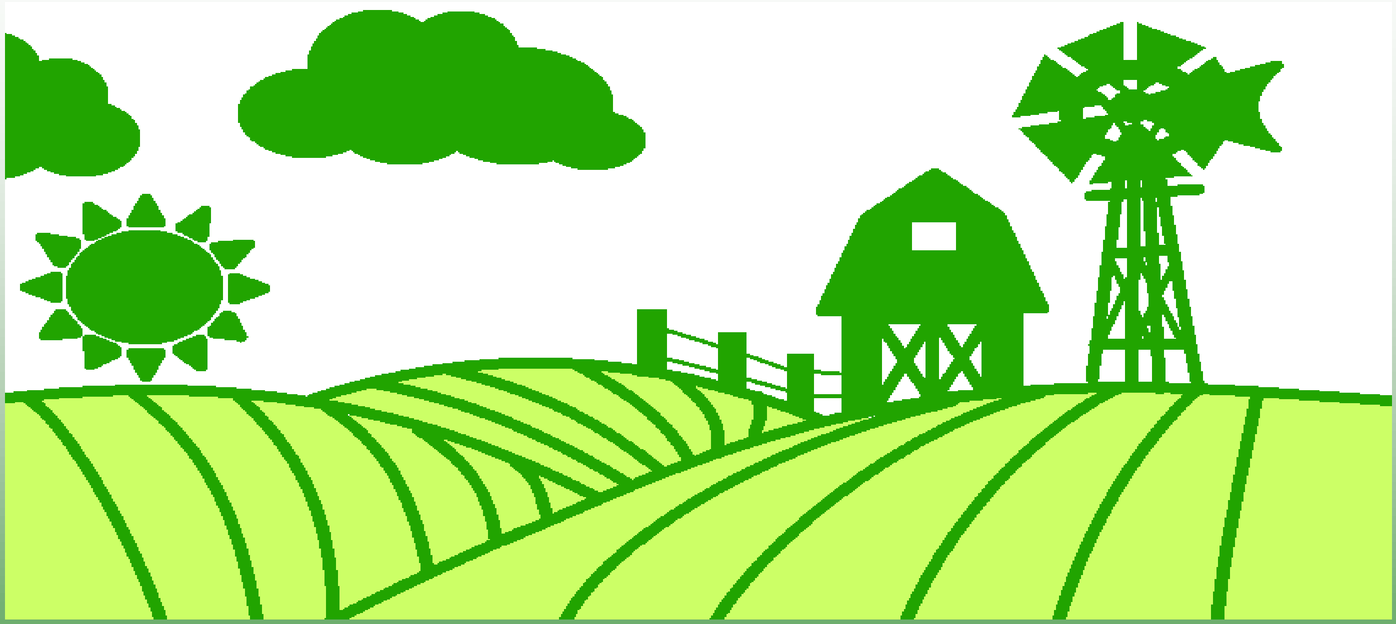
Vol. 1, no 6, June 2014

Intell-Écho

Thematic Information Bulletin

Publication of the Economic Information Observatory (EIO) for Regional Cooperation between Atlantic Canada and Saint-Pierre and Miquelon, France

The Agriculture and Agri-Food Sectors



Collaboration CACIMA PROVIS

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In this issue :

The Economic Information Observatory is a regional cooperation project established between Atlantic Canada and Saint-Pierre and Miquelon. The publication of this information bulletin is made possible through the sponsorship of the Atlantic Canada Opportunities Agency and its various programs supporting research initiatives, linguistic minorities and business development, and the Province of New Brunswick as well as the Université de Moncton, Shippagan Campus, and the Prefecture and Territorial Council of Saint-Pierre and Miquelon.

Editorial Production:

Chambre d'Agriculture, de Commerce, d'Industrie, de Métiers et de l'Artisanat

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The Economic Information Observatory (EIO) for Regional Cooperation between Atlantic Canada and Saint Pierre and Miquelon

Intell-Écho : Thematic Information Bulletin

Are you looking for business opportunities in this sector?

CACIMA and FCCC-AN can facilitate your exploration and partnership initiatives.

