

GLOBAL FOOD MARKETER™ NEWSLETTER

Export news from the Midwest and Northeast



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ENHANCE YOUR TRADESHOW EXPERIENCE

Planning for a successful show requires organization, forethought, and resilience as well as making sure you and your products are ready. While most organizations measure trade show success by the number of leads, opportunities and return on investment that come from an event, the level of effort determines its success rate. Trade shows are a huge investment, so you need the metrics to prove why it is an effective tactic in your marketing wheelhouse.

PLAN FAR IN ADVANCE It is never too early to start, especially if you are planning a new product release, unveiling new packaging, or trying to enter a new market. Also, planning in advance can help keep travel costs to a minimum and help secure hotels close to the show venue.

PREPARE YOUR TEAM An effective tool in trade show preparation is communication. Different teams attend trade shows (marketing, sales, and executives) make sure everyone has all the relevant information. Share calendars to know who is attending what days and who can 'man the booth' and who will be in meetings. Make sure you are noting the correct time zone if traveling to a different state or country.

SCHEDULE PRE-SHOW MEETINGS Your sales team should pre-schedule meetings with prospects, customers and partners. Try to strongly adhere to this schedule and respect the time of your partners but also realize there is a high probability of impromptu conversations and meetings that can derail your schedule.

BE ACTIVE ON SOCIAL MEDIA Announce you will be attending a show, post teasers of new product releases or the unveiling of new packaging, and definitely share photos from onsite. Invite attendees to stop by your booth to enter a contest, pick up a giveaway, watch a demo or taste samples! Make sure you always include your location/booth number and create an event hashtag.

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Activities

Register for an Online foodexport.org Account!

Be sure to create an online account at 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: THAILAND

Thailand is Southeast Asia's second largest economy with a Gross Domestic Product (GDP) of U.S. \$506 billion. Thailand remains a strong agricultural competitor as the world's largest exporter of natural rubber, frozen shrimp, canned tuna, canned pineapples, cooked poultry, and cassava. It is also a major exporter of sugar and rice. Thailand is the 13th largest export market for U.S. agricultural products while the U.S. is the largest supplier of agricultural products to Thailand, with 16 percent of total import market share.

FOOD RETAIL INDUSTRY In 2017, total food and beverage retail sales were U.S. \$54.2 billion, an increase of 6.7 percent from 2016. The number of food retail outlets continues to grow and there are over 15,900 convenience store and 1,300 supermarket locations. Changes in Thai household structure have led to changes in how Thais eat with rising demand for convenient ready-to-eat meals, healthy food products, and food delivery.

FOOD SERVICE INDUSTRY Thailand's highly competitive hotel, restaurant, and institutional food service (HRI) sector is comprised of approximately 150,000 outlets including some 100,000 restaurants and more than 5,000 hotels and resorts. HRI establishments source about 30-35 percent of their food products through imports to be used for food preparation, ready-to-eat meals, and catering services for airlines and cruise lines.

Duties on imported U.S. consumer-ready food products range between 30-60 percent. Tariffs on meats, fresh fruits and vegetables, and process foods are equally high, even for items with little or no domestic product. For example, frozen potatoes are not produced in Thailand but face a tariff of 30 percent. The tariff on apples stands at 10 percent, while pears and cherries tariffs are 30 and 40 percent respectively.

QUICK FACTS (CY2017, \$U.S.)

Imports of Consumer-Oriented Products

\$5.08 billion

Imports of U.S. Fish Products

\$229 million

Top 10 Growth Consumer Oriented Products

Dairy Products	Seafood Products	Fresh Berries
Tree Nuts	Soups and Broths	Fresh Vegetables
Food Preparation	Bread, Pastry, Cakes	Wine and Beer
	Chilled/Frozen Beef	

Food Industry by Channel

\$42.58 billion

Total Agricultural Exports

\$15.85 billion

Total Agricultural Imports

\$54.2 billion

Food and Beverage Retail Sales

\$5.2 billion

Full-Service Restaurant Sales

GDP/Population 2017

69.15

Population (millions)

\$455.4

GDP (billions)

\$6,589

GDP per capita

ADVANTAGES

About 38 million middle-to-upper income consumers are eager to purchase imported food products.

Thais in urban areas (54% of the population) increasingly spend more on imported food items, have become relatively brand conscious and are changing their eating habits to accept more western-style foods.

