

CAN NEA AGRI-FOOD UPDATE JANUARY 2009

A quarterly newsletter presented by Canada's agri-food team in North-East Asia

This newsletter is available in English & French at the Agri-food Trade Service Website: www.ats.agr.gc.ca

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Activities & Events | In the region

UPCOMING TRADE EVENTS IN NEA

February

Canadian Better-for-you Food Products Virtual Trade Mission, Greater China, Feb 25 (Evening of Feb 24th in Canada)

The Canadian Wine Seminar & Tasting, Rihga Royal Hotel, Osaka Japan February 26, 2009

March

FOODEX Japan, Makuhari Messe (Chiba City, near Tokyo), March 3-6
www.ats.agr.gc.ca/foodex

Food Ingredients China (FIC) 2009

Everbright Centre, Shanghai, China
March 25-27, 2009

Incoming Buyers Mission around SIAL Montreal (buyers from China, Japan and Taiwan will be in Toronto, Montreal and Vancouver) March 30 – April 3.

Japanese Seafood Buyers' Mission, March 15-20, 2009 – Contact AAFC if interested in meeting with buyers in Vancouver or Boston

April

World of Pet Supplies, Hong Kong Convention and Exhibition Centre, Hong Kong, April 20-23
<http://worldofpetsupplies.hktdc.com>

China National Grains, Oilseeds and Feed Conference, Beijing, China, April 9-10, 2009

May

Seoul Food & Hotel 2009, Korea International Exhibition Center, Korea, May 13 – 16
<http://seoulfood.or.kr>

HOFEX 2009, Hong Kong Convention and Exhibition Centre, Hong Kong, May 6-9
<http://www.hofex.com>

SIAL China 2009, Pudong, Shanghai New International Exhibition Centre, May 19-21, 2009

Global Pig Forum, Chengdu, Sichuan Province, China
May 14-15, 2009

Agriculture Inputs and Machinery Show, North China, May 2009

GAINING RECOGNITION AND BUILDING MARKETS ● Report for Oct - Jan

SOUTH KOREA:

The credit decline of the Korean won is affecting buyers of Canadian meat and seafood

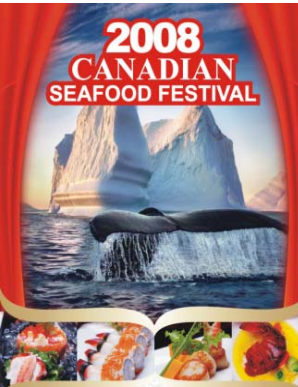
Buyers are complaining of the difficulties associated with obtaining their usual 90-day Usance letters of credit from Korean banks. This difficulty stems from an overall credit crunch in Korea brought on by the global financial situation as well as declining terms of trade caused by sharp recent declines in the value of the Korean won. Commodity buyers who purchase from the US are currently making heavy use of the American GSM credit program. Post is looking into the buyer credit programs offered by EDC to see if any of these might be available to Korean buyers of agri-food commodities.

Canadian icewine tasting on Korean high-speed train in October

This icewine tasting aimed to raise the profile of Canadian icewine in conjunction with a promotion of Canadian films showing at the Busan International Film Festival. The tasting showcased major Canadian icewines, particularly to business men and women travelling in first class between Seoul and Daejeon, two major cities in Korea. A Brand Canada banner, posters and icewine materials were displayed. Two importers, Leah Trading Co. and Vinissimo, supplied Vidal icewines. The overall reception of the taste of icewine was positive. The event could also leverage media attention by publishing it in the KTX monthly magazine in conjunction with Canadian cultural events. While it is difficult to measure the impact of this one-time event directly on icewine sales, it is believed to have raised consumer awareness and will lead to increased sales of Canadian icewines in the long-term.

CHINA

2008 Canadian Seafood Promotion:



2008 Canadian seafood promotion (Chongqing) took place in Chongqing from mid Oct to mid Dec. It's the first time that 4 renowned food services, namely Chongqing Little Swan Hotpot Restaurant Chain, Chongqing a Xingji Restaurant Chain, Days Inn Hotel, and Howard Johnson Hotel worked together under the umbrella of promoting Canadian seafood. In total 70 innovative recipes were created in various kinds of cooking styles (traditional western style, Sichuan cuisine, Cantonese cuisine and even Chongqing hotpot!) It's conservatively estimated that over 30,000 persons tried Canadian seafood and enjoyed its high-quality and fresh taste during the promotion.

Considerable quantity of Canadian seafood was consumed, including but not limited to 700 kg of lobster, 280kg of geoduck, 240kg scallops, 530kg sablefish, 350kg snow crab, 350kg blue mussel. Local media exposure was prominent, with 12 Medias (3 newspaper, 3 magazines, 4 websites, 2 local TV channels) reporting on the event. Chongqing Dayu Website (Chongqing's No.1 gateway website with around 5 million hits daily) offered a special edition of 2008 Canadian Seafood Festival at <http://cq.eat.qq.com/zt/2008/Canadian/index>, which contains various info including 2008 seafood festival, Canadian seafood industry, 12 key seafood species, free downloading of 2008 Canadian seafood recipe and 2009 seafood calendar.