(see contact details on page 8)

The Agri-food industry

The agri-food industry in Saint–Pierre and Miquelon : a sector with strong potential

The agri-food industries have **a relatively significant development potential in Saint-Pierre and Miquelon.** Various factors explain this phenomenon:

- A range of products that can be expanded **to supply the domestic market and reduce food imports (16.1 million Euros in 2013).**
- **French local expertise** that is unique in the region.
- Potential for the development of **processed local agricultural products.**
- **High quality raw materials** in the fishery sector, as well as in aquaculture.
- Development of activities in currently untapped sectors with strong potential, such as **the exploitation of seaweed, which is a sector of high growth.**

The value-added label « Produit Pays Saint-Pierre et Miquelon »

A "produit pays" is a product made from animals raised and processed in Saint-Pierre and Miquelon, or derived from plants cultivated on the islands, whose processing is entirely carried out locally. This designation is governed by a value-added label, established by ministerial decree.

For further information : *http://cacima.fr/blog/des-produits-assurement-100-saint-pierrais-et-miquelonnais*

On the national level, **household food consumption increased by 1.2% in December**, year-over-year. Throughout 2013, food consumption remained stable, as did overall household consumption.

Local businesses

La Ferme de l'ouest

Processing of meat and seafood products

http://www.lafermedelouest.com/

Maison Audouze

Processing of meat and seafood products

http://www.monchef.net/

Pêcheries Paturel

Value-added processing of seafood products

https://www.facebook.com/pecheries.paturel

Société Nouvelle des Pêches de Miquelon / Exploitation Des Coquilles (E.D.C.)

Products from aquaculture and value-added processing of seafood products

http://www.edcmiquelon.com/

SARL Le Grand Large

Cheese production

legrandlargemiquelon@gmail.com

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Key figures

- Total revenue of **161 billion Euros in 2012**, an increase when compared to 2011 (+2.3%).
- The largest industrial employer in France: **495,000 employees** or 2.8% of the French work force.
- The largest European producer with **18% of total EU production.**

Food consumption in France

+3.4% in value in 2012, it is 0.3 percentage points higher than in 2011.

16,8% of the household budget in 2011.

Major market trends

Growth of the traditional food sections: meats, deli products, cheese (including pre-packaged, self-serve) fish, fruits and vegetables...

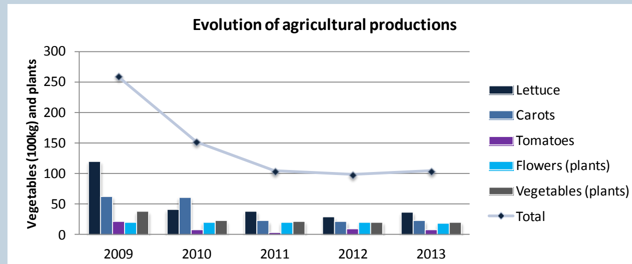
- o Fresh self serve : **+4,3%**
- o Fast moving consumer goods : **+3,4%**
- o Frozen : **+3,1%**
- o Fresh traditional : **+2,6%**

Progress in the "Snacking" section (chips, pastries, fresh pre-cooked meals, pie dough, fruit packs, dessert mixes ...). Shelves devoted to snack foods have **tripled in 5 years.**

Agriculture in Saint-Pierre and Miquelon

The sector, which counts **10 companies and 13 employees,** have a real growth potential and produce a **wide range of quality goods** : vegetables, aromatic plants, meat, milk and eggs. Three production methods are used in the archipelago : open-field farming (3,6 hectare in 2013), and warm (1257 square meters) or cold greenhouse farming (700 square meters).

Agriculture is **mainly pushed by the local market** and the sector development is encouraged by the financial support of the local institutions and ODEADOM (Office of Overseas Agricultural Economy Development).



A highly innovative market

The French agri-food sector is known for its large capacity for research and innovation. Whether in products, processes or marketing, **nearly 60% of French agri-food businesses are innovative.** Research expenditures in the agri-food industry are growing twice as rapidly as such expenditures by **businesses in other sectors. They spend an average of 7% of their revenue on the funding of innovation.**

Canadian exports of agri-food products to France, traditionally significant, are becoming more diverse: oilseeds (rapeseed, soybeans), seafood (scallops lobster), horse meat, fruit (bilberries, cranberries). One can note, since 2011, the appearance of turnip seed oil (or rapeseed oil), which is linked to the development of biofuels in France.

