

Export To Canada News

Information • Advice • Contact

December 2014 Issue 20

Trade Matters

On November 17th, 2014, I joined the TFO Canada team. This was a very big day for me as the organization combines two of my passions in life: International trade and development.

I am a firm believer that one of the important methods to alleviating poverty in the developing world is through trade with other countries. There is little doubt that trade can enable entrepreneurs who manage small and medium sized companies to prosper through market expansion, which in turn allows them to hire more employees. This all can lead to economic prosperity and stability in communities.

At the recent World Trade Organization Public Forum held in Geneva in October 2014, the theme "Why Trade Matters to Everyone" was discussed across 68 sessions by hundreds of participants- Non-governmental organizations, academics, private sector, media, governments, international organizations, and members of the public. In his keynote address, UN Secretary-General, Ban Ki-Moon expressed the importance of trade in a very succinct manner. "An ounce of trade can be worth a pound of aid. The question is not whether trade matters, but how we can make trade a better driver equitable, sustainable development."

At TFO Canada, we strive to answer this question on a daily basis. Through our trade promotion activities, training programs, market access & capacity building services, and information that we provide to developing country exporters as well as trade support institutions, our intent is to provide practical tools that equip everyone with what they need to be successful in Canada.

The theme for this edition of our newsletter is *Sustainable and Ethical Practices in Trade*. I trust that our readers will, once again, find valuable insights as you contemplate and develop strategies with Canadian importers.

I look forward to working with many of you as TFO Canada continues to facilitate access to the Canadian marketplace and share Canadian trade expertise for the benefit of smaller male and female owned/managed exporting companies and for the men and women they employ.

On behalf of the team at TFO Canada we wish you a happy holiday season and a prosperous 2015 filled with success in international trade.

Steve Tipman
Executive Director
TFO Canada



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Women as Social Entrepreneurs

In one of Women of Influence Inc.'s recent article titled <u>The Rise of Social Enterprise</u>, it stated that in the global corporate world, doing your part for the environment and society through corporate social responsibility has become a necessary part of doing business and brand building. The article indicated that a lot of social enterprise is happening in the developing countries in Africa and Latin America.

With this in mind TFO Canada reached out to three women social entrepreneurs to get their perspectives and actions on practicing ethical buying. They are Hedvig Alexander of Far and Wide Collective, Jennifer Lonergan of Artiste Sud and Laura Schnurr of Beads of Awareness these women operate businesses and organizations focused on enriching the lives of artisans especially women in developing countries. Read their stories on their motivation on starting a social enterprise.

(Continued on page 2)

Upcoming Webinars

How to Engage the Canadian Alcoholic Beverages Market January 21, 2015 11:00 am

<u>Best Practices of Corporate Social Responsibility from the Supply-Chain Perspective</u>

February 12, 2015 10:30am

<u>Intellectual Property: Trademarks for SMEs Exporters</u> February 18, 2015 11:00 am

Regulations to be aware of when Exporting Natural Health Products to Canada

March 5, 2015 at 10:30am

TFO Canada Online Services:

<u>Spanish</u> - January 15, 2015 at 11:30am <u>English</u> - March 26, 2015 at 10:30 am



Women as Social Entrepreneurs



Farandwidecollective.ca was started by Hedvig Alexander as an online marketplace to connect talented artisans in post-conflict and developing economies, from Afghanistan to Kenya, with buyers across North America. One of the biggest obstacles for low-income countries on the path to prosperity is lack of access to international markets and buyers. For many developing economies, crafts production is the second largest employer after

