

GLOBAL FOOD MARKETER™ NEWSLETTER

Export news from the Midwest and Northeast



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FOCUSED TRADE MISSIONS: HOW THEY INCREASE YOUR EXPORT SUCCESS

Experience total market immersion for your product and brand. Travel and explore a market. There's no better way to understand the local food industry landscape, assess the competition and learn about the promotion of your products.

Focused Trade Missions bring a group of U.S. Suppliers to a country to learn first-hand about the market and meet face-to-face with local buyers. It is an organized trip with services that help navigate a different culture and assist with business meetings. You're able to see the market dynamics first-hand, meet and build relationships with interested importers, and discover your product's potential in that market.

FOCUSED TRADE MISSION SERVICES MAY INCLUDE:

- One-on-one meetings with qualified buyers
- Pre-event product research which may include: product specific market overview, distribution analysis, importation analysis or cost assessment
- Interpreter
- Market briefing by local USDA, Foreign Agricultural Service and industry related tour
- Table top showcase and trade reception
- Inclusion in Trade Mission brochure containing your company profile, contact details and product lines
- Translation of up to two pages of materials to the local language
- On-site assistance by Food Export's In-Market Representative
- Identifying top leads and follow-up letter in the local language

Each year, companies take advantage of these well-organized trips and have reaped the benefits – reporting more than \$12.3 million in actual export sales as a result of their participation in Food Export Focused Trade Missions in just 2018 alone.

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MARKET FOCUS: TAIWAN

Taiwan has one of the world's wealthiest economies on a per-capita basis. Its economy is driven primarily by manufacturing of electronic and computer components, with agriculture accounting for only about two percent of Taiwan's 2017 gross domestic product. Because of its dependence on imported agricultural products, Taiwan is expected to remain a large and growing destination for U.S. exporters. While Taiwan's agricultural imports from the world only increased by two percent in 2018, imports from the U.S. increased by 18 percent.

Taiwan ranked as the 16th-largest global agricultural importer in 2018, reaching \$11.7 billion. The U.S. holds the largest share of Taiwan's total agricultural imports, with a 36-percent market share in 2018, despite high import tariffs facing many U.S. products including poultry, pork, and rice. U.S. competitors include the European Union (EU) with a 12-percent market share, New Zealand with seven percent, and China with six percent. Taiwan has free trade agreements with Panama, Guatemala, Nicaragua, El Salvador, Honduras, New Zealand, and Singapore, and has preferential trade agreements with China, Paraguay, and eSwatini (formerly Swaziland). Taiwan's New Southbound Policy, launched in 2016, seeks to increase trade and economic cooperation with neighbors in South Asia, Southeast Asia, and Australasia, which may provide some preferences for U.S. competitors like Australia and New Zealand.

Total U.S. agricultural exports to Taiwan amounted to more than \$3.9 billion in 2018, of which 43 percent was consumer-oriented products. Beef, poultry, and fresh fruit were top products among the \$1.7 billion in consumer-oriented exports. Taiwan's food retail sector reached \$41 billion in 2017, a record high, contributing to the reliable growth of consumer-oriented product imports. High-value consumer-oriented products are major contributors to the growth of U.S. agricultural exports to Taiwan, increasing by 23 percent from 2014 to 2018.

In recent years, the U.S. has consistently provided a large share of Taiwan's bulk product imports. Continued growth is not guaranteed as the U.S. faces competition from other exporters

for bulk and containerized goods, but U.S. products have strong prospects thanks to their reputation for high quality and freight cost advantages over Brazil and the European Union.

TOP CONSUMER-ORIENTED EXPORTS TO TAIWAN

Beef & Beef Products: According to Euromonitor International, Taiwan's households spent more money on meat products than any other type of food, on average about \$1,500, in 2017. Beef is Taiwan's most-imported meat product, with imports valued at more than \$1 billion in 2018. Taiwan's domestic beef production is negligible. The U.S. holds the largest market share of beef at 55 percent. Consumers have high regard for U.S. beef quality and safety, but lingering concerns about bovine spongiform encephalopathy remain. Beef products from the U.S. must be derived from cattle less than 30 months of age to be eligible for export to Taiwan, and most beef offal from the U.S. is banned. However, Taiwan's imports of U.S. beef continue to increase because of high growth in per capita beef consumption.

