

# GLOBAL FOOD MARKETER™ NEWSLETTER

Export news from the Midwest and Northeast



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## INTERNATIONAL EXPORTING TOOLS

Food Export Association of the Midwest and Food Export USA – Northeast are diligently working to provide solutions for U.S. Suppliers to actively continue education, awareness, and strategies for their export business during this unprecedented period. While we wait to find out what the full impact of COVID-19 will have on activities and trade shows, we are strongly focusing on finding alternatives for suppliers to continue to grow and explore new export markets.

Visit [www.foodexport.org/covid-19](http://www.foodexport.org/covid-19) to view a list of Food Export-related postponements and cancellations, links to Virtual and Online programs and services, updates from our In-Market Representatives, and links to other resources.

### VIRTUAL & ONLINE SERVICES AVAILABLE FROM FOOD EXPORT

We offer export education and market development services that can be done online, at your convenience and from the safety of your home.

- Increase your export knowledge with our newly revised **Export Essentials Online!** Web-based learning modules will expand your export knowledge with easy to understand explanations of key concepts and give you a high-level overview of the tasks and processes of exporting.
- Choose from over 40 recorded **Food Export webinars** by logging in to your online portal. Subjects range from the Branded Program, Developing Strategies for Export Pricing, Understanding the new 2020 Incoterms, to country-specific recordings.
- Register for a **Virtual Consultation**; a thirty-minute one-on-one video consultation with one of our In-Market Representatives. These sessions are meant to help you explore questions related to export plans and market expansion.
- Review your saved trade show leads with our **Lead Qualification** service. Get help qualifying foreign buyer leads from trade shows or other sources. Our In-Market

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## IN THIS ISSUE



International Exporting Tools



Market Focus: Japan



Food Export Helpline Q/A

### Register for an Online [foodexport.org](http://foodexport.org) Account!

Be sure to create an online account at [www.foodexport.org](http://www.foodexport.org) to make the most of your customized online experience—it's quick and easy! Just click on Create An Account at the top right corner of our homepage.



## MARKET FOCUS: JAPAN

The USDA Agricultural Trade Office (ATO) in Osaka (hereinafter referred to as "Post") reports that Japan is the fourth largest market for U.S. exporters of food and agricultural products. The total Japanese food and beverage market was valued at an estimated \$779 billion in 2018, with the retail sector accounting for \$479 billion and the food service sector accounting for \$300 billion. Under the U.S.–Japan Free Trade Agreement (effective Jan. 1, 2020) nearly 90% of U.S. food and agricultural imports into Japan are either duty free or receive preferential tariff access. Top processed foods exported to Japan in 2019 included processed vegetables and pulses, prepared/preserved seafood, food preparations, non-alcoholic beverages as well as processed/prepared dairy products, prepared/preserved meats, processed fruit distilled spirits and other alcoholic beverages, and dog and cat food.

**RETAIL FOOD SECTOR HIGHLIGHTS:** The Japanese Food and Beverage (F&B) retail industry includes supermarkets, general merchandise stores (GMS), department stores, convenience stores, drugstores, and the internet. Supermarkets represent the bulk of the retail food market, at 70.1%, but the fast-growing convenience store sector now represents 14% of sales. Ready-to-eat meals (REM) or take-home food items represent a very strong area of growth, and sales from this sector are key to increase retail food & beverage industry revenue.

**Best Prospects:** Post reports there are recent trends of burgeoning growth for private brands, healthy foods, ecofriendly or energy saving foods (typically as frozen foods), market consolidation for greater efficiency, and new retail ideas to meet new demands. Energy efficient foods (frozen foods - bento dashi), ready meals and desserts have all seen a strong market growth. Healthy or Functional foods continue to be important.

**FOOD SERVICE SECTOR HIGHLIGHTS:** Following seven consecutive years of growth, Japan's hotel, restaurant, and institutional (HRI) food service industry achieved record sales of \$299.8 billion in 2018. The continuing surge in inbound

tourism and recovery of sales in the quick-service segment has contributed to the industry's success. Evolution and innovation in home-meal replacements (HMR) and food service for the aging population are also driving growth, while sales at drinking establishments and hotels are relatively lackluster. U.S. suppliers are well positioned to compete in many product categories, provided they are willing to adjust to market demands.

**FOOD PROCESSING SECTOR HIGHLIGHTS:** Post reports that in 2018, Japan's food processing industry manufactured \$216.8 billion of food and beverage products, up marginally from 2017. Health-oriented products are increasing in popularity and frozen foods consumption has doubled over the past two decades. Additionally, there is a growing demand for convenient, ready-to-eat food options, as consumers generally cook fewer meals at home. The U.S. is Japan's number one agricultural trading partner and has a reputation for being a reliable supplier of safe and high-quality foods.

The food processing industry produces a wide variety of foods, including traditional Japanese foods, Western foods, and health-oriented foods for infants and the elderly. Food producers focus on maintaining market share with traditional product lines while developing creative products to attract consumers who are always on the lookout for new and innovative foods. Japanese consumers are familiar with ingredients from the U.S., recognize their high quality, and have confidence in the safety of U.S. products. In addition, the U.S. is one of few producers able to supply Japanese food processors with the volumes and quality of inputs that they require.

