HOW TO GAIN EXPORT SALES THE VIRTUAL WAY

Food Export – Midwest and Food Export- Northeast have hit a new milestone completing our first virtual activities this summer with great success! One of our most attended annual events, the Midwest Buyers Mission, became a virtual event in August. “Virtual Connect” was sold out and the overwhelming enthusiasm from our participants was sensational.

With this successful activity, Food Export will continue moving more and more events to this virtual format. Set up and participation was easy and interaction between Suppliers and Buyers was amazing.

So, how does a company participate in a virtual event? First, visit the Food Export website, www.foodexport.org, and look at the list of upcoming events under the “Programs & Services” tab. Search under “Virtual Connect”, “Buyers Missions” and “Focused Trade Missions” to find a list of new virtual activities. (The difference between Virtual Connect, Buyers Missions, and a Focused Trade Mission is that the buyers at Virtual Connect and Buyers Mission span the globe while Buyers for a Focused Trade Mission are focused on a particular country or region.) Another option is to contact a Food Export Liaison who can provide a list of our upcoming events, help you review the buyer list, and note if your product(s) are a good fit with the registered buyers are seeking to import.

Once registered you will receive information on how prepare a virtual booth for the Virtual Connect activity or how to be ready for meetings with registration (continued on back)

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Market Focus: South Korea
Food Export Helpline™ Q/A

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USDA’s Agricultural Trade Office (ATO) in Seoul reports that the U.S. is the leading exporter of agricultural products to South Korea (hereinafter referred to as “Korea”) with a 26% market share. While total U.S. agricultural exports to Korea dipped slightly in 2019, exports of consumer-oriented products such as meat, dairy, and processed products continue to grow. Despite escalated competition from exporters, consumer-oriented American products continued to lead the expansion of the export market in Korea, which reflected Korean consumers’ increased demand for better value, quality and diversity. The Korea-United States Free Trade Agreement (KORUS) implemented in 2012, coupled with ongoing evolution of the Korean food market, should generate greater export opportunities for American products in Korea in the coming years.

Top U.S. exports of processed foods in 2019 included food preparations, fats and oils, prepared/preserved seafood, processed/prepared dairy products, non-alcoholic beverages, processed/prepared vegetables and pulses, prepared/preserved meats, beer and wine, chocolate and confectionery and snack foods.

RETAIL SECTOR HIGHLIGHTS
According to Euromonitor, retail sales in the packaged food market in Korea was estimated to reach nearly $27.8 billion in 2019, representing an increase of 8.5% or $2.1 billion since 2015. Korea is now the 4th largest packaged food market in the Asia Pacific region and is the 18th largest market in the world. By the 2024, retail sales in the packaged food market in Korea are expected to increase 9.7% to $31.2 billion. High-growth products in the forecast include soups, ready meals, baked goods, sweet biscuits, snack bars, fruit snacks, breakfast cereal, and dairy products.

Online retailers and convenience stores led the growth of food sales in the industry in recent years due to increased consumer demand for convenience and value. Hypermarkets and department stores saw stagnant growth not only due to escalated competition from online retailers but also because of limited room in the market to build new stores. As a result, retailers are making efforts to restructure their operation and product strategies to cope with increased competition and evolving consumer taste.

FOOD SERVICE SECTOR HIGHLIGHTS
Post reports that South Korea’s Hotel, Restaurant and Institutional (HRI) food service sector continues to grow as consumers spend more on dining out and look for more convenience in their busy lives. The demand for convenience has also driven rapid growth in online food sales and restaurant delivery services. Many online retailers now offer next-day delivery service for orders placed the night before. These trends are expected to continue, driving further growth in HRI sales.

