

# EXPORT TO CANADA NEWS

INFORMATION · ADVICE · CONTACT

## PROCESSED FOOD MARKETS AND SUPPLY CHAIN

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**STEVE TIPMAN**  
EXECUTIVE DIRECTOR  
TFO CANADA

## Supply Chains and the cost of food

Undoubtedly the prolonged COVID-19 pandemic has caused significant challenges in the supply chain contributing to rising costs of food. According to Statistics Canada, 71.9% of Canadian businesses reported experiencing difficulties in the food supply chain during the first quarter of 2022. The Canada Food Price Report shows that families in Canada spent an average of \$936.40 per month on food costs in 2021; with the average grocery cost of \$200.51 per person per month. It is also worth noting that 62% of Canadians eat out less often than before the pandemic.

Some of the leading disruptions in the food supply chain include increased delays in deliveries, product and supply shortages and increased prices of inputs. Experts are fully expecting these disruptions to continue, with additional difficulties in acquiring certain goods, such as fresh produce and meats. Businesses are uncertain about how long these challenges will persist, and many are having trouble coping with the financial losses they have faced. As a result, there is a fear that this may lead to even higher prices for consumers in the coming months.

Faced with these current realities, here are a few actions that some Canadian food importers are taking:

- To minimize transportation, they are looking to source locally (when they can).
- Some are searching for alternative sources of supply that are closer to their location.
- Some are demonstrating greater flexibility in making faster payments to suppliers.
- Where it makes sense, some are managing “just-in-case” inventories compared to a more traditional “just-in-time” inventory.
- Some are placing provisional orders.
- Some are looking at strengthening relationships with their suppliers.

To address supply issues, some are also seeking to diversify their suppliers.

While issues in the food sector are quite complex, TFO Canada is there to help. We offer a number of services such as our online trade services, market information papers, trade mission support and business-to-business matchmaking.

## *Tipman's Trade Tip*

You should only attend trade shows that match your marketing objectives.

With the world continuing along the pathway of the “new normal”, it is worth sharing a “Trade Tip” from 5 years ago. With the costs associated with international travel, it is even more important than ever.

*When evaluating which trade show to attend, it is important to consider its purpose, whether or not your target audience will be attending, information about other exhibitors, the layout of the show, and how trade shows may or may not fit with your larger marketing plan.*

*It is always better to have this information in hand before making the investment and decision to attend.*







## GLOBAL SUPPLY CHAIN TRENDS IN THE PROCESSED FOODS SECTOR

*By Christian Sivière, TFO Canada Associate*

As the world emerges from the pandemic, its effects are still being felt. The lockdowns that put people out of work are mostly over but strains in our global supply chain persist. In addition, trade tensions between the U.S. and China, natural disasters and, more recently, the Russian invasion of Ukraine, combined to create more supply chain disruptions. Increases in energy prices, volatility in commodity markets, and shortages of raw materials generate uncertainties for all industries, and particularly in the food sector. In Canada and other countries, a shortage of labour augments the challenges for many businesses.

During the pandemic, the food sector remained brisk, but the industry had to adapt to changes in consumer behaviour. Eating out was not possible, many restaurants closed, conferences, conventions, trade shows and tourism came to a halt, greatly impacting the hospitality industry. Although these activities are coming back, as we see from congestion and delays at airports, some of the new trends appear to be lasting, like ordering groceries online, purchasing food to take-out or ready-to-cook meals. This, together with growing consumer interest in more healthy food, had an impact on food distribution, particularly on the need for warehouse space, including temperature-controlled space. Cold storage and transportation are activities we used to take for granted, but, here again, labour shortages and increased energy costs add challenges for the food industry. In pre-pandemic times, distribution was linear, from producer or importer to wholesaler and to retailer. It is now a little more complex: due to the shift in consumer and market demand, faster and more flexible delivery options are expected. And there is also a trend to buy local, a sort of nearshoring, which for Canada has its limits, due to climatic and production constraints.