France is Canada's second largest customer for scallops and lobster and the third largest for horse meat.

A dynamic import and export industry

In 2013, **the trade balance of the agri-food industries, excluding tobacco, increased to 8.514 billion Euros.**

Five sectors have positive trade balances for 2013:

- Drinks : **10,817 mds€.**
- Dairy products and ice cream : **3,278 mds€.**
- Grain products : **1,266mds€.**
- Animal feed : **1,102 mds€.**
- Various food products : **861 m€.**

Source : ANIA

In 2013, exports **increased by 609 million Euros,** compared to 2012. **During the same period, imports increased by 1.28 billion Euros.**

Over the year, **imports of agri-food products, excluding tobacco, increased by 3.8%.**

Fouth quarter 2013			
	Exports	Imports	Balance
Meat and meat products	1200	1440	-240
Preserved or processed fish products	210	888	-678
Fruits and vegetable-based products	482	1057	-575
Vegetable oils and fats	285	973	-688
Milk products and ice cream	1668	843	825
Processed grain products	697	381	316
Bakery and pastry products and dought	409	506	-97
Various food products	1934	1704	230
Animal feed	473	195	278
Drinks	3357	781	2576

Experts' corner

Conversation with Yannick Dheilly, Trade Commissioner at the Canadian Embassy in France.

The work of trade commissioners is to promote Canada's economic interests in France, and as such, to support the efforts of Canadian companies who have selected France as a target market for their products, services or technologies. They also provide services to French companies regarding investment and trade opportunities in Canada, and will assist them in connecting with Canadian suppliers of products and services. In this context, Mr. Dheilly provides support to Canadian exporters in the agri-food sector.

For further information :

The Embassy Website : http://www.canadainternational.gc.ca/france/index.aspx?lanf=fra

Trade Commissioner Service : http://www.tradecommissioner.gc.ca/eng/office.jsp?oid=143

In your opinion, what are the most promising opportunities for Canadian companies to enter the French agri-foods market?

The most promising sectors in France for the Canadian agri-food industries are the existing sectors. In fact, they cover both existing and high-growth area needs. They are varied and form a non-homogeneous group:

- seafood, especially lobster and scallops.
- certain spirits such as Canadian whiskey and ice wine.
- Fruits and vegetables and processed products derived from the following: cranberries, blueberries, lentils, maple syrup. One can also mention "agricultural commodities" such as soybean or rapeseed (canola) (whose market value varies depending on world prices but which may represent significant volumes.)
- Finally, meat products such as horse and bison meat.

What makes France a good choice for entering the European market?

The French market has advantages and disadvantages. In fact, France is not a big port platform on the European scale. For logistical issues, it is necessary for exporters to go through the Netherlands or Belgium (Rotterdam, Antwerp...) and then through Le Havre, which involves additional costs and delays, in order to access the French market.

This also explains some statistical differences between the Canadian and French statistics in terms of bilateral trade. In fact, if merchandise, whose final destination is France, clears customs in Belgium or Holland, the French records will show it as having been imported from these countries.

On the other hand, France has a significant advantage: it is one of the three largest European markets, along with Germany and the United Kingdom. In addition, the expectations and specifications of French consumers correspond particularly well to the Canadian supply. For seafood, for example, the French buyer is a demanding consumer who is willing to pay more for a product of high quality. As it is the case for scallops coming from Canada. A second example, France is one of the very few countries to eat horse meat.

Can you give us an example of a success story for a Canadian agri-foods company in the French market?

In terms of setting up operations, we can give the example of McCain's. This company was established in France in the '70s and is today a leader in the production of French fries in France, thanks to its two factories. This company has been able to take advantage of the production of a high quality potato through a very good relationship with local producers and has built its success on a well-managed marketing strategy.

Regarding exports, we can mention Canadian lobster, which today represents large volumes of sales. This is a high quality product that has been able to perfectly meet specific needs in the French market.

