

# Trade Opportunities beyond the US

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## ■ Where do we stand today?

Canada has exported pork to more than 75 countries so far this year. In 2001 exports were over \$2.2 billion and almost 719 million kg. The USA comprised 57% of the dollars and 51% of the volume of the pork we exported, while Japan comprises 28% of the dollars and 20% of our export volume. Australia, Mexico, Russia, Hong Kong, Cuba, New Zealand, Korea and China represent the vast majority of the balance.

## ■ What is the Goal?

- Increased profitability
- Income stability in the long term

## ■ What are the tactics?

- Increase demand, more of the same, but demand exceeds supply.
- Increase value added products, sell more of the pig more profitably
- Create a USP, by differentiating our pork vs. the competition. Listen to the voice of the customer.

## ■ Where are the opportunities and how do they fit?

### **Japan**

- Most profitable world market
- Long term price-stable market
- The worlds most competitive market
- Increasing demand for absolute volume
- Increased demand for value added products
- Strong VOC and marketing potential

### **Australia**

- Improved profit potential if we recognize supply /demand balance
- Price stability is valued by customers
- Only one other major competitor, Denmark.
- Volume is steady with some potential to increase if domestic production decreases.
- More demand for value added products for further processing
- Very weak consumer demand for fresh pork provides an opportunity to expand consumer acceptance.

### **Mexico**

- Price sensitive market of opportunity
- Trying to establish themselves as a pork exporter using cheap labour
- USA is closer and therefore provides strong competition
- Volume fluctuates with quotas
- Value added is limited to by-product recovery (skins) at this time
- As Mexico's income increases there is potential for improved consumer demand.

## **Russia**

- Price sensitive market of opportunity
- Stability is poor due to unstable economy and food aid programs
- Everybody sees Russia as a dumping ground
- Demand is unstable
- Value added potential if we can begin to address table meat market
- Consumerism potential is high as market economy gains strength

## **Hong Kong and China**

- Steady demand for the products purchased
- Price stability is compromised in the short term as China flexes it's bureaucratic muscle
- Highly competitive market focus by all competitors
- Potential demand is huge as population becomes more affluent
- Price of goods sold may be low but China offers excellent returns on products that would otherwise be discarded
- The opportunity to market our pork to a growing middle class will expand as time passes.

## **■ What we need to do to take advantage of the opportunity**

- Maintain contact with and understand every major market that buys pork
- Stop competing with ourselves in world markets
- Recognize that we need to focus on the customer to achieve our goals. Manipulating supply to meet demand only goes so far
- Work together as partners to meet the requirements of the customer.
- Remember that the North American Market including the USA is our largest market and learning from our export markets can prove invaluable.