However, there are positive signs that give us reason to be optimistic. The Canadian economy is doing relatively well and experiencing good growth, ahead of other G7 countries. International logistics costs, which had gone through the roof in 2021, are down to more reasonable levels. The benchmark 40 ft ocean container rate from China to the US West Coast, which had reached US\$20,000, is now back down to US\$5,500. On the energy front, although natural gas remains expensive, oil has come down from a high of US\$140/barrel immediately following Russia's invasion of Ukraine, to around US\$90/barrel. This will help bring inflation under control. And even with global warming, Canada does not grow olives, dates, avocados or bananas, so savvy Canadian consumers will still be looking for quality exotic fares, and there will always be room for fine imported food products.

The updated version of the Market Information Paper in the processed fruits and vegetables sector will be available soon on [TFO Canada's website](#).

# PROCESSED FOOD MARKET IN CANADA: IS THERE ROOM FOR AFRICA'S EXPORTERS?

*By Susan Baka, TFO Canada's Regional Representative - Ontario*

Canada has a population of over 38 million, and processed food and beverage manufacturing is a big part of the country's economy. In fact, it is the second largest manufacturing sector in Canada. What's more, some 70% of processed foods and beverages purchased are made by domestic manufacturers. Is there room for African exporters?

The sector in Canada is facing challenges, such as labour shortages and the impacts of COVID-19, coupled with rising food costs. However, resulting changes in consumer demands actually present new opportunities for exporters.



**Trend:** The pandemic put an emphasis on wellness and healthy eating, which continues post-pandemic. Add to this Canada's aging population which tends to focus on healthy lifestyles, including a preference for organic and natural ingredients. The pandemic also spawned consumer interest in trying new and different flavours and food. In addition, millennials have been exposed to many different cultures which has broadened their tastes. They are also tech-savvy and informed and want to know about the products they buy, searching out companies aligned with their own values (such as those providing eco-friendly and fair-trade products). Plant-based foods, for their health and environmental benefits, are on the rise.

**Opportunities:** The quest for nutrition, taste and texture, along with increased plant-based food consumption, are putting interesting grains and grain products on regular shopping lists. Imports from the baked goods sector have risen steadily over the last five years, and Canada's gluten-free food & beverage market is forecasted to grow. While frozen desserts have seen a downward trend, there is room for healthier options which still contain some sugar. Canada actually imported \$35 million in sugar and confectionery products from Côte d'Ivoire in 2020, and almost 36% of Madagascar's processed foods imported by Canada is vanilla. And, of course, the desire for fair trade food products presents another opportunity for African exporters.

**Trend:** Canada's population is increasingly diverse, making it one of the most multicultural countries in the world. More than 250 ethnic origins are present and, of the 7+ million immigrants here, over 13% of recent arrivals were born in Africa.

**Opportunity:** Canada's diversity has impacted consumer taste for ethnic foods, presenting an opportunity for African exporters to introduce diverse ingredients (eg. spices and powders), supplements, and processed foods (eg. coffee, tea, oils, sauces, caviar, frozen fruits and vegetables) into the market as well as cater to Canadians of African origin.

## Online Presence is Key

Technological advances have changed consumer behaviour. In Canada, 50% of consumers search for products and services online prior to making a purchase. While platforms like Amazon have numerous requirements for food vendors, making it challenging to sell B2C, it is critical to have an online presence that showcases and describes your products well to educate and impress Canadian food buyers and importers and to encourage consumers to seek them out locally.



## PROGRAM UPDATES

### *Asia and the Middle East*

The Asia team is actively working with partners, local technical experts and local coordinators to implement the next program activities in the region, which include preparation for attending international trade shows (e.g. NY Now show this past August for up to 14 Bangladesh SMEs), ongoing development/implementation of Gender Action Plans (GAP) for Trade Support Institutions (TSIs) and preparation for the next batch of SME capacity building by delivering gender-responsive training on export readiness to SMEs in Jordan, Indonesia and Cambodia.

In August 2022, gender-responsive training on export readiness was delivered to Vietnamese SMEs from the processed food and Apparel sectors. The training also included technical training on Gender Equality and Social Inclusion (GESI), Digital marketing, Corporate Social Responsibility (CSR) and Climate-smart business practices.