Activities & Events | In the region

UPCOMING TRADE EVENTS IN NEA

May
2009 China (Inner Mongolia)
International Dairy Show, May 9-11 2009

World Dairy Expo & Summit
 Hangzhou, Zhejiang Province, China
 May 30 – June 1, 2009

June
FOOD TAIPEI, Taipei World Trade Center (TWTC) Nangang Exhibition Hall, June 23-26, 2009
www.foodtaipei.com.tw

FHC Beijing 2009, China National Agriculture Exhibition Centre, June 9-11, 2009
<http://www.fhcbeijing.com.cn>

August
Food Expo 2009, Hong Kong Convention and Exhibition Centre, Hong Kong, August 13-17
<http://hkfoodexpo.hktdc.com>

International Conference & Exhibition of the Modernization of Chinese Medicine & Health Products, Hong Kong Convention and Exhibition Centre, Hong Kong, August 13-17
<http://icmcm.hktdc.com>

Natural Products Expo Asia 2009, Hong Kong Convention and Exhibition Centre, Hong Kong, August 27-29
<http://www.naturalproductasia.com>

September
Restaurant and Bar 2009, Hong Kong Convention and Exhibition Centre, Hong Kong, September 1-3
<http://www.restaurantandbarhk.com>

October
HI Japan 2009, Tokyo Big Sight Exhibition Centre. Oct 14-16, 2009
<http://www.hijapan.info/eng/index.php>

November
Hong Kong International Wine & Spirits Fair, Hong Kong Convention and Exhibition Centre, Hong Kong, November 4-6
<http://hkwinefair.hktdc.com>

Wine & Gourmet Asia 2009, Cotai Expo, Macao, November 5-7
<http://www.wineandgourmetasia.com>

GAINING RECOGNITION AND BUILDING MARKETS ● Report for Oct - Jan

CHINA:

Canadian Icewine Promotion, December 12, 2008

The Consulate General of Canada organized a Canadian Icewine Promotion in Shanghai on December 12. With active participation of 4 in-China Canadian Icewine importers and distributors, the activity successfully met the key objective of promoting VQA and Canadian Icewine, especially educating local wine professionals on how to identify Canadian Icewine from fake products.

A total of 11 brands of VQA Icewine products were promoted. 57 wine professionals from local business community and F/B media attended the event and tasted the Canadian icewines.

Official Residence Seafood Dinner

On December 17, 2008, a Canadian seafood dinner was held at the Consul General Susan Gregson's Official Residence. Guests invited to this dinner are owners, head chefs of top seafood restaurants in Shanghai. The objective of the dinner reception was to express appreciation and to encourage the restaurants' usage of Canadian seafood. OR Chef Zhao prepared all the dishes featuring Canadian lobster, scallop, smoked salmon, oysters and geoduck. Maple syrup, Canadian white wine and Canadian Icewine were also featured at the dinner.

The dinner promoted not only Canadian seafood capabilities but also raised the profile of Canada among the guests. As a direct result of the event, one of the invited restaurants conducted a Canadian seafood festival promoting lobster, arctic clam and scallop with support from the post. Another joint seafood promotion event is under discussion. Post will follow up with the invited guests to explore further areas of collaboration.

First in-store promotion of Canadian pre-packaged food and beverage products:

The First in-store promotion of Canadian pre-packaged food and beverage products in Beijing was held from Dec. 26, 2008 to Jan. 16, 2009 at ten OLE supermarkets across the capital city. A wide selection of Canadian products were made available to the store customers, including canola oil, candies, dried cranberry, glacial water, nougat, biscuits, ice wine, red wine, white wine, and maple syrup. Customers also had the chance to win gifts prepared by the Embassy.

The Grand Opening of the Festival took place at the World Trade Center OLE Supermarket on December 29, 2008. Representatives from the Embassy of Canada in Beijing, China Resources OLE and various suppliers celebrated this event with media and distinguished guests.

This Festival is sponsored by Agriculture and Agri-Food Canada Canadian Embassy in Beijing, Alberta China Office, Ontario Ministry of Agriculture, Food and Rural Affairs, Natural Glacial Waters, Blossom Winery, Pelee Island Winery, and Beijing Kanuola Trading Inc..



Activities & Events | In the region

IMPROVING MARKET ACCESS

● Report for Oct - Jan

SOUTH KOREA:

Korea's autonomous TRQ rates and quantities have been set for the first half of 2009

These TRQs are set at the discretion of the Korean government and they represent voluntary improvements in market access compared to Korea's bound tariff rates.

Almost all of these rates have gone up slightly, in response to softening commodity prices and decreased ocean freight rates compared to last year. The tariff rate cuts implemented in 2008 - called "emergency quota tariffs" - were themselves a response to the spikes in commodity prices (especially of feed ingredients) which were very negatively impacting Korean consumers and farmers at that time. The largest rate hikes in commodities of export interest to Canada are the increase in the malt tariff from 0% to 8%, and the tariff on whey powder which will rise from 0% to 5%. However, because import demand for these commodities is relatively inelastic, these rate increases are not expected to significantly impact trade.

Market Access for Canadian beef

Canadian and Korean veterinary experts met in early November in Seoul to again discuss market access for Canadian beef and beef products. Following that meeting, Korean veterinary experts traveled to Canada for a week-long inspection visit of Canadian cattle farms, feedlots, slaughterhouses, and feed mills. A great deal of information was shared about Canada's internationally-recognized BSE control and surveillance system, and our comprehensive measures to protect food safety. The next step will be to meet again to negotiate import conditions for Canadian beef, and AAFC hopes this meeting will be scheduled early in 2009.

