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Food Processing Ingredients Sector

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Report Highlights:

Opportunities exist to expand U.S. food product sales to Canada's food processing sector. In this C\$50 billion food processing market, demand is increasing for U.S. raw and processed horticultural products, other processed ingredients and food flavorings. Canada sources approximately 62% of its primary and value-added product for food processing from the United States. The following report highlights the performance of the various sectors of Canada's Food Processing Industry.

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CANADA**TABLE OF CONTENTS**

I. Market Summary	Page 02
II. Road Map for Market Entry	Page 09
A. Market Summary	Page 09
B. Market Structure	Page 16
C. Sub-sector and Company Profiles	Page 18
D. Sector Trends	Page 30
III. Competition	Page 38
IV. Best Product Prospects	Page 39
A. Products Present in Market for which there is Potential	Page 39
B. Products Not Present due to Significant Trade Barriers	Page 42
V. Contact and Further Information from the Author of this Report	Page 45
VI. Source List	Page 46
VII. Find us on the Web	Page 47
VIII. Related FAS Ottawa Reports.....	Page 47

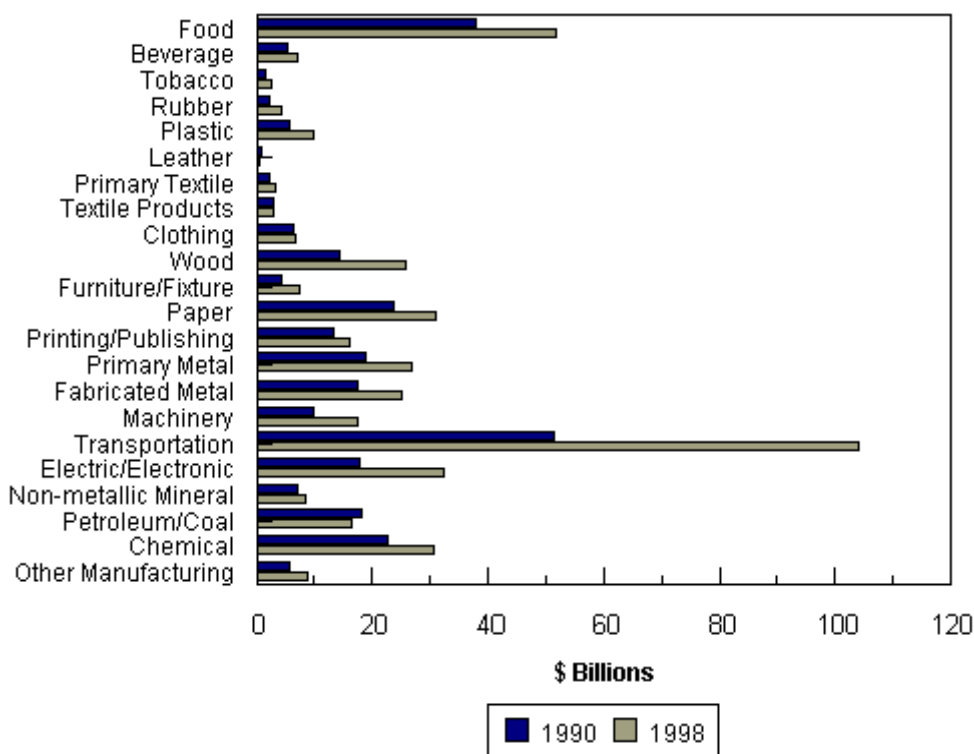
CANADA

Opportunities exist to expand U.S. food product sales to Canada's food processing sector. In this C\$50 billion food processing market, demand is increasing for U.S. raw and processed horticultural products, other processed ingredients and food flavorings. Canada sources approximately 62% of its primary and value-added product for food processing from the United States. The following report highlights the performance of the various sectors of Canada's food processing industry.

I. Market Summary

Food and beverage processing began in Canada in the mid 1800's and has successfully evolved into a sophisticated and vital contributor to Canada's food, agriculture and economic sectors. Food processors are Canada's second largest sector within the manufacturing industries after transportation.

**Canada, Manufacturing Sales,
Manufacturing Sector, 1990 & 1998**



Source: Statistics Canada and Industry Canada
www.strategis.ic.gc.ca/SSG/ci10019.html

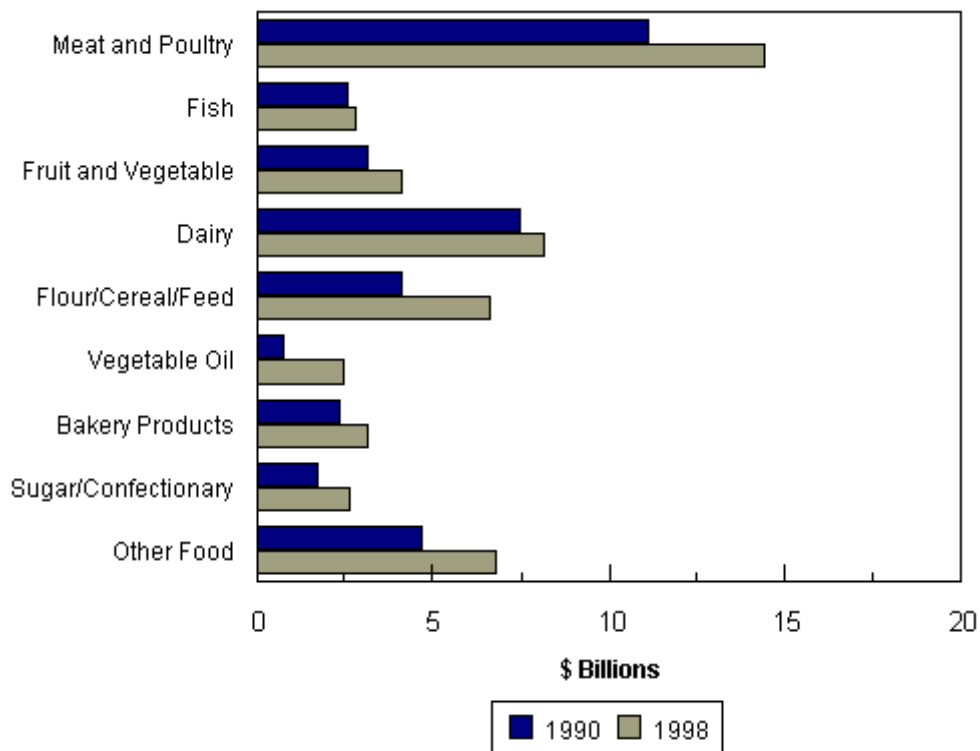
Statistics Canada states that by 1997, there were 3,072 food processing establishments employing 153,000 workers. They produced C\$50 billion in product, of which C\$16 billion were Value Added.

(high value, highly processed products). In addition, there were 199 establishments manufacturing soft drinks, distilled liquor, wine and beer. These plants employed 11,700 production workers and produced C\$7 billion in product.

This data indicates that 11 per cent of processed foods come from 2,139 plants (70%), while 89 per cent come from the large plants at the upper end of the distribution system, or about 30 per cent. Similarly, in the Beverage Sector, 4.2 per cent of product come from 60 per cent of the plants. Industry sectors that have a more skewed distribution than these averages are Meat and Poultry, Fruit and Vegetables, Dairy, Cane and Beet Sugar and Confectionery, and Breweries.

Products manufactured in the food processing sector are dominated by Meat and Poultry products (28%), Dairy products (16%), and Cereals, Flour Mixes and Feeds (13% - in turn dominated by the Feed Industry). The Beverage Sector is dominated by Breweries (47%) and Soft Drinks (36%), but the Distillery Sector dominates in terms of exports.

Canada Food Industries Production 1990 & 1998



Source: Statistics Canada and Industry Canada
www.strategis.ic.gc.ca/SSG/ci10019.html

Canada has one of the world's most valuable commercial fishing industries, worth almost C\$5 billion a year. The capture fishing industry operates in three broad regions (Atlantic, Pacific and freshwater). Canada's growing aquiculture industry is also active across these three regions. In 1999, total landings from capture fisheries reached 1,039,000 tonnes with a record landed value of C\$1.92 billion -- an increase in value of 18 per cent from 1998. According to Industry Canada, total shipments of the Fish Products Industry reached C\$2.9 billion in 1998.

As a result of recent consolidation in the food processing industry, the number of plants in Canada has decreased. However, the size of the remaining plants has increased, according to a report published by Statistics Canada. In 1996, 2,800 food processing establishments operated in Canada. These numbers are decreasing as companies consolidate and mergers and acquisitions bring more plants together under one umbrella. For example, in the dairy sector Saputo Group acquired Agri-Foods International Cooperative Ltd. The number of plants in the Fish Processing Industry declined from 453 plants in 1988 to 417 plants in 1996.

Trends in other sectors also suggest that the number of processors in Canada is decreasing. The food processing sector is composed of relatively large Canadian-owned multinational enterprises, foreign-owned multi-national enterprises, large and small cooperatives, and small and medium sized enterprises, both Canadian and foreign owned. Sources at *Food in Canada* (a well-respected magazine), suggest recent consolidation has reduced the number of food processing companies to approximately 800 to 1000, in 2000. However, sales have increased steadily with fewer players in the marketplace. The top 25 companies reported annual sales ranging from C\$500 million to more than C\$5.6 billion. McCain Foods is still the number one food processing company in Canada, according to the *Canadian Grocer 2001/2002 Executive Report*, published as a supplement to *Canadian Grocer*, a popular trade journal.

According to a report published in 1999, at factory gate, Statistics Canada reported Canadian food and beverage processors had total sales valued at C\$51.8 billion, a growth of 3.6 per cent from 1997. Experts project this growth will continue and gain another C\$1 billion in sales annually - which represents a minimum potential growth of C\$9 billion over the 1997 – 2005 period. This implies the Canadian food and beverage industry will garner approximately C\$56.8 billion in sales for 2001.

Canada sources 82 per cent of its primary (low value, unprocessed products) and value-added products for food processing domestically and the remainder from foreign markets. Canada sources 62 per cent of its primary and value-added product from the US and 38 per cent from other countries. In 1996, Canada imported C\$8.42 billion worth of foreign product. Statistics Canada maintains the average growth rate of imports to Canada to be approximately C\$1.4 billion yearly, which supports an importation figure of over C\$15 billion for 2001. This assumption suggests product valued to be approximately C\$9.3 billion is exported from the US to Canada for the purposes of food and beverage processing. Imports represent approximately 15 per cent of the total value of the food processing industry in Canada.

Processed foods represent a substantial portion (approximately 75%) of total food sales for both foodservice and retail grocery combined. The January 2001 issue of *Canadian Grocer*, reported retail sales of C\$56.6 billion in Canada, while the Canadian Restaurant and Foodservices Association revealed a new record for sales at C\$38.7 billion for 2000. Both markets continue to grow at a rate exceeding 3.5 per cent per year, a solid indicator of growth performance in this market sector.

In 1999, Canada's domestic food processing sales were reported at C\$42 billion and according to Agriculture and Agri-Food Canada domestic demand for processed food is growing by C\$1.5 billion annually. Domestic production was valued at C\$95 billion for 1999 of which 15 per cent was sold raw domestically, 40 per cent was exported raw and 45 per cent of Canadian primary product was used domestically for food processing.

