



Where's the Beef? *The Growth of Canada's Plant-Based Sector*

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Published For:

Canadian Food Exporters Association (CFEA)

895 Don Mills Road

Two Morneau Shepell Centre, Suite 900

Toronto, Ontario M3C 1W3

Phone: (416) 445-3747

Fax: (416) 639-2110

E-mail: info@cfea.com

www.cfea.com

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Toll Free Phone: (866) 999-1299

Toll Free Fax: (866) 244-2544

E-mail: sales@matrixgroupinc.net

Web: www.matrixgroupinc.net

President & CEO

Jack Andress

Operations Manager

Shoshana Weinberg

sweinberg@matrixgroupinc.net

Senior Publisher

Jessica Potter

jpotter@matrixgroupinc.net

Editor-in-Chief

Shannon Savory

ssavory@matrixgroupinc.net

Senior Editor

Alexandra Kozub

akozub@matrixgroupinc.net

Editors/Social Media Managers

Jenna Collignon / Paul Adair

Finance/Administration

Lloyd Weinberg, Nathan Redekop

accounting@matrixgroupinc.net

Director of Circulation & Distribution

Lloyd Weinberg

distribution@matrixgroupinc.net

Sales Manager – Winnipeg

Neil Gottfred

Sales Manager – Hamilton

Jeff Cash

Sales Team Leader

Julie Welsh

Matrix Group Publishing Inc. Account Executives

Colleen Bell, Rob Gibson, Jim Hamilton, Scott Hendren, Frank Kenyeres, Sandra Kirby, Cheryl Klassen, Flora Korkis, Charlie Langsford, Gord Ledingham, Andrew Lee, Brian MacIntyre, Caitlin Nakamura, Jaime Schroeder

Layout & Design

Cody Chomiak

Advertising Design

James Robinson

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on the cover: This issue's cover of *Export Savvy* explores the growth of Canada's plant-based food sector. Flip to page 10 to learn more about how the benefits of plant-based foods and why eating your veggies has never been better.

Photo credit: Konscious Foods





Susan Powell, President
Canadian Food
Exporters Association

“Instead of going out to dinner, buy good food. Cooking at home shows such affection. In a bad economy, it’s more important to make yourself feel good.”

– The Barefoot Contessa, Ina Garten

What is the power of a good meal?

Whether it is the scent of fresh baked bread wafting through the house, the secret family recipes simmering on the stove, or the sound of a popping cork – the smell, taste, look, and even feel of food can be incredibly evocative.

Food has the power to conjure up long forgotten memories that can whisk you back through the years, to dine once again with family and friends you might not have seen in years. It’s a time machine made from nostalgia, and the Canadian food and beverage industry is what helps fuel it.

For more than 25 years, the Canadian Food Exporters Association (CFEA) has worked to raise the international profile of Canadian food, beverage, and ingredient products, increase the number of small to medium-sized food and beverage processors and manufacturers that are exporting, and grow the profitable export sales of Canadian food and beverage products.

Export Savvy, the magazine you are reading right now, encourages professional improvement and knowledge exchange among those interested in food and food export. This issue’s lead feature, *Where’s the Beef: The Growth of Canada’s Plant-Based Sector*, explores the trends leading to an explosive growth in the Canadian plant-based protein and protein alternative market. Flip to page 10 to read about this increasingly important food segment and the export opportunities that exist for Canadian companies around the world.

Canada and Mexico – two of North America’s ‘Three Amigos’ – have long shared a vibrant, multi-faceted, and

complimentary relationship that is characterized by deep people-to-people ties, rich cultural connections, and growing trade. Given that bilateral agri-food trade between Canada and Mexico has experienced consistent growth in recent years (surpassing US \$5 billion in 2021), it would seem that Mexico’s almost 130 million people have developed a hunger for Canadian food exports. Sating this hunger are significant trade agreements like the Canada-United States-Mexico Agreement (CUSMA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), both of which create an export environment with greater predictability and clearer rules for trade. Learn more about trade with Mexico on page 12.

Canadians know about the cold. Canada’s frozen food sector produces and distributes frozen fruits and vegetables, dinners, and side dishes of several ingredients for a global demand that is expected to grow as prices, customer acceptance, and product innovation improves. It’s time we celebrate some of Canada’s coolest frozen food manufacturers. Chill out and read about this on page 14.

The Indo-Pacific currently makes up more than one-third of all global economic activity and accounts for 65 per cent of the global population. With more than 40 economies, the Indo-Pacific includes six of Canada’s top 13 trading partners, all of which have a growing appetite for Canadian agriculture and food products. Turn to page 16 to learn how initiatives such as Canada’s first ever Indo-Pacific Agriculture and Agri-Food Office (IPAAO), the soon to be refreshed Canada Brand, and the Canada Korea Free Trade Agreement (CKFTA), will help Canadians take advantage of the region’s amazing potential by engaging with stakeholders, regulatory counterparts, and policy decision-makers to deepen relationships with important Indo-Pacific economies.

