Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

Canada

International Markets Bureau

MARKET INDICATOR REPORT | MARCH 2010

Inside the United States
Processed Food Trade

Growing Forward

Canada

TRADE SUMMARY

The U.S. is the leading importer of processed food in the world, importing US $56.3B in 2008, an increase of nearly 10% since 2007[1]. The American world market share has remained stable in the past three years and currently remains at 8.4%. In 2008, the top five suppliers of processed food to the U.S. were: Canada (20.5%), Mexico (12.1%), France (6.6%), Italy (5.9%) and China (4.7%). The U.S. is Canada's largest export market, receiving over 72% of Canada's processed food exports. The U.S. sources its processed food imports from a total of 197 countries around the world.

The main processed food imports in the U.S. include: wine (US $3.8B), beer (US $3.7B), frozen beef (US $1.5B), vodka (US $1.5B), bananas and plantains (US $1.4B), and food preparations (US $1.3B).

Imports of processed food to the U.S. exceeded exports by 4% in 2008. The U.S. exported over US $54B worth of goods, such as chicken cutlets and edible offal (US $3.2B), food preparations (US $3.0B), and soymeal (US $2.6B). The top export destinations included Canada (23.1%), Mexico (15.3%) and Japan (9.4%).

CANADIAN PERFORMANCE

Canada is the largest supplier of processed food to the United States, with sales of US $11.5B in 2008 (based on American import data). This represents an increase of 13.6% from 2007 and can largely be attributed to greater imports of the following Canadian products: frozen beef (+195%), canola oil (unrefined) (+105%) and malt (+85%).

The U.S. has consistently been the primary destination for Canadian processed food in the past five years. Furthermore, Canadian exports to the U.S. are continuing to grow annually, with Canada holding 20.5% of the market in 2008.

In 2008, Canada's top processed food exports were: refined rapeseed oil (US $796M), fresh beef (US $706M), potatoes (US $650M), and breads, pastry, cakes, and pudding (US $623M).

INSIDE THIS ISSUE

By the Numbers 3

Competitive Landscape 4

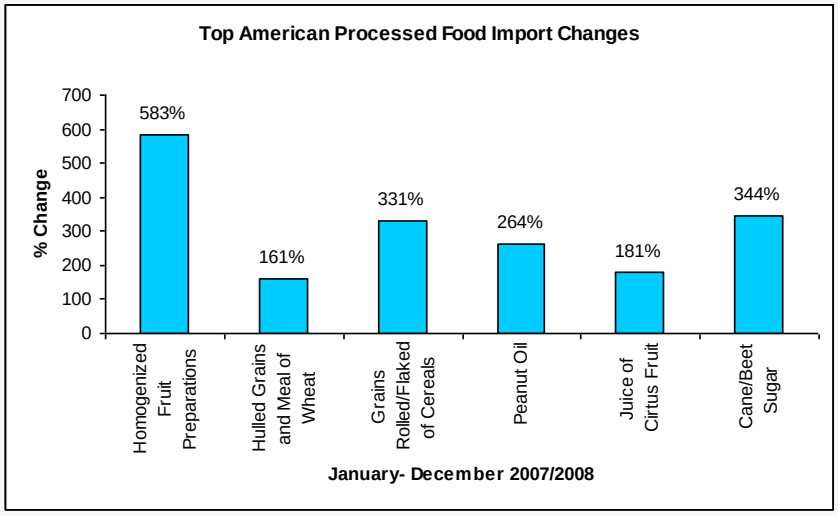
Market Opportunities 4

> "AMERICAN PROCESSED FOOD IMPORTS INCREASED BY 9.5% IN 2008."