Canadian Export Status of Processed Foods

In many developing countries, there is a prosperous population that demands more "Westernized"

or processed foods. Canada has responded to this demand exporting approximately C\$21.7 billion per year currently in agri-food products and intends to double its export sales to C\$40 billion by 2005. Today, the ratio of processed vs. primary is 40/60. The Canadian Agricultural Marketing Council (CAMC) is challenging the ratio be reversed by the year 2005, by focusing their export efforts in these eight target markets: US, Japan, Europe, China, South Korea, Taiwan, Mexico, and Brazil.

In 1999, bulk grain exports were C\$4 billion, accounting for 18.6 per cent of agri-food exports - wheat exports alone represented C\$3.4 billion. Bulk oilseed exports were C\$1.9 billion, accounting for 8.7 per cent of exports with canola seed exports 6.1 per cent. Exports of live animals, meat and meat bi-products were up to C\$4.7 billion in 1999.

Canadian Regional Opportunities

The market opportunities in Canada's six regions are similar but with different geographic emphasis. The following chart demonstrates Canadian regional growth trends.

Regional Annual All-Commodity Dollar Sales Growth

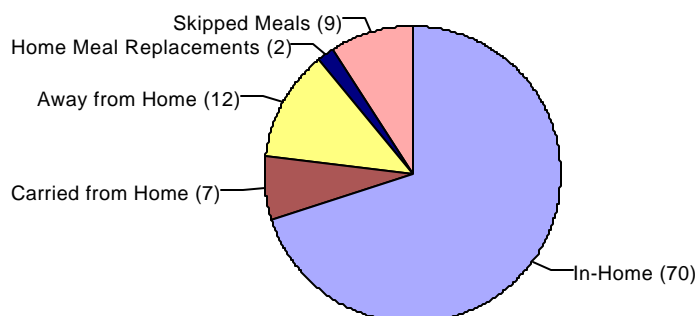
Provincial Regions	1999	2000
Maritimes	5%	3%
Quebec	6%	2%
Ontario	7%	7%
Manitoba/Saskatchewan	3%	1%
Alberta	3%	7%
British Columbia	1%	7%

Source: AC Nielsen Market Track, Total Grocery, 52 weeks ending Dec. 30, 2000

Canada's Total Retail Market in 2000

C\$277.2 Billion Market – Growing by 6.3 per cent annually

Canadian Meals % of Meal Occasions Consumed by Venue

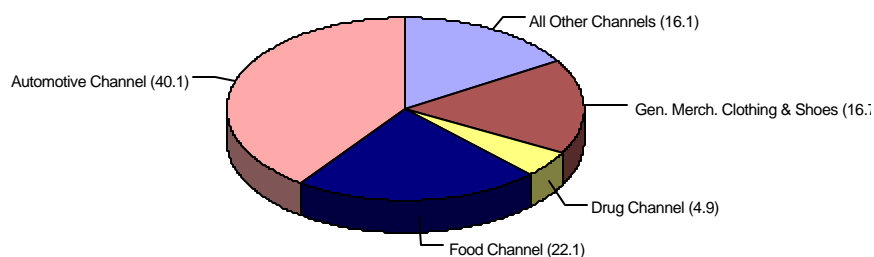


Source: AC Nielsen, Statistics Canada, Canadian Economic Overview, Table 28

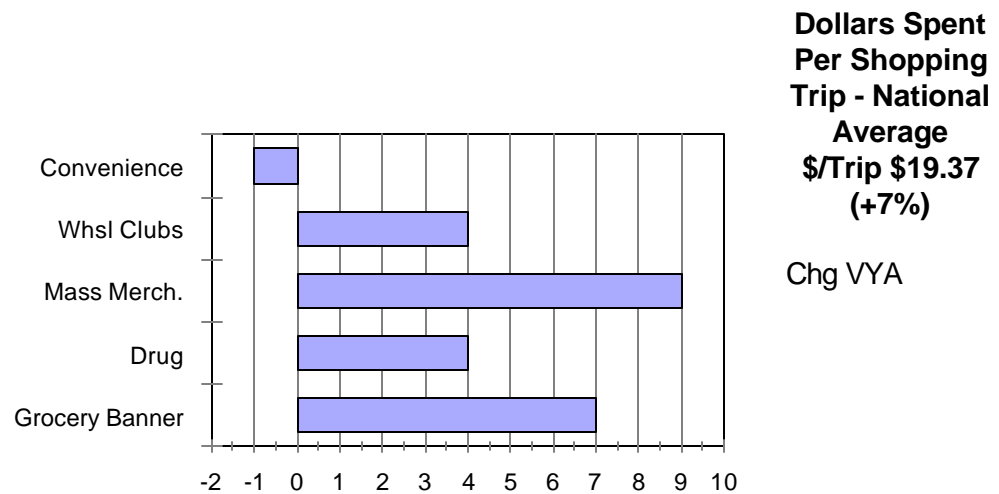
According to the *Canadian Grocer 2001 Executive Report*, consumers are spending more money on meals, however, 70 per cent are still consumed at home. Canadians are also spending more per trip to the grocery store.

% Canada's Total Retail Market in 2000

\$277.2 Billion Market-Growing by 6.3%



Source: NPD Group, NET Canada, 12 Months Ending September 2000



Source: ACNielsen, Channel Watch, 52 Weeks to September 16, 2000 - Dollar Basis - Comp 7009 Categories

According to the Food Bureau of Agriculture and Agri-Food Canada, Canada imports more than C\$15 billion primary and valued added product collectively per year. Approximately C\$10 billion is imported from the U.S. The United States is Canada's largest trading partner and the reverse is also true. This long-standing trade relationship offers a US export ready company the confidence to export to a country that has maintained a robust trading relationship with the US for decades. Agreements such as CUSTA (Canada United States Trade Agreement), NAFTA (North American Free Trade Agreement) and the WTO (World Trade Organization) have assisted and continue to propagate trade between the two countries. Since the signing of NAFTA, Canada and the US have doubled their trade value. By lowering trade barriers and developing clear rules of commerce, NAFTA has expanded trade and investment opportunities in the United States, Canada and Mexico. Since 1994, the total volume of trade between the three NAFTA countries has grown from US\$297 billion to US\$676 billion in 2000, an increase of 128 per cent.

Government regulatory bodies such as the Canadian Food Inspection Agency, Customs Canada and Revenue Agency, Health Canada, the Department of Fisheries and Oceans, Measurement Canada, Environment Canada and The Department of Foreign Affairs and International Trade, provide guidelines and information for companies intending to export to Canada.

The Canadian Food Inspection Agency deems which ingredients are acceptable for importation (see section IV for details). Canada Customs regulates product entry into Canada. The Department of Foreign Affairs and International Trade (DFAIT) is responsible for allocating Tariff Rate Quotas to importers (for details regarding specific products refer to Appendix A, Levels of Tariff Rate Quotas For Agricultural Products, Import Access Quantities).

Advantages and Challenges Facing U.S. Products in Canada Advantages and Challenges Facing U.S. Products in Canada

Advantages	Challenges
Canada's economic environment presents an excellent financial advantage when processing food in Canada.	The strength of the American dollar may inhibit the sale of some primary foods or value-added products from the US.
Continued growth of processed food in Canada's domestic industry due to increased domestic and export demand.	Canada maintains a quota system on some products like dairy, eggs and poultry. Canadian Tariff Rate Quotas (TRQ) may inhibit exports to Canada of these products.
The north/south shipping corridors present an excellent advantage vs. overseas competitors.	European growing/packaging processing and shipping practices are often viewed as superior to that of the US. European quality perception is paramount to Canadians due to their European heritage.
Canada has a well-developed and sophisticated food processing sector and a positive international product image for export.	Canada's domestic products are the primary source for the food processing industry in Canada.
The Canadian growing season is limited and the processing sector is an important outlet for agricultural producers .	Canada has abundant resources and agricultural supplies - this domestic availability presents a conflict for the importation of same during peak domestic availability .
CUSTA, NAFTA and WTO agreements will facilitate a smooth entry for exporters to Canada.	Less players means more competition and less opportunities.
According to a 1997 Global Competitiveness Survey conducted by KPMG, Canada ranks as the 4 th most competitive economy overall in the world behind Singapore, Hong Kong and the US.	Competition will be fierce as domestic suppliers provide better costing for primary and value-added product.
Consolidation has fashioned larger players which means higher volume opportunities.	The CAMC (Canadian Agricultural Marketing Council) intends to develop trade with more foreign countries other than the U.S.
The U.S. is Canada's largest trading partner and many Canadian processors are wholly or partly owned by US multi-national enterprises.	

II. Road Map for Market Entry

A. Market Summary

How can US exporters take advantage of this burgeoning Canadian market sector?

The first step in entering the Canadian market is contacting the State Regional Office representing the various State Departments of Agriculture. These offices promote the exports of food and other agricultural products from their region, worldwide and often are able to offer support in the form of the Foreign Agricultural Service (FAS) Market Access Program (MAP) funds.

Food Export USA represents agricultural products in the states of Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont. (<http://www.foodexportusa.org>)

The Mid-American International Agri-Trade Council (MIATCO) represents the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. (<http://www.miatco.org>)

The Southern United States Trade Association (SUSTA) represents the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia. and the Commonwealth of Puerto Rico. (<http://www.susta.org>)

The Western U.S. Agricultural Trade Association (WUSATA) represents the twelve western state departments of agriculture and two territories from the Western U.S. The states include Alaska, Arizona, American Samoa, California, Colorado, Guam, Hawaii, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming. (<http://www.wusata.org>)

The second step in entering the Canadian market is locating an agent/distributor in Canada to represent your product.

The Foreign Agricultural Service (www.fas.usda.gov) at the United States Embassy in Canada (www.usembassycanada.gov) endorses a program for U.S. export ready companies called "Canada Connects". The program is designed to help match prospective exporters with the suitable Canadian business entities (agents/distributors/brokers/buyers) and to ensure an accurately expedited entry into Canada. Contact Cory Streef or Virginia Zimm, Faye Clack Marketing & Communications Inc. at (905) 206-0577 for more information.

In addition, the formerly named Canadian Food Brokers Association, now the International division for the ASMC (Association of Sales and Marketing Companies), will provide sales and marketing information for your specific product and opportunities within Canada. The Canadian Importers and Exporters Association, Toronto, Canada, will provide information concerning exporting to Canada and will direct potential companies to the appropriate import representation. Canadian Consulates throughout the United States and the Canadian Embassy in Washington, D.C. will also provide direction.

In order to enter the Canadian market US exporters must be armed with information on Canadian standards and regulations. Agents, distributors, brokers, and importers are often the best first line of communication and can lead companies through the regulatory import process.

The **Canadian Food Inspection Agency Import Service Centers** provide this information as well. The Canadian Food Inspection Agency is the best initial contact for information relating to food safety and standards. As part of its commitment to improving service for clients, the Canadian Food Inspection Agency, in cooperation with the Canada Customs and Revenue Agency (CCRA), has established three regional Import Service Centers (ISC): Eastern Region: Montreal; Central Region: Toronto; and Western Region: Vancouver.

