

Selling to Seniors...

Like most developed countries, Canada has an ageing population. By 2021 approximately 19% of the population will be over the age of 65. In 1971 less than 8% of Canadians were of what is traditionally considered retirement age. To some extent Canada has been able to offset this demographic challenge of too many retirees and not enough workers through immigration. Nevertheless this significant shift in the number of Canadians who are “seniors” presents important challenges for the economy and policy-makers. It also presents an opportunity for marketers and businesses selling products to this rapidly growing segment of the population. Several sectors are poised for significant growth because of the buying power of these active and mostly retired seniors due to their leisure time, interests and relatively high wealth (as compared to retirees from previous generations). Indeed many of these so-called “baby boomers” are choosing to retire long before they turn 65! Tourism, optional medical services (e.g. cosmetic surgery), recreational

products such as sporting goods, and higher-value specialty products from a variety of sectors including food, fashion and home furnishings/décor can all benefit from the above-average discretionary spending of these seniors. This is good news for many developing country exporters, who have products or services they can offer to this important segment of the Canadian population and to the retailers and businesses in Canada who serve them.

One such segment, highlighted in this edition of the Exporting to Canada News, is the Natural Health Products sector. This sector includes a wide range of products such as vitamins, dietary supplements and homeopathic medications, much of it sold to Canadian seniors. Many developing country exporters have been successful in penetrating the Canadian market through this sector with unique natural health products from their own country such as chia from South America or ginseng from Asia. In this newsletter we feature highlights from a Market Information Paper (MIP) that TFO

Canada has recently updated for this sector. And we provide information about the Canadian Health Food Association which represents many Canadian manufacturers and retailers active in this sector. One popular dietary supplement in Canada is omega-3 oil, much of which is found in fish products. So it’s rather fitting that we also feature our recently updated Fishery and Seafood Products MIP. We conclude this quarter’s edition with the story of Shattell Chocolates, a Peruvian company which received support from TFO Canada with a Canadian market entry strategy, and then with market/buyer contacts through their participation in a TFO Canada stand at the SIAL trade show in Montreal earlier this year. As result they have now succeeded in exporting their products through a Canadian importer so their delicious products are available to consumers here, both young and old.

Brian Mitchell
Executive Director
TFO Canada

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TFO Canada new Market Access Program

TFO Canada secured an agreement with the Government of Canada to deliver Canadian market trade information services for developing country exporters The Canadian Market Access and Capacity Building Program which began in January of 2014 will be implemented over the next five years. The program will extend and expand TFO Canada’s services and it is expected to benefit thousands of exporters from nearly 100 developing countries.

The centrepiece of these services will continue to be TFO’s online trade information service (www.tfocanada.ca), a unique source of information and tools for accessing the Canadian market.

(Continued on page 4)

Upcoming Webinars

[Understanding Canadian Cosmetic Regulations: A Closer Look at Exporters Role](#)

October 9, 2014 at 10:30 am (GMT - 2:30)

[Changing Expectations: What Developing Countries’ SME exporters need to know about crafting their own CSR Programs and Environmental Management Systems](#)

November 6, 2014 at 10:30 am (GMT - 2:30)

TFO Canada Online Services:

[English](#) - October 16, 2014 at 10:30 am (GMT - 2:30pm)

[Spanish](#) - December 4, 2014 at 10:30 am (GMT - 2:30pm)

If you are interested in participating any of these Webinars, please click the link to register.

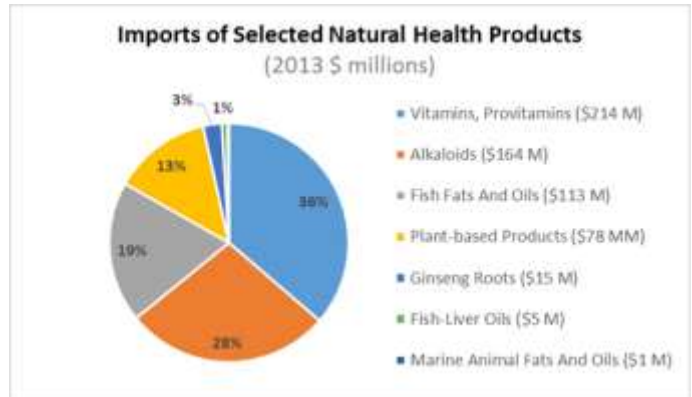
The Canadian Market for Natural Health Products