Focus on the Canada/UE Comprehensive Economic and Trade Agreement (CETA)

The elimination of quotas and tariff barriers and the **harmonization of standards** should allow many products to find new opportunities within the framework of CETA. You will find extensive information on key sectors affected by the agreement, as well as information regarding the expected benefits of the agreement, by province, on this website: http://www.plandaction.gc.ca/en/content/ceta-aecg/canada-eu-trade-agreement

Upcoming events

Nom	Organisateur	Date	Lieu
SIAL 2014 (International tradeshow of agri-food industry)	SIAL Group	October 19-23, 2014	Paris
Journées Aliments et Santé (Food and Health days)	CRITT Agroalimentaire Poitou-Charentes	June 18-19, 2014	La Rochelle
Naturally French 2014	Ubifrance	November, 3-7, 2014	Montréal

Collaboration

Useful information

The weight of European legislation

European food legislation was extensively revised following several health crises. **New rules (liability of operators, traceability) came into effect on January 01, 2005** and the new regulations on food hygiene came into force on January 01, 2006. **The "hygiene package" encompasses the entire agri-food sector.**

These European regulations are composed of **six major regulations and two directives** which are available at this address:

http://agriculture.gouv.fr/la-reglementation

Regulations, standardization, certification and reference frameworks

For foodstuffs, in addition to regulations that require mandatory compliance (health, labeling, composition), optional or voluntary standards are established by AFNOR (French Association for Standardization). Private companies can also define their own reference frameworks for their suppliers. **Compliance with these voluntary standards can be certified.** Thus, certification is the process by which a third party gives written assurance that a product, process or duly identified service complies with the requirements specified in a standard, a normative document or in other kinds of reference frameworks.

For further information :

http://www.afnor.org/profils/activite/agroalimentaire

Agri-food appellations

- **Label rouge :** Red Label
- **AOC :** Controlled designation of origin
- **AOP :** Protected designation of origin
- **IGP :** Protected geographical indication
- **STG :** Traditional specialty guaranteed
- **AB :** Organic farming

Links and contacts of Potential Interest

Export in France

- CACIMA : jeannette.boiret@cacima.fr
- Agence française pour les investissements internationaux (« Invest in France » Agency) :
  http://www.invest-in-france.org/us
- UCCIFE : http://www.ccifrance-international.org/
- Canadian Trade Commissioner Service - France : http://www.tradecommissioner.gc.ca/eng/office.jsp?oid=143

Acquire French products or services

- National Association of Agri-food industries (ANIA) : http://www.ania.net/
- France Agroalimentaire (France Agri-food) : http://www.franceagroalimentaire.com/importation-produits-francais
- CACIMA : jeannette.boiret@cacima.fr

Principal sources of information utilized in this bulletin:

Ministère de l'Agriculture, de l'Agroalimentaire et de la Forêt, Association Nationale des Industries Agroalimentaires (ANIA), Observatoire Economique des Industrie Agroalimentaire et Agro-industries, http://www.canadainternational.gc.ca/

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97500 Saint-Pierre & Miquelon
Du Canada : Tél : 0 11 508 41 05 30
De France : Tél : 05 08 41 05 30
Courriel : contact@cacima.fr

If you are seeking

business opportunities in this sector,

CACIMA and **FCCC-AN**

can facilitate

your business prospection and

Help with establishing new partnerships.

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FRENCH CHAMBER OF COMMERCE IN CANADA

333, avenue Acadie Avenue
Dieppe (NB) E1A 1G9
Du Canada : 1 506 877 5014
De France : 00 1 506 877 5014
Courriel : direction@ccfcra.ca
Site : www.ccfcra.ca

The Economic Information Observatory (EIO) for
Regional Cooperation between
Atlantic Canada and Saint-Pierre and Miquelon

Intell-Écho: Thematic Information Bulletin

Atlantic Canada – 4 provinces:
Prince Edward Island (PEI),
New Brunswick (NB),
Nova Scotia (NS),
Newfoundland and Labrador (NL)

Are you looking for business opportunities in the region?
FCCC-AN and CACIMA can facilitate your exploration and partnership initiatives.
(see contact details on page 8)

