

GLOBAL FOOD MARKETER™ NEWSLETTER

Export news from the Midwest and Northeast



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FOOD EXPORT INTRODUCES NEW SERVICES FOR U.S. SUPPLIERS

Continuing to support our U.S. Suppliers on all levels has prompted Food Export – Midwest and Food Export – Northeast to launch two new, unique services to help increase U.S. exports.



VIRTUAL CONSULTATIONS

Do you have market-specific questions? Then Virtual Consultations are the perfect tool to tap into the expertise of Food Export's network of In-Market Representatives.

Virtual Consultations are a 30-minute one-on-one video consultation with an In-Market Representative, meant to help you explore questions related to export plans and market expansion. During your session you will have the opportunity to receive answers to pre-determined market-specific questions. Our in-market experts will do their best to answer your questions and deliver valuable feedback to help you achieve export success.

BENEFITS

- Save time and money with on-demand consultations using video conference technology.
- Ask market-specific questions and receive real time answers from our in-market experts.
- Maximize your investment with export resources early in the planning process.

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Food Export Introduces New Services for U.S. Suppliers



Market Focus: Mexico



Food Export Helpline Q/A

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MARKET FOCUS: MEXICO

In 2019 U.S. exports of consumer-ready food products to Mexico added up to US\$8.9 billion, an increase of 4% from that of 2018. Mexico remains the 2nd largest export market for consumer ready products. Mexico also imports a considerable amount of U.S. processed foods as well. In 2019 it added up to US\$6.1 billion, ranking 2nd in the world and an increase of 2%.

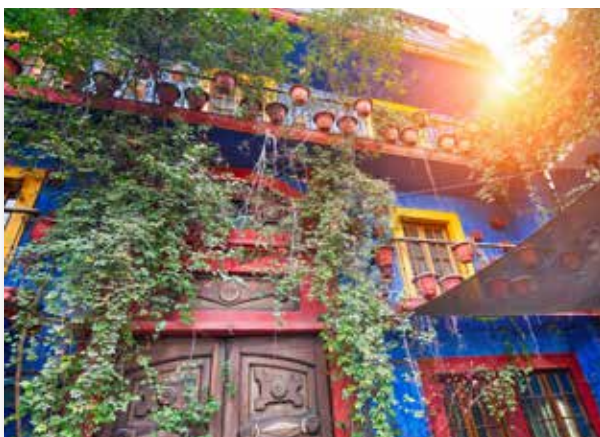
USDA's Foreign Agricultural Service (FAS) Agricultural Trade Office (ATO) in Mexico City hereinafter referred to as "Post" reports that Mexico remains one of the largest and most consistent markets for U.S. agricultural products. With the geographical advantage of a long land border and a Free Trade Agreement (FTA) that has eliminated duties on all agricultural and food products, Mexico is a natural market for U.S. exporters. Mexico continues to be one of the largest consumer markets in the world for U.S. products. Since NAFTA was implemented in 1994, total bilateral trade has increased from US\$50.8 billion to US\$677.8 billion.

Since joining the North American Free Trade Agreement (NAFTA) in 1994, Mexico has negotiated more trade agreements (46) than any other country. Mexico is a member

of the new 11-member Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) which was formally created in March 2018. NAFTA was updated to the United States-Mexico-Canada agreement (USMCA) in September 2018, with a review in six years. The new deal guarantees tariff-free regional trade between the countries.

The packaged food market in Mexico was estimated to reach \$52.6 billion in 2019, which makes it the 11th largest market in the world, representing a growth rate of 30% or \$12.1 billion since 2015. The forecast for growth is promising – by the year 2024, retail sales in the packaged food market in Mexico is expected to reach \$72.9 billion, a growth rate of 29.6%, or \$16.6 billion.

The Post in Monterrey reported that according to the Mexican Association of Nationwide Retailers (ANTAD), there are 33 supermarket chains, with 58,777 stores throughout the country. Still, nearly 50% of the retail market is covered by informal establishments, such as mobile street vendors and open public markets. These points of sale traditionally distribute local, domestic products. Retail sales maintain steady growth of about 7.4% per year.



JOIN FOOD EXPORT FOR THE FOCUSED TRADE MISSION TO MEXICO FOR PRIVATE LABEL, RETAIL AND FOOD SERVICE PRODUCTS JULY 14-17, 2020!

This four-day event will take place in Mexico City and Monterrey, Mexico when Food Export partners with National Association of State Departments of Agriculture (NASDA) to sponsor buyers from Chile, Colombia and Peru to meet with U.S. suppliers in Mexico City.