Import Service Centers process import request documentation/data sent electronically or by fax by the importing community across Canada. Staff review the information and return the decision either electronically to Canada Customs and Revenue Agency, which then relays it to the client, or by fax directly to the broker/importer, who then submits the release package to CCRA. A Canada Customs Invoice can be accessed at www.ccradrc.gc.ca/menu/EmenuLCA.html under C11 Canada Customs Invoice. To access a Certificate of Origin go to the same website under B232 North American Free Trade Agreement - Certificate of Origin.

In addition, ISC staff manage telephone inquiries regarding import requirements for all commodities regulated by the CFIA and, when necessary, coordinate inspections for import shipments.

IMPORT SERVICE CENTERS ACROSS CANADA

Eastern ISC

7:00 a.m. to 11:00 p.m.(local time)

Telephone: 1-877-493-0468 (inside Canada or U.S.)

Fax: 1-514-493-4103

Central ISC

7:00 a.m. to 12:00 a.m.(local time)

Telephone: 1-800-835-4486 (inside Canada or U.S.)

Fax: 1-905-612-6280

Western ISC

7:00 a.m. to 12:00 a.m.(local time)

Telephone: 1-888-732-6222 (inside Canada or U.S.)

Fax: 1-604-541-3373

EDI: 1-604-666-7073

A number of federal acts and regulations govern the importation of food into Canada. It is a shared responsibility of several federal agencies. The primary federal bodies involved are the Canadian Food Inspection Agency and the Department of Foreign Affairs and International Trade.

The Canadian Food Inspection Agency (CFIA) provides all federal inspection services related to food safety, economic fraud, trade-related requirements, animal and plant disease and pest programs. The CFIA administers the following acts:

Food and Drug Act

Canada Agricultural Products Act

Meat Inspection Act

Fish Inspection Act
 Consumer Packaging and Labeling Act
 Plant Protection Act
 Health of Animals Act
 Administrative Monetary Penalties Act
 Seed Act
 Feed Act
 Fertilizers Act
 Canadian Food Inspections Act
 Plant Breeders' Rights Act

The Food and Drug Act and Regulations is the primary legislation that applies to all food sold in Canada, whether imported or domestic. This legislation sets out minimum health and safety requirements, as well as provisions preventing fraud or deception (labeling, packaging, treatment, processing, sale and advertising).

While federal responsibility for food inspection resides with the CFIA, other departments play a role in the regulation of food importation. The Department of Foreign Affairs and International Trade controls the importation of certain agricultural products through the application of the Export and Import Permits Act and Tariff Rate Quotas.

Although the Universal Product Code (U.P.C.) or bar code is not required or administered by government, virtually all retailers require products to be labeled with a U.P.C.

The best entry method depends on the food product and the sub-sector identified as appropriate for each food product. Each sub-sector is regulated by government and industry import policies and trade acts. Each US export opportunity must be thoroughly investigated relative to the legislation that exists for the product requesting entry.

Below is a list of the government and non-government agencies, their relative function, and contact information.

Government Regulatory Agencies and their Functions

Government Regulatory Organizations	Purpose/Function	Contact Information
CFIA (Canadian Food Inspection Agency)	<p>The CFIA is the Government of Canada's Regulator for:</p> <ul style="list-style-type: none"> • Food safety (along with Health Canada) • Animal health • Plant protection 	<p>www.inspection.gc.ca 59 Camelot Drive Nepean, Ontario K1A 0Y9</p> <p>phone: 613-225-2342 fax: 613-228-6653</p>
Canada Customs and Revenue Agency (CCRA)	<p>Canada Customs' mission is to promote compliance with Canada's tax, trade, and border legislation and regulations through education, service and enforcement.</p>	<p>www.ccr-aadrc.gc.ca International Tax Services 2204 Walkley Road Ottawa, Ontario K1A 1A8</p>

	CCRA will provide information regarding your obligations and entitlements under the import laws in Canada which they administer.	phone: 800-267-5177 fax: 613-941-2505
Canadian Food and Drug Act	The Canadian Food and Drug Act is a regulatory document provided by Health Canada. It's contents are extensive and may be used for information regarding specific food import restrictions	www.hc-sc.gc.ca/food See Health Canada address or e-mail: Gary_Trivett@hc-sc.gc.ca
Health Canada	Health Canada administers the Food Safety Assessment Program which assesses the effectiveness of the Canadian Food Inspection Agency's activities related to food safety. This includes reviewing the design and operational delivery of CFIA's programs related to food safety, assessing compliance with health and safety standards and evaluating the results achieved.	www.hc-sc.gc.ca Health Canada A.L. 0900C2 Ottawa, Ontario K1A 0K9 phone: 613-941-5366 fax: 613-957-2991
Bureau of Food Safety Assessment	The purpose of BFSA is to provide objective information and advice to the Minister of Health on the effectiveness of CFIA's programs and activities aimed at contributing to the safety and nutritional quality of the food supply.	www.hc-sc.gc.ca/food-aliment See Health Canada address
Fisheries and Oceans Canada	To provide safe, healthy, productive waters and aquatic ecosystems, for the benefit of present and future generations. This is achieved by maintaining the highest possible standards of marine safety and	www.dfo-mpo.gc.ca Communications Branch 200 Kent Street 13 th Floor, Station 13228 Ottawa, Ontario K1A 0E6

	environmental protection, scientific excellence, conservation and sustainable resource use.	phone: 613-993-0999 fax: 613-990-1866
Foreign Affairs and International Trade (DFAIT)	DFAIT is responsible for allocating tariff rate quotas to importers	www.dfait-maeci.gc.ca 125 Sussex Drive Ottawa, Ontario K1A 0G2 phone: 613-944-4000 fax: 613-944-6500 engserv@dfait-maeci.gc.ca
Measurement Canada	Administers and enforces the Weights and Measures Act through the exclusive constitutional authority of the Government of Canada.	www.strategis.ic.gc.ca Industry Canada phone: 613-954-5031 strategis@ic.gc.ca
Environment Canada	Administers the North American Agreement on Environmental Cooperation (NAAEC) which is the environmental side agreement to NAFTA. The NAAEC was signed by Canada, Mexico and the United States and came into force January 1, 1994.	www.naaec.gc.ca 351 St. Joseph Boulevard Hull, Quebec K1A 0H3 phone: 819-997-2800 or 800-668-6767 fax: 819-953-2225 enviroinfo@ec.gc.ca

Non-Government Agencies and their Functions

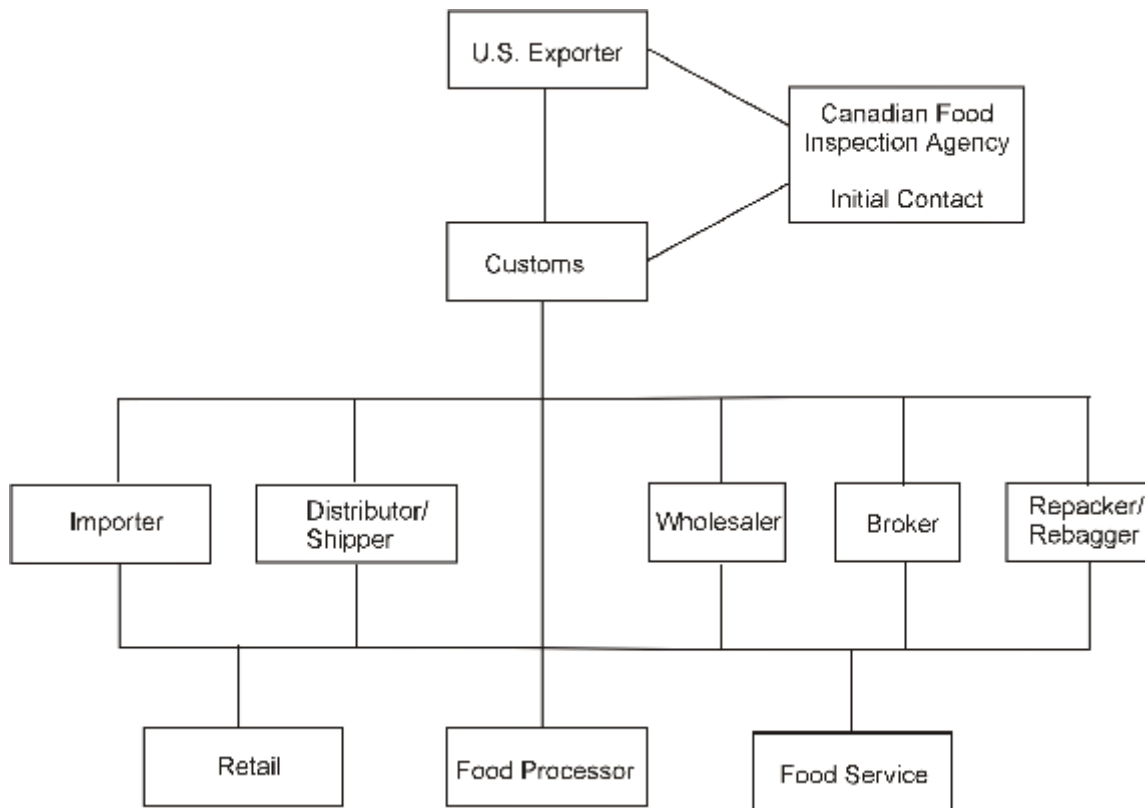
Agency	Function/Purpose	Contact Information
Canadian Association for Importers and Exporters Inc.	The CAIE is Canada's key source of information on Canadian customs and trade policy. They provide Canadian importers with critical and timely information and effective representation to government agencies.	www.importers.ca 438 University Avenue, Suite 1618 Toronto, Ontario M5G 2K8 phone: 416-595-5333 fax: 416-595-8226 info@importers.ca
Association of Sales and Marketing Companies	The Association of Sales & Marketing Companies (ASMC), a subsidiary of GMA, is a Reston, Virginia-based trade	www.asmc.org 1010 Wisconsin Ave. NW Ninth Floor

	association promoting the interests of sales and marketing agents and retail merchandisers worldwide. Prior to 1997, ASMC operated as the National Food Brokers Association (founded in 1904) and the International Foodservice Brokers Association (founded in 1995).	Washington, DC 20007 phone: 202-337-9351 fax: 202-337-4508 info@asmc.org
CCGD Canadian Council of Grocery Distributors	The Canadian Council of Grocery Distributors is a non-profit association representing Canadian distributors and marketers of food and grocery related products.	www.ccgd@magi.com 300 Leo Pariseau Suite 1100 Montreal, Quebec H2W 2P4 Phone: 514-982-0267 and 514-982-0272 Fax: 514-982-0659
Canadian Restaurant and Foodservice Association	The CRFA is the largest hospitality association in Canada. Their mission is to create a favorable business environment and deliver tangible value to their members.	www.crfa.ca 316 Bloor Street West Toronto, Ontario M5S 1W5 Phone: (416) 923-8416 or 800-387-5649 Fax: (416) 923-1450 E-mail: info@crfa.ca
Canadian Federation of Chefs and Cooks	The Canadian Federation of Chefs & Cooks® enjoys a deep and long-standing tradition as Canada's true representation of the profession.	www.cfcc.ca 904-325 Dalhousie Ottawa, Ontario K1N 7G2 Phone: 613-562-0123 Fax: 613-562-9932
Food Processors of Canada	The Food Processors of Canada (formerly the Food Institute of Canada) strives to meet the information needs of food processing owners and operators across Canada.	www.foodprocessors.ca fpc@foodprocessors.ca
Canadian Federation of Independent Grocers	The Canadian Federation of Independent Grocers (CFIG) is a non-profit trade association founded in 1962 with the purpose of furthering the unique interests of Canada's independently owned and	www.cfig.ca 2235 Sheppard Ave. East, Suite 902 Willowdale, ON M2J 5B5 phone: 416-492-2311

	franchised supermarkets.	or 800-661-2344 fax: 416-492-2347 info@cfig.ca
Consumers' Association of Canada	Their mission is to represent and articulate the best interests of Canadian consumers to all levels of government and to all sectors of society.	www.consumer.ca 404-267 O'Connor Street Ottawa, Ontario K2P 1V3 phone: 613-238-2533 fax: 613-563-2254 info@consumer.ca

Entry into the Canadian food processing market should be facilitated by an appropriate liaison such as a government agency, importer, food broker, distributor, repacker/rebagger or a combination thereof. It is imperative to align with the appropriate officials and local representation. Local representation provides the exporters with knowledge of the local, regional and national markets and the opportunities available. They also provide guidance on best business practices, government importation laws, sales contacts, market development expertise, and advice regarding customs regulations, metric measurement requirements, labeling laws, health claims, nutrient content claims, PLU (Price Look Up) and UPC requirements and the latest food restrictions etc. for Canada.