At the CFEA, we are focused on helping our members promote their products in new markets and advocate Canadian excellence to potential buyers. To learn more about our association or to find out how you can become a member, go to www.cfea.com. Our website has several handy industry links, important resources, and even a delectable selection of recipes. Check out page 18 of this magazine, to visually sample some fabulous fare from our members.

As said by J.R.R. Tolkien in *The Hobbit*, “If more of us valued food and cheer and song above hoarded gold, it would be a merrier world.”

Good food brings friends and families together around the table to sustain both the body and the soul, which is needed today as much as ever before. Whether it’s the lingering impact of the pandemic, the worry over rising costs and inflation, or a general fear of global insecurity, Canadians find themselves living in uncertain times and need the sanctuary good food can provide. I encourage all members of the CFEA to work hard to create the foods and beverages that create the memories that will last a lifetime.

After all, that is the power of a good meal! 🇨🇦



Canadian Ginseng – It's in Our Roots

For centuries North American ginseng (*Panax Quinquefolious ginseng*) has been used to support overall health and wellness.

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"We are proud to say that ginseng grown in the fertile soil of Ontario, Canada is far superior quality than ginseng grown elsewhere."

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This ensures the product is grown in native Ontario soil and is 100% North American ginseng. A list of ginseng retailers and certified sellers can be found on our website, ginsengontario.com.



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Ginseng Smoothie

INGREDIENTS:

- 1 cup (125 mL) prepared smoothie of your choice
- 1/2 tsp (2.5 mL) Canadian ginseng root powder

DIRECTIONS:

For every 1 cup of prepared smoothie, add 1/2 teaspoon of Canadian ginseng root powder. Blend on high for 15 seconds, or until well incorporated.



Visit our website, ginsengontario.com to learn more.

Culinary delights

Foodies rejoice! Ready your kitchens, collect your fellow connoisseurs, and prepare to go gourmet with your next gathering.



Spicy Hummus & Burrata Crostini

Recipe courtesy of Summer Fresh.

INGREDIENTS

- 283g Summer Fresh Spicy Chili Peppers Hummus
- 1 French baguette
- 1 ball, burrata cheese
- 1 lb wild mushrooms (shiitake, oyster, button), sliced
- Extra virgin olive oil
- Sea salt and black pepper
- Microgreens for garnish

DIRECTIONS

Pre-heat the oven to 350°F. Slice your French baguette on a slight diagonal angle. Brush the tops with olive oil and place on a large baking pan. Sprinkle with sea salt and freshly ground pepper. Place baking sheet in the oven and bake for 8-10 minutes. Remove from oven when crostini is golden brown

While crostini is in the oven, heat 2 tablespoons olive oil in a large skillet, add mushrooms and salt and pepper to taste and cook until softened and lightly browned 5-8 minutes.

Spread Summer Fresh Spicy Hummus on each crostini and then garnish with sautéed mushrooms and small pieces of burrata cheese, and microgreens. Drizzle with olive oil and serve.

Creamy Mushroom Risotto with Wild Rice Blend

Recipe courtesy of Three Farmers.

INGREDIENTS

- 1 cup Wild Rice Blend – (Floating Leaf Wild Rice)
- 1L vegetable broth (keep warm on stove top in separate pot)
- 2 tbsp Three Farmers Camelina oil
- 2 cloves garlic, crushed
- 8 cremini mushrooms, sliced
- 1 large shallot, diced
- ½ cup white wine
- ½ cup parmesan cheese, grated (extra for garnish)

DIRECTIONS

In a large pan, sauté the mushrooms, shallot, and garlic in camelina oil until lightly browned. Add the rice blend and toast in the pan for 2 minutes. Add the white wine and allow the alcohol to cook off for approximately 2 minutes. Add 1/2 cup warmed broth to the rice and stir until absorbed.

Continue adding stock 1/2 cup at a time, stirring continuously, until the liquid is absorbed, and the rice is al dente (about 15-20 minutes). Stir in 1/2 cup of grated parmesan cheese at the end and garnish with additional grated cheese, if desired.

Tip: For a creamier finish, you may add 1/2 cup of heavy cream in the last 3 minutes of cooking.

Serves 4





Cheese Shortbread Thumbprints

Recipe courtesy of Gay Lea Foods Co-operative.