RD April 20, 2020

TOP 10 PROCESS FOOD EXPORTS TO MEXICO IN 2019

- Processed/Prepared Dairy Products
- Food Preparations
- Syrups and Sweeteners
- Prepared/Preserved Meats
- Snack Foods
- Fats and Oils
- Processed Vegetables and Pulses
- Chocolate and Confectionery
- Condiments and Sauces

HIGH GROWTH PRODUCTS IN THE FORECAST

- Processed Fruit and Vegetables
- Ready Meals
- Processed Meat and Seafood
- Savory Snacks
- Sauces
- Dressings
- Condiments
- Ice Cream
- Frozen Desserts
- Baby Food



BEST PROSPECTS

Retailers are expanding their high-end formats, where imported products are a major draw for consumers. Given the rapid expansion of stores in this niche, in order to maintain customers and expand the market, retailers need to offer products in the following categories:

- Healthy/environment friendly processed foods (low sodium, low-fat, reduced sugar, "green" packing).
- Premium products – claiming better quality and product innovation.
- Gourmet food – sauces, condiments, artisanal cheeses.
- Ethnic foods such as Asian type items, Mediterranean food, European food.
- Dairy products – distinctive formulation of yogurts (Greek, etc.), segmentation of milk products.
- Plant-based beverages and products: soy, almond, coconut, rice, oat beverages/yogurt/ other products.
- Convenience foods such as ready-to-eat, meal helpers, frozen foods.
- Craft beer – there is a growing demand for differentiated premium beers.

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–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.

Food Service Buyers Mission at National Restaurant Association Show

May 16-18, 2020 Chicago, IL
RD April 3, 2020

Beer, Wine, & Spirits Buyers Mission at BAR at the Show

May 18-19, 2020 Chicago, IL
RD April 3, 2020

Sweets and Snacks Buyers Mission at the Sweets and Snacks Expo

May 18-20, 2020 Chicago, IL
RD April 6, 2020

Dairy, Deli, Bakery Buyers Mission at IDDBA20

May 31-June 1, 2020 Indianapolis, IN
ERD March 27, 2020 **RD** April 17, 2020

Value-Added Feed Ingredients Buyers Mission at World Pork Expo

June 3, 2020 Des Moines, IA
ERD March 23, 2020 **RD** April 20, 2020

Caribbean & Latin American Buyers Mission for Retail and Food Service Products

June 10-11, 2020 Miami, FL
ERD April 1, 2020 **RD** April 29, 2020

Specialty Food Buyers Mission at Summer Fancy Food Show

June 26-27, 2020 New York, NY
ERD April 24, 2020 **RD** May 15, 2020

Food Ingredients Buyers Mission at the Institute of Food Technologists Show

July 12-13, 2020 Chicago, IL
ERD May 8, 2020 **RD** May 29, 2020

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 Seafood Expo Asia

Sept. 1-3, 2020 Hong Kong
ERD May 22, 2020 **RD** June 19, 2020

▲ Food Show PLUS!™ at China Fisheries and Seafood Expo

Oct. 28-30, 2020 Qingdao, China
ERD May 22, 2020 **RD** June 19, 2020

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.

USDA Focused Trade Mission to Spain & Portugal

June 8-11, 2020
RD April 8, 2020

Focused Trade Mission to New Zealand

June 21-23, 2020 Auckland, New Zealand
RD March 30, 2020

Focused Trade Mission to Australia

June 24-25, 2020 Sydney, Australia
RD March 30, 2020

Focused Trade Mission to Mexico for Private Label, Retail and Food Service Products

July 14-17, 2020 Mexico City & Monterrey, Mexico
RD April 20, 2020

Focused Trade Mission to China for Retail and Food Service Products

Aug. 9-12, 2020 China
ERD April 13, 2020 **RD** May 22, 2020

Focused Trade Mission to Vietnam

Aug. 13-14, 2020
ERD April 13, 2020 **RD** May 22, 2020

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 Free From Functional & Health Ingredients Expo

June 23-25, 2020 Amsterdam, Netherlands
ERD April 1, 2020 **RD** April 29, 2020

Food Show PLUS!™ at HKTDC Food Expo

Aug. 12-15, 2020 Hong Kong
ERD May 27, 2020 **RD** June 24, 2020

Food Show PLUS!™ at Fi South America

Aug. 17-20, 2020
ERD May 27, 2020 **RD** June 24, 2020

Food Show PLUS!™ at Fine Food Australia

Sept. 6-10, 2020 Melbourne, Australia
ERD April 22, 2020 **RD** May 27, 2020

Food Show PLUS!™ at Fi Asia

Sept. 8-11, 2020 Jakarta, Indonesia
ERD June 24, 2020 **RD** July 15, 2020

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.



FOOD EXPORT HELPLINE™

Q: We've been waiting for specifics on the "Phase One" trade deal with China. What details can you share with us? Are the punitive tariffs in China being removed?

A: U.S. and China announced Jan. 15, 2020 that they have reached an enforceable agreement on a Phase One trade deal, requiring structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The agreement also includes China's commitment to make substantial additional purchases of U.S. goods and services. The full text of the agreement is at the Foreign Agricultural Service website: www.fas.usda.gov.