Poultry & Poultry Products: The U.S. holds a 91-percent market share of poultry imports, as it is one of the few countries certified to export poultry meat to Taiwan. However, domestic production is significant and able to meet most demand, making Taiwan the main competitor for U.S. exporters. Taiwan consumers prefer dark meat over breast meat, with broiler thighs, legs, and wings representing a majority of the U.S.' \$189.4 million in poultry exports to Taiwan in 2018.



TOP U.S. AGRICULTURAL EXPORTS TO TAIWAN

Product	Values (Million US\$)					U.S. Market Share 2018
	2014	2015	2016	2017	2018	
Soybeans	721.6	577.8	580.1	585.9	830.5	84%
Corn	394.7	344.1	458.6	394.9	593.8	76%
Beef & Beef Products	294.5	318.8	363.4	408.6	550.4	55%
Wheat	348.5	282.6	257.3	296.1	267.2	80%
Fresh Fruit	213.5	196.2	220.0	217.4	199.7	33%
Poultry Meat & Products (excl. eggs)	142.9	162.8	127.4	152.2	189.4	91%
TOTAL	3,489.7	3,150.4	3,225.8	3,318.1	3,931.5	36%

Source: USDA-FAS Global Agricultural Trade System, BICO HS-10; IHS Markit, BICO HS-6 for market share

Fresh Fruit: With a 33-percent market share for fresh fruit, the U.S. is Taiwan's top supplier and exports many products that cannot be easily produced in Taiwan. Top U.S. fresh fruit exports include apples, cherries, peaches, grapes, and oranges. The U.S. holds the largest market share for all these products, except apples. In 2018, Taiwan was the third-largest export market for U.S. peaches, and the fourth-largest market for U.S. apples and cherries. In addition, there are opportunities for growth in exports of some organic fruits. High domestic fruit production in 2017 reduced demand for U.S. fruits, but organic fruit exports were resilient. The largest U.S. organic fruit export, apples, grew in value from \$1.9 million to \$5.8 million between 2014 and 2018. This trend is expected to continue and reflects growing consumer demand for organic products in Taiwan.

Other Prospects: There are growth opportunities for exports products such as tree nuts and pet foods. Taiwan imported \$171 million of tree nuts in 2018, with the U.S. accounting for the largest market share at 53 percent. Two of the largest U.S. tree nut product exports to Taiwan are almonds and walnuts. For almonds, the U.S. holds more than 97 percent of market share in Taiwan, and future export growth would likely come from increased overall demand as opposed to changes in market share. The U.S. holds more than 90 percent market share of walnut imports, but imports from China have been growing since 2016. The U.S. also holds the second-largest market share for dog and cat food, providing 28 percent of Taiwan's \$180 million in imports in 2018. Taiwan imports of pet food have more than doubled over the past decade, reflecting increasing pet ownership. U.S. pet food brands are viewed by Taiwan consumers as being higher quality, and pet owners are willing to pay higher prices.

CONSUMER DEMAND ENCOURAGES U.S. EXPORT GROWTH

The U.S. has a strong trade relationship with Taiwan and plays a significant role as its top provider of food and agricultural products. Despite some tariffs, such as those on poultry and rice used to protect domestic producers, strong U.S. brand recognition and consumer preferences are encouraging growth in U.S. exports of many other products.

The U.S. is well-equipped to meet the demands of Taiwan consumers for high-value, quality products. U.S. exporters must continue to remain price-competitive in order to maintain market share and open new opportunities. Competing on price will complement the strong reputation of U.S. agricultural products, ensuring that export growth continues and that Taiwan remains an important destination for U.S. exports.

FOOD EXPORT ASSOCIATION OF THE MIDWEST USA® AND FOOD EXPORT USA®-NORTHEAST

We are non-profit organizations comprised of state agricultural promotion agencies that use federal, state, and industry resources to promote the export of Midwestern and Northeastern food and agricultural products.

Food Export-Midwest and Food Export-Northeast administer many services through Market Access Program (MAP) funding from the Foreign Agricultural Service (FAS) of the USDA.

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FOOD EXPORT HELPLINE™

Q: I have a buyer in Singapore who wants me to ship a pallet of cheese (181 kilos – about 400 pounds) by air freight. The cost is high, but they say they will pay for it because they need it for an in-store promotion. It would never arrive in time if it went by sea. What do you think?

A: About \$4.8 billion of food and agricultural products was exported by air freight in 2018. In the history of commerce the faster more effective clipper ships, stage coaches (pony express), trains, planes and now even delivery vans carry the more valuable items to arrive at the market more quickly so they can be sold or used.

