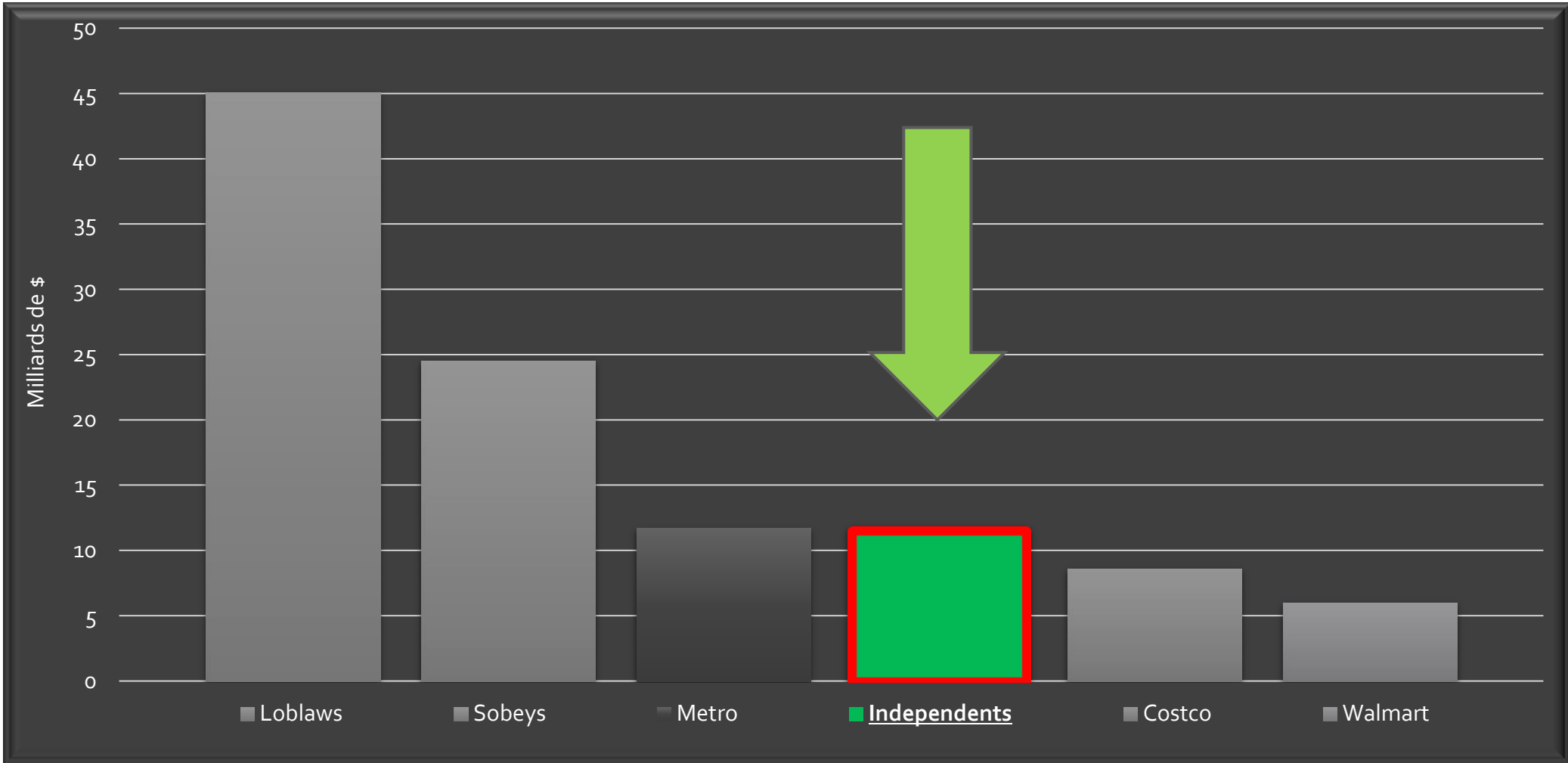
2. Sobeys':

-125,000 employees, \$25 bi. in annual revenues, 1,500 stores. Different banners: IGA, Sobeys', Safeway, Thrifty Foods, Foodland, Rachelle-Béry...

3. Metro:

-65,000 employees, 600 stores (Quebec & Ontario). Annual sales: \$12 bi. Banners: Metro Plus, Super C, Jean Coutu, Les 5 Saisons, Adonis

INDEPENDENT SMALLER CHAINS...