Many are agricultural products, referred to as "farm products," but a significant amount of consumer oriented, processed, and seafood products are also included.

EXPANDING TRADE: Chapter Six, beginning on page 53, includes commitments from China to import various U.S. goods and services over the next two years in a total amount that exceeds China's annual level of imports for those goods and services in 2017 by no less than \$200 billion. China's increased imports of U.S. goods and services are expected to continue for several years after 2021 and should contribute significantly to the rebalancing of the U.S.-China trade relationship.

China has agreed to purchase and import on average at least \$40 billion of U.S. food, agricultural, and seafood products annually for a total of at least \$80 billion over the next two years. Products will cover the full range of U.S. food, agricultural, and seafood products (including lobster). China will "strive" to import an additional \$5 billion per year over the next two years.

AGRICULTURE: beginning on page 23, the chapter addresses structural barriers to trade and will support a dramatic expansion of U.S. food, agriculture and seafood product exports, increasing American farm and fishery income, generating more rural economic activity, and promoting job growth.

Meat & Poultry: When China partially re-opened its market to U.S. beef and beef products in 2017, following a 13-year ban, many unscientific restrictions remained, including on age, product scope, use of veterinary drugs, and traceability. It was very difficult to register new facilities with Chinese authorities in order to export these commodities to China.

China banned all U.S. poultry in 2015 and has maintained longstanding market access restrictions on specific U.S. beef and pork products. The Phase One agreement addresses these issues and should give U.S. companies streamlined access to China's market while providing Chinese consumers with a wider variety of

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

American beef, pork, and poultry products.

Dairy and Infant Formula: In recent years, U.S. dairy and infant formula exports have been limited by restrictive Chinese regulatory requirements. China has agreed to recognize the U.S. system of oversight for dairy products, eliminating the need for China-specific inspections of U.S. dairy facilities. China will still inspect manufacturers for purposes of registering an infant formula product. They have agreed to ensure the confidentiality of any trade secrets disclosed during the infant formula product registration process.

Pet Food: For years U.S. pet food exports to China were limited due to animal health restrictions on U.S. products containing poultry or bovine ingredients. The Phase One agreement gives U.S. companies streamlined access to China while meeting increasing Chinese demand for a variety of high-quality American pet food products.

China will immediately resume imports of pet food containing poultry ingredients and to lift the ban on ruminant ingredients. China has also committed to streamline the timelines and procedures for registering U.S. facilities. They will allow the use of imported animal origin ingredients in pet food as long as the ingredients are legally imported into the U.S., meet U.S. domestic requirements for inclusion in pet food, and are traceable to the country of origin. The U.S. and China will engage in technical discussions to sign within two months an updated protocol for U.S. pet food imports into China. Before the new protocol is finalized, pet food manufacturers will still not be able to use ruminant ingredients or imported ingredients. However, poultry ingredients will be allowed to be imported.

Seafood: In recent years, U.S. seafood exports to China have been hampered by restrictive Chinese regulatory initiatives and punitive tariffs. The Phase One agreement addresses these limitations, giving U.S. seafood companies increased access. China will allow imports from U.S. seafood and fishmeal facilities that are in good standing with the U.S. Food and Drug Administration (FDA) and the National Oceanic and Atmospheric Administration (NOAA), and ensure it updates seafood and fishmeal facility registrations within 20 business days of receipt from the FDA and NOAA, ensure the continued use of existing bilaterally-agreed certificates issued by NOAA.

You can find commodity-specific fact sheets with more details on resources and regulations on www.fas.usda.gov.



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FOOD EXPORT INTRODUCES NEW SERVICES (CONTINUED)

LEAD QUALIFICATION SERVICE

Get help qualifying foreign buyer leads from trade shows or other sources. Our In-Market Representatives (IMRs) will vet the buyer and provide a report to help you determine if you want to move forward with the lead. Lead Qualification Service allows you to use market research and data available to our IMRs to prioritize leads after an event.

BENEFITS

- Maximizes your time and money utilized exhibiting at trade shows or events.
- Outsources follow-up duties to our experts and save valuable time and efforts.
- Provides the comfort of knowing the buyer has been vetted by an in-market expert

You will be provided a brief form to complete in order to help our IMRs build their preliminary research which will qualify the foreign buyer and provide more pertinent data. Should certain information not be readily available or accessible depending on the market, it will be effectively communicated to you ahead of time.

After completion, our IMRs will provide you with detailed information such as: line of business (importer, distributor, manufacturer), size of the player in the market, foodservice or retail classification, etc.

Markets Available for This Service

North & South America: Argentina, Brazil, Canada, Caribbean, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay

Europe: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey, United Kingdom

Asia: China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam

Middle East: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates

Oceania: Australia, New Zealand