Intell-Écho, vol. 1, no. 6, 2014
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In this issue:

Agriculture and Agri-Food in Atlantic Canada

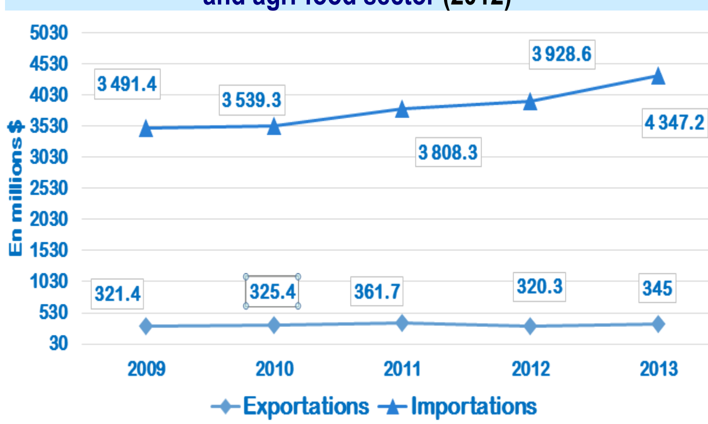
With more than 8,521 farms and more than 1.06 million hectares of agricultural area in Atlantic Canada, the agriculture and agri-food sector is an essential component of the economy of the Atlantic Provinces. The agriculture sector is subdivided into crops, representing approximately $358.2 million, and livestock, which corresponds to approximately $378.3 million, while the agri-food component accounts for $1.5 billion (2013) for the region overall. Farm cash receipts, meanwhile, total $740.5 million for crops and $926.2 million for livestock. The sector as a whole creates more than 40,000 jobs in the Atlantic region, while the agri-food sector generates more than $1 billion in exports (2012).

Trade balance of agriculture in Atlantic Canada

Livestock & crops (2013) ($000s)	Exports to United States	Total exports	Imports from United States	Total imports
PEI	80,783	117,311	68	75
NB	257,643	281,197	128,166	173,255
NS	52,513	96,354	1,483	8,903
NL	12,104	15,247	78	243

The United States is the Atlantic region's largest market, accounting for more than 79% of total export volume. The proportion of exports destined for the United States has decreased by 6% from 2009 levels in favour of new markets.

Trade between Atlantic Canada and the European Union in the agriculture and agri-food sector (2012)



Farm cash receipts ($000s) (2012)	
PEI	480,974
NB	537,426
NS	582,245
NL	130,310

Of all crops cultivated in Atlantic Canada, the **potato** is by far the most widely grown. More than one-third of Canada's total potato production comes from the Atlantic Provinces (1.7 million tonnes in 2013). The region produces some 150 varieties of potatoes.

Main agricultural commodity sectors in Atlantic Canada:
- ◊ potatoes, $415 million
- ◊ dairy products, $350 million
- ◊ poultry, $205 million

Other significant sectors:
- ◊ cereals, $32 million
- ◊ swine, $27 million

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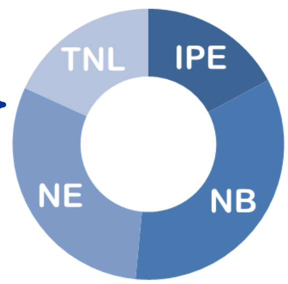
The Agriculture and Agri-Food Sector in Atlantic Canada: Key Figures

The **agriculture and agri-food sector** includes production by suppliers of inputs and primary agriculture services, product processing, retail and wholesale food sales, and food services. At the national level, the agriculture and agri-food sector represents approximately 8.0% of Canada's GDP, or $101.1 billion (2011).

