

Export
News
From the
Midwest and
Northeast

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NEW EMERGING MARKETS WORTH EXPLORING

Food Export, with the assistance of Food Export Helpline™ Counselor, Dennis Lynch, is always on the lookout for new market developments, having added a number of marketing opportunities to new destinations over the years. This is often in response to the emergence of markets from economic development and infrastructure, joining the World Trade Organization (WTO), or entering into Free Trade or Trade Promotion Agreements (FTAs or TPAs) with the United States.

In some cases, increasing levels of economic integration such as FTAs or even more sophisticated trade helps regional markets increase their economies by working with each other, causing the U.S. food export industry to benefit. This is the case in some new markets exporters should consider, including Burma, also referred to as Myanmar, as well as Cambodia. They are both members of ASEAN, the Association of Southeast Asian Nations, a region of high strategic importance to the Association's goals for its participating U.S. exporters of food and agricultural products.

The Southeast Asian Region

ASEAN members include Burma, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. These countries accounted for 99.9% of the \$10.7 billion in U.S. exports of food and agricultural products to the region in 2013, representing growth of 12% over 2012. Of that amount nearly \$3.9 billion or over 36% were exports of consumer ready products. The value to Southeast Asia has grown 23% on a year-to-date basis, to nearly \$4.5 billion. The region is now the United States' fourth largest market for food and

agricultural exports in the world, increasing 250% since 2003.

Vietnam is now the fourth largest U.S. export market in Southeast Asia and ranks 12th of all destinations. Exports to Vietnam have grown almost 2,100% in the last 10 years. That is no typo, as their economic growth came from going through many of the same steps we may be witnessing in Burma and Cambodia. Vietnam has also joined the list of countries participating in the Trans-Pacific Partnership, and thus would enter into the Free Trade Agreement with the U.S., offering even greater potential for export growth.

ASEAN to Become AEC

Euromonitor reports that the ASEAN is aiming to create a European Union style

.....cover story continued on back cover

**LOOK INSIDE FOR THE
2015 ACTIVITY CALENDAR AND PLANNING GUIDE**
Start planning your 2015 export activities now!

MARKET FOCUS: TAIWAN

In 2013, Taiwan was the seventh largest market for U.S. food and agricultural products with imports of \$3.2 billion reports the USDA, Foreign Agricultural Service. So far, this trend has continued throughout 2014. While the overall economy is recovering at a slow pace (2.82% - 2014 forecast), Taiwan is still a significant market with serious growth potential in consumer-oriented products, worth \$4.6 billion in 2013. In addition, U.S. exporters have successfully used Taiwan as a springboard into China and other Asian markets, taking advantage of close cultural, language, and business ties.

Although it is a small island (about 63% the size of Lake Michigan) with a population of only 23 million people, Taiwan has developed into one of the world's largest economic and trading entities. Taiwan is the world's 20th largest economy, as well as the 5th largest economy in Asia. In 2013, Taiwan had an estimated per capita GDP of \$20,958. Overall, Taiwan is the United States' 11th largest trading partner and 15th largest export market. To put these numbers into perspective, U.S. trade with Taiwan is greater than with India.

Trends in Food and Beverage Consumption

Taiwan has one of the lowest birthrates in the world, which is causing a rapidly aging population. This is due to a number of changes in Taiwan's family structure, including: the increasing frequency of women working outside of the home, couples deciding not to have children, and the growth of nuclear families. Consumption patterns have also changed to reflect these trends with a growth in the number of people frequenting restaurants, consuming prepared foods, trying more foreign dishes, and eating healthier food

UPCOMING ACTIVITY IN TAIWAN

**Focused Trade Mission to Taiwan for
Retail and Food Service Products**

May 11-12, 2015, Taipei, Taiwan

Early Registration Deadline: Jan. 6, 2015



in the pursuit of ways to spend their increasing level of disposable income.

Best High-Value Product Prospects

The USDA, Foreign Agricultural Service reports that the best high-value product prospects include: wine, cheese, pork, fresh fruit, poultry, tree nuts, beef, and fish and seafood products. Products marketed as healthy and natural including processed organic products also have great potential.

Doing Business in Taiwan

The appointment of an import agent is a critical decision for most exporters. The U.S. Agricultural Trade Office (ATO) in Taipei, the local offices of U.S. commodity groups, or other trade associations (such as, the American Chamber of Commerce or the Import and Export Association of Taipei) can provide invaluable background information and assist in other ways.