Under the [Women in Trade \(WIT\) Knowledge Platform to boost inclusive and sustainable growth project](#), TFO Canada, the Asia-Mekong Institute (MI) and Africa-Centre for the Study of the Economies of Africa (CSEA) completed online surveys in six targeted countries and qualitative research analysis to explore in-depth insights into women's economic empowerment. The regional research partners presented all research findings along with the policy recommendations from the research at the last regional Multi-stakeholder Forums (July-August 2022). The project will explore how women-led SMEs from developing countries benefit from international trade opportunities, which can be used by both the private and public sectors at country, regional and global levels.



Training participants in Vietnam - August 2022

## PROGRAM UPDATES

### *Africa & Haiti*

**E-Commerce and Digital Marketing Training:** TFO Canada in collaboration with CFI-Haiti and experts from Canada, held a four-day capacity building training on E-Commerce and Digital marketing in June. 20 SMEs in the aromatherapy sector participated and were further prepared to take part in the market familiarization tour in Montreal, scheduled for November 2022.

**Export Readiness:** in August, the Africa team conducted capacity building trainings on export readiness to 140 SMEs. 59 of these SMEs were from Ethiopia and 46 were from Zambia. These countries are now preparing for the next phase of the project which is the participation in market access activities. The next market access activity is the Gulf Food Trade Show scheduled for February 20-25, 2023 with the participation of SMEs from Ethiopia, Kenya and Ghana.

**SIAL Paris:** following extensive capacity building trainings on export readiness, the Africa team will support the participation of 30 SMEs from Côte d'Ivoire, Senegal, and Madagascar in the agri-foods sector in SIAL Paris in October.



# PROGRAM UPDATES

## Latin America & the Caribbean

Under the framework of the Women in Trade for Inclusive and Sustainable Growth (WITSG) project, a delegation of five women-led SMEs from Guatemala in the handicraft and home décor sectors participated in the New York (NY) Now tradeshow in August. The mission was a success, as the Guatemalan pavilion won the Innovative Booth Design Award, and the companies achieved a total of 172 connections with potential buyers. This mission was the culmination of training that started last year, along with a customized coaching and product adaptation process. These companies create employment opportunities for women indigenous artisans in Guatemala and promote the country's cultural heritage and savoir-faire through their products.



In Peru, a study about Gender in the Trade Sector was completed, which provides an outlook on women in the labour workforce and in the trade sector in the country. This information will allow better tackling of the challenges that women face and better envisioning of solutions for their empowerment in the sector.

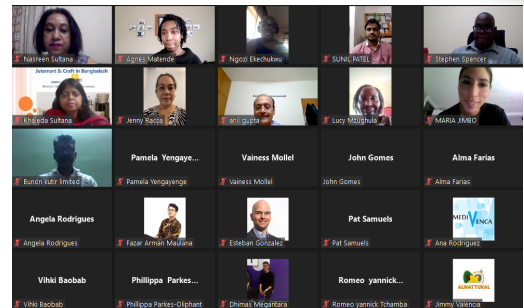
TSIs from Peru, Honduras and Guatemala started delivering a new round of export readiness and technical training to their network of SMEs, on digital marketing, eCommerce, Environment and Climate Change (ECC) and CSR. Six virtual sessions have been delivered, two in Peru and four in Honduras. Training will continue in the fall.

## SPOTLIGHT ON TFO CANADA ACTIVITIES

### **Webinar: Introduction to TFO Canada Online Services**

August 2022

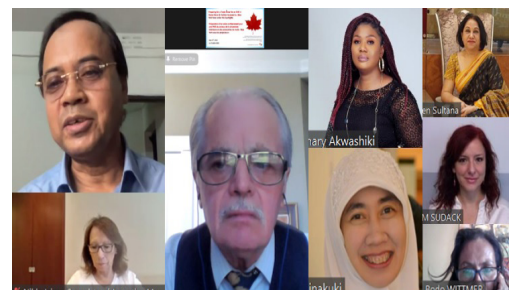
TFO Canada hosted three 'how to' webinars this summer introducing the new website and online services. The webinar provides guidelines to exporters on TFO Canada's website registration process, access to market informations and more! Take advantage of the resources, including the recordings available in: [English](#), [French](#), and [Spanish](#).