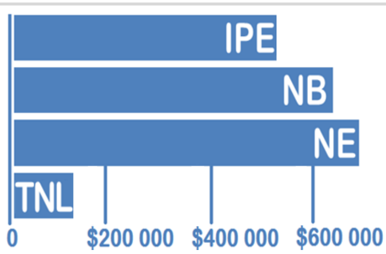
Total regional contribution to the national GDP of agriculture and the food processing industry (% of $101.1 billion, in 2011)	
PEI	1.0%
NB	2.0%
NS	1.8%
NL	1.1%
Total Atl Can	**5.9%**

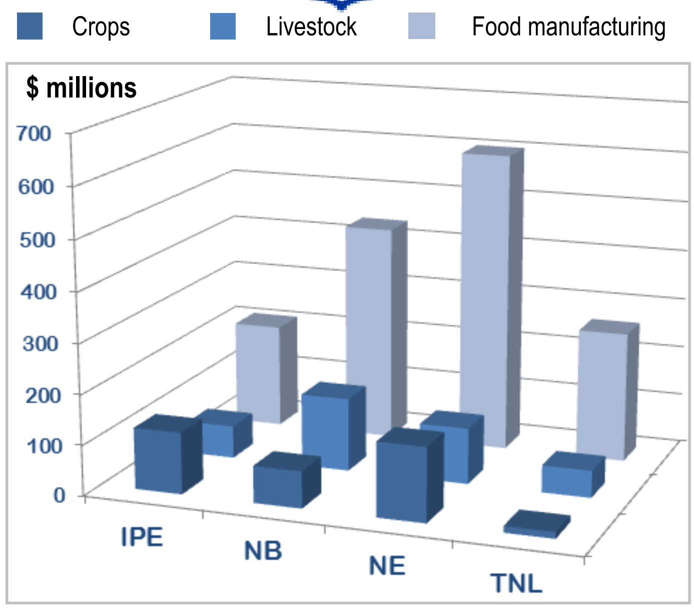
Share of GDP by province



($ millions) (2013)	Crops	Live-stock	Food manu-facturing	Agriculture total
PEI	123.2	65.2	209.4	397.8
NB	148.2	112.1	601.5	861.8
NS	73.7	146.7	434.4	654.8
NL	13.1	54.3	260.9	328.3
Total Atl Can	**358.2**	**378.3**	**1,506.2**	**2,242.7**

Agriculture value added (2012)	$000s
PEI	563,984
NB	616,555
NS	667,318
NL	140,888
Total Atl Can	**1,988,745**





Farmland area (in hectares, 2011)	
PEI	240 514
NB	379 526
NS	412 000
NL	31 302
Total Atl Can	**1 063 342**

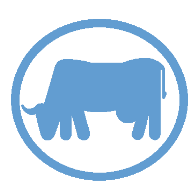
Number of jobs in the agricultural sector (2012)			
In units	Cereal crops	Livestock	Food production
PEI	1,995	1,320	2,835
NB	2,625	2,455	9,065
NS	3,625	3,190	8,280
NL	545	775	5,460

Vegetable production (2013)	Farm value ($000s)	Production (tonnes)
PEI	7,165	33 473
NB	5,494	8 195
NS	11,455	21 073
NL	3,894	5 131
Total Atl Can	**28,008**	**61 563**

Potato production (2012)	$000s	Agricultural area (acres)
PEI	257,470	89,500
NB	152,540	53,500
NS	4,821	1,900
NL	1,810	500

Although the **potato** remains the primary crop farmed in Atlantic Canada, with total harvested area down by just 0.4% since 2009, the harvested area for **barley** increased by 15.5% over the same time frame throughout the region, while that for **blueberries** grew by 14.2%.

In 2011, average household expenditures at stores and restaurants totalled $7,473, or 11.6% of total expenditures.



Number of cattle	($000s) (2013)
PEI	63.0
NB	73.0
NS	84.2
NL	11.3

Highlights of the Agriculture and Agri-Food Industry

Outlook for the agri-food industry

The Canada – European Union **Comprehensive Economic and Trade Agreement (CETA)** provides for the removal of trade barriers to promote increased trade and higher income for producers.

CETA and agriculture and agri-food products: in a nutshell
(see also Intell-Écho 1, 3, 2014)

▶ Eliminates 93.6% of existing agricultural tariff lines, including the 8% tariff on products such as **maple syrup**, **potatoes** and **blueberries**

▶ Opens access to trade in **farmed meat** (beef, veal, pork, bison) and poultry

▶ Protects **Canadian food brands** (e.g. feta, brie, parmesan, Black Forest ham, walnuts [French: "noix de Grenoble"], etc.)