Currently valued as a \$4.7 billion industry and sold in over 10,000 retail stores, natural health products have seen a rising demand in Canada that offers promising opportunities to exporters from developing countries. Over 71% of Canadian consumers now use natural health products on a regular basis.

The Canadian import market for natural health products grew by \$43 million between 2009 and 2013 at an average rate of 1.2% per year. Top product areas include vitamins (\$214 million), alkaloids (\$164 million), fish fats/oils (\$113 million) and plant-based products (\$78 million).

Over the past 5 years (2009-2013), the fastest growing market segments have been fish fats/oils (12.3% growth) and ginseng roots (11.9%), with significant gains also seen in vitamins and plant-based products. Strong prospects exist for superfood extracts, niche products for specific consumer groups, as well as innovations in flavour and convenient packaging.

Buyers in Ontario (\$6 million), Québec (\$1.5 million) and British Columbia (\$132,933) were the major purchasers of imported natural health products in 2013, while the maritime provinces of New Brunswick and Nova Scotia remain leading destinations for fish fats/oils.



Tariffs on imports depend on the product and on the supplying country and its applicable tariff treatment.

Depending on the country of origin, most of the natural health products covered in this report can enter the Canadian market duty free, including ginseng

roots, plant-based products and vitamins. However, tariffs do apply to certain fats and oils, up to a high of 6.5% for those derived from marine animals.

This information has been extracted from the new Market Information Paper “Natural Health Products 2014”, which will be available soon to registered members at www.tfocanada.ca

An Industry’s Look at Natural Health Products in Canada

Interview with Helen Long President of the Canadian Health Food Association (CHFA)

Recent surveys suggest over 70% of Canadians now use natural health products. What factors are driving this demand?

There are many factors impacting the growth of NHPs. We know that Canadians are trying to live healthier lives and they are using NHPs as a safe and effective method to help reach this goal. As the Canadian population continues to age, many are turning to NHPs for treatment and prevention. One of the biggest trends we are seeing is Canadians’ demand for label literacy and certifications such as non-genetically modified organisms (GMOs) and the [Canadian Organic Symbol](#). Many manufacturers are leading the way by self-declaring what ingredients are in their products. The use of simple, transparent labelling is helping to increase consumer confidence and demand for NHPs.

What are some of the recent changes happening in Canadian regulation of NHPs?

A lot of progress has been made with the regulations of NHPs to help products get to the market with reduced red tape. As of September, all NHPs will [require a valid product licence](#) (NHP or DIN-HM) to be legally sold in Canada at any level of the supply

chain. Enforcement actions will be taken on NHPs without a licence based on the associated health risks and compliance history. While it is expected that all products are moving towards being labelled in compliance with these regulations, we anticipate those products that have a license as of September 1st but the number does not yet appear on the label will be considered lower priority for enforcement at the retail level.

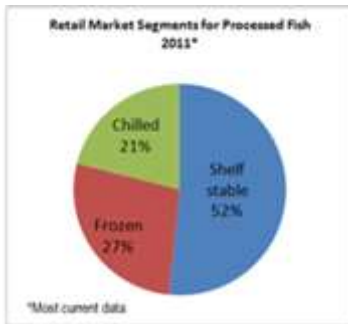
What advice would you give to an exporter looking to bring a product or ingredient into Canada’s NHP supply chain?

The best place to find the products Canadians are looking for is at conferences and trade shows. For 50 years, CHFA has brought together retailers, suppliers and industry experts at annual trade shows in Western and Eastern Canada, and bi-annual shows in Quebec. Our next shows will be held in [Montreal](#) this February 6-7, 2015 and in [Vancouver](#) this April 11-12, 2015. These are dynamic events and great networking opportunities.