B. Market Structure



Since consolidation has changed the Canadian business infrastructure, numerous intermediary procurement processes have been eliminated. For most food and beverage processing companies, the preferred method of import procurement is direct. Buying direct reduces handling, increases expediency, efficiency and reduces product costs. Order consolidation and shipping logistics are of great importance to the food processing industry as well. Within the procurement department, teams are assembled to facilitate the managing of order consolidation and shipping logistics. Where less volume is required (less than a truckload), buyers may procure locally from a Canadian wholesaler, importer, broker, or agent. Procurement methods do vary from company to company and from product to product and all hinge on enforced government regulations.

Other considerations are that of efficiencies which have dramatically changed business negotiations between Canada and the US. US food and beverage processing companies face an increasingly aggressive and dominant grocery and foodservice industry as a result of consolidation. Aside from the leverage these sectors could apply to margins as a result of direct procurement, processors are also faced with adopting new methods of business such as Efficient Consumer Response (ECR), and Electronic Data Interchange (EDI). They must deal with issues regarding Private Label prominence, convenience/value-added foods, the demand at the foodservice level for highly processed quality food products, product longevity and food safety issues. The number of procurement levels demonstrates the many opportunities where US export-ready companies may take advantage specific to their product: available volume,

order consolidation practices and location relative to shipping logistics.

These are the major sectors and relative product format that US companies may consider for processing business opportunities in Canada.

Sector	Product Format	End-user Industry	Procurement method
Retail	Raw, ingredient, value-added processed, fully processing, bulk processed, processed and consumer packaged, private label	Wholesalers/distributors, Retail chains, Independent grocers, Convenience	Direct, Broker, Distributor, Wholesaler
Foodservice	Raw , processed ingredient, highly value-added processed, i.e. portion packed	Commercial, Non-commercial	Direct, Broker, Distributor
Processing	Raw, processed ingredient, value-added processed	Industrial distributors, Industrial manufacturers	Direct

Several Canadian processors, in addition to producing products in Canada, may import value-added, market ready products from the US for immediate distribution. Large multinational food companies often operate under this business model, unless required by law to produce in Canada under Canadian guidelines for specific reasons. Other market ready products imported from the US include several retail private label products. Private label sales are more developed in Canada than in the US and currently account for approximately 23 per cent of retail sales in Canada.

C. Sub-sector and Company Profiles

According to the publication *Food in Canada*, there are approximately 800 to 1000 food manufacturers/processors in Canada. However, the majority of these are small or medium-sized companies. The largest 10 per cent of that total account for more than 75 per cent of the total of manufactured food products in Canada. The following table summarizes the Canadian food processing sector as a whole by sub-sector.

Overview of Canada's Food Processing Sector

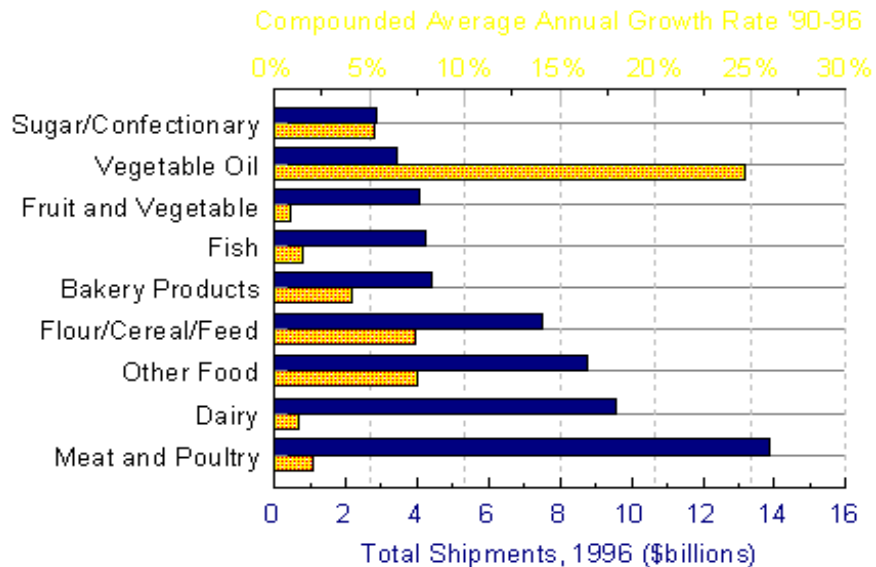
Industry Sub-Sector	Percentage Processed	C\$ Sales in billions (1998)	Sub-Sector Annual Growth Rate	Percentage of Total Food Industries manufacturing shipments (1998)
Red Meat	16%	11.1	2.9%	21.4%
Grain based products	56%	14.8	11.3%	28.7%
Grains oil seed	100%	2.5	16.4%	5%
Dairy	14.3%	9.8	2.6%	15.9%
Fruit & Vegetable Processing	100%	4.1	4%	8%
Fish & Seafood	100%	2.9	1.3%	5.5%
Poultry	100%	3.4	5.4%	6.5%
Confection	100%	2.8	4.4%	5.4%
Organics from grain oil see (Canola, soybean and sunflower)	100%	0.5	3.1%	N/A
Snack Foods	100%	1.0	7%	1.9%
Coffee/Tea	100%	1	5.8%	1.9%
Alcoholic Beverages	100%	4.7	7.7%	63.5%
Soft Drinks	100%	2.7	6.9%	36.5%

Sources: Agriculture & Agri-Food Canada and Industry Canada

Total Sales

Compounded Annual Average Growth Rate 1990-1996

0% 5% 10% 15% 20% 30%



Note(1): Figures for 1996 are Industry Canada estimates.

Source: Business Integrated Database (Statistics Canada and Industry Canada).

<http://strategis.ic.gc.ca/SSG/ci10002e.html>

Sectors in Detail

Meat Processing Industry

- ! The meat and meat products industry (excluding poultry), with annual production of C\$11.2 billion in 1997, is the largest sector of the Canadian food manufacturing industry. In 1997, the industry placed fifth among Canada's leading manufacturing industries.
- ! Cattle production makes a major contribution not only to Canadian agriculture, but to the whole economy. Farm cash receipts from the sale of cattle and calves in 1998 totalled C\$5.46 billion, 19 per cent of total farm receipts. Beef production also contributes to the processing, retail, food service and transportation sectors.
- ! In 1998, 16.7 million pigs went to market (an increase of 9.1 per cent over 1997). In addition, 4.1 million head went to the United States as live pigs while the remainder were sent to 100 slaughtering plants in Canada. Farm cash receipts from the sale of slaughter hogs in 1998, totalled C\$2.2 billion, 8 per cent of total farm receipts.

- ! In 1998, there were 10,700 farms raising 829,000 sheep. Canadian sheep production is mostly located in Alberta, Ontario and Quebec (71%). Farm cash receipts for sheep and lamb in 1998 totalled C\$67.9 million.
- ! In 1998, it is estimated that there were 51,000 head of bison on about 800 farms in Canada. Bison production is primarily concentrated in the west at 89 per cent. Continued growth within this sector has occurred since 1994 and is expected to continue.
- ! The Canadian farmed raised venison herd is estimated to be 122,000 head on about 2,000 farms. Elk are primarily farmed in the west and red deer in the eastern provinces. Fallow deer, white-tailed deer and other venison species are found throughout Canada.

Grain Based Products

- ! Processed grain products include flour, hot and cold breakfast cereals, many types of pasta and bakery products (e.g., white, specialty and whole grain breads and rolls, cookies, crackers and biscuits).
- ! The flour milling industry comprises firms that primarily mill wheat and other cereal grains into flour, mill feed (used for animal feed) and other products (rolled, flaked or de-hulled).
- ! Some firms also blend flour into bakery mixes. The industry is closely linked with the baking, biscuit and breakfast cereal manufacturing industries, which collectively use more than 50 per cent of all milled cereal products consumed in Canada.
- ! Flour and mill feeds are produced for the Canadian market and export. In 1997, there were 38 mills operating in Canada.
- ! The biscuit and cracker industry in Canada manufactures plain and fancy biscuits which include mallows and sandwich type biscuits, snaps, soda biscuits, packaged cookies, crackers, fruit bars, graham wafers, ice cream cones and sugar wafers. In 1997, there were 32 biscuit manufacturing establishments in Canada. More than 85 per cent were located near major markets and near the supply of soft wheat flour in Ontario and Quebec. In 1997 the industry shipped products valued at C\$804.5 million.
- ! The bakery industry in Canada includes two distinct sub-sectors classed as "wholesale bakers" and "retail bakers". Wholesale bakers manufacture all types of bread, rolls (sweet and unsweetened), pizza dough, pizza crusts, cakes, pies, fruit pies, frozen dessert pies, doughnuts, muffins, pastries (uncooked, refrigerated and frozen), ice cream cones, wafers and matzo.
- ! In 1997 there were about 471 wholesale bakery establishments in Canada, which shipped products valued at nearly C\$2.3 billion.
- ! Retail bakers produce and sell on the premises and cater to the demand for fresh baked goods

such as bread, rolls and pastries, made from "scratch" or from frozen dough supplied by wholesale bakers. For statistical purposes, they are considered "retailers" rather than manufacturers. The retail bakeries sub-sector is comprised of more than 3,000 firms, with estimated annual sales of over C\$600 million.

- ! The prepared flour mix and breakfast cereal industry in Canada is divided in two sectors: the prepared flour mixes (cookie, cake, doughnut and pancakes) and pastry flour mixes.
- ! The breakfast cereal sector manufactures breakfast cereals, either uncooked or ready-to-eat. The Canadian breakfast cereal and baking mix industry is relatively small. Together these two groups had combined production of approximately C\$1.1 billion in 1997.
- ! Canada has an abundant supply of durum wheat, which when milled into semolina flour, is the primary ingredient in pasta. Canada's pasta industry has developed slowly and until recently has been dominated by four processors, two each from Ontario and Quebec.