GAINING RECOGNITION AND BUILDING MARKETS ● Report for Oct - Jan

CHINA:

Canadian Swine and Feed Mission to Hubei

Mr. Martin Charron, Acting Trade Program Manager in the Embassy, led a Canadian swine and feed mission to Wu Han, Hu Bei Province late fall 2008. The Embassy, in cooperation with AAFC, posts in Shanghai, Chongqing and Guangzhou organized the program and participated in the China National Swine Industry Development Conference organized by the Chinese industry. Canadian Swine Exporters Association, Canola Council of Canada, Pulse Canada and other key Canadian swine and feed exporters joined the mission.

Hu Bei is one of the main pig producers in China. The mission met with local government officials responsible for the livestock and feed sector, over 10 major local swine companies and approximately 50 new qualified Chinese importers from across China during the meetings, roundtable discussions and dinner networking events. A separate meeting with COFCO was arranged for Canadian companies to pursue its \$1.3 billion USD swine project. Each of the Canadian companies had a chance to make presentations highlighting their capabilities/projects and the benefits of their production systems. Several qualified trade leads have been identified. 5 cooperation areas with Canada have been targeted by the Hu Bei government.

HONG KONG:

Canadian Catalogue Show and Macao International Trade Fair in Macao, October 13-26, 2008

A Canadian Catalogue Show at the Macao Business Support Centre and the 13th Macao International Trade and Investment Fair was completed in October. Canadian food and beverage promotion materials, posters, food associations and companies' leaflets were displayed to promote Canadian product variety.

New Brunswick Fisheries Minister Visit and Delegation to Hong Kong and Macao, November 1-3, 2008

Minister Doucet and four New Brunswick seafood companies visited Hong Kong and Macao to meet with seafood importers and hotel contacts before heading to the China Seafood Expo in Qingdao. Post scheduled one-on-one business meetings for delegates to discuss opportunities with local seafood suppliers. Snow crab, rock crab, lobster, sea cucumber, herring roe, herring, mackerel, Greenland halibut and whelk were their focused items. New Brunswick government is interested to participate in upcoming trade and product promotion activities.

Canadian Food Fair at Jusco in Hong Kong, November 6-19, 2008

Two buyers of Jusco supermarkets visited Alberta and British Columbia in May 2008, to source products for a 14-day Canadian Food Fair in nine outlets in Hong Kong. Initial Canadian product sales are valued at C\$388,000. The promotion was successful in introducing new brands and products to the Hong Kong market. The promotion featured 59 brands and 287 SKUs (90% were new to the Hong Kong market). The Canadian Consulate General in Hong Kong, Agriculture and Agri-food Canada, the Alberta Government, Canada Pork International, Canada Beef Export Federation and local suppliers were joint event partners. Jusco is planning a follow-up Canadian Fresh Food Promotion in the New Year.



Activities & Events | In the region

IMPROVING MARKET ACCESS

● Report for Oct - Jan

HONG KONG

Expanded Beef Access

Agriculture Minister Gerry Ritz secured an agreement in-principle with Hong Kong that immediately expands key export opportunities for Canadian beef and sets out a clear time table to open the Hong Kong market to all commercially-significant Canadian beef exports. Canada will work closely with the Hong Kong authorities to ensure Hong Kong's high quality and safety standard are met in order to complete a staged process within this calendar year. Minister Ritz and Secretary Chow agreed to a staged process that immediately expands opportunities for key Canadian beef exports. After Canadian beef exporters meet Hong Kong's requirements, all commercially-significant Canadian beef exports will have access to the Hong Kong market. The first stage of the process gives Canadian beef producers access to the Hong Kong market for bone-in beef products (excluding vertebral column) from cattle under thirty months of age. After meeting Hong Kong's requirements during the first four-month phase-in period, Hong Kong will allow Canadian exports of rib cuts, boneless beef and offal from all Canadian cattle. If Hong Kong's remaining requirements are met by the end of this calendar year, it will open its borders to all remaining Canadian beef exports from cattle under thirty months of age, including T-bones and porterhouse steaks.

The Canadian Beef Export Federation estimates that the improved access could mean an increase in Canadian beef exports to Hong Kong by as much as \$26 million, almost doubling Canada's current beef exports to Hong Kong.

GAINING RECOGNITION AND BUILDING MARKETS ● Report for Oct - Jan

HONG KONG:

Mini Wine Education Expo in Hong Kong, November 24-25, 2008

In order to promote their professional wine courses, the Open University of Hong Kong organized a mini on-campus wine education promotion. With the support of a key local supplier, a wide array of Canadian wines was introduced to university staff and students at the complimentary wine booth. Thirty interested students also attended an evening Canadian Wine Seminar, where more information was provided on our wine industry, followed by a wine tasting event. Australia and Chile were also part of the event and held education seminars. Our local supplier made on-site wine sales of red, white and Icewine. Post is invited to participate in the university's future wine workshops.

Canadian Seafood Promotion at Treasure Lake in Hong Kong, December 1-31, 2008

In cooperation with AAFC, Alberta Government, the Canadian Sablefish Association, the Underwater Harvesters Association and Clearwater Seafoods Limited Partnership, the consulate general in Hong Kong worked with the Treasure Lake Chinese Restaurant Group to promote Canadian canola oil, wild sablefish, scallops, live geoduck and wild lobster to the restaurant customers. Six restaurants were selected to serve four delicious Chinese dishes featuring these items. Two thousand live lobsters were consumed in that month. With this encouraging result, the restaurant group has the confidence to continue highlighting Canadian lobster in various menus.

JAPAN

Health Ingredients (HI) Japan, October 15-17, 2008.