Fishery and Seafood Products in Canada

According to Agriculture and AgriFood Canada, the market for fish and seafood in Canada increased from \$3.1 billion (684,200 tonnes) in 2009 to US\$4.3 billion (709,100 tonnes) in 2013.



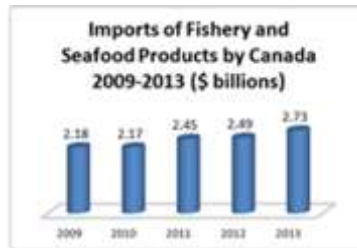
Consumption is expected to continue to rise as Canadians look to fish and seafood as a regular part of a healthy diet.

Prices are also expected to rise significantly (almost 42%) by 2016 from 2009 levels as indicated in the table below.

Using the most current data from Agriculture and AgriFood Canada, shelf-stable processed fish (canned fish, seafood and seaweed, including prepared meals found at food centres in grocery stores) made up 52% of the retail market for processed fish, followed by frozen (27%) and chilled (21%). Chilled products include packaged fish, seafood and seaweed which have been further processed in some way, including smoked and salted fish, but not plain filleted or portioned products.

After a slight dip in 2010, imports of the fishery and seafood products covered in this report rose from \$2.2 billion in 2009

to \$2.7 billion in 2013. Fisheries and Oceans Canada estimates that imports of shellfish led the way at \$1.2 billion, followed by Pelagic fish such as salmon and tuna at \$777 million; ‘other’ fish not elsewhere specified (\$492 million); Groundfish such as cod and halibut (\$316 million); Freshwater Fish such as trout (\$160 million); and other miscellaneous products (\$47 million).



As Food in Canada Inc. reports, sustainability is the top issue in seafood today. To that end, some grocery chains and processors are aligning themselves with seafood sustainability program initiatives such as that offered by Greenpeace which provides a seafood sustainability ranking of North American grocery store chains. The ranking is based on factors such as sustainability policy, labelling and transparency, and number of Red List (threatened) species, such as yellowfin tuna, that are offered for sale. Other retailers have developed their own initiatives, at least in terms of aquaculture. For most Canadian grocers, the choice comes down to the two biggest players on the sustainable seafood scene: Marine Stewardship Council (MSC) and SeaChoice. Eleven per cent of all Canadian ‘landings’ are presently MSC-certified, and another 25% are becoming certified. For farmed fish and seafood, the ASC (the Aquaculture Stewardship Council) certification is the most common in use as it certifies adherence to the voluntary Canadian Organic Aquaculture Standard.

	2009	2010	2011	2012	2013	2014	2015	2016
'000 tonnes	684.2	692.1	698.9	704.4	709.1	716.1	722.9	729.2
C\$ millions	3,137.3	3,637.58	3,963.5	4,040.2	4,271.1	4,429.8	4,587.4	4,744.2
Price per tonne (C\$)	\$4,587.8	\$5,254.9	\$5,670.3	\$5,735.67	6,022.6	\$6,185.4	6,344.9	\$6,505.5

This information has been extracted from the new Market Information Paper “Fishery and Seafood Products 2014”, which will be available soon to registered members at www.tfocanada.ca

Important Requirements for Health Products Under the Food and Drugs Act and its Regulations

Health Canada’s **Natural and Non-prescription Health Products Directorate** (NNHPD) created a guide for importers of all non-prescription health products into Canada including natural health products. The document only addresses the requirements under the Canadian Food and Drugs Act and its Regulations for health products.

Some health products may also have additional restrictions placed on them by other Acts and Legislation, such as the Controlled Drugs and Substances Act and its Regulations. Where two different restrictions/requirements exist, such as the quantity allowed for importation, the most restrictive or prescriptive will take precedence.

This document will aid exporters in understanding the requirements of entry and any restrictions on their natural health products destined for Canadian consumers:

http://hc-sc.gc.ca/dhp-mps/alt_formats/pdf/compli-conform/import-export/gui_0084-eng.pdf

Access to Market Information Papers Online

To access our [Market Information Papers](#), your company needs to be registered with TFO Canada.