Grains Oilseeds

- ! Wheat, corn, oats, barley and rye are grains. Grains are used to make a wide range of consumer products such as breads, pasta and breakfast cereals. Canola, soybean, flaxseed, safflower and sunflower seeds are oilseeds. Oilseeds are used in the production of cooking oils and other food products, such as margarine. Coarse grains, such as barley and corn are used as livestock and poultry feed.
- ! Products containing Canadian grains and oilseeds enjoy an excellent reputation on international markets because they are known for their consistency and superior quality.
- ! Production of grains and oilseeds in Canada has more than doubled since the 1950s. This increase is a result of larger seeded areas and greater yields.
- ! In 1998, 1.7 million tonnes of vegetable oil was produced in Canada. Canola accounted for 82 per cent of this and soybean oil for about 16 per cent. Flaxseed, mustard seed and sunflower seed oils make up the difference. To date, a significant portion of the canola oil used in the United States is either imported from Canada or produced from Canadian grown canola seed.

Dairy Industry

- ! Canada's dairy sector is a significant part of the Canadian agriculture and agri-food economy. In 2000, total net farm cash receipts from the dairy sector stood at C\$4.1 billion. This puts the industry in third place in the Canadian agriculture sector behind grains and red meats. During the same period, dairy products shipped from approximately 281 processing plants were valued at C\$9.8 billion, accounting for 14.3 per cent of all processing sales in the food and beverage industry in Canada.

- ! Dairy product imports into Canada totalled C\$457 million in 2000. Cheeses had the majority with 43 per cent of import value. The European Union is Canada's main supplier of imported dairy products, accounting for 36 per cent of total dairy product imports. Cheese is the main dairy product imported from European Union countries.
- ! The United States is Canada's second leading supplier with 28 per cent, followed by New Zealand with 21 per cent. Canada's dairy sector functions under a supply management policy framework. The federal and provincial governments authorize provincial milk marketing boards and agencies to use individual producer quotas to match overall milk production to domestic market requirements of milk and dairy products. Canada's marketing system is designed to encourage the production of sufficient volumes of industrial milk and cream to meet domestic demand for dairy products as well as certain planned exports.
- ! There are two markets for domestic milk in Canada. The fluid market (table milk and fresh cream) accounts for 39 per cent of milk production or 28.2 million hectolitres, and the industrial market (manufactured dairy products such as butter, cheese, yogurt and ice cream) accounts for the remaining 61 per cent or 44.8 million hectolitres of milk.

Alcoholic Beverage Industry

- ! The alcoholic beverage industry operates within a regulated environment. The federal government controls aspects of plant layout, product standards and product labelling.
- ! Distilled spirits production in Canada totalled C\$0.8 billion in 1998. Imports of spirits were valued at C\$342 million in 1999.
- ! In Canada, the production, blending and bottling of distilled spirits is carried out by about 48 distillers licensed by the federal government.
- ! Wine production by Canadian wineries totalled approximately C\$400 million in 1998. The value of all wine imports in 1999 totalled C\$822.5 million, while exports reached C\$8.7 million.
- ! Domestic production of beer were C\$3.5 billion in 1998. Exports reached C\$275.7 million in 1999 and imports were valued at C\$187.7 million for that year.
- ! 93.2 per cent of the beer consumed in Canada is produced by Canadian brewers in 76 plants operating in every province and territory, except Prince Edward Island and the Yukon. In 1999, there were 24 conventional breweries and 52 microbreweries. A conventional brewer, as defined by the Brewers Association of Canada (BAC), is a brewer which markets its products mainly through one or more provincial distribution systems and has an annual production volume of more than 60,000 hectolitres. A microbrewer, within BAC, is defined as a brewer that markets its products mainly from its plant and has an annual production volume of less than 60,000 hectolitres.

- ! There are 16,790 persons directly employed by Canadian brewers, and there are more than 163,000 individuals whose careers are linked to the beer sector. The brewing and marketing of beer contributed C\$11.1 billion to the Canadian economy in 1998, representing 1.3 per cent of Canada's total Gross Domestic Product.

Processed Fruit and Vegetables

- ! The fruit and vegetable processing industry in Canada produces canned and frozen fruit and vegetables as well as fruit juices. Many firms produce a variety of value-added products, such as pickles, relishes, jams, soups, sauces and other items that incorporate a mix of vegetables or juices.
- ! In 1997, the fruit and vegetable processing industry was estimated to encompass 199 establishments. Processed goods made in plants were C\$4.1 billion. The industry comprises two subsectors that are categorized according to their dominant method of preserving. Canning and preserving operations accounted for 66 per cent of production and 66 per cent of industry employment in 1997. This sub-sector is dominated by a few major firms operating chiefly in Ontario, Quebec and British Columbia, all close to fresh product.
- ! Frozen foods accounted for the remaining 34 per cent of production. Some of the larger corporations have plants spread across the geographic regions of Canada, with plants close to sources of primary product. About 37 per cent of the establishments are in Ontario, 30 per cent in Quebec, 12 per cent in British Columbia, 10 per cent in Atlantic Canada and 10 per cent in the Prairie provinces.

Some companies also manufacture frozen prepared meals and canned specialties, such as frozen TV dinners, frozen pizza or canned ravioli.

Soft Drinks

- ! In 1998, the Beverage Industry produced C\$7.4 billion and swelled by 3.7 per cent between 1990 and 1998.
- ! In 1998, the Soft Drink Industry represented almost 36.5 per cent of the total beverage industry manufacturing.
- ! Total manufactured values reached C\$2.7 billion in 1998; an annual increase of 6.9 per cent from the 1990 values.

Fish and Seafood

According to the Department of Fisheries and Oceans, Canada imported 197,820 metric tonnes of fresh fish and seafood products from the US from January 2000 to December 2000, valued at almost C\$900 million. An increase of 2.8 per cent from 1999. Price per kilo remained the same. The Fish Processing Industry in Canada reached production values of nearly C\$3.2 billion in 1996 in 417 establishments.

- ! The Atlantic fishery accounted for 80 per cent of total landings with top production in herring (harvested for its roe), shrimp, snow crab, scallops, cod and lobster. Value leaders in 1999 were lobster, crab, shrimp and cod. Lobster continues to be Canada's most valuable seafood product, worth C\$519 million in 1999.
- ! The Pacific fishery accounted for 16 per cent of total landings with top production in hake, Pacific herring (harvested for roe), redfish and salmon. Value leaders were herring, halibut, clams, redfish and salmon.
- ! The freshwater fishery accounted for 4 per cent of total Canadian landings in 1999, valued at just over C\$83 million. Species landed included pickerel, yellow perch, whitefish, northern pike and lake trout.
- ! Aquaculture production in Canada reached 113,083 tonnes in 1999 worth a record C\$557.7 million. Aquaculture provides jobs for more than 7,000 Canadians, and in 1999, accounted for 10 per cent of the total Canadian production of fish and shellfish.
- ! Canada is one of the world's key suppliers of farmed salmon, produced almost exclusively in British Columbia and New Brunswick. Atlantic salmon predominates but chinook and coho are also produced. Trout, steelhead and Arctic char are cultured in smaller numbers. The total value of finfish aquaculture in 1999 was C\$518.6 million or 93 per cent of the total value of aquaculture production.
- ! Shellfish farming is an increasingly important contributor to Canada's expanding aquaculture industry. Prince Edward Island's rope-grown mussels are well known world wide as is the technology that developed them. Oysters (Atlantic, Pacific and European), manila clams and scallops are growing aquaculture industries, especially in British Columbia. In 1999, cultured shellfish represented 24 per cent of total aquaculture production worth C\$39 million or 7 per cent of total value.

Poultry Industry

- ! In 1998, Canada produced poultry products worth C\$1.6 billion.
- ! In 1998, there were 2,797 regulated chicken producers and 558 registered turkey producers in Canada.
- ! Canada is the home of two of the world's largest primary poultry breeders: Hybrid Turkey Farms Limited and Shaver Poultry Breeding Farms. Hatching eggs, chicks and poults from these two companies are shipped worldwide.
- ! The production of ratites - birds that have a flat breastbone and small or rudimentary wings such as ostrich, emu and rhea - has been increasing globally, and Canada is no exception. These birds are usually raised for their red-coloured meat, hide and feathers. Oils from ratites are used in the cosmetics industry.

- ! The pheasant industry in Canada is well established and growing. Export of these birds is still small but consistent.

Confectionery Industry

- ! The confectionery industry comprises manufacturers of all types of sugar confectionery, chocolates and other cocoa-based products, as well as producers of chewing gum. The industry can be divided into two major sub-sectors — sugar and chocolate confectionery, and chewing gum.
- ! Most chocolate operations are large and dedicated to two major products — boxed chocolates and chocolate bars.
- ! Most sugar confectionery companies are small or mid-sized and produce a wide variety of products such as hard candy, gummy bears, licorice, jujubes and toffee, as well as an assortment of hard and soft candies for specialty and novelty markets.
- ! In 1997 the confectionery and chewing gum industry manufactured products valued at C\$1.2 billion.

Snack Food Industry

- ! The snack food industry in Canada is highly concentrated. Three enterprises (Hostess Frito-Lay, Small Fry Snack Foods Inc., and Old Dutch Foods Ltd) produce the major percentage of product.
- ! In 1997, Canadian snack food manufacturers (potato chips, pretzels, popcorn and cheesies) shipped products valued at C\$997.9 million.
- ! The value of Canadian production of potato chips, pretzels, popcorn and cheesies have almost doubled in the past ten years from C\$515.1 million in 1988 to C\$947.9 million in 1997.
- ! Although the snack food industry makes up only a small portion of the total food and beverage sector, it has exhibited steady growth in recent years. It represented 1.7 per cent of the total value of food and beverage production, 2.6 per cent of employment in the food and beverage sector, and 1 per cent of the number of food and beverage establishments (plants) in 1997.

Egg Industry

- ! In 1998, total production in the egg industry was worth C\$796 million; this figure includes hatching eggs, eggs for consumption and processed eggs. Production of eggs for consumption amounted to C\$462.6 million. Sales of transformed eggs reached C\$93.6 million, with domestic sales accounting for C\$72.3 million and exports for C\$21.3 million.
- ! There are close to six billion eggs produced in Canada each year by about 22 million laying hens. 82 per cent of these are sold in their shells. The remaining 18 per cent of all grades and sizes are processed into liquid, frozen or dried form. The provinces of Quebec and Ontario produce more than half the eggs in

Canada. Ontario alone contributes almost 40 per cent of the total.

- ! Poultry production and processing are among the most highly mechanized sectors in agriculture.
- ! The most popular breed of chicken for egg production in Canada is the White Leghorn. Poultry farms of 5,000 to 20,000 hens are common, but five farms in Canada have flocks larger than 100,000 hens. The average Canadian flock size in 1999 was 15,126 hens. The average laying hen produces about 272 eggs per year.

Tea and Coffee

- ! Products related to this industry include:
Coffee blended: manufacturing; extracts, essences and preparations.
Coffee: manufacturing; extracts, essences and preparations.
Tea: manufacturing and tea blending
- ! In 1998, total product manufactured reached C\$1 billion, and swelled on an annual basis at 5.8 per cent.
- ! In the same year, the Tea and Coffee Industry represented almost 1.9 per cent of total Food Industries manufactured product.

