GAIN EXPORT SALES VIRTUALLY

As we all evolve to different working dynamics with the recent pandemic, U.S. Suppliers are looking for new ways to increase export sales. Food Export is helping by creating new virtual events for suppliers.

Explore our new virtual services:

VIRTUAL CONNECT
A two day virtual fair where suppliers will have the opportunity to create a virtual booth and connect with 50+ pre-qualified international buyers. Think Buyers Mission without travel. This unique new event will help you showcase your products and gain new foreign buyer contacts.

What you get when you participate:
- Access to connect with 50+ international buyers vetted by our in-market experts
- On-boarding assistance to guide your digital booth creation
- Access to our network of In-Market Representatives in attendance
- Financial assistance for sample shipments to top 3 buyers post show
- Analytics on booth engagement post show
- Ability to continue to connect with buyers through the virtual platform for two months after the event

VIRTUAL TRADE MISSIONS
With focus on a specific market, suppliers can be part of a virtual trade mission. With added emphasis on market education and trends our new virtual trade missions will also give you access to buyers from the market.

Services include:
- One-on-one virtual meetings with qualified buyers from all over Colombia
- Pre-event custom product research including market overview, importation analysis and distribution analysis

(continued inside)
The South American region is the 6th largest for U.S. consumer food exports. U.S. exports of these products to the region reached $2.4 billion, representing growth of 13% from the prior year and a record high. South America is also the 5th largest region for U.S. processed food exports, totaling $1.9 billion in 2019, and a decline of 2%. Top U.S. processed food products exported to South America in 2019 included food preparations, processed/prepared dairy products, beer and wine, fats and oils, chocolate and confectionery, prepared/preserved meats, non-alcoholic beverages and condiments and sauces.

CHILE
USDA’s Office of Agricultural Affairs (OAA) reports that the U.S. is Chile’s third largest supplier of agricultural and related products, after Argentina and Brazil. Chile is the 2nd largest market in South America for U.S. processed food product exports, totaling $525.3 million, up 13% in 2019, and a record high. Chilean demand for healthy food products continues to grow as people increase health awareness and income rises. U.S. products are perceived to be of high quality, safe, unique and reliable and consumers are increasingly searching for gourmet and differentiated products.

COLOMBIA
USDA’s OAA in Bogota reports that trade in U.S. agricultural products to Colombia has expanded as a result of the U.S.-Colombia Trade Promotion Agreement (CTPA), implemented in May 2012. Colombia is now the largest South American market (and 12th overall) for the export of U.S. agricultural products, which totaled over $2.6 billion in 2019. In 2019, U.S. exports of consumer-oriented food products to Colombia totaled $797.7 million, growth of 22% over 2018. Colombia is a fast-growing market for value-added food products. Surveyed retailers and food importers feel there is significant potential for new products in all food categories.

PERU
USDA’s OAA in Lima reports that for over a decade, Peru has been one of the world’s top-performing economies, registering sustained high growth accompanied by low inflation. The U.S., with a market share of almost 22% is a top supplier of consumer-oriented food products to Peru. Peru is now the 3rd largest export market in South America for U.S. consumer food products. In 2019 the total was $313.5 million, an increase of 18% and a new record high. Peru also ranks 3rd as the largest export market in South America for U.S. processed food exports. In 2019 Peru imported $244.2 million, a decrease of 8% from 2018.

**MARKET FOCUS: SOUTH AMERICA**

<table>
<thead>
<tr>
<th>Country</th>
<th>U.S. Processed Food Exports</th>
<th>Change from 2018-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHILE</td>
<td>$525.3M</td>
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</tbody>
</table>

CHILE
Best prospects: beer/craft beer and spirits, beef, poultry and pork (chilled/fresh), dairy (cheeses), sauces, mixes condiments and seasonings, fruit juices, prepared and frozen meals, snack foods and healthy food products

COLOMBIA
Best prospects: Healthy and ethnic food categories; wines, craft beers and gourmet products, organic food products

PERU
Best prospects: cheese, chocolate and confectionery, food preparations, red meats, poultry meats, fruit and vegetable juice, bread, pastry and cookies, soups and broths, sauces and tree nuts

VISIT OUR WEBSITE AT WWW.FOODEXPORT.ORG
GAIN EXPORT SALES VIRTUALLY (CONTINUED)

- Market briefing by local USDA, Foreign Agricultural Service, live Q&A session
- Retail presentation
- Virtual Assistance by Food Export’s In-market Representative during the event
- Dedicated interpreter
- Translation of up to 2 pages of materials to Spanish
- Inclusion in Trade Mission brochure containing your company profile, contact details and products line
- Post-Event Debrief and Identification of Top Leads

Currently we have Trade Missions for Canada and Colombia scheduled! Visit www.foodexport.org to see all of our upcoming scheduled Virtual Activities!