The primary federal legislation applicable to the sale of food in Canada is the ***Food and Drugs Act***, which among other things governs standards for foods and ingredients, food fortification and additives, food safety and security, packaging, labelling and advertising. Three federal entities enforce compliance with Canadian standards: **Health Canada**, the **Canadian Food Inspection Agency** and **Agriculture and Agri-Food Canada**.

Professional associations (agriculture and agri-food sector)	
PEI	19
NB	29
NS	34
NL	13

Maple syrup, referred to by many as ***liquid gold***, is one of Canada's iconic products. In 2013, Canada produced just over 38 million litres of maple syrup with a gross value of $408 million, 7.6% of which came from the Atlantic region. The maple syrup harvest in 2013 in Atlantic Canada set a new record with production of nearly 2 million litres and an estimated gross output value of $31 million. It takes approximately 40 litres of sap to make just one litre of maple syrup.

Food manufacturing contributed $1.5 billion to the GDP in 2012 in Atlantic Canada. This sector is the largest manufacturing employer, with more than 26,000 workers.

The Atlantic region has approximately 337 food and beverage processing plants, excluding fish and seafood preparation and packaging plants.

Research & development

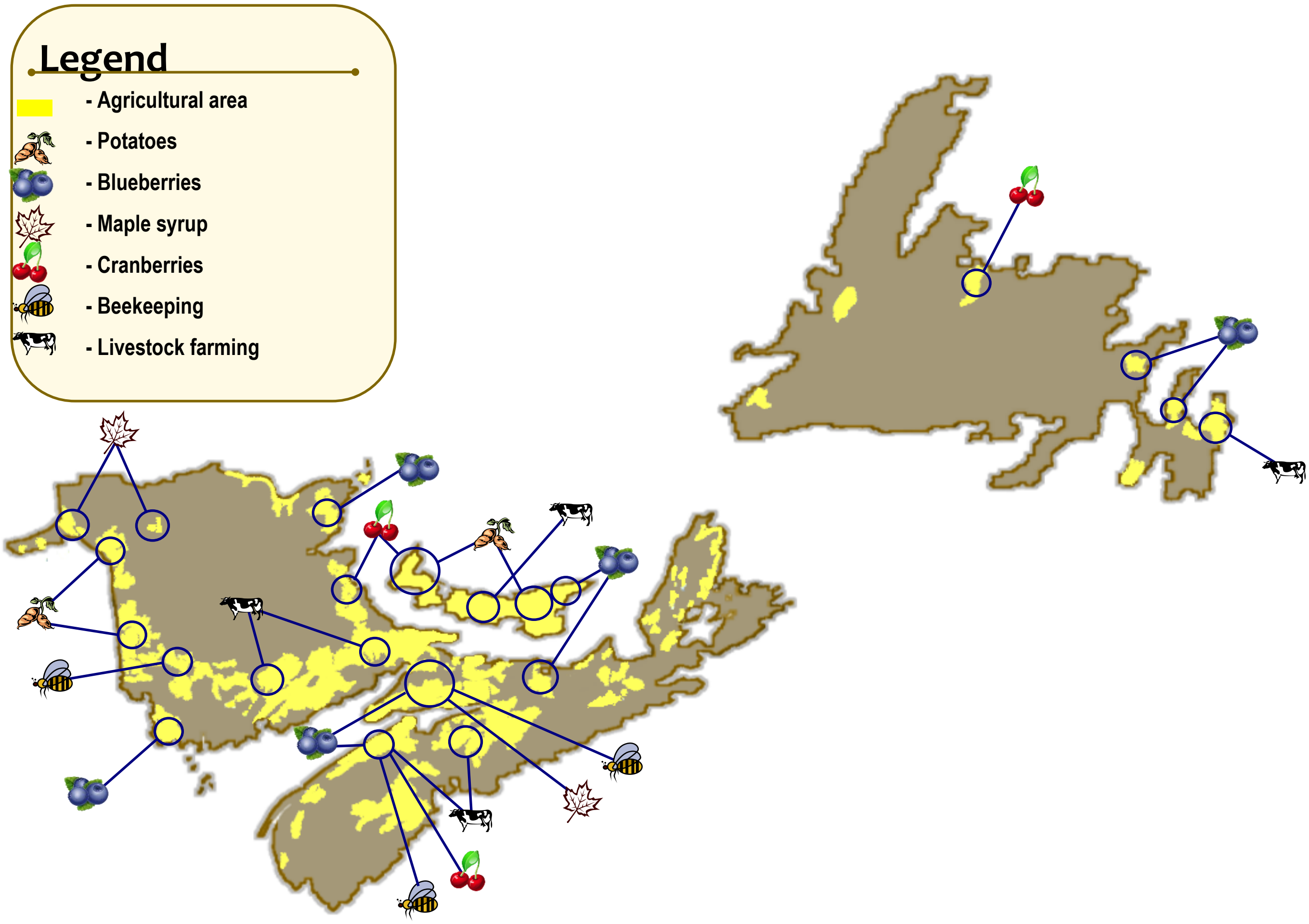
Main R&D centres (partial list)