INGREDIENTS

- 1½ cups (375ml) shredded Monterey Jack or cheddar cheese
- ½ cup (125ml) grated parmesan cheese
- ½ cup (125ml) Gay Lea butter, salted, softened
- 1 egg, separated
- ¼ tsp (1ml) pepper
- 1 cup (250ml) all-purpose flour
- 1 cup (250ml) finely chopped skinned hazelnuts or almonds
- ½ cup (125ml) Gay Lea sour cream (regular or light)
- 1 tsp (5ml) dried dill weed
- 36 small strips smoked salmon

DIRECTIONS

Preheat the oven to 375°F (180°C). In a food processor, pulse together Monterey Jack cheese, parmesan cheese, and butter until smooth. Blend in yolk and pepper. Pulse in flour just until soft dough forms.

Place hazelnuts in a shallow bowl. Place egg white in another shallow bowl. Roll tablespoonfuls of dough into 1-inch (2.5cm) balls. Dip in egg white then roll in nuts to coat. Transfer to parchment paper-lined baking sheets. With your thumb, indent in the centre of each ball. Refrigerate for 15 minutes.

Bake in the centre of your oven for 15 minutes, or until firm and slightly golden. Let cool on pan on racks.

Stir together sour cream and dill weed and spoon into indentation. Top with thin strip of smoked salmon.

Makes 3 dozen thumbprints

Upcoming Events

VIRTUAL PROGRAMS

2023-2024

US ECRM Virtual B2B Program
(New programs will be continually added as they become available)

ASIA PACIFIC

May 18-20, 2023

SIAL China, Shanghai, China

June 14-17, 2023

Food Taipei, Taipei, Taiwan

September 11-14, 2023

Fine Food Australia, Sydney, Australia

October 2023

Ingredient Mission to South Korea (dates to be confirmed)

November 3-5, 2023

Hong Kong Wine and Spirits Fair, Hong Kong

January 2024

Trade Mission to Vietnam and Singapore (dates to be confirmed)

March 2024

AAHAR New Delhi, India (Dates to be confirmed)

April 2024

ProWine, Singapore (Dates to be confirmed)

MIDDLE EAST

December 2023

Trade Mission to Middle East (Dates and countries yet to be confirmed)

EUROPE

April 23-25, 2023

ISM Show, Cologne, Germany

November 28-30, 2023

Fi/Hi Europe, Frankfurt, Germany

March 10-12, 2024

ProWein, Dusseldorf, Germany (For spirit companies)

March 12-15, 2024

Alimentaria, Spain (Will also include a trade mission)

LATIN / SOUTH AMERICA

March 2024

ANTAD Trade Mission & Exhibition, Guadalajara, Mexico (Dates to be confirmed)

NORTH AMERICA

June 25-27, 2023

Summer Fancy Food Show, New York City, New York

November 12-14, 2023

PLMA Show, Rosemont, Illinois

January 21-23, 2024

Winter Fancy Food Show, Las Vegas, Nevada

March 12-16, 2024

Trade Mission to Natural Products Expo West, Anaheim California



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Where's the Beef?

The Growth of Canada's Plant-Based Sector



John Bonnell (left) and David Orr Gaucher (right) started Wholly Veggie with the goal of getting Canadians to eat their vegetables and create a more sustainable food system. Photo courtesy of Wholly Veggie.



Spread'Em Kitchen founder and CEO Mellisa Mills sports a NEXTY Award. Photo courtesy of Spread'Em Kitchen.

As more and more consumers are taking a look at their health, considering the environment, and harbouring ethical concerns over the production of modern meat and dairy, the demand for plant-based foods and beverages is growing. According to a recent Angus Reid survey, almost all Canadians (95 per cent) are already aware of plant-based alternatives, with approximately 40 per cent having tried them.

Plant-based food and beverages are manufactured using ingredients such as chickpea, soy, tofu, and pea protein, among others. Similarly, plant-based beverages include dairy alternatives primarily derived from almonds, coconuts, cashews, soy, and oats.

Starting out in 2016, Toronto's Wholly Veggie is a pioneer in the plant-based food sector. Co-founders John Bonnell and David Orr Gaucher created their company after observing that Canadians were not eating enough vegetables and decided to do something about it. Wholly Veggie launched with three veggie-based burgers and has since expanded its product lines and has moved into frozen snacking and cauliflower wings, as well as, more recently, frozen entrees.

"One of the first things we tell our kids is to eat their veggies, yet most people's diets remain very animal protein heavy," says Bonnell. "We thought if we could encourage more people to eat more vegetables and create more balance on the plate, we could create a more sustainable food system, not just for Canada but for the globe."

FINDING BALANCE

Vancouver-based Spread'Em Kitchen produces a line of dairy-free creamy cashew dips made with nuts, vegetables, herbs, and spices that are cultured with live probiotic bacteria. The company also makes a cashew cheese that is crafted with traditional cheesemaking techniques, but without the ethical quandaries of modern

dairy farming. Its Meadow Herb and Garlic Cashew Cheese was recently awarded a coveted NEXTY Award in the dairy-free category at Expo West 2023.