Organic Industry

- ! The organic sector in Canada is small but growing rapidly. According to industry sources, farm cash receipts from this industry reached about C\$500 million in 1999, mostly for grains and oilseeds. This represented about 1.5 per cent of agriculture's total farm cash receipts.
- ! The organic sector has been active in Canada since the early 1970s. Here are approximately 2,000 organic farmers, about 150 processors and handlers and about 46 certifiers, many with accreditation from various foreign accreditation bodies.
- ! Only Quebec and British Columbia have provincial organic standards. Quebec has an accreditation system in place that meets the International Organization for Standardization (ISO) Guide.
- ! According to a 1999 Statistics Canada report, approximately 4.9 per cent of the fruit and vegetable farms in Canada consider themselves to be organic producers.
- ! According to industry sources, the area of production for organic farms is estimated at 405,000 acres (165,000 hectares).
- ! According to industry sources, Canada is among the top five world producers of organic grains and oilseeds with an estimated retail value of C\$1 billion, including primary and value-added products.

Canadian organic retail sales growth is expected to rise from C\$0.7 billion in 1997 to C\$3.1 billion in 2005, which equates to an average growth of 20 per cent annually.

- ! The industry anticipates that its market share will increase to 10 per cent of the Canadian retail market by 2010.

The following table profiles Canada's largest food processing companies, including annual sales, product categories produced, and end use.

Profiles of Major Food Processing Companies in Canada

Company Name & Type of Product	Food Sales in C\$ Billions	Type of Product	End Use Retail/Food Service	Procurement Channels
McCain Foods (Canada) East Florenceville, NB E0J 1K0 506-329-5541 www.mccain.com	\$5.7	Frozen Foods	R & FSR & FS	Direct, Brokers, Importers
Groupe Saputo (including recently acquired Agrifoods International) 6689 Metropolitan Blvd. St-Leonard, QU H1P 1X8 514-328-6662 www.saputo.com	\$3.4	Cheese, Dairy Products	R & FS	Direct, Brokers, Importers
Maple Leaf Foods Meat, 30 St. Clair Ave. W. Toronto, ON M4V 3A2 416-926-2000 www.mapleleaf.com	\$3.6	Poultry, Bread	R & FS	Direct, Brokers, Importers
George Weston Ltd. 22 St. Clair Ave. E. Toronto, ON M4T 2S7 416-922-2500 www.weston.ca	\$2.6	Baked Goods	R & FS	Direct, Brokers, Importers
Kraft Canada 95 Moatfield Dr. Don Mills, ON M3B 3L6 416-441-5000 www.kraft.com	\$2.1	Cheese, Coffee, Cereals, Salad Dressings	R & FS	Direct, Brokers, Importers
Co-op Federee du Quebec 9001 L'Acadie Blvd. Bureau 200 Montreal, QU H4N 3H7	\$1.8	Dairy Products	R & FS	Direct, Importers

514-384-6450 www.coopfed.gc.ca				
Nestle Canada 25 Sheppard Ave. W. Toronto, ON M2N 6S8 416-218-3030 www.nestle.ca	\$1.7	Chocolate, Coffee, Frozens	R & FS	Direct, Brokers,
Unilever Canada Many Grocery Products 160 Bloor St. E., Ste. 1500 Toronto, ON M2N 6S8 416-218-3030 www.nestle.ca	\$1.5	Many Grocery Products	R & FS	Direct, Brokers, Importers
Agropur Co-Operative 510 Rue Principale Granby, QU J2G 2X2 450-375-1991	\$1.5	Dairy Products	R & FS	Direct, Importers, Brokers
Cott Corporation 6525 Viscount Rd. Mississauga, ON L4V 1H6 905-672-1900 www.cott.com	\$1.4	Soft Drinks	R & FS	Direct, Importers
Nabisco Ltd. 10 Parklawn Rd. Etobicoke, ON M8V 1A3 416-253-3200 www.nabisco.ca	\$1.2	Baked Goods	R & FS	Direct, Brokers, Importers
Pepsi-Cola Canada 5205 Sattelite Dr. Mississauga, ON L4W 5J7 905-568-8787 www.pepsi.com	\$1.2	Soft Drinks	R & FS	Direct, Brokers, Importers
Schneider Corp. Meat Products 321 Courtland Ave. E. Kitchener, ON N2G 3X8 519-741-5000	\$1	Meat Products	R & FS	Direct, Brokers, Importers

D. Sector Trends

Canada continues to be a highly competitive, energetic market with consumers who are well-informed seekers of new experiences and innovation. Canadians are far less homogenous than Americans and tend to be pursuers of wellness and environmentalism. They are aging; yet more active.

The following is a summary of key market drivers, which may affect the future of the Canadian food processing industry in Canada:

Economic Trends

Canada is a wealthy country and a member of the G-7 group of nations. As such it is firmly affixed as one of the world's most developed countries. Its economy is vibrant, its average annual incomes are just behind those of the US, and its consumer spending remains strong. Over three quarters of the world's leading food and beverage firms have chosen to invest in processing facilities in Canada. Canada's many advantages, such as R&D investment tax credits, provincial incentives, low cost energy, excellent infrastructure, abundant primary products, a stable business and social environment coupled with the high quality of life in the urban centres, make it a desirable location for investment. Canada welcomes and encourages international investment in its food and beverage sector.

Retail Grocery Trends

The National Market Survey published in January 2001 by Canadian Grocer boasts an all time high for 2000 with retail sales at C\$56.6 billion, up from the 1999 figure by 3.9 per cent. This increase is impressive given the increased competition from the foodservice sector competing for Canadian stomach share. Provincially, Ontario garnered the highest overall retail food sales at C\$17.8 billion with Quebec trailing as a close second revering a total of C\$14.4 billion. Sales growth, however, over a 52 week period ending December 30, 2000 shows Ontario, Alberta and BC lead the way at 7 per cent each, over 1999 figures.

Grocery Sales in Canada by Province

Province	
Ontario	\$17,849,574,000
Quebec	\$14,404,605,000
British Columbia	\$8,182,197,000
Alberta	\$6,769,220,000
Atlantic Canada combined	\$5,260,187,000
Manitoba/Saskatchewan	\$4,164,313,000

Source: Canadian Grocer Jan/Feb 2001

Category growth in Grocery stores - frozen and snack – chart 2001 exec report pg 8.

Distribution of Canadian Supermarket Sales

Food Category		Superstores
Grocery	50.6	40.2
Meat	15.7	12.8
Produce	10.6	10.3
General Merchandise	2.4	5.6
Beer/Wine	0.5	0.6
Service Deli	4.8	5.6
Scratch/Bake-Off Bakery	2.7	2.8
Frozen Foods	3.4	5.1
Dairy	5.6	6.0
Other	3.1	9.1

Source: 2001 Executive Report, Canadian Grocer

Like the US, consolidation among food companies is becoming a major factor in the control of food products and the food market generally. The 10 major grocery retailers in Canada, control approximately 80 per cent of the country's supermarket sales, with Loblaw Companies Ltd. garnering a C\$20 billion portion of the retail pie in 2000. To compete and support the retail segment, grocery manufacturers have also been consolidating at a rapid rate. During this period of consolidation, several manufacturers' brands have been eliminated but retail private label brands have continued to grow to represent approximately 23 per cent of the dollar value of food products at retail.

As a result of consumer trends and demographics, the size and complexity of the different departments at grocery retail have changed over the last 10 years. There has been an obvious shrinkage in the supermarket grocery aisles. Packaged groceries now occupy approximately 46 per cent of supermarket floor space, compared with 55 per cent 10 years ago. However, even though Canadians have shown extraordinary interest in everything "fresh", this does include an increase in fresh deli products, fresh bakery products, and fresh refrigerated product including home meal replacement products.

Foodservice Trends

In the Canadian Restaurant and Foodservice Association (CRFA) market review and forecast, exceptional sales growth was reported for 2000. However, the report also forecasts a moderate year for 2001, primarily the result of an economic slow down in the US, which typically effects Canada. Income tax cuts will boost disposable income by 4.3 per cent however, and help offset the slowing economy.

The commercial food sector is expected to grow by 5.4 per cent in 2001, led by strong growth in tavern, bars and nightclubs, while the non-commercial food sector will expand by 3.8 per cent on par with the increase in 2000 from 1999.

For the seventh consecutive year, the foodservice industry grew at a faster pace than food purchased from grocery stores. Although Canadians are spending more disposable income, 40.6 per cent at the foodservice level, 70 per cent of their meals are eaten at home and sourced from retail. Canadians also say they prepare 86 per cent of at-home meals from scratch. While this figure has not changed from 1998, Canadians have broadened their definition of scratch to include value-added partially prepared foods.

Rising disposable income and demographic changes are expected to favour foodservice spending over the next few years. Aging and affluent baby boomers are expected to spend more on foodservice, as will the echo generation, which views foodservice not as a luxury, but integral to their way of life.

CRFA's top 10 list ranked the most popular food items in Canadian restaurants according to data from Crest Canada and the NPD Food Service Information Group. The following are the highlights.

Top 10 Foods in Foodservice

2000 Ranking	1999 Ranking	Food Category	Share of Occasion
1	1	French Fries	24%
2	3	Hamburgers	12%
3	2	Unsweetened Baked Goods	11%
4	-	Chicken	11%
5	4	Salads	11%
6	5	Pizza	10%
7	6	Sandwiches	9%
8	8	Sweetened Baked Goods	7%
9	7	Desserts	6%
10	10	Chinese/Oriental/ Stir fry	5%

Source: Market Review and Forecast, Foodservice Facts, copyright 2001

Top 10 Beverages in Foodservice

2000 Ranking	1999 Ranking	Food Category	Share of Occasion
1	1	Regular Coffee	22%
2	2	Regular Soft Drinks	17%
3	3	Diet Soft Drinks	4%
4	4	Hot Tea	4%
5	5	Juice	3%
6	6	Milk/Chocolate Milk	3%
7	7	Beer	2%
8	-	Iced Tea	2%
9	8	Wine	2%
10	9	Espresso/ Cappuccino Specialty Coffee	2%

Source: Market Review and Forecast, Foodservice Facts, copyright 2001

Recent indicators according to a study conducted by NPD Foodservice Information Group and published by the Canadian Restaurant and Foodservice Association suggests that nearly one in four restaurant meals includes a salad, making this one of Canada's most popular menu items. Consumers are more health conscious than before and they use salads as a means of evaluating restaurants as a whole. As labour costs increase for foodservice operators, quality value-added produce is essential for profits.

Agricultural Trends

The Canadian agriculture and agri-food industry — farmers, suppliers, processors, transporters, grocers and restaurant workers — is the third largest employer in Canada. In 1998, it generated about C\$95 billion in domestic retail and food service sales.

Each of the 280,000 Canadian farms, produce on average, enough food for 120 people annually, but it takes the hard work of about 1.9 million Canadians to bring that food to our tables.

Canada's agri-food industry produces a wide range of high-quality products in all regions of the country. Agri-food is one of Canada's top five industries and accounts for about 8.5 per cent of the Canadian Gross Domestic Product.

Canada's food prices are among the lowest in the world. In fact, in 1996, 9.8 per cent of disposable income was spent on food and non-alcoholic beverages bought in stores, compared with the 8 to 26 per cent spent in most other industrialized countries.