### **Webinar: Preparing for a Trade Show in Home Decor and Fashion Accessories**

July 2022

Jacques Nadeau, TFO Canada's Quebec Regional Representative, presented a webinar in July with tips to help SMEs get a return on their investment of time and money when exhibiting at trade shows for the home décor and fashion markets. [Full recording.](#)





# SPOTLIGHT ON TFO CANADA ACTIVITIES

## *Monitoring Visit to Peru*

*September 2022*

TFO Canada's Executive Director, Steve Tipman, participated in a monitoring visit to Peru, where he met with official authorities and local partners. He had a working meeting with H.E. Ana Cecilia Gervasi, Deputy Minister of Foreign Affairs of Peru, with whom he discussed the cooperation projects being implemented in Peru and new areas of potential cooperation.

During the visit, TFO Canada met with its local partner institution, PromPerú, and local supporting organizations, Peruvian Association of Exporters (ADEX) and Ministry of Foreign Trade and Tourism (MINCETUR) to discuss progress made in the project, next steps, potential synergies with other initiatives, and review the implementation strategy.



In a meeting with the 10 selected companies that participated in SIAL last April 2022, TFO Canada had a conversation with the companies to determine the degree of progress of the post-SIAL negotiations, exchange experiences and lessons learned among potential exporters and identify actions that could increase their likelihood of exporting; all companies are in the process of negotiating with potential Canadian buyers.

## TFO CANADA ANNUAL IMPACT REPORT 2021-2022



TFO Canada is proud to present its second Annual Impact Report. As we continue to respond to the global effects and challenges of COVID-19 trade led development remains our focus and is truly the centerpiece of our work. The 2021-2022 Impact Report highlights TFO Canada's success in cultivating new funding partnerships, fostering strong relationships in target countries, and expanding our network of associates across the globe. This has allowed us to continually adapt and deliver impactful results – from developing e-services under our brand new TFO Canada website, working with trade support institutions to build the capacity of small and medium enterprises on their export market strategies, planning market access activities for the year 2022, to supporting the governments of Peru and Indonesia in enhancing trade facilitation processes that will save time and money for companies doing business in these countries.

[Happy reading!](#)

## *Regional Reports*

### *Susan Baka, Regional Representative Ontario*

#### *July – September 2022*

In-person trade shows resumed during the summer and included attendance at the [Mode Show](#) and the Toronto [Gift & Home Show](#), both held in Toronto in August. Buyers and importers exhibiting at the shows were introduced to how TFO Canada can help them source products from developing countries. Upcoming Toronto shows this fall that Ms. Baka will also attend to promote TFO Canada's services include [CHFA Now](#), [Grocery Innovations Canada](#) and [Apparel and Textile Sourcing Canada](#). This activity helps to increase the pool of Canadian buyers who can search our database of SME exporters to diversify their sources of supply.

### *Jacques Nadeau, Regional Representative Quebec*

#### *July – September 2022*

The networking activity continued in July and August in order to create sustainable links with foreign consulates based in Montreal, governmental institutions promoting commercial activities in developing countries, and universities whose curriculum brings a global vision of international development. Mr. Nadeau met with the Consulates of Peru and Guatemala in Montreal, highlighting the importance of facilitating "Business to Business" networking between SME exporters and Quebec importers.



## NEW STAFF



**Allison Boulton**  
**Regional Representative in British Columbia**

Allison is a seasoned trade professional with deep experience in the export of processed Canadian agrifoods with a focus on Asia. Her role as the Vancouver based TFO Regional Representative for British Columbia has her working across sectors to promote trade, and increase the knowledge of exporters and Trade Support Institutions around the globe.

By way of background, Allison grew up on a mixed farm in rural Manitoba and headed west to obtain a Bachelor of Commerce degree from the University of Victoria. She spent a decade in Canada's wine industry, building a thriving boutique Canadian winery with exports to over 20 countries. Allison relocated to China and the Middle East to earn her MBA and work as the China Director of Marketing and Trade Sales in the beverage industry. Upon returning to Canada, she worked as an International Trade Advisor with Small Business BC and started her own firm assisting entrepreneurs grow globally.

In conjunction with the provincial and federal governments, Allison was part of the team that developed B.C.'s Export Navigator program, an ongoing economic development initiative to grow B.C. exports. She led a team of Export Advisors advising on export issues and assisting hundreds of SMEs across the province. Throughout her career, Allison has shared her extensive knowledge in cross-border trade, international sales and cross-cultural communications with audiences around the world, and continues to contribute to supporting SMEs as a writer, mentor and speaker.