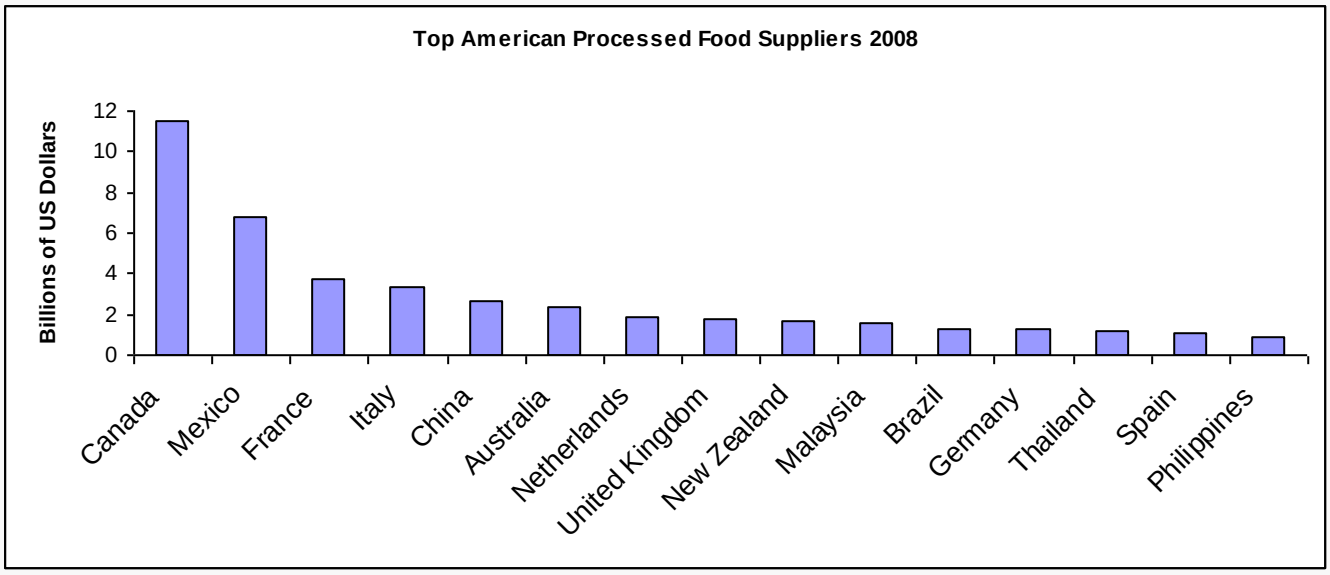
[1] All data, unless otherwise noted, is from Global Trade Atlas, 2009.

▶ BY THE NUMBERS

Processed Food and Beverage Imports	World (US $Billion)	Top Supplier
Total	56.3	Canada
Wine	3.84	Italy
Beer made from malt	3.67	Mexico
Frozen beef	1.49	Australia
Vodka	1.46	France
Bananas and plantains	1.37	Guatemala
Food preparations	1.35	Canada
Whiskies	1.34	United Kingdom



Source: *Global Trade Atlas, 2009*



Source: *Global Trade Atlas, 2009*

COMPETITIVE LANDSCAPE — TOP PROCESSED FOOD SUPPLIERS TO THE U.S.

1.Canadian Exports to the U.S. in 2008

- Canola oil (refined): US $796M
- Fresh beef: US $706M
- Frozen French fries: US $650M
- Bread, pastry, cakes and pudding: US $623M
- Canola oil (crude): US $501M
- Food preparations: US $5498M

2. Mexican Exports to the U.S. in 2008

- Beer made from malt: US $1.6B
- Spirits and liqueurs: US $600M
- Avocados: US $497M
- Sugar confectionery: US $312M
- Refined cane/beet sugar: US $266M
- Frozen vegetables: US $234M

3. French Exports to the U.S. in 2008

- Wine: US $944M
- Grape brandy: US $681M
- Vodka: US $579M
- Sparkling wine: US $477M
- Liqueurs and cordials: US $215M
- Cheese: US $146M

4. Italian Exports to the U.S. in 2008

- Wine: US $1.2B
- Virgin olive oil: US $446M
- Cheese: US $318M
- Refined olive oil: US $173M
- Pasta: US $163M
- Liqueurs and cordials: US $136M

MARKET OPPORTUNITIES

- Opportunities for increasing exports to the U.S. processed food market still exist in growing sectors.
- American imports of frozen French fries grew by nearly US $50M in 2008, indicating opportunities for growth of Canadian exports of the product.
- Canadian cookie exports to the U.S. have the potential to grow as imports are growing. U.S. imports increased by 17% in 2008 and Canada held 38% of the market share, which totaled US $285M.
- Canada continues to be the most important supplier of canola oil to the U.S., doubling its exports since 2007.
- Imports of dog and cat food in the U.S. are growing, increasing 20% in 2008, and therefore Canada has the opportunity to increase exports. Canada is currently the second largest supplier of dog and cat food to the U.S. with exports of US $100M.

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

Inside Processed Food Trade in the United-States
© Her Majesty the Queen in Right of Canada, 2010
ISSN 1920-6615 Market Indicator Report
AAFC No. 11207E

Photo Credits
All Photographs reproduced in this publication are used by permission of the rights holders.
All images, unless otherwise noted, are copyright
Her Majesty the Queen in Right of Canada.

For additional copies of this publication or to request an alternate format, please contact:
Agriculture and Agri-Food Canada
1341 Baseline Road, Tower 5, 4th floor
Ottawa, ON
Canada K1A 0C5
E-mail: infoservice@agr.gc.ca

Aussi disponible en français sous le titre :
Le commerce de la nourriture transformée aux États-Unis

Canada