The value of Canada's agri-food exports was a respectable C\$21.7 billion in 1999, amounting to 6.6 per cent of total merchandise exports.

Demographic Trends

Today's consumers are demanding fresh, authentic, quality menu items – and they want to be able to enjoy them at traditional and not-so-traditional meal times. Four key demographic trends are shaping these important food trends:

Aging population: The aging of the Baby Boom has renewed interest in healthy eating. Boomers' affluence and time pressures mean they are willing to pay extra for services like value-added meals to simplify their lives.

Immigration trends: 14 per cent of the Canadian population is comprised of visible minorities, with the largest groups being Chinese and South Asians. These groups have created a new appreciation in this country for stronger flavours, fresher ingredients, and new taste combinations.

Female participation in the workplace: While female participation in the workforce has increased steadily, women still do most of the food preparation. The time pressures associated with dual career and single parent families make alternatives to traditional meal preparation very appealing.

Economic prosperity: Finally, economic growth and rising disposable income has made Canadians more confident about spending for products and services that make their lives easier.

The food trends that owe their roots, in part, to these demographic and economic factors include the trends toward freshness and authenticity, gourmet/quality, and new food sources and schedules. The desire for healthier eating permeates all of these trends.

Food Safety Trends

Food safety is a critical issue in Canada. Through various government and international standards organizations, the food processing industry in Canada is under close scrutiny to adhere to the guidelines set out for food safety. The Hazard Analysis Critical Control Point (HACCP) is the most internationally recognized and cost-effective food safety system and ensures the consistency of food safety programs by analyzing hazards and controlling them at critical points throughout the manufacturing process. Canada also abides by ISO regulations, utilizing product codes to determine product efficacy and origin. Best before dates are mandatory for all products sold at retail. Health Canada, in conjunction with regional boards of health, has an inspection and rating system for all Canadian restaurateurs. This information is available to patrons to monitor the possible difficulties the establishment may have meeting standards for care, food storage, food preparation and establishment cleanliness.

Health Trends

With the growing scientific evidence supporting the important role of diet in modifying the risks of some chronic diseases, there is also increasing consumer and marketing interest in nutrition and health. In response to these trends, Health Canada initiated a two-year consultation process to develop a policy regarding health claims for foods. The consultation process is described under Chronology of Events - Policy Development Process.

The policy decision was released by Health Canada in November 1998 in the Policy Paper on Nutraceuticals/Functional Foods and Health Claims on Foods. The policy paper states that "structure/function and risk reduction claims for foods should be permitted while all other products claiming to cure, treat, mitigate or prevent illness should continue to be regulated as drugs." The new policy is intended to provide more opportunities for communicating the role of diet and foods in health promotion and disease risk reduction to the general public.

Export Trends

According to a report published by the NAFTA Partners in 2000 (year seven of the agreement), Canada's merchandise exports to its NAFTA partners have grown much faster than merchandise exports to the rest of the world. From 1993 to 2000, the US dollar value of Canada's merchandised exports to the United States and Mexico rose by 109 per cent, from US\$112 billion in 1993 to US\$235 billion in 2000. This 109 per cent growth was substantially higher than that of the 29 per cent in exports, to the rest of the world during the same corresponding period.

Meat Exports

Trade has increased substantially in between Canada and the US, with Canada developing a strong trade surplus in cattle and beef. The growth of this trade now means that over 50 per cent of Canadian production (cattle and beef) is exported, with approximately 70 per cent of total exports going to the United States. Agriculture and Agri-Food Canada reported pork exports in excess of C\$1.8 billion and beef exports exceeding C\$1.9 billion in 2000. Processed pork exports were valued at C\$198 million and processed beef exports accounted for C\$28 million.

Grain Based Products

About 80 per cent of milling wheat is exported rather than milled in Canada. The biscuit, cookie and cracker industry exported a total of C\$287.4 million in 1998, most of which (97.55%) was shipped to the United States. In 1998, wholesale bakers exported product worth C\$363.5 million, almost all (95%) to the United States.

In 1998, the Canadian breakfast cereal and baking mix industry exported C\$141.5 million. The United States was and continues to be the primary market for these products.

Dairy

Canadian milk and dairy products are recognized internationally for their high quality. Canadian dairy product exports totalled close to C\$287 million in 2000. Canada exports easily stored products like butter, milk powders, and condensed and evaporated milk to developing countries. As well, higher-value dairy products such as aged cheddar cheese, fine specialty cheeses, ice cream and dairy beverages have been exported to traditional and new markets.

Canadian dairy cattle, recognized for their disease-free status and their ability to produce high quantities of milk over many lactations, are exported to more than 50 countries. Exports of Canadian dairy genetic material are valued at more than C\$128 million annually. In 2000, major export markets were the United States, the United Kingdom, Spain, Germany, Japan, Brazil, Australia, Iran, Italy, and Mexico. However, Canada exports less than 1 per cent of the volume of dairy products traded on international markets.

Alcoholic Beverage Industry

Canada exported C\$655 million worth of spirits (primarily Canadian whiskey) in 1999, with 90 per cent of the value of these exports going to the United States, and the remainder going mainly to the European Union, Japan and the United Kingdom.

Processed Fruits and Vegetables

Approximately C\$794 million of processed fruits and vegetables were exported in 1999. (78 per cent to the US, 10 per cent to Asia, 6 per cent to Europe and 6 per cent elsewhere.)

Soft Drinks

Canadian domestic exports totaled C\$373.4 million in 1998, a noticeable increase of 40.2 per cent per year over the period of 1990-1998. In 1998, Canada exported 94.3 per cent of domestic exports to the United States, 3.0 per cent to the United Kingdom, and 0.4 per cent to Hong Kong. During the same time, the top three exporters to Canada were France (56.7%), the United States (21.9%) and Italy (14.7%).

Fish and Seafood

Canada exports more than 75 per cent of its fish and seafood production to more than 80 countries. In 2000, exports (495,976 tonnes) were valued at C\$4.0 billion, up 8.7 per cent from 1999. The

United States is Canada's largest export market (70 per cent of Canada's seafood trade is with the US), followed by Japan and the European Union. Canada's fish and seafood imports in 2000 were C\$2 billion, resulting in a trade surplus of C\$2.0 billion. The volume of imports decreased by more than 61,000 tonnes.

Poultry Industry

In 1998, Canada exported over 13 million chicks, poults (young turkeys), domestic fowl, turkeys, ducks, geese and guinea fowl worth C\$37.6 million to 37 countries. The United States is by far the largest market, followed by Japan, Malaysia and the Philippines. More than 74.4 million kilograms of poultry meat and edible bi-products (fresh, chilled, frozen), worth more than C\$103.8 million was exported to 49 countries, with the largest importers being the United States and Cuba. Other importing countries include China and Hong Kong, South Africa, Russia, Poland, Jamaica and Peru.

Confection

Exports of confectionery product from Canada were valued at C\$825.5 million in 1998, of which 95 per cent went to the United States. The leading eight confectionery enterprises produce about 87 per cent of the value.

Snack Food Industry

Three per cent or C\$29.9 million in processed snack foods were exported (with C\$16.3 million or 55.2 per cent destined for the US).

Tea and Coffee

Canadian domestic exports totaled C\$268.9 million in 1998. Over the 1990 to 1998 period, exports in this industry jumped by 23.7 per cent per year. Canada exported 94 per cent of domestic exports to the United States, 3.2 per cent to Russia, and 0.8 per cent to Australia. The top three exporters to Canada were the United States (55.7%), Brazil (16.6%) and United Kingdom (12.0%).

Organics - Grains Oilseeds

In 1998, Canada exported more than C\$22.6 billion worth of food products that accounted for 6 per cent of total exports. Nearly one half of these exports were grains, oilseeds and related products with an estimated value of nearly C\$10.6 billion. The largest market was the United States (C\$3.6 billion). Bulk grain exports were C\$4.7 billion, accounting for 21 per cent of agri-food exports; wheat exports alone represented C\$4.1 billion. Bulk oilseed exports were C\$2.5 billion, accounting for 11.9 per cent of exports.

III. Competition

As the food and beverage processing sector adjusts to key market drivers such as globalization, more sophisticated consumer demands, demographics, technological changes, food safety and health issues, and general economic conditions, its most important issue is the need to be competitive within a global environment by attracting investment.

However the growth of this sector will be determined by the efficiency of the components within the supply chain and by the competitiveness of the system as a whole. Producers, processors, retailers and foodservice operators will need to work in partnership to meet market demands.

This is where the US has excelled in vertically integrating this process. Large US Multinational Enterprises (LME) have partnered with Canadian processors to provide the components for vertically integrated production, utilizing the same concepts practiced in the US.

Although Canada imports food ingredients from around the world, 62 per cent is sourced from US producers due to a shipping expense reduction and as a result of the well-established trading status between the two countries. Trade currently between Canada and the US tops US\$1.7 billion per day, for all trade sectors.

Primary product supply from other countries will continue to be an obstacle to overcome for the US. As an example, emerging industrial nations such as China have the ability to often supply primary product at half the cost vs. the United States. Mexico, as one of the NAFTA partners, will compete directly with the US for export opportunities as it enjoys the same free trade benefits provided by NAFTA.

However, the differentiators will be an acute awareness for quality, safety, and nutritional content. Quality control is of utmost importance. Domestic buyers are demanding HACCP assurance and ISO to enable "traceability" for product origin.

V. Best Product Prospects

A. Products Present in the Market for Which There is Good Potential

According to Canadian Grocer's 2000 Executive report, the fastest growing categories at retail are:

Fastest-Growing Categories in Grocery Stores

**Dollar Sales (000s)	Annual Growth	Annual \$ Sales
Beef Jerky	140%	15,335
Frozen Bread Dough	57%	14,377
Refrigerated Entrees	44%	17,569
Soya Drinks*	43%	44,647
Frozen & Refrigerated Pizza	41%	196,946
Single-Use Cameras	34%	12,772
Liquid Coffee Creamers	33%	20,089
Hair Coloring	27%	23,810
Prepackaged Value-Added Vegetables	26%	31,684
Single-Serve Fruit & Applesauce	23%	75,732
Boxed Chocolates/Packaged Confections	23%	55,332
Prepackaged Bagged Salad	22%	123,560
Children's Candy Confections*	21%	50,940
Sausages - Frozen & Refrigerated	20%	70,947
Shelled Nuts	20%	62,201

- * Excludes Direct-to-Store Shipments
 ** Based on Categories > \$10 million in sales

Source: ACNielsen, MarketTrack, 52 weeks ending December 30, 2000, Total Grocery

Ups Annual Growth		Downs Annual Growth	
Soya Drinks*	71%	Canned Meat Spreads	-9%
Candies	63%	Household Bleaches	-7%
Rice & Corn Cakes	53%	Roast & Ground Coffee	-6%
Ready-to-Drink Iced Tea Cans	40%	White Sugar	-6%
Medical Nutritional Supplements	36%	Powdered Breakfast Fruit Drinks	-6%
Lunch Kits	31%	Soluble Coffee	-5%
Hair Color	31%	Cake Mixes	-5%
Liquid Coffee Creamers	31%	Paper napkins	-5%
Herbal Remedies	30%	Malt Beverages	-5%
Instant Potatoes	26%	Processed Cheese Loaf	-5%
Refrigerated Dough	24%	(Based on Categories > \$10 million in sales)	
Low Alcohol Wine Coolers & Cider	24%		
Single-Serve Fruit & Apple Sauce	23%		
Children's Candy Confections*	23%		
Boxed Chocolates*	22%		
* Excludes Direct-to-Store Shipments (Based on Categories > \$10 million in sales)			