FOOD-PROCESSING SECTOR HIGHLIGHTS
Korean food processing companies rely heavily on imported commodities and ingredients. About 30% of basic and intermediate agricultural product imports used for feed, industrial and food manufacturing came from the U.S.
BEST PRODUCT PROSPECTS for the Retail Sector

- Beef, pork and poultry
- Seafood
- Processed vegetables
- Fresh and processed fruits
- Nuts
- Dairy products
- Juices
- Alcoholic beverages
- Condiments and sauces
- Processed organic foods
- Bakery goods
- Snacks and confectionery
- Soybeans and soybean oil
- Snacks and confectionery
- Bakery goods
- Processed organic foods
- Condiments and sauces
- Alcoholic beverages

BEST PRODUCT PROSPECTS for the Food Processing Sector

- Beef and pork fresh, chilled and frozen
- Edible offals
- Sausage casings
- Dried fruit
- Fish and seafood
- Spices
- Cheese and curd
- Tree nuts
- Wheat and meslin
- Soybeans and soybean oil
- Chocolate
- Food preparations
- Malt
- Fruit juices including concentrates and extracts

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VIRTUAL SHOWCASE: SPECIALTY & GOURMET JAPAN

NOVEMBER 17-19

DEADLINE: Sept. 25, 2020
REGISTRATION FEE: $300

Food Export is partnering with a renowned retail media group in Japan to conduct a forum where exporters will have an opportunity to showcase their product to Japanese buyers, distributors, HRI operators, and retailers looking for specialty and gourmet products from the U.S. The program includes the participation of local prominent speakers who will enhance the value of the event. After the event, the In-Market Representative will gather feedback and schedule one-on-one virtual follow-ups.

- Space limited to 15 exporters. Targeting 200-300 attendees.
- Companies must prepare a concise, attractive video focusing on product qualities with transcript.
- Companies must provide a brief company profile.
- Companies must provide samples.
- FE will host 1-1 kickoff call to assess marketability.
- FE will create Japanese version of participant’s video.
- FE will host the showcase where buyers will have an opportunity to request samples of product of interest.
- FE will collect feedback and leads from buyers and host a debrief with each company to create a follow-up plan that will include individual one-on-one appointments (interpreters provided during the Food Export organized appointments)
- FE will host participants’ video on local website for two months after the conclusion of the live event. Any qualified leads received through this period will be forwarded to exporters.

VIRTUAL CONNECT: FOOD INGREDIENTS & ADDITIVES

OCTOBER 27-28

EARLY REGISTRATION DEADLINE: Sept. 16
FEE: $200
REGISTRATION DEADLINE: Sept. 25
FEE: $275

Focusing on companies with food ingredients and additives, animal feed ingredients and additives, and pet food ingredients and additives.

30 booths, first-come first-served, and we can set up a waitlist similar to the trade missions.

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**FOOD EXPORT HELPLINE™**

**Q:** Our Company manufactures sauces and has capacity and flexibility to diversify. We also have access to hundreds of other food products through our associations. We export to the USMCA markets as well as some smaller Caribbean islands. Are there other products and markets we should consider, or is the whole global economy and export scenario in the dumps?

**A:** Many firms are asking this question because it is a sound business idea. It can never hurt to look ahead and consider other product offerings or markets. Although the U.S. is in terrible economic and physical health, much of the world is faring better. The world still needs to buy food, as do we.

In fact, we imported over $11 billion in agricultural products in June 2020 and exported $9.5 billion; causing a rare trade deficit. 71% was consumer-oriented products, led by beverage preparations, soft drinks, fresh fruit, wine and beer, snack foods and red meats.

Based on second quarter economic data like the Gross Domestic Product (GDP), there is both economic and export potential. If diversifying allows exporters to reset, there is no reason why not.

**2020 GDP FORECASTS AND TOP MARKET GROWTH**

Much of our economic data is from Euromonitor, who consolidates information from national statistics/Eurostat/OECD/UN/International Monetary Fund (IMF), World Economic Outlook (WEO). They report that several countries are not expected to go into recession this year, defined as a temporary downturn in economic activity, usually indicated by two consecutive quarters of falling GDP.

Recession-free markets are not always good food export markets, especially for consumer-oriented and processed foods. Egypt, Uganda, Ethiopia, Ivory Coast, Vietnam, Myanmar, Uzbekistan, Ghana, Tanzania, Turkmenistan, Bangladesh, Kenya, Bermuda, Laos and China are not forecast for recession. Of them, Vietnam, Bermuda and China are all consistently viable U.S. value-added food markets, the rest being mostly low-value bulk commodities.