**Baharnesh Mesfin Teshome**  
**Communications and Trade Support Services Project Officer**

Baharnesh joined TFO Canada as a Communications and Trade Support Services Project Officer in August 2022. She is responsible for providing support in creating communication materials, conducting research on the Canadian market and the dissemination of trade related information and services on internal and external communication channels.

She is a Certified International Trade Professional CITP®|FIBP® and is passionate about supporting small and medium size businesses access and navigate new markets through extensive research, outreach, analysis, and advocacy. Prior to joining TFO Canada, Baharnesh served at the United Nations Industrial Development Organisation (UNIDO) in Ethiopia, as a National Advisor on Investment and Technology Promotion under the Investment and Technology Promotion Office of Korea. She holds an LLB, Bachelor's Degree in Law from Keele University, and an LLM, Master's degree in International Trade Law from Newcastle University, in the United Kingdom.



# COOPERATIVE SANAD: A COMMITMENT TO THE ECONOMIC EMPOWERMENT OF RURAL WOMEN

Coopérative Sanad was founded in 2013 by Amina Majdi. Located in the Beni Mellal-Khenifra region in northern Morocco, the agricultural cooperative brings together 68 rural women who specialize in the production and distribution of spices, mixed spices, and grains, namely different varieties of couscous. These delectable natural products are handled with care in the National Office of Food Safety (ONSSA) certified facilities, ensuring condiments of the highest quality reach the kitchen table.

The cooperative has a social commitment. *"Moroccan women who live in villages or the mountains cannot take on entrepreneurship due to lack of diplomas, funds, and training, which results in poverty,"* explains Amina. *"Our goal is to uproot rural women from poverty by developing their skills in community."* This objective is reflected in the structure of the collective: three groups of 20 women each focus on one category of products, allowing them to build close-knit relationships and become experts in their respective commodities. Initiatives such as training, literacy programs, daycare, domestic violence support, and travel, are also organized to bolster the economic and social empowerment of employees.



This year, Coopérative Sanad was one of five SMEs in the processed food sector chosen by the International Trade Centre's SheTrades Morocco program to attend the SIAL Montreal trade show April 20-23, 2022. In collaboration with the ITC and local partner ASMEX, TFO Canada delivered one-on-one coaching to 13 Moroccan SMEs in the processed food sector, including Sanad, in preparation for the event. The training sessions were delivered on Zoom and consisted of imparting knowledge on packaging, product pricing, client relations and Canadian tastes and standards.

Two days prior to the main event, Coopérative Sanad benefitted from a TFO Canada-sponsored market familiarization tour in Montreal to assess the Canadian landscape for processed foods. The itinerary included visits of facilities, ranging from supermarket chains like Metro and Adonis to ethnic grocery stores and local marketplaces such as Marché Ariya and Marché Jean-Talon. This was an illuminating trip in which the cooperative identified opportunities for its products to reach shelves across the Atlantic. *"We could export Moroccan paprika, a marvelous spice of which 90% is found in our Beni Mellal-Khenifra region,"* shares Amina. *"From what I saw, Canadians also adore mixed spices for shawarma and tajine, and especially the 17 ingredient-mix of ras el hanout!"*

Once at the trade show, promise and success followed. *"Our experience at SIAL was excellent,"* comments Amina. *"Our stands were constantly visited by prospective buyers, probably due to the amazing smell and colours emanating from our display."* Coopérative Sanad also attended multiple B2B meetings with Canadian clients, during which it gained 13 new contacts and successfully secured two orders. Riding on this wave, the cooperative is preparing two further orders to Canada for mixed spices and grains. Sanad hopes to continue growing and improving women's lives in the coming years through developing new products and accessing markets all around the world.

TFO Canada is pleased to see the implementation of strategies provided during training to SMEs, and to enhance the access of these companies to international markets through trade fair participation. We are committed to gender equality through our work by creating sustainable business partnerships for exporters from developing countries. We would like to thank Amina Majdi, the founder and director, for sharing her experiences.

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