It’s easy: just go to www.tfocanada.ca, click on “Register Now” and follow the steps.

Once you are registered with us you will have access to our rich content online, including detailed information related to your sector, in addition to our promotional services.

Latest News in the Canadian Market

[Baird Announces New Trade Initiative at Pacific Alliance Meeting](#)

June 6, 2014

Foreign Affairs Minister John Baird announced the establishment of a new Canadian Trade and Development Facility while attending the Pacific Alliance Dialogue with Observers, held today in Punta Mita, Mexico, as part of the IX Pacific Alliance Summit.

The funding initiative will help developing countries negotiate, implement and benefit from trade and investment agreements with Canada and other countries.

[Canadian Building Materials and Supplies Hit Record High in June](#)

August 21, 2014

Wholesale sales in Canada advanced in June at a faster-than-expected pace on robust sales of agricultural supplies and building materials, Statistics Canada said Wednesday.

Month-over-month wholesale trade rose 0.6% to 53.01 billion Canadian dollars (\$48.44 billion). Traders had anticipated a 0.4% advance, according to economists at Royal Bank of Canada.

On a volume basis, sales climbed 0.7%.

The prior month's data were revised upward, and now indicate wholesale sales rose 2.3% versus the original estimate of a 2.2% gain.

[Canada Posts Largest Trade Surplus Since 2008 on Record Exports](#)

September 5, 2014

Canada ran up its largest trade surplus since the Great Recession this summer in the latest sign that exports are once again driving the economy.

The merchandise trade surplus reached \$2.6-billion in July, up from a revised \$1.8-billion surplus in June, led by surging exports of cars, forest products and machinery, mainly to the United States.

Upcoming Trade Events in Canada

[PACKEX - Montreal](#)

November 19 - November 20, 2014

Packaging industry trade show

[Cargo Logistics Canada Expo - Vancouver](#)

January 28 - January 29, 2015

[CHFA Québec 2015 - Montréal](#)

February 6 - February 7, 2015

[Canadian Food and Beverage Show - Toronto](#)

March 1 - March 3, 2015

[Canada Blooms Flower and Garden Show - Toronto](#)

March 13 - March 22, 2015

[CHFA West 2015 - Vancouver](#)

April 9 - April 12, 2015

[Canadian Produce Marketing Association \(CPMA\) Convention and Trade Show - Montreal](#)

April 15 - April 17, 2015

[SIAL Canada International Food & Beverage Show - Toronto](#)

April 28 - April 30, 2015

[Canada and Honduras Mark Latest Milestone in Implementing Canada-Honduras Free Trade Agreement](#)

September 16, 2014

Agreement to enter into force October 1, 2014. Erin O'Toole, Parliamentary Secretary to the Minister of International Trade, (left) and Sofia Cerrato, Honduras' Ambassador to Canada, today signed the Memorandum of Understanding

Concerning the Uniform Regulations for the Interpretation, Application and Administration of Chapter Five, Customs Procedures, of the Canada-Honduras Free Trade Agreement (FTA).

TFO Canada new Market Access Program

(Continued from page 1)

It includes up-to-date information on Canadian market opportunities and requirements and it facilitates linkages through a database of over 3,000 supply offers from developing country exporters targeted at Canadian buyers.

The new five-year program also includes a training and trade development component for business support organisations from up to 25 developing countries. This will help them to better assist exporters in their countries who wish to enter the Canadian market. Another component of the program aims to help exporters in 20 Least Developed Countries to benefit from duty-free access to the Canadian market.

A fourth component is a responsive facility that will finance trade development projects benefiting smaller exporters from developing countries with which Canada has negotiated or is negotiating a free trade agreement.

The Canadian Market Access and Capacity Building Program is funded primarily by Foreign Affairs, Trade and Development Canada with cost-sharing contributions from TFO Canada and its partners.