A visit to Taiwan is imperative in establishing meaningful relationships with Taiwan buyers. Personal relationships and

face-to-face meetings are very important in Asian cultures. It is advisable to bring along samples to meetings with potential buyers while visiting Taiwan, as many importers and retailers rely heavily upon subjective factors when deciding on new products to represent.

Product design and packaging is important.

Taiwan is very densely populated with a high cost of urban housing. The average Taiwanese lives in an apartment with their family, and space is at a premium. Taiwanese keep a low inventory of food and in general prefer smaller units than would typically be sold in the United States.

Is Taiwan the Right Market for You?

Food Export provides the services and activities you need to help determine if Taiwan is the right market for your product. If you're interested in developing potential sales, market education, meeting global buyers, or qualifying for funding assistance in marketing your products overseas, contact us.

Visit our website at www.foodexport.org

NEWS STORIES

INNOVATIVE INGREDIENTS HELP MEET RISING DEMAND FOR GLUTEN-FREE

The demand for gluten-free foods is increasing. However, according to IFT.org, because gluten is an important ingredient in leavened baked goods, obtaining high-quality gluten-free bread is a technological challenge.

IFT.org reports research is being conducted to understand and improve gluten-free bread by looking at different flours and starch sources, ingredients added for nutritional purposes, additives, and technologies, or a combination of these. The results of the reviewed studies should stimulate further research on the improvement of new gluten-free ingredient formulas.



SUCCESS STORY

CHICAGO GOURMET POPCORN GETS A BIG INTRODUCTION TO CARIBBEAN BUYERS



One of the keys to making exporting a success is connecting with qualified importers. It's that connection, coupled with diligent follow-up, that opens new market for U.S. products. June 2014 in Miami, Florida, Chicago American Sweets & Snacks, Inc. experienced this first-hand.

The company attended the Food Export and SUSTA sponsored Caribbean and Central American Buyers Mission where they landed a first-time export sale to the Caribbean for \$5,000. The company expects an additional \$10,000 in export sales over the next twelve months as a result of this activity.

Post event Chicago American Sweets & Snacks stated, "We are working with three potential export customers that we met at the Caribbean and Central American Buyers Mission. Food Export is so important to companies such as ours because they pull together qualified, experienced buyers from many different countries in one location. The financial and time savings attributes of these events alone make the activity well worth our time and resources. The ability to meet a foreign buyer at these events is so valuable. Even if it doesn't result in an immediate meeting, it is a contact that always turns out to be valuable at some point in our business."

Chicago American Sweets & Snacks Inc.'s popcorn products are made with corn grown on Midwest soil in Indiana, Illinois, and Nebraska and is 95% sustainably sourced. They carry classic flavors such as caramel, cinnamon and English toffee, as well as signature flavors including gingerbread, chocolate, and Chicago style.

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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COVER STORY CONTINUED...NEW EMERGING MARKETS WORTH EXPLORING

economic community by 2015 called the AEC (ASEAN Economic Community). Already an important free trade association in the Asia Pacific region and on a global scale, the creation of an economic union will set the group apart from other countries in the region and around the world. The ASEAN's integration into the AEC will transform the ASEAN into a region with free movement of goods, services, investment, and skilled labor. As a consumer market, the AEC will be a regional market of over 615 million consumers, with combined consumer expenditure estimated to reach more than \$1.5 trillion in 2015. More importantly, the AEC consumer market will boast a young and growing population together with a burgeoning middle class.

Across Southeast Asia, the middle class has already been credited with transforming the

region's key consumer markets including Indonesia, the Philippines, Thailand, and Vietnam. Euromonitor estimates that the number of households with an annual disposable income over \$10,000 in the whole ASEAN region will reach 47.1 million in 2015, rising further to 63.9 million by 2020. Given the size of its middle class, the AEC will simply be a consumer market no U.S. food and agricultural exporter can afford to ignore. So anticipation of all member states benefitting from the new developments should have a very positive effect on both Burma and Cambodia as well.

Food Export will keep working on developing trade ties in these markets and, of course, keep you posted on further opportunities.

Use Market Builder to Explore Market Potential in the ASEAN Region

Visit our website to register for Market Builder in key markets around the world. You can choose to use Market Scan to determine your product's potential in a market, Rep Finder to meet with targeted importers, or save by doing a combination package that includes both services.



**UPCOMING ACTIVITY
 IN THE ASEAN REGION**

Food Show PLUS!™ at Food & Hotel Vietnam
April 20-23, 2015, Ho Chi Minh City, Vietnam
 Early Registration Deadline:
 December 29, 2014