A dynamic and eager younger population (between ages of 15 and 35, representing 29% of the total population) is willing to try new products and is receptive to trends that fit their westernized lifestyles.

Increasing purchasing power in rural areas translates into more discretionary spending on non-traditional agricultural products.

The Thai food processing industry is looking for new ingredients and shows a strong interest in importing health and functional food ingredients.

Growth in the tourism industry and an increase in the number of hotels lead to greater demand for imported food products.

CHALLENGES

U.S. products are not always price-competitive due to high tariffs and shipping costs.

Free trade agreements with China, Australia, New Zealand, Chile, Japan, Korea, Peru, and India have made U.S. products less competitive especially for high value consumer products such as meats, processed meat, wine, spirits, cherries, peaches, plums, pears, frozen potatoes, and cheeses.

Local production of snack foods, salad dressings, sauces, jams and other processed foods are relatively inexpensive and are increasingly replacing imported food items.

Market penetration for imported products is mostly concentrated in Bangkok and major tourist-destination areas.

Imports of some U.S. food products are currently subject to restrictive trade barriers, including high import tariffs, rigid food import procedures, and burdensome documentation requirements.

Regional tourists sometimes seek cheaper local food alternatives or food products sourced from their respective countries.

EXPORTER BUSINESS TIPS

- Visit to conduct market research, especially for product testing, price comparisons, gauging competitors, consumer preferences, etc.;
- Identify the best distribution channel (e.g. local importers, distributors, supermarkets, retailers, etc.) and establish a good relationship with their representatives;
- Work with a representative or agent with strong local connections with target customers and good understanding of Thai food and agriculture regulations and import procedures;
- Networking with government officials and/or correct authorities can be the key to doing business successfully in Thailand;
- Adjust product to local tastes, verify consumer preferences, and set a competitive price;
- Trade fair participation is another way to raise awareness of your product;
- Provide reliable product availability, consistent quality, technical support, and respond to inquiries within 24 hours;
- Existing brand loyalties are likely to be replaced by new products that focus on good quality, better packaging, availability, promotions, and competitive prices;
- Be patient and think long term. It is not unusual to visit the market 2-3 times before details are finalized;
- Request a list of importers from FAS post at agbangkok@fas.usda.gov

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 HELPLINE™

Q: Usually at this time of year we see lots of export data from the previous year. I have not seen any information on 2018 food and agricultural product export data. Why not? 2018 was a turbulent year for exports and I am sure companies want to know how the U.S. did.

A: The partial government shutdown affected export data and other marketing information. Staff at the Bureau of Census and many other agencies were deemed non-essential, so no one was compiling and distributing export statistics. The Foreign Agricultural Service (FAS) was closed offering no access to daily reporting on global export markets for food and agriculture, including the Food and Agricultural Import Regulations and Standards (FAIRS) and the Export Certificate reports (Certs).

THE BIG PICTURE Through November 2018, U.S. exports of agricultural products are up 2% over the year to date (YTD) period in 2017, totalling \$128.4 billion.

CHINA Slipping to 4th in 2018, China trails Canada, Mexico and Japan, down 49% over YTD 2017. Soybeans have dropped 71%, but remain the highest value agricultural export to China and are still being exported even with the high tariffs. There are other drastic declines in wheat, corn and oilseeds.

U.S. exports of consumer oriented products, many of them on the targeted tariff list, show a decline of only 1%. There were double-digit declines in dairy products, fresh and processed fruit, wine and beer, pet food and fresh vegetables.

EAST ASIA U.S. agricultural exports to East Asia were by far the top market in 2017 totaling \$45.8 billion. In YTD 2018 the region has slipped to 2nd behind North America by about \$1 billion and adds up to \$35.5 billion, a decline of 14%. Japan is up 10% to \$11.9 billion, the highest in five years. Exports to South Korea set an all-time record at \$7.6 billion with still a month to count (up 22%). Taiwan is up 20%.

CANADA AND MEXICO

Agricultural exports to NAFTA partners are up 2% YTD to \$36.6 billion. Canada remains flat at \$19 billion and Mexico is up 3% to \$17.6 billion. Canada's punitive tariffs were applied to specific processed foods, and overall exports of this aggregate are down 1% YTD to \$11.7 billion, about \$14 million down, but still the largest market by far. Targeted aggregates include non-alcoholic beverages which are down 2%, chocolate and confectionery down 4%, and condiments and sauces also down 4%.