Snapshot of TFO Canada Events

Tea Association of Canada: Webinar on the Canadian Market for Tea June 24, 2014

On June 25th 2014 TFO Canada hosted a webinar with Louise Roberge of the Tea Association of Canada webinar on “Trends, opportunities, compliance and challenges in the Canadian Market for Tea” to a number of TFO Canada clients. After introducing the association to participants Ms. Roberge continued to cover topics such as tea consumption by segments, types of teas, different market segments and regulatory issues. Here are some highlights from the webinar:

- 25% of the imported tea in Canada is green, while 75% is black
- In both the United States and Canada, black tea (core and flavoured) is the product which has the biggest growth in consumption from 2012 to 2013 (more than 11%)
- Other types of tea (such as green and herbal tea, have consumption growth between 3% to 11% in both markets)

To listen to this webinar and gain additional insights into the Canadian market for tea please [click here](#).



The Tea Association of Canada is a non-profit organization that promotes the consumption of tea in this country.

TFO Canada and CESO Project Closure

Guyana- July 14-19, 2014
Sector: Leather goods, artisanal products and agro-foods

To capture overall long term results achieved by Guyanese SMEs and partner organizations, TFO Canada Project Manager, Marysabel Gonzalez visited Guyana during the week of July 14, 2014. During her five-day visit, two round tables were

organized with all the stakeholder participants in the agro-food and artisan projects

TFO Canada partnered with another Canadian NGO, CESO (www.ceso-saco.com) in the implementation of this project. Volunteer CESO Advisors provided on-site training and coaching to local firms which the participants described as very useful and having contributed significantly to their export readiness.



Image: The staff of Original Juice Company receiving their diplomas for attending training course - “Introduction to HACCP, GMPs and Sanitation”.

“Exporting To Canada” In-Country Seminars

Accra and Takoradi, Ghana: July 21st-25th, 2014

Nairobi and Eldoret, Kenya: Dates: 28-1 August



TFO Canada’s Belen Mulugeta (Project Manager, Africa) and Ainsley Butler (Partnerships and Program Director) conducted planning visits to Ghana and Kenya in July.

The objective of the visits were to discuss TFO Canada’s new Canadian Market Access and Capacity Building Services initiative and to explore opportunities and requirements for partnering with national trade support institutions (TSIs).

The team also presented exporting to Canada seminars to exporters in their respective countries. 111 exporters attended the seminars in the cities of Accra and Takoradi in Ghana while in Kenya 100 exporters attended the seminars in the cities of Nairobi and Eldoret.

“Exporting To Canada” In-Country Seminars

Quito and Guayaquil, Ecuador June 16- 20, 2014

In the month of June TFO Canada’s Lidia Karamaoun (Senior Project Manager) and Ainsley Butler (Partnerships and Program Director) conducted a planning visit to Ecuador. The objective of the visits were to discuss TFO Canada’s new Canadian Market Access and Capacity Building Services initiative and to explore opportunities and requirements for partnering with national trade support institutions (TSIs).

TFO Canada also delivered an Exporting to Canada Seminar with the national trade promotion agency, ProEcuador, in Quito and Guayaquil to over 100 companies representing exporters and potential exporters. Several local trade support institutions attended the seminar as well.

Canadian Market Familiarization Tour for Honduran SMEs

Toronto and Montreal, August 11-14, 2014

Sector: leather goods, home décor, stationery and jewellery

TFO Canada hosted a small group of women-led small and medium sized enterprises from Honduras on a TFO Canada market familiarization tour. Led by TFO Canada’s Regional Representative Marc Germain the group began its market familiarization tour at the Toronto Gift Fair and the Mode Accessories Show in Toronto, where the companies were exposed to the home décor sector in Canada. The visits to the trade shows were complemented by retail tours in both Toronto and Montreal. The

exporters also had the opportunity to get one-on-one meetings with potential buyers in Montreal following the show.

The women entrepreneurs are manufacturers of a number of different products, including wooden decorative articles, silver jewellery, leather goods and accessories and recycled paper stationery. The women were new to exporting and to the Canadian market. The companies had first-hand exposure to the kinds of products found in the Canadian marketplace and on how to establish contact with potential buyers in their respective fields.