Agriculture and Agri-Food Canada (AAFC) and the Canadian Embassy in Tokyo organized the Canadian pavilion at Health Ingredients (HI) Japan. Held in Tokyo, October 15-17, 2008, the Canadian pavilion featured 9 exhibitors from 4 provinces. HI Japan is Asia's largest trade show for health ingredients and support services, which in 2008 featured over 580 exhibitors from 20 countries, and attracted 42,000 buyers. In addition to the Canadian pavilion at HI Japan, a table-top reception was organized at the Canadian Embassy in Tokyo where exhibitors and buyers could network in advance of the show.

Japanese Processed Food Buyers Mission to Canada, Nov 24-28, 2008

Four well respected Japanese buyers visited Montreal, Toronto and Vancouver the week of November 24, 2008 to meet with Canadian processed food suppliers. The four buyers, Nihon Ryutsu Sangyo Co. Ltd. (Nichiryu); Japan Green Tea Co. Ltd.; Kokubu & Co. Ltd.; Matsuya Foods Co. Ltd.; were all very impressed with the quality of and range of Canadian products, and discussions are on-going with several Canadian suppliers.

Japan Seafood Vision 2025 seminars

Agriculture and Agri-Food Canada organized a series of seminars in Vancouver, Moncton, and St. John's the week of January 12, 2009 to outline the trends, market developments, competitive pressures, demographic changes, new product requirements and market challenges likely to take place in the Japanese seafood industry over the next 15-20 years. Companies were quick to register for these seminars, and evaluations showed that all participants found the information that was presented to be extremely useful to their businesses. A report and a copy of the presentation are available electronically for any interested companies.



Activities & Events | In the region

IMPROVING MARKET ACCESS

● Report for Oct - Jan

TAIWAN

Annual Apple Inspection Completed

In September 2008, an official from Taiwan's Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) visited BC for the purpose of conducting the annual inspection of apple orchards, packaging houses and phytosanitary certification procedures. Organized by the Canadian Food Inspection Agency (CFIA) and coordinated by the Canadian Trade Office in Taiwan, the BAPHIQ inspector visited the BC apple packing houses and facilities. CFIA-mandated pest control measures, and their implementation, were once again confirmed. Nine packers were approved for exporting apples to Taiwan for 2008-2009. Canada exported more than CDN\$390,000 of apples to Taiwan from January to October 2008, an increase of 120% over the same period last year.

Taiwan Opens the Market for Canadian Greenhouse-Grown Tomatoes on the Vine (cluster tomatoes)

In October 2008, Taiwan approved market access for greenhouse grown cluster tomatoes from Canada. This success is the result of ongoing cooperation and technical exchange between the Canadian Food Inspection Agency (CFIA) and Taiwan's Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ). Following submission of information regarding greenhouse tomato facilities, growing practices and pest control, CFIA hosted a BAPHIQ inspection visit to greenhouses in the Vancouver, BC area. The BAPHIQ delegate had the opportunity to review the phytosanitary security measure in place and to discuss his observations with CFIA.

GAINING RECOGNITION AND BUILDING MARKETS ● Report for Oct - Jan

TAIWAN

Taiwanese Delegation Visit to Expo East, Sept 11-14, 2008, Toronto

The market for health food and functional foods and nutraceuticals (FFN) in Taiwan was estimated at CDN\$800 million in 2006, representing one of Taiwan's fastest growing sub-sectors. Imported products accounted for at least 39% of market share. Driven by high disposable incomes and GDP growth rates, an aging population and lifestyle-related diseases, Taiwanese consumer spending on FFN is growing year after year. Local manufacturers are constantly looking for new and innovative ingredients, products and technologies. The Canadian Trade Office in Taipei organized and led a mission of seven delegates from four Taiwanese organizations to Canada. The objective of the mission was to promote Canadian natural health food ingredients and products to Taiwanese companies. This was accomplished with the collaboration and support of the Canadian Health Food Association (CHFA), Ontario Provincial Government, and AAFC headquarters and Regional Office in Vancouver. Activities included plant visits, one-on-one meetings, retailer tours, networking dinners/lunches and the Expo East Trade Show. The overall mission was successful with the participating Taiwanese companies gaining broad exposure to the Canadian market, making relevant industry contacts and conducting promising initial business discussions.

Canadian Table-Top Display in Taiwan, Oct 31 and Dec 3rd and 4th, 2008



The market in Taiwan for processed and packaged foods continues to show positive growth potential. This trend is due to higher levels of disposable income, a change in consumer preferences towards western styles, a growing preference for easy to prepare/convenience foods, and a growing interest in nutrition and food safety; an area of strengths for Canada and Canadian products. In cooperation with Canadian Food Exporters Association, Ontario Food

Exports and the Alberta Taiwan Office, Canadian Trade Office in Taipei organized two table-top display events on October 31st and December 3rd and 4th, 2008. Both proved to be a cost-effective partnering opportunity in response to the global down turn of the economy. More than one hundred inquires and leads were collected at these events, which outnumbered those for the more consumer-oriented annual international food show in Taiwan. The table-top events focused on traders, with the December 3rd and 4th event also targeting consumers. Post-event analysis showed that dried cranberry and snack foods are the two most popular items sourced from Canada.