Mexico's targeted list for punitive tariffs focused on pork and cheese. Processed food exports to Mexico YTD 2018 were \$5.5 billion (up 2%). U.S. exports of cheese are down 1% to \$354.6 million, but mainly because exports of processed cheese (HS 040630) were not on the targeted list and are up 28%.

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

Exports of pork to Mexico are down 11% YTD to \$1.2 billion, although still the 2nd largest market after Japan.

SHINING STAR – SOUTHEAST ASIA The most impressive export growth of 2018 comes from Southeast Asia, showing an increase of 23%. Vietnam leads the growth at 64% to almost \$3.7 billion. Indonesian agricultural exports are almost \$2.9 billion, up 9% and nearing a record. Thailand already set a new record at nearly \$1.9 billion (up 16%) and Philippines set a record at \$2.7 billion (up 17%). These four markets are now in the top 13 agricultural export destinations from the U.S.

EU 28 As the 4th largest regional market for U.S. agricultural products, the EU28 showed a surprising growth rate of 18% at \$12.1 billion YTD and may also reach a record high in 2018.

SOUTH AMERICA The 5th largest export market for U.S. agricultural products is up 19% and over \$1 billion from YTD 2017. Bulk exports are up 26% lead almost entirely by soybeans, consumer food exports are up 7% led by pork and products, wine and beer and chocolate and cocoa products. Colombia is the largest market in the region, followed by Chile and Peru.

Brazil is the 4th largest market at \$562 million, showing a decline of 4%, Venezuela is down 10% at \$355.6 million, surprising Ecuador ranks 6th at almost \$340 million with 31% growth, and Argentina bounced back in 2018 YTD importing \$803 million and 367% growth (no typo) but it is not considered sustainable based on their economic uncertainty.

CENTRAL AMERICA

Through November 2018 exports to Central America were \$3.87 billion, the 7th largest region for U.S. agricultural exports, the 8th for consumer food exports and 9th for processed food exports. Guatemala is the largest market, followed by Costa Rica, Panama, Honduras, El Salvador and Nicaragua.

SUMMARY

It is interesting to study the market at 11 months instead of 12 as many records already have been broken or certainly will be if they remain on course. A potentially devastating year for agricultural exports has been salvaged by tremendous growth that helped offset losses in China overall and in NAFTA and the EU28 in the specific targeted areas of punitive tariffs. The future of U.S. agricultural exports remains positive, but can only be achieved by continued work in creating global awareness about companies, products, and people.

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 18-20, 2019 Chicago, IL
ERD March 15, 2019 **RD** April 5, 2019

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

May 20, 2019 Chicago, IL
ERD March 18, 2019 **RD** April 8, 2019

Sweets and Snacks Buyers Mission at the Sweets and Snacks Expo

May 20-22, 2019 Chicago, IL
ERD March 18, 2019 **RD** April 8, 2019

Food Ingredients Buyers Mission at the Institute of Food Technologists Show

June 2-3, 2019 Chicago, IL
ERD April 1, 2019 **RD** April 22, 2019

Value-Added Feed Ingredients Buyers Mission at World Pork Expo

June 5-6, 2019 Des Moines, IA
ERD April 12, 2019 **RD** May 3, 2019

Caribbean & Latin American Buyers Mission

June 12-13, 2019 Miami, FL
ERD April 10, 2019 **RD** May 1, 2019

Specialty Food Buyers Mission at Summer Fancy Food Show

June 27-28, 2019 New York, NY
ERD April 25, 2019 **RD** May 16, 2019

Midwest Buyers Mission

July 29 – Aug. 1, 2019
July 29 Minneapolis, MN; July 31 Madison, WI;
August 1, Chicago, IL
ERD May 28, 2019 **RD** June 17, 2019

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.

Seafood Tradeshow at Seafood Expo Global

May 7-9, 2018 Brussels, Belgium

Food Show PLUS!™ at Seafood Expo Asia

Sept. 3-6, 2019 Hong Kong
ERD May 19, 2019 **RD** June 14, 2019

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.