UPCOMING VIRTUAL TRADE MISSIONS

**CANADA**
Virtual Trade Mission
Aug. 31-Sept. 3
Registration Deadline: July 10, 2020

**COLOMBIA**
Virtual Trade Mission
Sept. 28-Oct. 2
Registration Deadline: Aug. 3, 2020

Canada remains the top market for U.S. exports of consumer-oriented products, a total of $16.1 billion in 2019.

Top U.S. processed food exports:
- Food preparations
- Snack foods
- Non-alcoholic beverages
- Chocolate and confectionery
- Prepared/preserved meats
- Dog and cat food
- Pasta and processed cereals
- Condiments and sauces

Colombia is now the largest U.S. South American market (and 12th overall) for the export of U.S. agricultural products. Colombia is a fast-growing market for value-added food products.

Top U.S. processed food exports:
- Food preparations
- Processed/prepared dairy products
- Fats and oils
- Non-alcoholic beverages
- Prepared/preserved meats
- Chocolate and confectionery
- Snack foods
- Dog and cat food

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**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.

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VISIT OUR WEBSITE AT WWW.FOODEXPORT.ORG
Virtual meetings require preparation and attention to detail. Here are a few tips to make your virtual meetings run a little smoother.

**IT PAYS TO PREPARE**

- Have a script or agenda for the call.
- Determine who will be the moderator, especially if participants will be on mute to minimize background noise and if they will be unmuting participants when they speak.
- Have a slide presentation that has your information – particularly contact information – that can be shared on screen.
- Practice! Test your technology in advance, make sure you know how features work and how you will move to different presenters or content to make the virtual meeting as seamless as possible.

**OPTIMIZE YOUR INTERNET**

Whether working from home or at the office, your internet can get overloaded.

- Don’t Crowd Your Wi-Fi Router: put it in an open space. Behind the TV, or in a cabinet are not the best solutions.
- Maximize Your Power: Wired is better than wireless. If you are on Wi-Fi try being no more than 5-8 ft from the router. Close out all other apps operating on your laptop.
- Close Down The Competition: If you are streaming a virtual meeting, turn off other computers, Smart TVs, gaming consoles, iPads and even phones that are competing for bandwidth.

**MAKE THE BEST USE OF YOUR SPACE**

- **Lighting Matters**
  - Avoid having your back to a window.
  - If your face looks dark in your test video, add a light in front of you to light your face.
  - Turn down your monitor to reduce glare.
  - If you wear glasses, move the light or camera until the glare is off your lenses.

- **Be Heard**
  - Some audio is better than others. A wireless or wired headset is best followed by a webcam microphone or laptop microphone. Again, test, test, test … before your meeting.

- **Be Seen – It’s Live Video**
  - Clean the lens! Nobody likes to see that blurry spot for a whole meeting.
  - Position your camera at eye level.
  - Where you setup your meeting matters. Use a professional setting in your home or office. Nobody wants to see an unmade bed or messy office with stacks of files or boxes.
  - Virtual backgrounds are available in some platforms, but be sure to test first. There’s nothing worse than you disappearing green screen style.
  - Take what you wear seriously. If you would normally wear a suit coat or tie, continue to do so in a virtual meeting. If this is a professional meeting, a tshirt and ball cap are not acceptable.

**PRESENTATION TIPS**

- Avoid distracting noises – from your background or from you. Things like cellphone alerts, incoming email, squeaky chairs, typing and even shuffling papers comes through very loud in a virtual call and makes it difficult for users to hear and concentrate.
- Sit in a quiet space, away from distractions with your door closed. Add a “Quiet Please” sign on the door if you have other people working in your workspace.
- Although it can be difficult, look at your camera versus your screen for a more natural line of sight for your viewer. This can be hard depending on the view of your screen with gallery images and shared screens.
- Do not have multiple people with open mics in the room or you will get distracting feedback.
- Have a couple of Plan B options.
  - Making sure you have printed copies of your slides or materials in front of you in case you have trouble sharing.
  - Have someone who can email the content to your meeting attendees if there is an online problem.
  - Have a second person who can launch the meeting slides or content if you have a tech failure related to sound or video.
Important improvements in USMCA will enable food and agriculture to trade more fairly, and to expand exports of agricultural products. During the pandemic, trade tensions and other challenges, trade agreements and the steady volume of exports are bright spots.

Canada and Mexico are the top two exports markets for U.S. food and agricultural products, importing $39.9 billion in 2019, which accounted for 29% of the agricultural export total. These exports support more than 325,000 American jobs. Mexico is now the 2nd largest market as China has dropped due to the impact of their punitive tariffs on U.S. food and agricultural products in 2018.