"The plant-based food sector is at an interesting stage in its evolution," says Luke Brocki, Business Development Manager at Spread'Em Kitchen. "Gone are the days when plant-based products had a small shelf in the back corner of a health food store. Plant-based is now a prominent fixture, even in conventional mass supermarkets."

However, the rise in popularity of plant-based foods and beverages over the last five years has also been a double-edged sword for producers in the Canadian plant-based food and beverage sector. The success of products like Beyond Meat, which went public in 2019, has created a situation where large corporate players are looking to cash in on changing consumer habits and finding the next 'big thing' in plant-based alternatives.

The impact of this has been a flood of plant-based companies hitting the Toronto Stock Exchange and bringing products to market before they were ready, resulting in consumers trying the product, not liking it, and then exiting the category.

"We've seen a really bad repeat purchase rate for a lot of these new alternative meat products and, when combined with there being too many options on the shelves, there has been a real paring back at the stores," says Bonnell. "Where we once had three or four doors of frozen plant-based meals, it's now down to one – the

protein alternative door – which is being filled with just the top movers. And a lot of the easy capital that was available to the startups in this space, has simply moved on to something more profitable.”

Brocki is somewhat less charitable. “Read the ingredient panel on a plant-based product made by a large conglomerate: it’s a horror show. Is it vegan? Sure. But is it food? Debatable. That’s our biggest role in the sector today; fighting back against the processed junk that’s snuck into our section of the grocery store.”

A SMARTER FOOD THAN FISH

Globally, seafood is a multi-billion-dollar industry, however, the plant-based seafood offerings to date have been negligible. Given that there is a high demand for this segment and consumers are seeking taste and variety, there is a white space for tasty innovations with high quality clean ingredients.

Konscious Foods is on a mission to bring sustainable, ‘wow-worthy’ plant-based seafood to the masses and provides consumers with various lifestyles with plant-based, chef-crafted seafood options that deliver incredible taste and texture.

“This endeavour is one that I’m deeply passionate about,” says Konscious Foods founder and CEO, Yves Potvin. “With more than 30 years of culinary expertise, our team put its very best into creating these products – because to make the impact we want to see in the world, we have to win on taste first. We’re proud to say our products will surprise and impress in terms of flavour and texture. We are excited for everyone to have a taste for themselves and experience how delicious plants can be.”

The company is launching with an impressive lineup of plant-based sushi rolls, onigiri, and poke bowls along with plant-based seafood for foodservice including tuna, salmon, and sno’ crab. The company’s Konscious California Roll was recently awarded with a NEXTY at Expo West 2023 in the Best New Frozen Product category, and its Kale Goma Onigiri was a finalist for Best New Plant Forward Product.

All of Konscious’ products are made with high-quality, clean ingredients including konjac plant, and vegetables such as tomatoes, carrots, and pea fibre.



This California roll can be prepared from frozen in a hot water bath or microwave, and can also be thawed and eaten when ready – a great option for work or school! Photo courtesy of Konscious Foods.

Additional ingredients include cucumbers, avocados, and whole grains and legumes.

“The most important factor is to be able to match the taste and texture that consumers love about seafood with a planet-friendly and sustainable plant-based offering,” says Potvin. “We are always looking to enhance our products in future developments and when it comes to the plant-based seafood category there is always room for improvement when it comes to variety and incorporating flavours of global cuisines into the recipes.”

THE PLANT-BASED PATH AHEAD

Despite the challenges in the marketplace, the foundational pillars of the

plant-based sector remain strong; meat will continue to become more expensive to produce and cost more for the consumer; the concern over climate change is only deepening; and society is increasingly becoming attuned to the ethical treatment of animals.

“The U.S. market is showing strong demand for the types of products we make,” says Brocki. “Consumers, especially down the Pacific Coast, continue to vote with their wallets for the types of products they want to thrive in their grocery stores.”

Looking ahead, the future looks bright for Canadian plant-based food and beverage producers. Despite the turbulence the sector is currently experiencing, consumers – and the next generation of consumer in particular – are demanding more from their brands and wanting a product that stands for something other than pure profit. This is something that Canadian plant-based companies can deliver in spades.

“We are makers. Clean ingredients come in. Clean products go out,” says Brocki. “Customers will find no trans fats, no seed oils, no cheap industrial by-products, no starches, no gums, no polysyllabic tongue-twisters of any kind. That’s our way forward – just good, honest food, and we want more of our peers to embrace this philosophy.” 🇨🇦

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The M in CUSMA: Export Opportunities in Mexico



M

exico is a country shaped by its rich Indigenous heritage and centuries of European influence, as well as a border with the United States, the most significant economy in the world. These are things that Canada can relate with.