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

July 16-18, 2019
ERD March 15, 2019 **RD** April 22, 2019

Focused Trade Mission to China for Retail Products (Beijing and Hangzhou)

Aug. 11-14, 2019
ERD April 8, 2019 **RD** May 13, 2019

Focused Trade Mission to Hong Kong

Aug. 15-17, 2019
ERD April 8, 2019 **RD** May 13, 2019

Focused Trade Mission to Chile

Sept. 23-24, 2019
ERD May 31, 2019 **RD** June 28, 2019

Focused Trade Mission to Peru

Sept. 25-27, 2019
ERD May 31, 2019 **RD** June 28, 2019

Focused Trade Mission to Panama

Oct. 29-30, 2019
ERD June 24, 2019 **RD** Aug. 19, 2019

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 Seafood Expo Asia

Sept. 3-5, 2019
ERD May 14, 2019 **RD** June 11, 2019

Food Show PLUS!™ at Fine Foods Australia

Sept. 8-12, 2019
ERD June 21, 2019 **RD** July 12, 2019

Food Show PLUS!™ at Food Tech Summit

Sept. 24-26, 2019
ERD May 15, 2019 **RD** June 14, 2019

Food Show PLUS!™ at ANUGA

Oct. 4-9, 2019
ERD July 19, 2019 **RD** Aug. 9, 2019

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WE'RE HERE TO HELP.

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ENHANCE YOUR TRADESHOW EXPERIENCE (CONTINUED)

PROVIDE GIVEAWAYS OR SAMPLES Free = Traffic at trade shows. Crowds help grow interest and more product attention. Giveaway items keep your name in front of prospects even after the show. Invest extra money in a giveaway or samples to attract attendees. And hey, everyone loves food! Sampling a product is definitely a great way to gain traffic and attention.

CONTACTS, CONTACTS, CONTACTS Have your staff know how you want to store and save contacts. Utilize a badge scanner or devise a lead retention system that you know will work easily for you during and post show.

DEBRIEF AND FOLLOW UP Nightly and post show, this a great way to make sure key contacts are not overlooked or fall by the wayside. Take notes so that a week after the show you can still remember all the details.

Also debrief regarding the overall show experience; did you have a good booth location, generated enough traffic, marketing highs and lows. These notes will be helpful to determine what to change next time and also if the show you just attended was in a good market (country and segment).

Post show follow up is crucial. Make sure all leads are retained, added to your customer relationship management system and shared with your sales team.

TRADESHOW ADVANTAGE WITH FOOD EXPORT'S FOOD SHOW PLUS!™ SERVICES

The Food Show PLUS!™ program varies per show depending on the market, services offered by show organizers, and assistance offered by show organizers, and assistance offered by the local U.S. Department of Agriculture (USDA), Foreign Agricultural Service office. Food Show PLUS!™ services could include:

- Assistance with show registration
- Pre-show product research regarding pricing, import regulations, and competitor analysis
- Invitations to targeted, qualified buyers to visit your booth and meet one-on-one
- Translations of your booth and sales materials

- Technical (food industry) interpreters at your booth
- On-site show assistance by food marketing experts
- In-market briefing and local industry tours
- Qualification of show leads
- Assistance with writing and sending a follow-up letter in the local language

Become a more confident international exhibitor with our tradeshow enhancement packages. Food Show PLUS!™ can maximize your tradeshow success with pre-show product research, material translation, in-market briefings, and lead generation.

In 2019 Food Show PLUS!™ is being offered at over 70 different international shows!

KEY SHOWS TO REGISTER FOR EARLY

Food Show PLUS!™ at Seafood Expo Asia – Hong Kong
 Sept. 3-5, 2019

ERD May 14, 2019 **RD** June 11, 2019

Food Show PLUS!™ at Fine Foods Australia – Sydney, Australia

Sept. 8-12, 2019

ERD June 21, 2019 **RD** July 12, 2019

Food Show PLUS!™ at Food Tech Summit – Singapore

Sept. 24-26, 2019

ERD May 15, 2019 **RD** June 14, 2019

Food Show PLUS!™ at ANUGA – Cologne, Germany

Oct. 4-9, 2019

ERD July 19, 2019 **RD** Aug. 9, 2019

Food Show PLUS!™ at China Fisheries – Qingdao, China

Nov. 6-8, 2019

ERD July 17, 2019 **RD** Aug. 14, 2019

Food Show PLUS!™ at Food & Hotel China – Shanghai, China

Nov. 17-20, 2019

ERD Aug. 16, 2019 **RD** Sept. 6, 2019