**Best Product Prospects:** Post reports that Japanese food manufacturers seek quality ingredients and conveniently prepared semi-processed foods that can reduce costs. Specifically, indications are that there is good potential in the market for beef and products, tree nuts, fish products and processed vegetables.

## INTERNATIONAL EXPORTING TOOLS (CONTINUED)

- Representatives will vet the buyer and provide a report to help you determine if you want to move forward with the lead.
- Gain in-depth overseas market research with **Market Scan**. Finding the right market and buyer for your product is the key to exporting success. The Market Scan draws on In-Market Representative expertise to provide research for a specific product. This includes:
  - **Store Check and Distribution Analysis**: Offers the brand names, packages, sizes, regular retail prices, current price specials, and shelf space allotments for similar products.
  - **Competitive Product Shopping**: First-hand information and samples of similar and competing products sold in the market.
  - **Importation Analysis**: Import regulations and restrictions affecting the importation of your product into a country.
  - **Distributor Referrals**: Importer feedback on package size, labeling, taste, appearance, price and marketability.
  - **Target Importer List**: Includes contact names/information and a brief summary of importers' profiles.
- Be part of our **Alibaba.com Global E-Commerce Platform** promotion to tap into the global e-commerce market, elevate your brand and build your online export sales. Changing global supply chain dynamics and new technologies are affecting every part of the food & agriculture industry, and businesses are increasingly realizing that the way to stay relevant and succeed is by conquering ecommerce.
- Showcase your product in our *U.S. FoodLink* global Newsletter **Featured Products** section highlighting Midwest and Northeast Supplier products that are available to buyers. *U.S. FoodLink* is published bi-monthly and is distributed to USDA's Foreign Agriculture Service (FAS) overseas offices, importers, and buyers in 18 plus international markets and received by over 12,000 contacts interested in U.S. products for export.
- Increase your online presence and utilize the **Branded Program** to defer costs associated with international product promotion. Social media, websites and online advertising are all great ways to increase brand/product exposure.
- Make sure all your products are up to date and listed in our **Online Product Catalog**. Log in to your Food Export portal and make sure all your company's qualified products are listed and have full descriptions. This will help increase disseminated **Trade Leads** and increase foreign buyer contact.



### 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 administer many services through Market Access Program (MAP) funding from the Foreign Agricultural Service (FAS) of the USDA. Persons with disabilities who require reasonable accommodations or alternate means of communication of program information should contact us. Additionally, program information may be made available in languages other than English. Food Export–Midwest and Food Export–Northeast prohibit discrimination in all their programs and activities on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, familial/parental status, income derived from a public assistance program, political beliefs, reprisal or retaliation for prior civil rights activity. To file a program discrimination complaint, go to <https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer>. Food Export–Midwest and Food Export–Northeast are equal opportunity employers and providers. Food Export–Midwest and Food Export–Northeast do not tolerate fraud and are vigilant in preventing fraud in any of their programs. Food Export–Midwest and Food Export–Northeast reserve the sole right to accept or deny companies into their programs. For complete participation policies and our code of ethics, visit [www.foodexport.org/termsandconditions](http://www.foodexport.org/termsandconditions).

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# VIRTUAL CONSULTATIONS

ONE-ON-ONE

30-minute video consultation

between supplier and  
In-Market Representative



REGISTRATION FEE

\$50 / 30 minute session

# LEAD QUALIFICATION SERVICE



- Provide basic information about the buyer and a summary of their encounter, including a business card scan.
- Receive report with a foundation of buyer information.

REGISTRATION FEES

1-5 leads / \$80

1-10 leads / \$140

1-20 leads / \$240

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

Call: (312) 334-9200 or (215) 829-9111 | Email: [info@foodexport.org](mailto:info@foodexport.org) | [foodexport.org](http://foodexport.org)



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. Persons with disabilities who require alternate means of communication of program information should contact us. Food Export-Midwest and Food Export-Northeast prohibits discrimination in all its programs and activities on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, familial/parental status, income derived from a public assistance program, political beliefs, reprisal or retaliation for prior civil rights activity. To file a program discrimination complaint, go to <https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer>. Food Export-Midwest and Food Export-Northeast are equal opportunity employers and providers. Food Export Midwest and Northeast do not tolerate fraud and are vigilant in preventing fraud in any of our programs. Food Export reserves the sole right to accept or deny companies into our programs. For complete participation policies and our code of ethics, visit: [www.foodexport.org/termsandconditions](http://www.foodexport.org/termsandconditions).



## FOOD EXPORT HELPLINE™

**Q:** I have some extra time now to study all the export courses at Food Export. Where would you recommend I start?

**A:** Food Export, realizing that ongoing education and training is essential to overall success has created several platforms to support supplier's efforts to develop competence and confidence in export. One of the most important is Export Essentials Online.

Export Essentials Online (EEO) is made up of 11 food export skills training modules been developed to help small- and medium-sized companies with little or no experience understand the processes involved in bringing their value-added food products into the global market. You may find these modules offer a current, realistic and informative way to accomplish your exporting goals.