INDEPENDENT STORES

- More than 4000 stores throughout the country:
 - small chains
 - independent stores





Increasing number of small independent chains:

- Longo's (Ontario)
- Farm Boy (Ontario)
- Colemans
(Newfoundland)
- Supermarchés Avril
(Quebec)

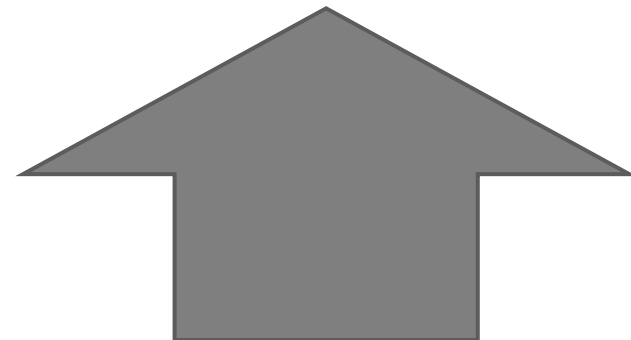
Emphasis is placed in health foods, local products, natural foods,...

These smaller chains represent about 15% of the retail food market in Canada.

FOOD RETAIL SALES in CANADA

Type of Store	2015	2016
Supermarkets and other small chains	\$ 80.0 bi.	\$81.0 bi.
Convenience stores	7.5 bi.	7.8 bi.
Specialty food stores	6.6 bi.	6.9 bi.
Beer and Wine Stores	21.4 bi.	22.4 bi.
TOTAL:	\$115.6 bi.	\$118.9 bi.

2.8%



PROS AND CONS OF DEALING DIRECTLY WITH LARGE RETAIL CHAINS

Big Chains:

Advantages:

- Volume
- Good visibility

Disadvantages:

- Demanding prerequisites
- Large investment required
- No flex with respect to pricing
- On alert, on-site

Small Independents:

Advantages:

- Fewer prerequisites
- Less investment
- More flexibility

Disadvantages:

- Lower volumes
- Less market share
- Less visibility

TRENDS IN CANADA

In addition...

- Healthy eating habits, healthy lifestyles
- Time and convenience sensitive
- Conscious of where the product comes from and how it has been made or grown – traceability and safety in the supply chain
- Sustainability



THESE TRANSLATE INTO HIGH-GROWTH SEGMENTS FOR:

- Products that are healthy and that are made from healthy ingredients
- Organic products
- Anti-allergenic products: free of nuts (peanuts)
- Gluten-free products
- Vegetarian / vegan / vegetalian products
- ‘Ethnic’ products – important niche sub-market – not only for the ethnic segments of the population but for the mainstream segment which is increasingly willing to try and adopt new products. Rise in demand for <fusion> foods.
- ‘Easy’ products, convenient products, packaging from recycled material...
- Millennials: biggest segment that food marketers are going after!

MORE SPECIFICALLY...

- Low in fat content, low in sugar content, high in fibre content
- Organic produce, grains,
- Peanut-free or nut preparations and certification
- Healthy snacks (grains and nuts, dried fruit)
- Easy to open packages
- Fresh and frozen (IQF) fruits and vegetables
- Ready-to-eat individual portions (fresh and frozen)
- Halal products, Kosher products
- GMO-free products
- Natural products
- Products that can be prepared quickly...

**CAN YOU ADAPT ANY OF THESE INTO YOUR
OWN PRODUCT LINE?**

OTHER HIGH-GROWTH SEGMENTS

- **Ethnic (or global) Food**: 12% of retail sales
 - Annual Sales > \$5bi
 - 8% increase/year
 - Projected sales \$15M in 10 years
 - Largest 3 ethnic groups: Chinese, South Asians & Philipinos: 10% of population in 2013 – predicted to double by 2031 (7.3M)

- **Organic Food**: 3% of sales
 - Annual Sales \$3bi
 - 20-30% annual growth
 - 80% imported
 - 20% regular, 60% occasional
 - Premium Price margin (20-30%)
 - 41% sales now made in conventional stores



WHAT INFLUENCES THE BUYING DECISION?