**Differences between NAFTA & USMCA**

USMCA updates many business concepts and activities. For example, the Internet was a brand-new concept in 1994 when NAFTA began. New features of USMCA include digital trade, intellectual property and financial and other services. Of greater interest will likely be the customs and trade facilitation, including the improved advance ruling process and the new treatment of agricultural products.

- **Digital Trade chapter:** prohibits customs from applying duties on products that have distributed electronically, supporting Internet-enabled small businesses and e-commerce exports.
- **Intellectual Property (IP) chapter:** provides protection and enforcement of IP rights critical to driving innovation, creating economic growth, and supporting American jobs.
- **Cross-Border Trade in Services chapter:** benefits SMEs by eliminating the unnecessary requirement to open a foreign office as a condition of doing business. It also includes a new provision encouraging parties to consider the effects of regulatory actions.
- **Good Regulatory Practices (GRP) chapter:** sets forth good governance procedures to promote transparency and accountability in the development and implementation of regulations.

Canada and Mexico agreed to raise their de minimis value levels for taxes and duties on lower-value express shipments.

USMCA goes further than any past agreement to help reduce costs and make cross-border transactions more predictable, while ensuring that customs officials have the tools necessary to enforce the law. USMCA also requires that customs procedures be consistent throughout all ports of entry within each of the three countries. Customs administrations will have new obligations to ensure fairness and integrity in customs work.

In addition, Canada and Mexico will be required to publish information like import, export, and transit requirements, and fees, charges, and penalties on the Internet. This will allow shippers and consignees to better predict trade-related costs and requirements before they export. Note that the good still needs to qualify for USMCA tariff treatment and the invoice should include a statement to that effect.

**Expanded Market Access**

USMCA will create new market access opportunities for U.S. exports to Canada of dairy, poultry, and eggs and, in exchange, the U.S. will provide new access to Canada for dairy, peanuts, processed peanut products, and a limited amount of sugar and sugar containing products.

USMCA also includes a modernized updated chapter for science-based sanitary and phytosanitary (SPS) measures, while ensuring parties maintain their sovereign right to protect human, animal, and plant life or health.

USMCA specifically addresses agricultural biotechnology to support 21st century innovations in agriculture. The text covers all biotechnologies, including new technologies such as gene editing. Specifically, the U.S. Mexico, and Canada have agreed to provisions to enhance information exchange and cooperation on agricultural biotechnology trade-related matters.

Canada will eliminate a program that allows low-priced dairy ingredients to undersell U.S. dairy sales in Canada and in other export markets. Canada has also agreed to eliminate its discriminatory grading of U.S. wheat and no country of origin statement will be required on Canada’s quality grade certificates. It commits to ensuring that British Columbia eliminates discriminatory treatment of U.S.-origin wine in grocery stores and includes new non-discrimination and transparency commitments regarding the sale and distribution of alcoholic beverages.
The Parties agreed to provide important procedural safeguards for recognition of new geographical indications (GIs), including strong standards for protection against issuances of GIs that would prevent U.S. producers from using common names, as well as establish a mechanism for consultation between the Parties on future GIs pursuant to international agreements.

The U.S., Mexico, and Canada agreed to non-discrimination and transparency commitments regarding sale and distribution and labeling and certification provisions to avoid technical barriers to trade in wine and distilled spirits. They agreed to continue recognition of Bourbon Whiskey, Tennessee Whiskey, Tequila, Mezcal, and Canadian Whisky as distinctive products.

To meet technical regulations and standards related to prepackaged food and food additives, governments may require information from companies relating to the companies’ proprietary formulas. The U.S., Mexico, and Canada agreed on the Annex on Proprietary Food Formulas, which requires each Party to protect the confidentiality of such information in the same manner for domestic and imported products. It also limits such information requirements to what is necessary to achieve legitimate objectives.

Certification of Origin

USMCA does not require a specific certificate of origin.

A claim for preferential treatment under the USMCA should contain nine minimum data elements. These data elements are set out in the USMCA’s Annex 5-A (Minimum Data Elements). The data elements must indicate that the good claiming preferential treatment originates and meets the requirements of USMCA Chapter 5. This information may be provided on an invoice or any other document. The information must describe the originating good in enough detail to enable its identification and meet the requirements as set out in the Uniform Regulations. Annex 5-A is available at www.ustr.gov and then the USMCA legal text.

In review of the minimum data elements the origination information looks simpler, easier to understand and doable. However, exporters or producers – in order to support the importer making the origination claim – still need to take the proper steps to avoid delays and issues with customs.

Making the import process easier for your customers is good business and helps separate you out from the competition. Make sure the product qualifies for USMCA as well or you should not sign the origin certification. The USMCA rules of origin are also in the legal text but also at the FTA Tariff Tool located at www.trade.gov and then search for “What’s My Tariff?”

Visit our website, www.foodexport.org to watch the recorded “Dynamics of USMCA Origin Certification” webinar.