Activities & Events | In the region

IMPROVING MARKET ACCESS

● Upcoming Period

TAIWAN

BSE-Related Restrictions on Beef, Tallow and Animal-Origin Feed Meal

Canada is working, to expand existing access for Canadian beef beyond deboned muscle meat from UTM animals, and to re-establish access for Canadian avian meal, porcine blood and tallow, which was withdrawn in 2003 following an outbreak of BSE in Canada. These issues were addressed most recently during a mission to Taiwan in November, 2008 by AAFC ADM Krista Mountjoy. Overcoming a basic aversion to risk in the Taiwanese Department of Health (and government as a whole) is the main challenge on beef; one shared by both Canada and the US. However, for the feed meal and tallow issues, the responsible Taiwan animal health regulator (BAPHIQ) has stepped up the pace of work, agreeing recently to schedule inspection visits to four avian and porcine blood meal establishments in BC, Alberta and Quebec. Successful inspections would complete the technical work in this area and open the way to imports of these products from Canada, which prior to closure of the market were substantial in value.

SOUTH KOREA:

Food safety media mission: Feb. 9-13

This mission of 6 Korean journalists will focus on the BSE safety systems in place in Canada. Delegates will spend their time in Alberta, touring ranches and feedlots, slaughterhouses, and beef retailers. The focus will be on Canada's excellent cattle traceability, the enhanced feed ban, food safety measures at slaughter (SRM removal), BSE surveillance and transparency of the results, and finally, the confidence of the Canadian consumer in the safety of Canadian beef. The mission aims to achieve greater awareness of Canadian BSE food safety systems. This awareness should result in positive Korean media coverage of the safety of Canadian beef. Such coverage should lead to increased public acceptance of market re-opening to Canadian beef, which will in turn enhance sales of Canadian beef post-market-opening.

GAINING RECOGNITION AND BUILDING MARKETS ● Upcoming Period

TAIWAN

Taiwan SIAL Buyers Mission: March 30 to April 3, 2009

A buyer's mission is an effective promotional activity designed to build meaningful working relationships with key local firms and to increase the number of Canadian products in these selected firms' portfolios over the short and long terms. Since most major retail chains (hypermarkets, supermarkets and convenience stores) in Taiwan source the majority of their products locally (including imported western products), importers remain the most important sales channel for Canadian suppliers, therefore this mission will focus on developing this channel. The mission will consist of four Taiwanese food and beverage buyers. Partnering events will be organized in Toronto and Montreal.

HONG KONG

Virtual Trade Mission to the Greater China Market, evening of February 24, 2009

"Better-for-you" products have become popular products actively sought by Chinese consumers, particularly the higher income group who has a higher disposable income and are more concerned about health. In addition, these products can normally command a premium that provides a niche for Canadian products. The event will include a video-conference and a concurrent table top show displaying product samples. It is anticipated that a total of approximately 70 Chinese food buyers, importers, distributors and traders from Hong Kong, Beijing, Guangzhou and Shanghai will attend this event.

Ontario Ginseng Growers Association Chinese New Year Promotion Campaign in Hong Kong

The campaign includes an advertisement in one of Hong Kong's most circulated free Chinese newspapers, as well as the distribution of pamphlets to consumers at various locations in Hong Kong.

OVERCOMING TECHNICAL BARRIERS ● Report for Oct- Jan

SOUTH KOREA:

Maple Syrup Market Access Success: In October, the Korean Food and Drug Administration (KFDA) began enforcing their standard for sweeteners in such a way that maple syrup could not possibly meet the standard. A shipment of Canadian maple syrup was tested, rejected, and ordered to be either shipped back or destroyed. AAFC's representative in Seoul followed up with technical information showing that enforcement of the standard as written would result in a *de facto* ban on all maple syrup imports. In November, KFDA responded by changing their test method for maple syrup. The rejected shipment was re-tested using the new method and cleared. Post has been assured that all future shipments of maple syrup will be tested using the new method.

OVERCOMING TECHNICAL BARRIERS ● Upcoming Period

HONG KONG

Implementation for the Cartagena Protocol on Biosafety

The Hong Kong Special Administrative Region Government is consulting the public on a proposal of a new legislation for the implementation for the Cartagena Protocol on Biosafety in Hong Kong. The main objective of the proposal is to provide a legislative framework to regulate the release of living modified organisms into the environment. As the proposal has an implication on the trading of genetically modified products including food to Hong Kong, the Consulate General of Canada in Hong Kong will work with the Hong Kong Government to ensure Canada's trade interest.



Success Stories | Of Canadian companies in the region

TAIWAN

SOUTH KOREA:

New sales channel for lobster “popsicle packs”

A Korean food conglomerate recently imported 2 containers of frozen whole lobster for Korean TV home shopping sales during the New Year holiday season. The lobsters were imported from the largest lobster popsicle pack processor in Canada, located in Quebec. The total value of this deal is over \$480,000. Post helped arranged this new commercial business lead at the Boston Seafood Show in February 2008.

Demand grows for flaxseed products as a health supplement

Korean health food and nutraceutical entrepreneurs are showing renewed interest in flax-based products for the health food market in Korea.

- A new Korean buyer recently imported 4 tons of flaxseed oil from an Alberta processor as an ingredient in a new health product to be manufactured in Korea by an established Korean supplement manufacturer. The value of this sample shipment is only \$20,000 but an additional commercial-volume shipment is planned for March 2009. Post provided the Korean company with a list of eligible Canadian flaxseed suppliers in November 2008.
- In November, a Korean-Canadian businessman imported a trial shipment of 1,000 bags (350 gram packs) of sprouted flaxseeds from an Ontario company. Post provided this buyer with a list of organic flaxseed suppliers in July. After sprouting in Canada, the flaxseeds are being dried and packaged.
- In October, an established health supplement importer imported 3.5 tons of organic flaxseed products from a supplier in Saskatchewan, and an additional 1,440 bottles of edible organic flaxseed oil from a supplier in Manitoba. Post provided these trade leads in June 2008.