Canada and Mexico share a vibrant, multi-faceted relationship that is characterized by deep people-to-people ties, rich cultural connections, and growing trade and investment. As the world's 9th largest agri-food importer, Mexico offers great opportunities for Canadian exporters. It is a significant market with a population of almost 130 million people that imports approximately 40 per cent of its total agri-food consumption. Additionally, Canada's consistent food quality and safety regulations have earned Canadian products strong acceptance in the Mexican market.

Bilateral agri-food trade between Canada and Mexico has experienced consistent growth in recent years, surpassing U.S.\$5 billion in 2021. Mexico is a significant importer of Canadian agri-food products, with exports from Canada reaching

U.S.\$2.6 billion in 2021. In return, Canada's agri-food importers received U.S.\$2.7 billion from Mexico during the same time period.

According to Global Affairs Canada, "Canada and Mexico's geographic proximity and high integration of the North American food chain has allowed Canada to become the second largest supplier of agri-food products to Mexico after the United States. Canada's combination of innovative products and healthy ingredients, convenience, and competitive price points will give Canadian suppliers and manufacturers a strong competitive advantage in the Mexican marketplace."

AGREEMENTS DRIVING GROWTH

Canada and Mexico's trade relationship has blossomed in the approximately 30 years

since the 1994 North American Free Trade Agreement (NAFTA) came into effect, and the relationship has only become stronger under the 2020 Canada-United States-Mexico Agreement (CUSMA). Over the last few years, CUSMA has helped to usher in renewed interest and sustained growth for Canadian exports of processed foods, beverages, grains, and other agri-food products to Mexico because of its greater predictability, clearer rules for trade, and zero import duties.

Canadian exporters can also take advantage of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – where Canada and Mexico are among the partners – which provides tariff preferences for Canadian products, such as dairy and poultry.

"Canada and Mexico's trade relationship is complementary," says Global Affairs Canada. "Canadian exports of grains, oilseeds, and meat, and Mexican exports of fruits and vegetables are facing strong demand to fill supply gaps when domestic production cannot meet local needs in both countries."

A MORE ORGANIC UNDERSTANDING

In February 2023, Canada and Mexico announced the Canada-Mexico Organic Equivalency Agreement (CMOEA), a Memorandum of Understanding that makes it easier for both countries to trade organic foods and further expands market access for the Canadian organic industry.

The arrangement is the first ever organic equivalency that Mexico has signed with another country and may pave the way for additional equivalencies in the future. Organic equivalency arrangements like this are part of the Government of Canada's ongoing commitment to eliminate trade barriers and increase consumer access to a variety of organic foods.

The agreement recognizes equivalency of the two stringent national organic systems and allows products certified either

under the Canada Organic Regime or the Mexican organic system to be sold and labelled as organic in both countries. The arrangement applies to agricultural and processed products of plant origin grown or produced within either country, livestock and livestock products produced in Canada, and organic products where the final processing or packaging occurs within either country. For example, this could include products like fresh, frozen, or canned fruits and vegetables, as well as meat, poultry, dairy, or egg products certified as organic in Canada.

CMOEA will remain in effect for one year as the two countries continue to evaluate each other's organic systems.

OPPORTUNITIES TO NOM

Because major Mexican retailers are looking at increasing their private label offerings, a significant growth opportunity (estimated at 30 per cent in some of the national chains) is available for entrepreneurial Canadian exporters on a wide range of products, including gourmet products.

Global Affairs Canada says, "With private labels now offering premium products at favourable prices, these products have been a helpful option for consumers who have seen their incomes reduced due to high inflation rates. This provides a unique opportunity for Canadian exporters to enter the Mexican market with an emphasis on quality and price. The EY Future Consumer Index analysis shows that the average penetration of these brands in the consumer segment in Mexico is 8 per cent, whereas it stands at 10 per cent in the Latin America region."

Global health and wellness trends are also arming consumers with the know-how to adapt their meal plans using healthier and more nutritious products. COVID-19, in particular, has helped to raise awareness about human health, environmental sustainability, and animal welfare. This is trend that presents an important opportunity for Canadian exporters as Canada is a global leader in this field.

Canadian exporters of foods and non-alcoholic beverages meant for retail sale in Mexico have long been required to ensure that their product labels or stickers comply with Mexico's NOM-051-SCFI/SSA1-2010 – *General Specifications for Labeling of Prepackaged Food and Non-Alcoholic*

Beverages. In 2020, NOM-051 was updated to require warning labels and seals to the front-of-package of foods and non-alcoholic beverages that have added sugars, fats, or sodium, and exceed pre-established thresholds for these components. This was done to help encourage more Mexicans to adopt a healthier diet and lifestyle.