AIR EXPORTS OF CHEESE

In 2018 \$18.4 million worth of cheese (HS 0406) was exported from the U.S. according to *USA Trade Online*, over 2.5 million kilos or about 5.6 million pounds. That is a lot of cheese. The top destinations were: South Korea, Japan, Taiwan, China, Kuwait, Hong Kong, the UAE, Qatar and Singapore were the top markets. Singapore imported \$360,000 of cheese in 2018 and 46,245 kilos or 102,000 pounds of cheese.

Since the total value of cheese exported in 2018 was nearly \$1.5 billion, cheese shipped by air was close to 13% of the total. The total value to Singapore was nearly \$6.9 million. Most cheese is exported from major international airports like JFK, LAX, Houston, San Francisco and Miami. Most of the airfreight of cheese to Singapore is from LAX. Many air freight shipments are smaller in weight and therefore as well as value. Exports under \$2500 are not tracked statistically so the numbers in air cargo values are likely even higher.

MEAT, DAIRY AND SEAFOOD

The U.S. exported \$127.5 million of meat (HS 02) in 2018. Top markets included Hong Kong, Japan, Switzerland, South Korea, Singapore, UAE, Qatar and Israel. Switzerland imported \$14.6 million in meat from the U.S. and over 3 million kilos. Most of the meat was exported from Chicago and Newark, New Jersey and it was fresh, boneless beef and of course EU certified.

Seafood has the 2nd highest value of air freight exports from the U.S., given its perishability and need for speed to market. The 2018 value was \$708.5 million (just over 51 million kilos or 1.1 billion lbs). That is an average price per kilo of \$13.78 or \$6.25 a pound – one of the highest average export prices you will see.

China and Hong Kong accounted for nearly \$430 million of the total, or about 61%. They were followed by Italy, Vietnam, and South Korea, Spain, France, Taiwan, India and Canada. The top airport for seafood export is Anchorage, Alaska, followed by Boston Logan, JFK, Newark and Honolulu.

Full Helpline response at:
<http://www.foodexport.org>

Overall dairy (HS 04) exports by air in 2018 amounted to \$146.3 million. The top market for dairy exports by air is Brazil, importing 20% of the total at \$29.3 million.

FRUIT, NUTS, CHOCOLATE AND BAKERY

Air export value for fresh and dried nuts and fruits (HS 08) was \$553.1 million in 2018. The top markets were Korea, China Japan, Taiwan, as well as Australia, followed by Saudi Arabia, Hong Kong, UAE and Kuwait. Top air exports by product include cherries at \$303 million, strawberries, raspberries, grapes and peaches, including frozen and fresh varieties.

In 2018 the total value of cocoa and chocolate product exported by air cargo was \$36.9 million (5.4 million kilos or about 12 million lbs). Some 99% of that was from 1806 which is cocoa preparations and chocolate bars and confectionery.

The U.S. exported over \$81 million in bakers' wares (HS 19) in 2018, (13.1 million kilos or about 29 million lbs). The top exports were breakfast cereals, baby food, bread products and snack foods.

The highest value of air cargo is miscellaneous edible preparations (HS 21). It includes extracts, yeasts, sauces and condiments, soups and broths, ice cream, juices, beverage ingredients and anything "Neso" or "Not Elsewhere Specified or Included." The 2018 export value by air freight was nearly \$933 million (50.2 million kilos or about 110 million lbs).

SOFT DRINKS, BEER WINE & SPIRITS

Many beverages are high-priced, fragile, require temperature management and need to get to market quickly, so it is no surprise that their air freight would be significant. In 2018 exports of HS 22 amounted to \$212 million with a "shipping weight" of 24.1 million kilos. The top products exported are wine and spirits. Other exports of beverages by air include \$20 million in bottled water and soft drinks, \$14 million in vermouth to U.K., Hong Kong and Denmark, and \$5.3 million in "other fermented beverages" such as a hard cider.

So "air" you have it. Using air cargo to import products can be a viable alternative to high value products, lengthy transit time and rougher handling, exposure to the elements and inventory sitting on the water, or on a truck or train somewhere. It should always be part of the logistics consideration when any of these matters are in play. Air freight rates can also be affordable, especially with smaller shipments.