IMPROVING MARKET ACCESS

● Upcoming Period

HONG KONG

Food Recall Order

The Hong Kong Special Administrative Region Government proposed an amendment to Hong Kong's Public Health and Municipal Services Bill on November 5, 2008 to empower the Government to make administrative orders to prohibit the import and supply of any food and direct that any food supplied be recalled if there are reasonable grounds that the food may pose a danger to public health. According to the amendment bill, the importers, distributors and users at all levels of the food chain including consumers are responsible for recovering the questionable food products. At the moment, we do not consider the proposed amendment will compromise Canada's food exports to Hong Kong. It is anticipated that the proposed amendment bill will be passed by the Hong Kong Legislative Council (equivalent to the Canadian Parliament) in summer 2009.

HONG KONG:

New York Fries

The first New York Fries Shop was opened in Hong Kong in early December 2008. New York Fries appointed Next Step Limited of Hong Kong as their master franchisee for the Greater China market, including Hong Kong and Macao. Next Step Limited plans to open 2 or 3 more shops in 2009 in Hong Kong. They are also actively seeking opportunities to expand to China.

Canadian bagels in town

A Canadian bagel supplier has put their great effort in knocking the doors of key supermarket and catering chains in Hong Kong to introduce frozen par-bake bagels from Calgary. Fifty PARKnSHOP supermarkets have recently selected their healthy bagels for their high-end in-store bakery customers.

New buyer of Canadian fish and seafood

The Sun Wah Group has formed a new buying division operated by Sun Wah International Trading Limited. The new company has purchased a container of frozen Atlantic mackerel at a value of about C\$70,000 from a supplier based in Newfoundland. The fish is exclusively supplied to Japanese restaurants. Sun Wah is now studying other seafood items and is intending to place a new order again.



Success Stories | Of Canadian companies in the region

CHINA:

Four additional pork processing plants were registered with Chinese government on Dec. 5, 2008

These were the remaining four plants which were awaiting CNCA approval for the last several months. This recent approval brings the total number of Canadian pork plants approved for export to China to 60. At present there is only one remaining plant undergoing the approval process?

2008 Press Conference of Successful Sino-Canada Cooperation

On December 6, 2008, Pelee Island Winery of Ontario and its Chinese partner, Jingzhou Yuyuan Winery, held their "2008 Press Conference on Successful Sino- Canada Cooperation & Signing Ceremony for Pelee Island Wine Industry in China" at the Great Hall of People in Beijing. Supported by China's Ministry of Commerce and Canadian Embassy, this event was witnessed by Vice Chairman of China National People's Congress, Mr. Xu Jialu; Chairlady of China International Investment Promotion Council, Ms. Zhou Ming and Agriculture Counsellor of Canadian Embassy, Dr. Les Kumor.

Panfish Shanghai imports Canadians salmon and tuna fish

Panfish reported that with Consulate's support, from Jan-Jun 2008, they have successfully imported 85 ton of Canadian salmon fish valued at 60,0000 USD and 400 ton of Canadian tuna fish valued at 120,0000 USD.

630 Canadian Breeding Pigs land in Chongqing airport!



On Dec 24, 2008, 630 Canadian breeding pigs landed in Chongqing airport. These pigs were imported by Chongqing Longsheng Group from Alberta-based Polar Genetics and the contract value is around 3 million CAD. Now all the pigs are in the 45-day quarantine and will then be moved to Longsheng's newly established hog farm with the highest standard in Chongqing. The 630 heads of purebred pigs, including Duroc, Landrace and Yorkshire, will form the nucleus of Longsheng group's integrated pork production and processing system, with the pent-up capacity to produce one million slaughter hogs in 5 years and provide stable supply of 30,000 tons meat products to Chongqing market. The project is now listed as a pilot project of 2008 Chongqing urban-rural integrated development.

Modernized Dairy Cattle base set up in Meishan City

On Oct 8th, 2008, BC-based Lifetech Group signed a LOI with Meishan City, Sichuan province on setting up a modernized dairy cattle base in Meishan with a total investment over 45million USD. 3 years from now, there will be 5000 high-yield cows in stock and 50,000 by 2017, making it one of the biggest milk providers in west China. IND Lifetech's core business is in the research, development and commercialization of in vitro and in vivo cattle embryos.

Canadian Lobsters Enter the South China Market

After participating in the Canadian Seafood Festival with the Guangzhou Restaurant in Nov, 2008, Clearwater Seafoods Limited Partnership successfully signed a sales agreement to supply Canadian live lobsters to this very famous and influential South China Cantonese restaurant. The estimated sales quantity for this restaurant is about 300 lobsters per month. Chinese-style weddings and business banquets are the main channel for selling premium fish and seafood in South China, and thus this agreement is an important step to help Clearwater enter into the Cantonese cuisine and to further expand their business with more Chinese restaurant.



Success Stories | Of Canadian companies in the region

CHINA:

Agrium has opened its first office in Beijing, China

Agrium has selected China as an important market to expand sales of agriculture inputs and fertilizer components.

“As a Company, our mission is to provide ingredients for growth. Agrium’s vision is to be one of the world’s leading providers of inputs for plant growth by creating value for each of our stakeholders. Agrium is a leader in developing and supplying environmentally friendly nutrient products and other products for agricultural applications, the home and garden as well as turf and the golf course industry. Agrium is one of the world’s premier developers and manufacturers of controlled release fertilizers. Controlled release fertilizers release nutrients as the plants require them increasing the efficiency of the fertilizers while benefiting the environment.”