1. Price
2. Quality
3. Freshness
4. Nutritional info



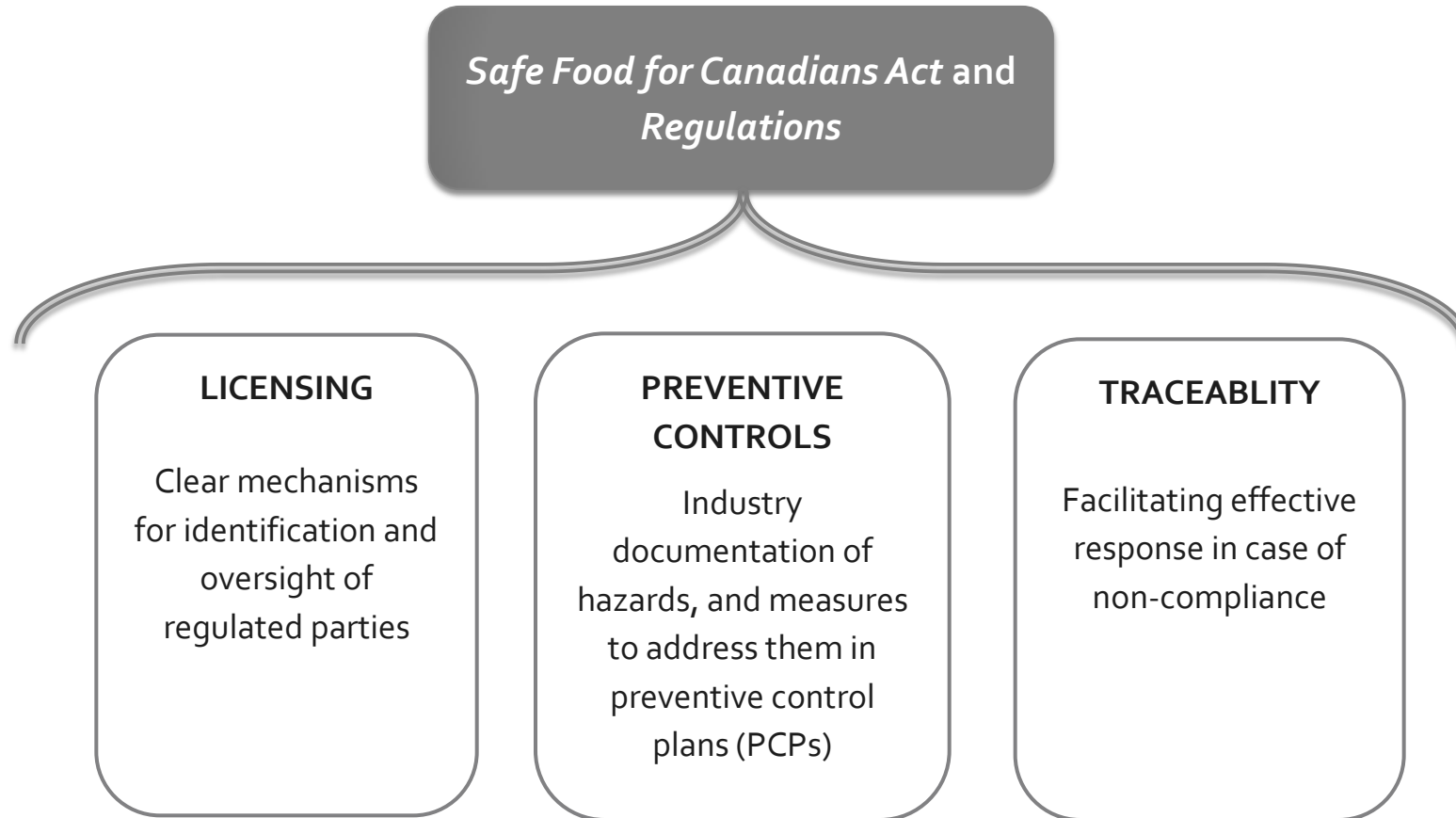
Secondary factors: organic, fair trade, other certifications...

THE REGULATORY ENVIRONMENT

- New Umbrella Regulation 'Safe Food for Canadians Regulation' (SFCR) will take effect in January 2019.
- **Safety and security** throughout the supply chain: a major concern in the new regulations
- Major government body responsible for regulations (administered through its Canadian Food Inspection Agency (CFIA):

www.inspection.gc.ca

SFCR – 3 MAIN ELEMENTS



Expected Result: Stronger, more consistent and outcomes-based rules

SFCR – PREVENTIVE CONTROL MEASURES

Canadian importers are responsible for ensuring the food they import from their foreign suppliers was prepared in conditions that provide the same level of protection as provided under the proposed regulations. Canadian importers will need to:



SFCR: IMPACT ON FOREIGN EXPORTERS

The Canadian importer will ask you:

- for information about the products you are exporting;
- for information about the manufacturing practices and safety controls of the food being exported;
- how you are addressing any hazards associated with the food;
- if you are part of a food safety certification program;
- to visit you to verify the effectiveness of your controls.