Further updates to NOM-051 are expected to come in October 2023 and October 2025.

Canadian exporters that are interested in entering the Mexican market are

encouraged to get in contact with the Canadian Trade Commissioner Service (TCS) in Mexico. The TCS works with Canadian companies of all sizes and helps them navigate the intricacies of working in Mexico, as well as connects with TCS funding and support programs.

Global Affairs Canada states, "With three trade offices in Mexico, Canada's trade commissioners provide expert advice, information, and support to Canadian businesses looking to grow their footprint in Mexico." 🇨🇦



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Dishes Best Served Cold:

The Canadian Frozen Food Industry is Heating Up!

If there is one thing Canadians know, it's the cold.

Consumers across Canada are turning to frozen prepared meals due to their convenience and, as Canadians seem to be busier than ever and have less time to spend preparing home-cooked meals, the demand for frozen products is looking up.

Frozen food helps keep options available at more affordable prices, and give Canadians the world the ability to access seasonal and location-specific foods year-round. In Canada, the frozen food sector generates over \$6 billion in revenue and is ranked the 32nd largest manufacturing industry in the country. In fact, the domestic market has outperformed the overall economy by expanding (on average) 3.3 per cent every year between 2018 and 2022, a trend that is expected to continue over the course of 2023 as the sector is bolstered by improving prices and increased consumer acceptance of products.

Meeting this growth are some of the Canadian Food Exporters Association's (CFEA) coolest members.

As a net exporter of Canadian brands, Riz Global Foods works with Canadian

In February 2023, Syed Ali, President of Riz Global Foods, was at the Gulf Food exhibition in Dubai, Saudi Arabia to promote Canadian frozen foods. Photo courtesy of Riz Global.



companies primarily in the frozen category as their export arm, as a representative, exporter, distributor, and service agent, or just plain exporter of record. The company exports high-quality Canadian products to customers across the globe, predominantly in halal markets catering to the Middle East and parts of Southeast Asia.

"Frozen products used to be predominantly seafood and meat but, as consumer habits are evolving towards a busy and fast-paced lifestyle, the demand for frozen food products has grown to support availability and convenience," says Syed Ali, President of Riz Global Foods. "As populations move all over the globe – food

follows, which creates a need for products catering to multicultural requirements. With advances in production and the availability of new packing technologies, the freshness of food can be maintained longer and many manufacturers are able to offer products to meet consumer demands around the globe."

A MULTICULTURAL OPPORTUNITY

Headquartered in Mississauga, Ontario, Alsafa Foods has grown to become the largest North American halal food brand and has empowered Muslims for more than 25 years to make time for their dreams by offering halal, guilt-free

convenience foods. The company is primarily focused on the halal frozen meat category, and over the years has introduced several different segments, such as Middle Eastern, South Asian, Caribbean, and North American cuisines.

Brands carrying frozen foods have been innovating towards convenience, which is something that Alsafa Foods President and CEO, Abdul Munim Sheikh, has seen happen with his selection of frozen halal foods. The company has found great success by catering to various demographics, as well as providing a variety of halal convenience foods that appease the curiosity about traditional non-halal foods, such as chicken nuggets, beef burgers, and pepperoni pizza, among others.

“We want Muslims to feel more included in their North American communities by enjoying the lifestyles without guilt or compromise concerning dietary restrictions,” says Abdul Munim. “Due to a growing Muslim population, increased immigration, and more working professionals, the need for convenience as it pertains to frozen food will continue to increase in the upcoming years, and we foresee frozen food export as a growing category for the foreseeable future.”

A CHALLENGING MARKET

Founded in 1979 as a small, family bakery / café in Toronto’s historic Greektown, Akropolis Pastries specializes in traditional hand-crafted Greek phyllo pastries. In 2006, the company decided to enter the export market and offer its popular products across Canada and the United States, as well as to select areas in the Middle East. They now operate out of a 26,000 square foot facility in Vaughan,

which is British Retail Consortium (BRC) Food Safety, Halal, and Canadian Food Inspection Agency (CFIA) certified.

“We’ve been in growth mode since we started because of the uniqueness of our product, which is something different than the other frozen options people are used to, and our product offering has expanded over the years, from traditional Greek pastries such as Spanakopita, to more unique flavours, shapes, and sizes that cater to a broader audience,” says Bill Gekas, President at Akropolis Pastries. “Canadians love to try different things and the frozen food sector is doing well as more and more customers realize that frozen is often cheaper than fresh and you can stock up, use what you need, and store the rest in the freezer for later.”

Akropolis’ experience has been that many of Canada’s retailers are not as open to alternative products as their counterparts in the United States. As such, the company often finds it easier to work with its partners south of the border.