### The main goals of EEO are to:

- Determine your firms export readiness
- Build a support network of public and private export assistance
- Research and target your top markets for export
- Create an export marketing and operational strategy
- Make profitable use of export promotional activities
- Prepare accurate and competitive responses to trade leads
- Understand export logistics, documentation and procedures
- Consider export payment methods that best suit your company
- Integrate all the elements of the export transaction
- Obtain confidence and competence and meet buyer expectations

**How to Use the EEO:** Best in chronological order, so start with the first module if your intent is to go through it all. However, many companies find a specific module they need in order to answer questions related to a current event such as negotiations or an actual transaction. Download pdfs of companion guides and other resources before going through the content.

EEO is designed to illustrate, inform, provide resources, train and educate all those interested in developing skills in exporting by watching fictional Samantha Barnes, owner of "Sammy's Snack Foods" as she begins to develop the resources and contacts to grow her small business by exporting.

**MODULE 1:** Called "Exporting: The Time is Right," the main goal of this first module is to provide the reader with an overview of what is going on in the consumer-oriented food market, including an overview of differences between domestic and export marketing, economic overview and especially the public and private agencies and businesses that are there to provide assistance.

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

**MODULE 2:** Overview of the Harmonized System's (HS) role in international trade, it clarifies the differences and uses between HS Codes & Schedule B Numbers, as well as Schedule B and Schedule A numbers. Includes details about why using an accurate HS code is critical to so many different aspects of exporting, how to use HS Codes/Schedule B numbers to identify your top overseas markets, complete in Free Trade and Trade Promotion Agreements, analyze duties and taxes and more.

**MODULE 3:** Details the steps to gather enough information to make sound export decisions. Research should uncover economic, socio-political and cultural factors that either invite or challenge market entry. If done properly, export market research helps a company to properly select, segment, target and position their product in an international market.

**MODULE 4:** About navigating free trade (FTA) and trade promotion (TPA) agreements: using the rule of origin, and to check the tariff elimination schedule to see if the products are free from duty, and if not free then when they would be.

**MODULE 5:** Examining export pricing and quoting, both from an internal company perspective in order to develop an export pricing strategy, and externally as represented by the "landed cost" to the buyer. Includes common export pricing strategies for value-added food products and the role of the international freight forwarder in providing pricing in order to affect a proforma invoice quotation.

**MODULE 6:** An exploration of international terms of sale, especially focused on the Incoterms®2020. Explains Cost, Insurance and Freight (CIF) quotation, how proforma quotations differ when using different Incoterms.

**MODULE 7:** A review of the various distribution systems available for exporters. It includes an overview of the parties involved in the international shipping transaction, such as food export consolidators, freight forwarders, and other carriers. Details on international shipping documents are provided including Ocean Bills of Lading and Air Waybills. Also includes areas on packaging goods for exports, density and dimensionalization, consolidation and information on marine cargo insurance.

**MODULE 8:** Provides details on export regulatory requirements for food products, beginning with national export requirements such as the filing of the Electronic Exporter Information (EEI). Discusses

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## FOOD EXPORT HELPLINE (CONTINUED)

different documentation requirements and regulations depending on a variety of cultural, political and even geographic factors.

**MODULE 9: “Prepare Commercial Export Documentation”** is an overview of product- and market-specific documentary requirements. It includes an overview of the consular and commercial invoices, shipper’s letter of instruction (SLI) and pre-shipment inspections, as well as certificates of origin, inland and ocean bills of lading and air waybills. The role of the international forwarder in document preparation is outlined as well as that of the supplier and buyer.

**MODULE 10: “Get Paid for Your Export Sales”** provides an overview of how companies are paid for their exports. It has a focus on developing payment policies and procedures. Topics covered include: analyzing the risk/cost tradeoff in various payment methods, document preparation, instructing buyers on opening the letter of credit and tips for avoiding discrepancies. You will learn that each payment method has its own risks and costs, usually the responsibility of the exporter. These need to be analyzed, evaluated and negotiated before shipping in order to price your product accordingly and satisfy all parties involved in the transaction. Glossaries on payment terminology are also included.

**MODULE 11:** All about meeting with foreign buyers. If you have gone through Modules 1-10 and answered all the test questions you should be ready to meet with foreign buyers in a variety of scenarios. Advice on how to read a buyer profile and communicate



with them in advance of an event is included. It also includes another list of suggestions for following up after a trade event and responding to trade leads. Suggestions on how to create a solid quotation based on their request is provided.

**SUMMARY:** The 11 modules of EEO detail the steps involved in becoming export ready and entering into transactions as well as programs, services and promotions. The information is available to you 24/7/365 on any device that has access to the Internet. It is a great training source for staff new to your company or transferring into the export area from within the company as well. You can supplement the modules with live or recorded webinars – many complement the modules perfectly. All the information is vertically integrated towards value-added food exports and participants in Food Export programs and services. They can be located right beneath the link to EEO at [www.foodexport.org](http://www.foodexport.org)