✓**The well-informed Consumer who actually reads:** “good for me”



SHORT EXERCISE

PACKAGING & LABELLING

Specific to Canada:

- Bilingual: French and English. Of equal proportions

- Very visual

- Norms as to package sizes:

 - for example: canned vegetables: 398 ml

- Nutritional content/information:

 - prescribed format, French and English

 - Same regulation across the country

 - different table sizes accepted by CFIA



THE CURRENT CANADIAN FOOD LABEL

Mandatory information Voluntary information

Brand Name

Name of food
(Common Name)

Pictures or claims
on main ingredients
(Vignette, claims)

Where the food
comes from
(Origin Claim)

Amount of food
(Net Quantity)



What nutrients are
in food (Nutrition
Facts Table)

Claims about certain
nutrients
(Nutrient Claim)

What the food
contains (List of
Ingredients)

What allergens
are present

Name and address
of company who
made or imported
the food

How long food will last (e.g.
Best Before Date)

- **Ingredients**
- **Origin ...** (and name of importer)
- **Nutritional information:** Calories & 13 nutrients: Fat, Saturated fat, Trans fat, Cholesterol, Sodium, Carbohydrate, Fibre, Sugar, Protein, Vitamin A & C, Calcium & Iron.
- **Nutritional/Health Claims**

Nutrition Facts and other mandatory labelling requirements must be in English and French

Nutrition Facts 1	
Per 4 crackers (20 g) 2 3	
Amount	% Daily Value
Calories 90	
Fat 3 g	5 %
Saturated Fat 0.5 g + Trans Fat 1 g	8 %
Cholesterol 0 mg	
Sodium 130 mg	5 %
Carbohydrate 14 g	5 %
Fibre 2 g	8 %
Sugars 2 g	
Protein 2 g	
Vitamin A 0 %	Vitamin C 0 %
Calcium 0 %	Iron 4 %

6 **Ingredients:** Whole wheat, vegetable oil shortening, salt.

5 **Low fat, cholesterol-free, source of fibre**

FOOD ALLERGENS – CANADIAN DEFINITION

•Canadian Food and Drug Regulations (B.01.010.1)

•10 PRIORITY ALLERGENS:

- Eggs
- Milk
- Mustard seeds
- Peanut
- Fish
- Crustaceans
- Shellfish
- Sesame seeds
- Soybeans
- Wheat
- Tree Nuts



FOOD ALLERGENS – TREE NUTS



Almonds



Brazil Nuts



Cashews



Hazelnuts



Macadamia



Pecans



Pine Nuts



Pistachio



Walnuts

REGULATIONS...

- Strict: security, quality, health protection, import issues traceability - major goal: safety of Canadian consumers
- Different from US regulations (FDA):
- Product treatment (phytosanitary regulations)
- Labelling, packaging requirements
- Although different, FDA and CFIA have signed a Memorandum of Understanding (10/17) to share information on food safety data and information and collaborate on projects in this area

STANDARDS & CERTIFICATIONS

- Food quality/safety certifications:
 - HACCP (will likely become required) / HARCP
 - Global GAP & GMP
 - GFSI (especially among large retailers)

Category-specific requirements:

- Regulatory:
 - Meat Products
 - Organic (USDA and ECOCERT certified)
- Industry:
 - Halal/Kosher
 - Fair Trade

IMPORTANCE OF MARKET RESEARCH

- A number of tools are available for you to research specific product sectors, including:

Your Embassy

- ✓TFO Canada Website (www.tfocanada.ca)
- ✓Import Statistics
- ✓Industry/Trade Associations
- ✓Company Information



Tools to access general information to evaluate the market?

Different sources available:

- TFO Canada (www.tfocanada.ca)
 - Access Canada: A Guide on Exporting to Canada
 - Market studies:
- Trade Statistics (www.ic.gc.ca/tdo) – Trade Data Online – or Statistics Canada (www.statcan.gc.ca) – Imports by product, imports by country, by province...





Tools to access general information to evaluate the market? - continued

Different sources available:

- Canadian Importer Database: <https://www.ic.gc.ca/eic/site/cid-dic.nsf/eng/home>
- Global Affairs Canada (www.international.gc.ca) – information on trade agreements, trade restrictions...
- Canadian Food Inspection Agency (www.inspection.gc.ca) – **AIRS** database to get import requirements for specific food products (including labelling, marking...)
- Canada Border Services Agency (www.cbsa-asfc.gc.ca) – Tariff and other entry requirement and restrictions (as well as TFO Canada)

Search for Sector-Specific Information:

How to access sector-specific information:

-Trade association publications and magazines:

-Examples: -Canadian Organic Trade Association (COTA)

(www.ota.com/canada-ota)