Sinograin imports 100,000 tons of Canola Oil

Since the signing of the MOU between 4 Canadian canola exporters with Sinograin 2008, Sinograin has imported about 100,000 tons of canola oil. This is the first time Canada has exported canola oil for State Reserves.

Canadian Swine Industry signed MOU with Chinese Swine Industry in north China 2008

The aim of the MOU is to share research and technical knowledge on the use of swine genetics, animal nutrition, bio security, husbandry etc. Currently under this MOU a few swine projects have already been carried out.

The Canadian Wheat Board promotes Canadian Wheat

The Canadian Wheat Board (CWB) is pleased to announce a joint initiative with Guchaun Food Company to promote premium flour made from 100 per cent Canadian wheat. The flour which is produced in Canada and packaged and promoted in China by Guchaun, will be officially launched on January 20, 2009 in Beijing. The CWB has sold wheat into China for more than 50 years. Canadian wheat has an excellent reputation in China and the CWB hopes this initiative will further increase awareness among Chinese consumers of the high quality of Canadian wheat.

TAIWAN

Canadian Soybeans: New Healthy Choices

Taiwanese consumers are becoming ever more health-conscious, and are often willing to pay a premium for quality products, such as Canadian non-GMO soybean milk. In collaboration with Canadian and Taiwanese public and private stakeholders, and as a result of a number of successful media and marketing campaigns since 2005, Canadian soybeans are considered a premium brand and healthy choice by Taiwanese consumers. Exports of Canadian soybeans have increased more than 30% annually since 2006. Moreover, Taiwan’s number two leading soymilk and tofu manufacturers have signed co-branding partnership agreements with AAFC for the use of Canada Brand graphics. More marketing activities to brand Canada will be included in their work plans in the coming months.

Canadian Foie Gras taking Off in Taiwan’s Marketplace

Canada has become a leading supplier of foie gras for Taiwan’s upscale restaurants and retailers since Taiwan imposed an import ban on foie gras from European countries because of quarantine issues. Taiwan imported CND\$550,000 of foie gras from January to November of 2008, an increase of 70% over the same period last year. Building on its French culinary tradition, Quebec has developed an expertise in the production of foie gras. With support from Quebec’s food industry, Quebec manufacturers participated in the Taipei International Food Show in 2006 and 2007. Since then, the quality and superior taste of Canadian foie gras has been increasingly recognized by the food industry and gourmet chefs in Taiwan.

CTOT and TECO sign an MOU in November 2008

The Canadian Trade Office in Taipei (CTOT) and the Taipei Cultural and Economic Office (TECO) signed an MOU to establish a framework for cooperation in the sectors of agriculture and agri-food science and technology. Agriculture and Agri-Food Canada and the Taiwan National Science Council (NSC) will be the respective executive agencies to carry out the MOU on behalf of CTOT and TECO. Under the agreement, Canadian and Taiwanese scientists and researchers are encouraged to enhance research on, and applications of, innovative agricultural sciences, agri-food products, food supplements and biotechnology products, as well as biotech processing know-how. This MOU complements a broader MOU on agriculture, which covers cooperation in agricultural science and technology between AAFC and Taiwan’s Council (Department) of Agriculture.



New Market Reports | in the region

SOUTH KOREA:

Opportunities in the Food Markets of South Korea

This report identifies food categories that might prove to be opportunities for Canadian exporters in South Korea. Recent trends in consumer expenditures are explored, providing insight into the tastes and preferences of South Korean consumers. The characteristics of about 116 individual consumer products available in South Korea are presented. The report is currently being translated. To receive an English copy, or to reserve a French copy, please email Inge.VanderHorst@agr.gc.ca

Agri-Food News | From the region

JAPAN:

Food Safety and Quality to Remain Top Issue in 2009

Japanese consumer confidence in imported foods was repeatedly pummeled during 2008. Nearly every week seemed to bring some new and disheartening revelation. Despite increased scrutiny by the Japanese government, as well as changes in consumer purchasing habits, concern over food safety and quality will undoubtedly remain a top issue for Japan's food industry in 2009. *Why is this of interest to Canadian exporters?* With consumer anxiety about food safety continuing and perhaps even deepening, Canadian exporters with a story to tell about good production techniques and top level quality assurance programs may potentially find receptive ears among Japanese buyers. The temporary absence of China from much of the produce market, in particular, represents an important opportunity. Time is of the essence, however, as solutions are developed and the current window gradually closes.

Japan's Convenience Stores Benefiting from Recession

As department stores and general merchandising stores rely heavily on discretionary spending, Japanese convenience store operators are expected to outperform the retail sector in 2009. Recent sales trends clearly reflect that consumers are already opting for cheap prepared meals instead of eating out as the economy slides deeper into recession.

Sapporo to Market Beer with "Carbon Footprint" Labels on Cans

Sapporo Ltd., the owner of Canada's Sleeman Breweries, Ltd. and Japan's 4th largest beer company, recently announced that it will be the first brewer in the world to introduce "carbon footprint" labels. Starting in February 2009, the company plans to start test sales of beer with "carbon footprint" labels on cans in Hokkaido, Japan's northernmost island.

The labels, which will be attached to 350ml cans of Sapporo's Black Label beer, will show the amount of carbon dioxide emitted during the production process of each can, ranging from the operation of agricultural machinery in barley and hop production to recycling.