- ▶ Atlantic Poultry Research Institute (Dalhousie University), NS
- ▶ Atlantic Research Centre for Agricultural Genomics, NS
- ▶ Atlantic Wine Institute, NS
- ▶ PEI Bioalliance, PEI
- ▶ Centre of Excellence in Agricultural and Biotechnological Sciences (Collège communautaire du NB), NB
- ▶ Crops and Livestock Research Centre, PEI
- ▶ Atlantic Cool Climate Crop Research Centre, NL
- ▶ Potato Development Centre, NB
- ▶ Plant Propagation Centre, NB
- ▶ Bon Accord Elite Seed Potato Centre, NB
- ▶ Potato Research Centre (Agriculture and Agri-Food Canada), NB
- ▶ Atlantic Food and Horticulture Research Centre, NS
- ▶ Food Research Centre (Université de Moncton), NB
- ▶ Eastern Canada Soil and Water Conservation Centre (ECSWCC) (Collège communautaire du NB), NB
- ▶ Nova Scotia Crop Development Institute, NS
- ▶ Nova Scotia Agricultural College (NSAC), NS
- ▶ Organic Agriculture Centre of Canada (OACC), NS
- ▶ Wild Blueberry Research Centre, NS

Key leaders in the food and beverage processing sector in Atlantic Canada

Company	Revenue ($M, 2012)	Products	Employees
McCain Foods Ltd.	7,210	Frozen french fries, pizzas	19,000
High Liner Foods Inc.	942	Frozen seafood	1,652
Clearwater Seafoods Ltd.	350	Seafood	1,500
Scotsburn Dairy Group	275	Dairy products	800
Moosehead Breweries Ltd.	200	Beer	326
Amalgamated Dairies Ltd.	133	Dairy products	288
Oxford Frozen Foods Ltd.	110	Frozen foods	600
Northumberland Cooperative Ltd.	79	Dairy products	300

Map: Agricultural Areas in Atlantic Canada



The following links may interest you if you are seeking to do business in this industry in Atlantic Canada

Agriculture and Agri-Food Canada. www.agr.gc.ca
NB Agriculture, Aquaculture and Fisheries. www2.gnb.ca/content/gnb/en/departments/10.html
NL Agriculture. www.gov.nl.ca/services/Agriculture.html
NS Agriculture. www.novascotia.ca/agri
PEI Agriculture and Forestry. www.gov.pe.ca/agriculture/index.php3

Canadian Agricultural Human Resource Council. www.agriguide.ca
Canadian Institute of Food Science and Technology. www.cifst.ca
Food Beverage Canada. www.foodbeveragecanada.com
New Brunswick Institute of Agrologists. www.ianbia.com
Retail Council of Canada. www.retailcouncil.org

Principal sources of information utilized in this bulletin:
Agriculture and Agri-Food Canada, Industry Canada, PEI, NB, NS & NL provincial websites, Health Canada, Statistics Canada

CACIMA
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If you are seeking business opportunities in this region, **CACIMA** and **FCCC-AN** can facilitate your business prospection process and help with establishing new partnerships

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Intell-Echo

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