“The Canadian market is not as free as everybody thinks it is and it can be very difficult to penetrate,” says Gekas. “There is a higher cost for ingredients and a lot of the retailers here will ask for huge fees and slotting allowances to get our products into their freezers. It is a very competitive – and very expensive – space to be. There’s just more opportunity in the U.S., which is why we are really focusing on our export markets.”

Currently, some of the main challenges experienced by Canadian frozen food producers include high shipping costs, longer shipping times, and non-availability of shipping containers because of COVID-19’s impact. Other challenges include

longer payment terms being required, increasing cash flow issues, and delayed payments as some companies have been unable to manage payment expectations.

Fortunately, there is a light on the horizon.

Abdul Munim says, “The challenges we are experiencing right now may impact business profitability in the short run, but they will also expose more consumers to value-added frozen foods, which will reap rewards in the long run.”

LOOKING AHEAD

The future for Canada’s frozen food and beverage producers looks bright as the demand for ready-to-eat, healthy, and sustainable frozen foods, frozen meals, and convenience foods is poised to grow. The challenge for many food manufacturers will be in keeping up with the changing food safety standards and regulations – both here and abroad – and staying current on export country requirements on goods.

Helping the sector to navigating the path forward is the CFEA, which is a valuable resource for companies that want to explore export markets or that are seeking to develop and foster new relationships with vendors and customers.

“The CFEA keeps us in the loop on funding programs available for Canadian companies and this helps us grow,” says Gekas. “This is also a very approachable association – basically, if you’re ever in a bind, you pick up the phone and the CFEA is there to assist. We’ve hit some snags in the past and they’re very quick to respond with guidance and point us in the right direction to find the info we need to move forward.” 🇨🇦

An Expanding Market: Export Opportunities in the Indo-Pacific

From Marco Polo to Christopher Columbus, establishing trade with the East has been the goal of western nations for centuries. This is something that is as true today as it was in 1492, and for good reason.

The Indo-Pacific region makes up more than one-third of all global economic activities and accounts for 65 per cent of the global population. By the end of the decade, it will be home to two thirds of the global middle class and, by 2040, the Indo-Pacific region will account for more than half of the global economy.

As one of the world's fastest growing economies, the region is becoming an increasingly important – and lucrative – focus for Canadian food exporters looking for new opportunities overseas. The Indo-Pacific is currently Canada's second-largest regional export market and trading partner, accounting for \$263 billion in annual two-way merchandise trade and \$30.1 billion in two-way agricultural trade in 2022. With more than 40 economies, the Indo-Pacific includes six of Canada's top 13 trading partners and the demand for Canadian agriculture and food products – such as canola, wheat, and soybeans – is rapidly growing. In 2021, Canada's agri-food and seafood exports to the Indo-Pacific were worth \$20.1 billion, which represents a 21.1 per cent increase in only five years. In 2022, Canada's agri-food and seafood exports to the Indo-Pacific were worth \$21.5 billion and accounted for nearly 27.6 per cent of Canada's total merchandise exports to the region.

"Canada is looking out onto the horizon of the Indo-Pacific future with a clear view of the shared prosperity that lies ahead for Canadians and for people throughout the Indo-Pacific region. By strengthening and diversifying our economic partnerships, we will secure a better future for all," stated Global Affairs Canada.

EXPANDING CANADA'S PRESENCE IN THE REGION

Expanding the Canadian presence in the Indo-Pacific will help Canadian farmers, processors, and exporters diversify their exports and maximize their opportunities. Established and emerging, markets, such as members of the Association of Southeast Asian Nations (ASEAN) region, offer potential opportunities for Canada's agriculture and food sector.

With \$31.8 million earmarked in dedicated funding, Canada's first ever Indo-Pacific Agriculture and Agri-Food Office (IPAAO) will enable Canada to take advantage of this potential by engaging with stakeholders, regulatory counterparts, and policy decision-makers to deepen relationships with Indo-Pacific economies. The new IPAAO will be well-positioned to help Canadian farmers and producers to diversify their exports and position Canada as a preferred supplier in key emerging markets.

The Government of Canada also recently launched a refresh of the *Canada Brand* program, which gives agri-food exporters access to free marketing tools tailored to digital media in order to cohesively market Canadian agri-food products in international markets. Exporters are encouraged to visit the Canada Brand site at www.marquecanadabrand.agr.gc.ca to learn more.

REMOVING BARRIERS

Canadian exporters, but particularly those dealing in agricultural commodities, will now benefit from unprecedented access given to them through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – a free trade agreement between Canada and Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. Once it is fully implemented, 99 per cent of tariff lines among CPTPP parties will be completely duty-free and 94 per cent of Canadian agriculture and agri-food products exports will have duty-free access to CPTPP countries.