This project was undertaken with funded from the Canada-Americas Trade Related Technical Assistance (CATRTA) facility designed to help businesses from Honduras benefit from a free trade agreement with Canada which will be in force by the end of this year.

Presentation: The Canadian Market and TFO Canada Online Services

Mexico City: August 27th, 2014
Sectors Produce, grains and services



On August 27, 2014 in Mexico City Alma Farias, TFO Canada Regional Representative for Toronto, presented on “Exploring the Canadian market through TFO Canada” The presentation was made to men and women producers of food products, grains and services. The Organization of Women in International Trade (OWIT) - Mexico City Chapter, hosted the event titled “The Evolution of Canadian Investment in Mexico”. David Robillard, President Canadian Chamber of Commerce in Mexico also presented on Canadian Investment in Mexico that left attendees understanding the ins and outs of international trade in Canada.

The Canadian Market is Sweetened with Peruvian Chocolates

The Beginning

The Shattell Chocolates Company was established five years ago in Lima, Peru, as a result of Lisi Montoya, the founder of the company, noticing a lack of quality chocolates in the Peruvian market. Montoya, at that time a veteran in the travel industry, had overseas clients lamenting about not being able to find Peruvian chocolates to take back as souvenirs. So she decided to leap to the opportunity the market provided.

The Journey

Montoya first attempt at making chocolates were not as tasty as she expected so she decided to travel to different cocoa producing cities in the Peruvian Amazon area in order to find the finest cocoa beans for her chocolate bars. In Argentina she acquired an artisan machine which made high quality chocolate. She started learning about chocolate making at the Escuela Latinoamericana de Chocolateria in Cuba, after that she took chocolate courses in Mexico and France.

Montoya decided she wanted to enter the international marketplace when she realized that the organic chocolates that she was making would be appreciated more in countries where organic products are in medium to high demand.

Going Abroad

On the invitation of the Peruvian government Shattell Chocolates participated in Le Salon du Chocolat in Paris for 4 consecutive years since 2010 where they showcased the high quality Peruvian chocolates to the European market. Montoya learnt of new innovations for chocolate production and made new buyer contacts for exporting chocolate bars to Sweden. In 2013 Shattell Chocolate made its first attempt at penetrating the North American Market and exhibited at the Fancy Food Show in the United States, but the company was not successful because of a lack of knowledge of the market. As a result of this experience, and in an effort to learn more about the region's market for chocolate, Montoya made contact with the TFO Canada. Her interaction led Montoya to take part in TFO Canada's Market Entry Study Program, a partnership with four business schools and TFO Canada. In 2013, Shattell received their very own Canadian market entry plan from the Concordia University MBA team.

Following the recommendations provided in the final market entry study, Montoya participated in the 2014 Salon International de l'alimentation (SIAL) manufactured foods show in Montréal as part of a Canadian market familiarization project as a result of a partnership



Lisi Montoya poses with her booth at the SIAL food trade show in Montreal this May 2014

between TFO Canada and the Peruvian Asociación de Exportadores (ADEX). At SIAL she developed a business relationship with one of the most important Montreal importers and distributors of gourmet food from all over the world. This new relationship also resulted in a private label deal which increased Shattell Chocolates' production from 1 to 4 Tons of chocolate per month, leading the company to invest in new markets and infrastructure.

"TFO Canada coached us in how to structure our company for going abroad. The organization also gave us information about other important considerations such as the local regulations for packaging and labelling, which are important elements that you must add to your product in order to ensure a successful market entry"

-Lisi Montoya, Shattell Chocolates



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TFO Canada confronts the challenge of global poverty by promoting sustainable economic development through export information, advice and contact. We facilitate access to the Canadian marketplace and share Canadian trade expertise for the benefit of smaller male and female owned/managed exporters from developing countries and for the men and women they employ. Founded in 1980, TFO Canada is a non-governmental, non profit organization.

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