Total U.S. agricultural exports are $65.6 billion YTD, down only 3% from June 2019. Nearly 40% of that amount or $32.4 billion is from consumer-oriented products.

China imported $6.1 billion in YTD 2020, growth of 11% and about $700 million more than June 2019. High-growth products include pork and pork products, dairy, beef and beef products, dog and cat food, poultry meat. The Phase One Agreement with China appears to be working as they have promised to reduce barriers, including facility registration and inspection, as well as lifting bans and being more transparent about compliance issues.

U.S. agricultural exports to Vietnam totalled $1.7 billion, down 5% YTD with $431.7 million of consumer-oriented products. Dairy, poultry, tree nuts, pork and eggs and products are all in high double-digit growth. Egypt is a U.S. agricultural export market dominated by commodities, but YTD 2020 has a nice increase of imports of U.S. consumer-oriented foods, totaling $111 million.

Good U.S. value-added food markets that are forecast to have only slight recessions in 2020 (less than 2%) include South Korea, Dominican Republic (DR), Taiwan and Indonesia. The U.S. has Free Trade Agreements (FTAs) with DR and Korea. Indonesia has been very active in importing value-added products.

Top U.S. agricultural export markets forecast for mild recession (3% to 6%) in 2020 and are actively importing include Philippines, Colombia, Chile, Australia and Singapore. The U.S. has an FTA with all these markets except for Philippines, whose tariffs are modest.

Countries not specifically mentioned previously in this report are forecast to go into recession this year, including the U.S. The recently reported 32% annual decline in GDP in the 2nd quarter was the worst drop in U.S. history. We are seeing greater statistical loss than other markets, but it is not transferring into significant loss of food exports, so retrenching is more appropriate than retreating.

Constant communication is one way to retrench or grow as well as having flexibility in production and access to additional products.

**HIGH GROWTH FOOD EXPORTS**

A few food exports consistently appear to provide high growth in many markets, including pork and beef and beef products as well as poultry meats and prepared/preserved seafood. Dairy products, processed egg products, dog and cat food are also consistent, along with fruit and vegetable juices and other non-alcoholic beverages, fats and oils, chocolate and confectionery, pasta and cereals and syrups and sweeteners.

For more specifics, use the Global Agricultural Trade System (GATS) available at www.fas.usda.gov.

**2021 GDP FORECASTS**

Other than Venezuela and Pakistan, countries are forecast to grow – some recovering most or all of what they lost in 2020. High-growth markets are mostly the same as pre-pandemic, including India, New Zealand, China, Philippines, Vietnam, Malaysia, Indonesia, Peru, Guatemala and Thailand.

World GDP growth is forecast at 5.4%. Your current business model may return to normal, but in the meantime, understand that U.S. sauces are extremely popular in other markets, topping out at over $1.7 billion in 2019 and off 10% so far to $797.8 million, or $133 million a month, hardly what you would call “in the dumps.”
HOW TO GAIN EXPORT SALES THE VIRTUAL WAY (CONTINUED)

1. Review the list of upcoming events and note if your product(s) are a good fit. Register.
2. Login and set up your virtual booth with your showcase of products.
3. Consider how best to highlight your company and products – videos, downloadable marketing materials and product information.
4. Connect with buyers through the virtual platform.

for a Buyers Mission or Focused Trade Mission. If onboarding assistance is need, Food Export staff is ready to help! You can showcase your company and products with your customized virtual booth or background during Virtual Connect events. Providing videos is a great way to personalize your company and products while also giving a strong visual identity. You can highlight products with marketing materials and product information and make it available for buyers and/or booth visitors to download.

Some of the best examples demonstrate who the company is while also showing an array of the products ready to export. For Virtual Connect, setting up a show booth and creating a video, just as if you are on a trade show floor introducing your line of products was one of the most creative examples we have seen. Highlight your products unique features by opening the package and showing the actual item. During one-on-one meetings of a Buyers Mission or Focused Trade Mission, have products readily available to show during your live meetings. Also see if the meeting platform has a way to record meetings, this could be a useful resource with buyer follow up.

Once the event begins you will have access to connect with international buyers that have been vetted by our In-Market Representatives. Introduce yourself, showcase your products and communicate with the buyers through the virtual platform during the show or meetings.