agriculture. It allows millions to earn a living and own their own business, particularly women, who are most vulnerable in many of these societies. Western consumers are increasingly buying the kind of authentic accessories, home décor and fashion items handmade by artisans and small crafts businesses. There is now a golden opportunity to create a reliable supply chain linking artisans to this growing market. But for many traditional and mainstream retailers, sourcing from emerging-market artisans is seen as too risky and existing online platforms tend to be accessible only to craft producers who already have an online presence, excluding many talented artisans from the developing world. Far & Wide was founded to help artisans overcome such barriers to international markets. Ethical sourcing is at the core of business. Far & Wide uses Fair Trade Principles to guide procurement and source products from low-income and often marginalized communities (less than \$5,000 GDP per capital). The organization supports artisans who treat employees fairly and minimize their impact on the environment, such as a cooperative of women in India that reuses old saris to produce beautiful scarves, or a small company in Swaziland that creates home décor and jewellery out of recycled magazines. Success is measured based on the growth and success of each artisan.

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Artistri Sud is a Montreal-based non-profit organization founded in 2009 to support women's efforts to generate sustainable revenue based on their existing cultural assets. Its founders had been working with artisans and small producers in developing countries in Asia, Africa and Latin America - Jennifer Lonergan as a buyer for a fair trade bou-

tique and Pilar Albareda as director of IFAT (now World Fair Trade Organization) in Latin America - and they identified a need to build producers' capacity if they were to succeed in accessing global markets. "These are skilled craftspeople, they really know their craft," says Lonergan. "But they have trouble turning that into revenue. For one thing, they tend to make the same designs and products over and over again. And even when they're open to creating a new product, they have trouble figuring out what might sell. We provide them with the tools to do that." Together with a team of business experts, entrepreneurs and development professionals led by pedagogical specialist Virginia Armeni, Lonergan developed an intensive 5-day program designed to bridge the knowledge gap, the Artistri Sud Social Entrepreneurship Training (ASSET) program. The pilot project, delivered in Bolivia late in 2013, had impressive results: on average, participants saw a 57% increase in sales in just one year. Having experimented with a retail outlet, Artistri, in Montreal, and wholesaling for several local boutiques, Artistri Sud is currently grappling with how it can play a more active role in bringing the women's products to Northern markets. "Our goal is to act as a bridge to market without encouraging their dependence on us!" says Lonergan.

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Beads of Awareness, founded by entrepreneurs Laura Schnurr and • beads • of • awareness • Thomas Prince, has been working in Gulu, Uganda since 2010 to support women's cooperatives and encourage economic empowerment in the community. Through purchasing paper bead jewellery

and other products from our artisans and selling them in international markets (mostly Canada, with some sales in UK and US), the organization is able to increase the cooperatives' market access while providing new business opportunities. One of the ways that Beads of Awareness tries to achieve social impact is through responsible purchasing according to fair trade practices. This includes purchasing pieces slightly above market prices, conscious of the need to offer fair compensation without creating income disparities in the community or encouraging young women to leave their studies. Beyond decent wages, fair trade practice consists of dialogue, respect and understanding. For Beads of Awareness, this means dividing orders equally among groups to reduce risk of disputes, and placing regular orders to provide a reliable, predictable source of income. At the same time, Beads of Awareness adapts its purchasing according to the needs and structure of different artisans- some working in groups, while others sell individually. The organization also reinvests profits into local development projects, mainly microfinance loans for education, literacy and sustainable agriculture. The Program design and implementation is led by a Board of Directors in Uganda, with representation from two project staff, bead-making groups and local stakeholders. In this way, Beads of Awareness ensures that those benefiting from the project funding have ownership and influence over how the funds actually get spent.

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Guide to Corporate Social Responsibility for Small & Medium Sized Enterprises Exporting to Canada

What is Corporate Social Responsibility?

Corporate Social Responsibility (CSR) is an increasingly important subject for small and medium enterprises interested in exporting to Canada. CSR encompasses a variety of topics and activities including; human rights, management practices, the environment, fair operating practices, labour practices, consumer issues and community involvement and development.