Source: ACNielsen, MarketTrack and FCPMC, 52 Weeks Ending January 1, 2000, Total Grocery

According to the 2000 CRFA report published in June 2000

Top 20 Categories

Total Grocery Dollars (000,000's)

		Dollar Volume
1	Milk*	\$1501
2	Flavored Soft Drinks	1433
3	Frozen Dinners/Entrees/Meat Pies/Egg Rolls	923
4	Prepackaged Bread*	768
5	R T E Cereals	740
6	Shelf Stable Juices/Drink/Nectars/Ice Tea (excl. Cans)	726
7	Snack Foods*	651
8	Cookies/Grahams	548
9	Chilled Juices/Drink/Nectars/Ice Tea (excl. Cans)	511
10	Refrigerated Yogurt	486
11	Prepackaged Cheddar Cheese	446
12	Canned Soup	407
13	Ice Cream & Related Products	382
14	Eggs*	380
15	Prepackaged Specialty Cheese	374
16	Bathroom Tissue	371
17	Prepackaged Fresh Baked Desserts	362
18	Laundry Detergents	359
19	Prepackaged Rolls*	320
20	Butter/Dairy Spreads/Blends	308
* Excludes Direct-To-Store Shipments		

Source: ACNielsen, MarketTrack, 52 Weeks Ending December 30, 2000

A recently published article from Food In Canada magazine states that in the past five years, and more specifically in the past 12 months, food industry revenues have increased as a result of booming exports and profits from high margin, high value-added products.

Market trends show an increased emphasis on convenience with products such as shelf stable and chilled juices, and single serve fruit or applesauce enjoying increases of 7 per cent and 26 per cent respectively. Pre-bagged salad sales continued to rise by 23 per cent to C\$127 million in 2000. Frozen vegetables continue to be a demanded convenience; sales have increased 9 per cent in 2000 to C\$202 million.

Best products among basic food ingredients are fructose, glucose, yeasts, baking powders, rape seed, food preparations, mustard flour, soy bean oil, ginger, corn starch, ginseng roots, vegetable extracts, animal fats, and pectin. Also, strawberries, peaches, cranberries, apple juice, orange juice, grape juice, dried grapes, Parmesan cheese and whey powder.

B. Products Not Present Due to Significant Trade Barriers

A number of federal acts and regulations govern the importation of food into Canada. The following is a very brief overview of information regarding specific acts. It is recommended that exporters to Canada consult the actual legislation where appropriate for each specific primary or value-added product.

The Export and Import Controls Bureau of the Department of Foreign Affairs and International Trade is responsible for the issuance of permits for goods on the Import Control List and Export Control List under the authority of the Export and Import permits Act. The Following products are subject to current controls:

Agricultural Products Subject to Import Controls (TRQ's)

Chicken

Turkey

Broiler hatching eggs and Chicks

Shell Eggs and Egg Products

Cheese

Butter

Margarine

Ice Cream, Yogurt

Other Dairy Products

Barley and Barley products

Wheat and Wheat products

Beef and Veal from Non-NAFTA countries

Fish Products

There are disease concerns with the importation of dead un-eviscerated salmon and trout from fish farms, and with the importation of live salmon eggs and fish imported for aquiculture or for government enhancement programs. Consequently, import permits issued under the Fish Health Protection regulations must accompany each shipment of these products entering Canada. Exporters must apply to the local Fish Health Officer in the receiving province to obtain a permit.

Information regarding fish and seafood imports is supplied by the International Trade Division of Statistics Canada. Information regarding tariff quotas is available from the Department of Fisheries and Oceans. The department's website provides basic data on trade between Canada and its major markets, trade by product group, by species-groups and species, and trade by province. Data is presented from 1989 to the most recent year in two-year tables. Revised data for the most recent year is normally provided by Statistics Canada in May of the following year.

Tariff rate quotas currently exist for, American Plaice, Argentine, Atlantic Halibut, Capelin, Cod, Crab, Cusk, Flounder, Greenland Halibut, Grenadier, Haddock, Hake (silver/white), Herring, Jonah Crab, Lobster, Mackerel, Monkfish, Pollock, Redfish, Scallops, Sharks, Shrimp, Skate, Squid, Stimpson Surf Clams, Swordfish, Tuna (inshore/offshore), Winter Flounder, Witch and Yellowtail.

Food Allergens

A variety of foods cause adverse reactions in hypersensitive individuals. Most adverse food reactions are caused by the following foods or their derivatives:

Peanuts

Trees nuts (almonds, brazils, cashews, hazelnuts, macadamias, pecans, pine nuts, pistachios, walnuts)

Sesame seeds

Milk

Eggs

Fish

Crustaceans (crab, crayfish, lobster, shrimp)

Shellfish (clams, mussels, oysters, scallops)

Soy

Wheat

Sulfites

If these foods and their by-products or derivatives are not labelled or are incorrectly labelled, or if inadvertent carry-over occurs during processing, the results can be fatal.

Exporters of these products are encouraged to identify these ingredients or components. It is also recommended that the plant source all forms of hydrolyzed plant proteins, starches, and lecithin be identified (e.g. hydrolyzed soy protein, modified wheat starch, soy lecithin)

Vitamins and Minerals

The addition of vitamins, minerals and amino acids to food is regulated by the Food and Drug Act and regulations. It specifies which foods may be enriched and with which nutrients.

Canadian requirements for the addition of nutrients to food may differ significantly from the United States and other countries. Vitamins and mineral supplements are regulated as drugs in Canada. For further information on these products, exporters must contact the Therapeutic Products Program of Health Canada.

Novel Foods

Canada has a stringent process for evaluating the safety of novel foods, including foods derived through genetic modification (biotechnology). New novel food regulations under the Food and Drug Act and regulations require that manufacturers and exporters of novel foods notify Health Canada of their intention to market a new product in Canada. This pre-market notification allows Health Canada to conduct a thorough safety assessment of the product.

Food Additives

The Food and Drug Act and regulations strictly control the use of food additives. The list is extensive and comprehensive; the additives table in Division 16 of the regulations in the Food and Drug Act is available from Health Canada and on-line at www.hc-sc.gc.ca.

Food Irradiation

Irradiation is regulated by the Food and Drug Act and Regulations. Only the following foods are allowed to be irradiated in Canada: potatoes, onion, wheat, flour, whole wheat flour, whole and ground spices, and dehydrated seasoning preparations. Irradiated foods not in compliance with the Food and Drugs Act and regulations are not permitted for sale in Canada.

Specific import regulations exist for the following products:

Alcoholic Beverages

Dairy Products

Eggs and Processed Eggs

Fish and Fish Products

Food Additives

Food Color

Weight Loss Foods

Fresh Fruits and Vegetables

Processed Fruit and Vegetables

Grains

Honey

Infant Formula

Low Acid Foods in Hermetically Sealed Containers (Canned Foods)

Maple Products

Meat and Poultry

Novel Foods

Sports Nutrition Products

Wildlife

V. Contact and Further Information From the author of this Report

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VI. Source List

Canadian Food Inspection Agency (CFIA)	Guide to Importing Food Products Commercially, revised October 2000
North American Free Trade Agreement (NAFTA)	"The NAFTA at 7 years" found on DFAIT website
Canadian Grocer	Publication - January/February 2001 issue
Food In Canada	Publication - Food Processing Report, "A Partnership at Work", September 2000 issue
Department of Fisheries & Oceans (DFO)	www.dfo-mpo.gc.ca
Agriculture and Agri-Food Canada	www.agr.ca
Industry Canada	www.investcan.ic.gc.ca
Health Canada	www.hc-sc.gc.ca/food
Department of Foreign Affairs & International Trade (DFAIT)	www.dfait-maeci.gc.ca
Canadian Restaurant & Food Service Association (CRFA)	Market Review & Forecast for 2000, c. 2001
Canadian Council of Grocery Distributors (CCGD)	www.ccgd@magi.com
Canada Customs & Revenue Service (CCRA)	www.ccra-adrc.gc.ca
Statistics Canada	www.statcan.ca

VII. Find Us on the World Wide Web:

Visit our headquarter's home page at <http://www.fas.usda.gov> for a complete listing of FAS' worldwide agricultural reporting. To access these reports click on "Commodities", then "Market Reports" and then "Attache Reports". If you have the report number search by AGR #.

Contact FAS/Ottawa by e-mail: usagr@istar.ca

VIII. Related FAS/Ottawa reports:

Report Number	Title of Report	Date
CA9016	Marketing In Canada	2/18/99
CA9141	Food Product Export Opportunities in Western Canada	12/23/99
CA9142	Western Canada Retail Study	12/23/99
CA0001	Eastern Canada Retail Study	1/05/00
CA0004	Bakery Products I: Sweets	1/20/00
CA0006	Bakery Products II: Bread, Rolls, etc.	1/24/00
CA0007	Food Product Export Opportunities in Eastern Canada	1/31/00
CA0022	New England Culinary Institute	2/29/00
CA0030	WUSATA Recruits Grocery Showcase West	3/21/00
CA0032	Agent/Distributor Directory -Eastern Canada	3/21/00
CA0047	Hotel, Restaurant, Institutional Foodservice Sector Report - Eastern Canada	4/19/00
CA0050	Agent/Broker Directory - Western Canada	4/19/00
CA0081	Food Product Export Opportunities in Eastern Canada - Report II	6/20/00

CA0082	Canada Connect (Matchmaker Program)	6/26/00
CA0112	Wine & Spirits Promotional Opportunities	8/9/00
CA0113	Food & Beverage Promotional Opportunities	8/9/00
CA0114	Livestock Promotional Opportunities	8/9/00
CA0115	Pet Show Promotional Opportunities	8/9/00
CA0116	Poultry Show Promotional Opportunities	8/9/00
CA0117	Nursery Product Promotional Opportunities	8/9/00
CA0118	Wood Product Promotional Opportunities	8/9/00
CA0127	HRI Foodservice Sector - Western CA	8/25/00
CA0135	Private Label Grocery Opportunities	9/11/00
CA0174	Pet Food Industry Product Brief	11/6/00
CA1002	Grocery Innovations Canada	01/04/01
CA1021	Food Products Marketing Opportunities	02/14/01
CA1054	SIAL Montreal 2001 Evaluation	04/02/01
CA1055	Canada Connect - Progress Report	04/02/01
CA1058	Grocery Showcase West 2001- Evaluation	04/02/01
CA1059	Canadian Food & Beverage Show 2001 - Evaluation	04/02/01
CA1069	Meal Solutions Product Opportunities	05/09/01
CA1088	Changes to Nutrition Labeling Policy	06/25/01
CA1093	Canadian Taste for Imported Beer, Wine and Spirits	07/05/01
CA1114	CGSB Releases Draft Standard For the Voluntary Labeling of Foods Derived from Biotechnology	08/17/01
CA1117	Update Canadian Biotech Food Labeling	08/27/01