Representing 500 million consumers and 13.5 per cent of global GDP, this trading block offers new market opportunities for Canadian agriculture goods and services across the Indo-Pacific, while also supporting a more transparent and predictable environment for trade and investment.

CANADA AND JAPAN

As the world's third largest economy, Japan is a significant market for Canada's agriculture and food sectors, and the CPTPP is helping to create even more opportunities to increase Canada's market share in Japan for products such as beef, pork, grains and oil seeds, functional foods, and nutraceuticals. In 2021, Japan's processed food and beverage imports were valued at nearly \$52 billion, of which Canada contributed 4.5 per cent.

With a lack of arable land and farm labour, Japan has the lowest rate of food-self sufficiency among the G8 nations and is highly dependent on food imports and, with a growing demand for healthier eating options, there is an enormous opportunity for Canadian food and beverage exporters.

As Canada's fourth-largest partner in two-way merchandise trade, economic and trade relations between Canada and Japan continue to steadily expand as more Japanese consumers continue to work from home post-pandemic and the demand for convenient products with preventative benefits for the health-conscious and ageing population remains.

CANADA AND SOUTH KOREA


This year marks the 60th anniversary of bilateral relations between Canada and Korea, making now a great time to highlight the strong and mutually beneficial trade between these two countries.

As a net importer of food products, with imports for more than 60 per cent of its food needs, South Korea is an attractive market for Canadian agri-food exporters. Korea is also a fast-paced market where new food trends are eagerly tested and adopted, creating tremendous opportunity for a wide variety of emerging Canadian products, such as organic, health-conscious, and premium food products and ingredients.

"Given the busy lifestyle of Korean consumers, demand for such products is expected to remain strong for the foreseeable future, which offers new sales channels and opportunities for Canadian products to be incorporated into Korean homes," said Global Affairs Canada. "E-commerce's share of food sales is also expected to continue to grow in

the coming years, as Korean consumers place more importance on convenience and value."

Implemented in 2015, the Canada Korea Free Trade Agreement (CKFTA) gives Canada's agri-food and seafood exporters an advantage over their competitors by providing preferential tariff treatment on Canadian exports. Since the implementation of CKFTA, Canadian agri-food and seafood trade with Korea has increased by over 70 per cent, marking a record high at \$1.1 billion in 2021. Tariffs on a range of Canadian agriculture and agri-food products were eliminated or reduced upon its implementation and will continue to be progressively eliminated until 2032, when over 99 per cent of South Korea's tariffs will have been eliminated.

According to Global Affairs Canada, "Prior to the CKFTA, the average tariff rates on agri-food and seafood products were 52.7 per cent and 16.5 per cent respectively. Currently, most Canadian food and beverage products can be exported duty-free to Korea, including grains, processed products, and alcoholic beverages. Additional export opportunities for Canadian processed food, beverages, and grain companies will continue to rise as Korean tariffs are gradually eliminated on agricultural products until 2030." 

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Samuel Côté

Président | President
Les Producteurs de Camerises Inc.
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scote@haskaproducers.com
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COMMUNICATION

Members receive communication weekly through the CFEA's e-newsletter, *Export Savvy*, and they're also privy to separate mail-outs of our program materials.

DISCOUNTS

Members receive a discount on a premium RangeMe account (exporter members only). They also receive discounts on shipping through Freightcom.

EXPORT DOCUMENTATION

The CFEA has an in-house notary service for your export documentation. Members also receive discounts on certificates of origin and other certifications through the Canadian Chamber of Commerce.

INFORMATION SHARING

At the CFEA, we provide a Central Information Clearinghouse for timely intelligence, global marketplace information, and export assistance. We also have access to key export contacts such as buyers, brokers, and distributors.

MARKET & TECHNICAL REGULATIONS

Our office is here to assist with market-specific searches to get you the information you need to adequately assess your market of interest. We also provide assistance – or direct you to assistance – to help ensure you're meeting technical regulations of all types in the various markets you want to serve.

PARK'N FLY

Because your business may take you across the country or around the world, we have signed an agreement with Park'N Fly. We're proud to be able to offer CFEA members reduced parking rates at Canadian airports.

SEMINARS

We organize several seminars each year, all focused on export. These sessions will help you get started or enhance your knowledge on exporting. Members can participate for free or at reduced rates.

TRADE SHOWS

Every year, we organize many trade shows focused on retail, food service, specialty, and private label. CFEA members benefit from reduced pricing on space, shipping, and travel, and they also save staff time with trade show coordination, as our office is here to assist members with that.

TRADE MISSIONS

We organize outbound trade missions of various types – appointments style, table-top demos, and in-store demos – to those markets in which our members tell us they have a high interest. We target at least three missions per year. 🇨🇦

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