The landscape for CSR in Canada is constantly evolving but, in general, the Canadian business community is working towards greater disclosure and transparency in their operations. Small and medium enterprises (SME's) exporting to Canada should be aware of the trend towards integrating CSR into business practices in Canada for a number of reasons. Being socially responsible can increase profits because conscientious Canadian consumers are sometimes willing to pay a premium for products that have social responsibility as part of their value proposition. Social responsibility is also important is because it can reduce costs,

Implementing CSR into Business Practices

Integrating CSR standards into your business operations



Figure 1 Performance Categories in ISO26000

improve innovation and productivity within your company, increase employee morale and eliminate risks that may have otherwise gone unnoticed.

is a six step process. The first step is commitment and leadership. Implementing a CSR policy requires the commitment of the leadership in the company to CSR because it plays a key role in making decisions, setting the goals of the company and communicating these goals both internally and externally. The second step is understanding and documenting regulatory requirements stakeholder expectations on CSR. This step involves identifying and meeting with stakeholders and finding out what their expectations are of the company. The third step is to assess the performance of the company against the stakeholder expectations. Fourth, the company should create an action plan that addresses the CSR priorities and stakeholder expectations for the company. The fifth step in implementing a CSR program is to determine how to best tell the story of your CSR performance. A report may be too time consuming and costly to produce but documenting CSR performance can be as simple as publishing a chart that explains how performance is measured. The final step is to monitor and review CSR performance on a regular basis.

This information has been extracted from the new "Guide to Corporate Social Responsibility for Small & Medium Sized Enterprises Exporting to Canada", which is available to registered members at www.tfocanada.ca/mip.php

Canadian Government's Corporate Social Responsibility (CSR) Toolkit

Industry Canada created a Toolkit for Canadian businesses to use as a guide in adapting CSR practices and principles into business operations. It provides practical guidance on why and how to integrate sustainability-oriented practices into business operations. The toolkit is divided into five themesgovernance, decision-making, human resources, purchasing and marketing.

This toolkit can be reviewed by exporters to get an idea of what is expected of a socially responsible organization.

http://www.ic.gc.ca/eic/site/csr-rse.nsf/eng/h_rs00597.html

Access to Market Information Papers Online

To access our <u>Market Information Papers</u>, 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.

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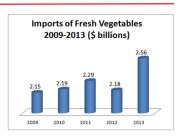
Canadian Market for Fresh Fruit & Vegetables

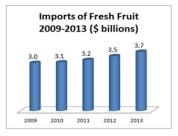
The Canadian market for fresh fruits and vegetables is estimated at \$11.2 billion per year. On average, Canadians purchase fresh produce at least once per week and consume three to five servings per day, well below the eight to ten servings recommended by Canada's Food Guide. Increasing consumer awareness has led to a renewed interest in the health benefits of eating unprocessed and nutrient-rich produce, particularly amongst Canada's ageing population. From 2009 to 2013, Canadian consumption of fruit rose 6%

driven by increases in exotic fruits including limes, avocados, dates, guavas and mangoes. Vegetable consumption rose 5% during this same period, led by increases in green leafy vegetables such as Kohlrabi, Brussel sprouts, rapini and leeks, as well as growth in sweet potatoes, okra and manioc. Given that Canada has a relatively short harvest season, there is a sizeable import market for fresh fruits and vegetables in this country. Canada's imports of fruits remained stable in 2013 at \$3.7 billion. while imports vegetables reached a five-year high of \$2.2 billion. Although the

U.S. and Mexico remain Canada's principal food suppliers, the popularity of "superfoods" and mainstream adoption of ethnic grocers offer promising opportunities for exporters from around the world.

Exporters should be aware that the Government of Canada is currently undertaking major changes in rules for importing food to Canada, particularly for labelling and inspection. The new Safe Food for Canadian Act and associated regulations are expected to come into force by mid-2015.