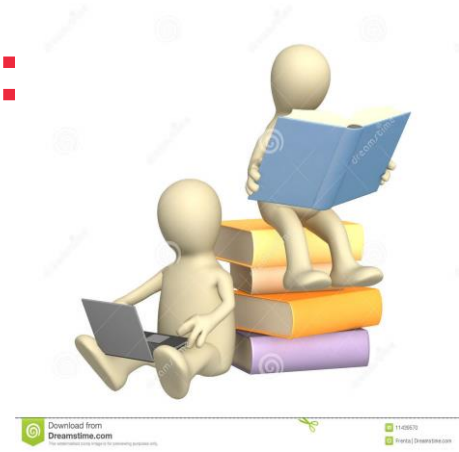
-Canadian Produce Marketing Association (www.cpma.ca)

-Canadian Coffee Association (www.coffeeassoc.com)

-Actual show sites of trade shows – can sometimes provide valuable input on what products are showcased and competitors who are exhibiting – even from the previous year...

-Examples: - SIAL Canada (www.sialcanada.com)

- The Canadian Coffee and Tea Show (www.coffeeteashow.ca)



OTHER CONSIDERATIONS...

Importance of Marketing

- Need for a presence in Canada via:
 - Company
 - Brand
 - Trade show participation (SIAL)





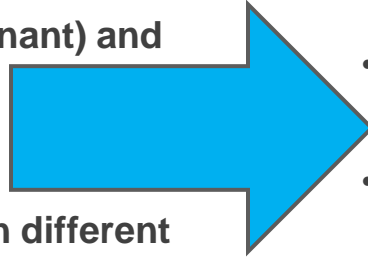
YOUR EXPORT OFFER...

**...MUST BE UNIQUE AND
MUST STAND OUT!**

RECAP: General Market Characteristics

Some Characteristics:

- Large country (area) but relatively small market (36 mi.), divided into 6 main regions
- Slow but stable economy (G7)
- Two official languages: English (dominant) and French (25%)
- Demanding and competitive market
- Proximity to the USA market, although different laws and regulations
- Urban market
- Well-educated consumers (product knowledge)
- Highly computer savvy consumers
- A country largely based on immigration
- 4 distinct seasons
- Very high Imports per capita
- Six regional markets
- Main markets: the provinces of Ontario and Quebec – majority of buyers in Toronto and Montreal, then Vancouver



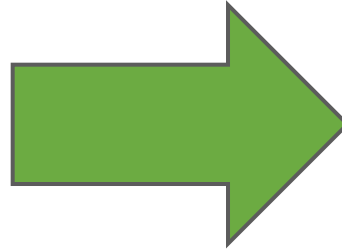
Implications:

- Good size for SMEs
- Bilingual Packaging on consumer products throughout the country
- Regulations must be clearly understood in the preliminary stages of the export process, stringent
- Canada a stepping stone probably possible once market has been established
- Market highly concentrated, Toronto, Montreal and Vancouver being the 3 largest markets (and majority of buyers in these cities)
- Easy access to information. Therefore product information must be accurate and relevant
- Ethnic components in many products highly relevant (ethnic food, new flavours, away from the traditional Canadian palate)
- 4 shorts seasons: very well defined – time constraints – products not the same as in Peru – cold weather: extremely different clothing required
- Imports from all over the globe: highly competitive marketplace

General Market Characteristics and Demographic Trends

Major Trends:

- Health conscious consumers
- Organic: a way of life
- Fair Trade: gaining grounds
- Environmentally conscious consumers
- Sustainability
- Time is precious, fast-paced
- Social media influences
- Population is getting older
- Increasingly informal (much like the whole of North America)
- Greater exposure to multi-culturalism
- Corporate Social Responsibility (CSR)
- Gender Equality
- OTHERS???????



Implications:

- Healthy foods, healthy ingredients, healthy snacks, organic products, certification required
- Recycled products, recycled packaging, biodegradable substances
- Products based on convenience: quick to cook, wrinkly free clothing, individual portions, easy to cook
- Easy to open products, health-related products
- Relaxed clothing as opposed to formal wear
- Increase in ethnic foods and ingredients
- Companies caring about community (social programs for youth and other)
- Employment of women in all levels of workforce
- Products, processes, plants that are developed to be sustainable.

Thank you!

Register now to access all of TFO Canada's online services!

Empower yourself with practical information

- ✓ Exporting to Canada readiness quiz
- ✓ Guide to exporting to Canada
- ✓ Product specific market trends, rules and regulations
- ✓ Export offers to Canadian buyers
- ✓ Relevant news, events & webinars

and much more...

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