CHINA:

East China Agriculture Fiscal Stimulus Package

Among the total RMB 4 trillion budget, the portion of China's fiscal stimulus package allocated to Agriculture is relatively small. However, various provincial agriculture bureaus, commissions and municipal governments within the East China territory are preparing project proposals to compete for central funding.

- Proposed Shanghai projects, will require the import of small-medium sized agricultural machinery and equipment. Technologies will be sourced/imported to keep vegetables fresh.
- Zhejiang Province is preparing project proposals to upgrade agricultural infrastructure (roads and water conservation projects), increase fertilizer application and develop methane-based power generation sites.
- Anhui Province is preparing project proposals focusing on bio-energy (e.g. methane), and the procurement of vehicles and other transportation equipment for transporting agricultural products.
- Jiangsu Province does not plan to request funds from the central government. However, the provincial government will likely allocate an additional RMB 200 million (about \$40 million USD), mainly to improve its agricultural infrastructure.



Agri-Food News | From the region

HONG KONG:

Hong Kong Seminar on Import Control on Fish and Fishery Products

The HKSAR Food and Environmental Hygiene Department and the Hong Kong Veterinary Association Limited organized a two-day veterinary public health workshop on the theme of "Import Control of Fish and Fishery Products" on December 1-2, 2008. Five speakers representing the EU, the UK, Australia, Japan and China were invited to present on their respective country's systems in dealing with disease risks and safety assurance. Fish health, aquaculture development and the international trade of products continuously bring new challenges. More exchanges or co-operations at the national level should be encouraged to improve the global surveillance standards and practices. This seminar provided a good opportunity for HKSAR government to learn and share with various speakers in this aspect, especially when they are proposing broadening the definition of "food" to cover live fish or aquatic products in the Food Safety Bill.

TAIWAN

2008 Third Quarter Food Industry Development

The value of Taiwan's 2008 third quarter production for food and beverages was estimated at US\$4.2 billion, an increase of 9.7% from 2007. Imports were roughly US\$1.1 billion, an increase of 18.6% over the same period last year. The global economic downturn is expected to reduce economic growth in Taiwan considerably. According to Neilson's on-line survey of consumer confidence in Taiwan's economy, more than 90% of Taiwanese consumers believe Taiwan is in an economic recession and 50% think Taiwan will not be out of the recession in the next 12 months. As a result of concerns over impacts on employment and financial security, Taiwanese consumers are cutting spending on non-essential living expenses. Examples include eating out less, switching to cheaper grocery brands, buying smaller packs or buying bulk. Sales of frozen vegetables, dumplings, ready to serve frozen food, edible oil, rice and noodles are increasing as consumers opt for meals at home.

Taiwan Distributes Vouchers to Stimulate Consumer Spending

In January 2009, the Taiwanese government issued NT\$3,600 (CND\$133) in vouchers to every citizen as part of an economic stimulus package to boost consumer spending and economic growth in light of the economic downturn. The measures are aimed at increasing retail sales. Many people went straight to hypermarkets to buy up daily necessities. Authorities said the measures were expected to add at least 0.6% to the GDP growth rate for 2009. The government will evaluate the results before studying the feasibility of distributing a second round of vouchers to the public.



Trade Leads | for Canadian companies

HONG KONG

- Four Seas Group (<http://www.fourseasgroup.com.hk/>) is one of Hong Kong's largest food and beverage manufacturers, importers, distributors and retailers. The company was founded in 1971, and currently carries over 5,000 food products from manufacturers in 29 countries. Brands represented by the company include Cadbury, Gilco, Lotte and Meiji. The company has a very dominant share of the local snack food market. The company expressed an interest in representing more Canadian food products in Hong Kong. If you are interested in contacting the company regarding your products, please contact Houston Wong, Trade Commissioner (Agriculture and Agri-Food) of the Consulate General of Canada in Hong Kong at his e-mail address: Houston.wong@international.gc.ca
- Amoy Food Limited (<http://www.amoy.com/>) is Hong Kong's biggest soy sauce manufacturer. The company is interested in establishing direct trading relationships with Canadian non-GMO food grade soybeans suppliers. They are also interested in buying black beans for making Chinese condiments. If you are interested in contacting the company regarding your products, please contact Houston Wong, Trade Commissioner (Agriculture and Agri-Food) of the Consulate General of Canada in Hong Kong at his e-mail address: Houston.wong@international.gc.ca
- The Foods, Oils and Miscellaneous Department of Dah Chong Hong, Ltd. (<http://www.dchfom.com/>) is looking for a direct supplier of flour. The company is interested in an exclusive distributorship agreement. If you are interested in contacting the company regarding your products, please contact Houston Wong, Trade Commissioner (Agriculture and Agri-Food) of the Consulate General of Canada in Hong Kong at his e-mail address: Houston.wong@international.gc.ca

CHINA

- A Chinese company in Shenzhen, Guangdong Province is looking for Canadian milk powder to make milk and whey powder for animal feed. For further information please contact Trade Commissioner Leanne Yi at: leanne.yi@international.gc.ca
- In order to improve its double-low rapeseed production, Hubei Provincial Department of Agriculture seeks technologies from Canada to grow canola in the province. Hubei is located in central China, and is one of the largest oilseed producing provinces of the country.
- There is a good market potential for Canadian sablefish in Shanghai. Local restaurants and importers need a stable supply of sablefish, in terms of both quantity and quality.