This information has been extracted from the new Market Information Paper "Fresh Fruits & Vegetables", which is available to registered members at www.tfocanada.ca/mip.php

Focus on Women in Trade



Gender-based barriers in trade persist, but navigating these can lead to great business success. Leading business women from around the world who are members of the <u>Organization for Women in International Trade</u> (OWIT) are

aware of them. Women working in developing and developed economies share common barriers. Some of these barriers include access to finance, intimidation in traditionally maledominated work places, and exclusion from powerful networks and limited acknowledgement of women's economic contribution. Yet the examples of overcoming and adapting to these

challenges abound. OWIT members have experienced these barriers in their respective roles in international trade.

OWIT is a source of support for women to stay involved in trade activities, against the odds, as more experienced exporters and professionals mentor the new entrants to the world of trade and link them to the information and services they need. TFO Canada will be playing a more active role moving forward to ensure that women entrepreneurs have more opportunities to access the information, contact and advice they require to increase gender equality in trade.

Reducing Ecological Footprint In the Food and Food Service Industry: Environmental Management System (EMS) In Action

In the summer of this year Cascade Inc. launched a new packaging product called "Respak" which is its ecological answer to the environmental challenge of poly-coated packaging products.



Learn more about this product at www.cascades.com/en/respak

Haiti's Caribbean Craft Wins as a Social Enterprise

In 2013 Magalie Dresse of <u>Caribbean Craft</u> was awarded the Innovative Social Sustainability award at the Latin Trade Symposium and BRAVO Business Award in Miami. The Haitian company not only uses recycled cement bags to create papier-mâché decorative items and natural arrowroot glue instead of imported white glue in their production, but also considers forest sustainability by refusing to use Haitian wood in any of its product lines.

Caribbean Craft further gives back to the community where their factory is located, providing stable jobs to established artisans and implementing training programs to untrained artisans, such as a literacy program through one of its partners whose first class graduated in October 2014. With products now available in five provinces including Saskatchewan and New Brunswick, Caribbean Craft has tripled its Canadian buyers within the last year alone. This Christmas, you can find the company's eco-friendly papier-mâché animal sculptures and faux taxidermy at the holiday display windows of Hudson's Bay (Toronto, Canada) and Lord & Taylor (New York, USA).

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Snapshot of TFO Canada Events

Export to Canada Seminars in Nine Countries

Oct-Dec, 2014

From October to December, TFO Canada's **Project** Managers delivered Export to Canada Seminars in nine developing countries spanning Honduras, El Salvador, Vietnam, Indonesia. Saint Lucia. Dominica, Sri Lanka, Jordan and Nicaragua. A total of 650 local SME exporters were exposed to key features of the Canadian market, including product trends, consumer profiles, and export documentation needed to enter Canadian marketplace.



Seminar in Saint Lucia

The seminars were hosted in partnership with local Trade Support Institutions (TSIs) in each country, who will continue to receive ongoing capacity-building support from TFO Canada to better provide Canadian market access services to SMEs.

Peruvian Clothing Mission to Montreal & Toronto

Sept 29-Oct 2, 2014

From September 29 to October 2, 2014, TFO Canada in cooperation with the Peruvian Exporters Association (ADEX) hosted an incoming delegation of five Peruvian clothing suppliers for women and

infants. TFO Canada's sector experts led the companies through a retail tour in the major commercial centres of Montreal and Toronto, where they were familiarized with product variety and market trends in Canada. also received companies training on negotiations before meeting with buyers and retailers. A total of \$55,000 in orders have already been generated from the mission.

Buyer Trade Mission to Guatemala

Oct 1-2, 2014

TFO Canada in partnership with AGEXPORT and COEXPORT organized a mission of nine importers in the processed food sector to visit the MANUFEXPORT Trade Show in La Antigua, Guatemala on October 1-2, 2014.

Seminar on Food Sector Labeling in Toronto

Nov 5, 2014



On November 5, 2014, TFO Regional Canada Representative Alma Farias hosted a seminar for trade representatives based Toronto on "Labelling Rules for the Food Sector in Canada". A panel including speakers from government and industry provided key insights and updates on import and labeling

requirements for food items entering the Canadian market. The event was by over 20 trade representatives from developing countries and emerging markets.