FOOD EXPORT–MIDWEST AND FOOD EXPORT–NORTHEAST ACTIVITIES

Branded Program: Did you know that you might be eligible for up to 50% reimbursement on travel and exhibition fees for some of these activities? Visit www.foodexport.org for more information. **ERD** Early Registration Deadline **RD** Registration Deadline

BUYERS MISSIONS

Buyers Missions bring buyers from all over the globe to U.S. cities. U.S. food and beverage suppliers meet one-on-one with pre-qualified, international buyers to generate sales leads. Imagine meeting with numerous buyers from multiple countries all in one day.

Natural Products Expo East Buyers Mission

Sept. 11-12, 2019 Baltimore, MD

RD July 31, 2019

Value-Added Feed Ingredients Buyers Mission at World Dairy Expo

Oct. 2-3, 2019 Madison, WI

ERD Aug. 16, 2019 **RD** Sept. 6, 2019

Private Label Buyers Mission at the 2019 Private Label Manufacturers Association Show

Nov. 10-11, 2019 Rosemont, IL

ERD Sept. 9, 2019 **RD** Sept. 30, 2019

FOCUSED TRADE MISSIONS

Focused Trade Missions bring small groups of U.S. suppliers to a country with the goal of building participants' export businesses. You're able to see the market dynamics first-hand, meet and build relationships with interested importers, and discover your products' potential in that market.

Focused Trade Mission to Panama

Oct. 29-30, 2019

RD Aug. 19, 2019

Focused Trade Mission to Mexico for Feed Ingredients

Nov. 6-7, 2019

RD Aug. 12, 2019

Focused Trade Mission to Korea for New Lifestyle U.S. Food Products

Nov. 6-7, 2019

RD Aug. 16, 2019

Focused Trade Mission to Dubai

Dec. 4-6, 2019

ERD Aug. 9, 2019 **RD** Sept. 20, 2019

FOOD SHOW PLUS!™

Food Show PLUS!™ provides the logistical assistance you need to be a more effective exhibitor. Services may include registration assistance, pre-show product research, translations of booth and sales materials, technical interpreters at your booth, local industry tours, on-site show assistance from food marketing experts, and much more!

Food Show PLUS!™ at ANUGA

Oct. 4-9, 2019

RD Aug. 9, 2019

Food Show PLUS!™ at China Fisheries

Nov. 6-8, 2019

RD Aug. 14, 2019

Food Show PLUS!™ at Food & Hotel China

Nov. 17-20, 2019

ERD Aug. 16, 2019 **RD** Sept. 6, 2019

SEAFOOD ACTIVITIES

Food Export-Northeast is widely known for the foreign market development activities and cost-share assistance we provide to the region's seafood industry. We also provide a variety of support activities on behalf of the industry to continuously uncover new market opportunities and to create greater foreign market awareness and demand for the region's seafood products along with our Seafood Export Promotion Program that includes market briefs provided by our in-market representatives in Brazil, France, Germany and China.

Food Show PLUS!™ at China Fisheries & Seafood Expo

Nov. 6-8, 2019 Qingdao, China

RD August 10, 2019



BRANDED PROGRAM

2020 BRANDED PROGRAM OPENS AUGUST 1, 2019!

Start planning for 2020 – it is to your advantage to apply early. Please complete your Pre-Qualification and Application for 2020 to ensure funding to build the appropriate international marketing budget.



FIND EXPORT SUCCESS. CALL OR EMAIL US.
WE'RE HERE TO HELP.

Call: (312) 334-9200 or (215) 829-9111 E-mail: info@foodexport.org | www.foodexport.org



Make your market.™

Please note: Dates and locations are subject to change and upcoming activities are pending funding from the Foreign Agricultural Service (FAS) of the USDA. Visit our website for more event information.



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DATES AND DEADLINES FOR 2019 FOCUSED TRADE MISSIONS INSIDE.

Panama



Korea



Mexico



Dubai



UPCOMING USDA FAS TRADE MISSIONS

United States Department of Agriculture (USDA) Foreign Agricultural Service (FAS) sponsored international trade missions open doors and deliver results for U.S. exporters, giving them the opportunity to forge relationships with potential customers, gather market intelligence and, most importantly, generate sales. For more information visit: www.fas.usda.gov

GHANA (ACCRA), OCT. 28-31, 2019

To include buyers from Benin, Burkina Faso, Cote d'Ivoire, Mali, Nigeria, and Senegal

MEXICO (MEXICO CITY), NOV. 6-8, 2019