Buyer Trade Mission to Nicaragua

Nov 24-25, 2014



Buyers meeting with Tropicana Farms plantain producers

In November 24 and 25th TFO Canada and PRONicaragua also hosted a trade mission of seven importers in the fresh fruit and vegetables sector. Importer participants in both mission had the opportunity to participate in site visits and B2B meetings with the exporters.

Briefing to DFATD Panel on Public-Private Partnerships

Nov 26, 2014

On November 26, 2014, TFO Canada was one of three organizations invited to participate in a DFATD panel on "Public-Private Partnerships (PPPs): Bridging Social Benefits and Profits" hosted by Chief Development Officer David Morrison. Joining representatives from Plan Canada and Sarona Asset Management, Programme & Partnerships Director Ainsley Butler spoke to TFO Canada's experiences and long tradition of liaising public funded entities with the private sector through its trade promotion activities. Over 40 representatives from DFTAD's development and trade branches attended the event, with the goal of exploring potential new models for PPPs.

Trade Representatives Seminar on Corporate Social Responsibility

Dec 2, 2014

On December 2, 2014, TFO Canada in cooperation with the Department of Foreign Affairs, Trade and Development (DFTAD) hosted a panel entitled "Changing Expectations: An Introduction to Corporate Social Responsibility (CSR)". Expert panelists including representatives from Canadian government, private sector and consultants provided insight into **CSR** considerations for small and medium-sized businesses looking to export to Canada, including the green buying practices of two major Canadian companies: Loblaw and Tim Horton's. The event was attended by over 50 trade representatives from developing countries.



Moderator Kevin Brady outlines four major CSR trends



Succeeding in a Man's World: Amazon Authentics Navigates the Hurdles

Irene Bacchus-Holder is a woman in a male-dominated sector - the wood products industry in Guyana. owner-manager of Amazon Authentics, Irene had her share of battles in the early years, beginning on the forest floor: "I had to fight with the cutters to get the species I ordered," she says, "so I found new suppliers. I got log ends from Chinese and Malaysian loggers and I was able to work with a group of women loggers who gathered the pieces for me."

Another battle was supervising male employees. "As soon as the young men feel they can handle the tools, they start making demands and they become rude when told to meet targets," she says. These workers are no longer with her. "My response was to learn all aspects of my business and now I can do everything, including turning the hardest species."

Today, Amazon Authentics has six permanent employees and ten contractors

fashioning a wide range of pieces, from vases to bowls to jewelry, using waste wood left behind by the logging companies. Irene began exporting in 2007 to customers in Trinidad, Barbados and Antigua; however, potential for growth in the region was limited, so she began to look north to grow her business.

With the assistance of TFO Canada, Irene participated in Canadian Gift Tableware Association (CGTA) gift show in Toronto in August of 2013. While the show did not generate immediate sales. participants made numerous new contacts and learned some valuable lessons reducing costs and creating designs more reflective of Guyana's culture and ecology.

Since the show, Irene has developed a new line of products, grown her networks and updated her marketing materials, such as her corporate video and website. She has used her experience with the project to ship goods to customers in Canada and she



Irene Bacchus-Holder turning wood for high-end furniture

hopes to expand on those sales so she can invest in new machinery. The economy may be slowing, but that's just one more challenge to a woman used to going against the grain. For Irene, being a successful woman entrepreneur in a man's world is a realistic goal. "I would advise women to stick with what you want to do," she says. "Don't be

caught up with what you feel is 'man's work'; there is always a way around the hurdles. Do your research, find out what help is offered and go after it!"

<u>Click here</u> to view a video of Amazon Authentics



Experts in trade for developing countries Experts en commerce au service des pays en développement Expertos en comercio al servicio de los países en desarrollo

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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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