



ATS International News Magazine

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The News Magazine Mission

Feeding You the News

In an effort to distribute the valuable news we receive from numerous postings abroad, Agri-Food Trade Service has compiled a newsletter that features some of the most relevant and up-to-date industry information straight from the source.

Each story offers a direct look into evolving trends and opportunities within various international markets. The ATS International News Magazine is issued four times yearly, or as information inflow permits. This newsletter maximizes the value of market intelligence being collected by Canadians posted abroad and ensures this information is exposed to Canadian exporters who value this insight the most.

The ATS International News Magazine is a collection of stories from Agri-Food Updates and Bulletins from various locations around the world. By assembling some of the key stories from each region into a News Magazine format, ATS aims to spark an interest and spur visitors to access these News Updates in their entirety. For access to full news updates click on each of the main subheadings.

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1. Agri-Food News from Germany, Austria and Switzerland

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GERMANY

ORGANIC MARKET - Retailers score with organic meat

Germany. All food retailers today are using meat to pep up their profiles. In a bid to differentiate themselves from the discounters - Aldi for instance plans to have meat on offer in all its stores by the third quarter this year - the full-range stores are introducing speciality meat product. Consumers are nowadays exceedingly conscious about food being not only healthy and wholesome but also safe to eat.

Most of the full-retailers are improving their profiles with organic meat. These products used to be bought by only a select group of consumers because of their exorbitant prices but the retailers are drawing them more into the consumers' focus nowadays. There is hardly a retailer who would shun the topic entirely.

Bison as alternative

All the retailers are presenting the meat under their own organic food labels. Wal-Mart, for instance, recently introduced an extensive range of organic meat its own organic brand Biofrisch.

Now that all the retailers are offering this quality, it is becoming difficult to come by. "We could sell far more than we are doing at the moment," says Rolf Heidenberger, managing director of Edeka Nord's meat processor in Neumünster, "but the quantities are just not available."

This may well be the reason why Metro's hypermarket subsidiary Real* has turned to bison meat which it imports from Canada via the distributor there Grande Prairie Bison Co.



*Real is part of the Metro Group, the No. 2 retailer in Germany.

Source: Article published on April 05, 2006 at <http://english.lz-net.de>

Organic enters the fish segment

Trade is forcing/supporting alternative aquaculture and resource-friendly fishing

The interest in organic products as demonstrated in the food retail trade also extends to smaller product groups like fish. Sales are still rather insignificant, but market leader 'Deutsche See' already counts Edeka, Rewe and Karstadt among its clients for organic pangasius.

Exhibitors like Frosta and Deutsche See did not need to thoroughly store their trade fair stands after the closing of Fish International in Bremen, instead, they built them up again for Biofach in Nuremberg (the following day). The fish range in large supermarkets increasingly features salmon, trout and king prawns from organically (run/cultivated) fish farms. Suppliers from Ireland and Scotland have found a niche in which they can compete with the strong Norwegians, but the latter also engage in this sector. To gain a foothold on the European market, Vietnamese also offer organic alternatives. Deutsche See presented the low-priced Pangasius from Vietnam as their novelty, labelled with the 'Naturland' certificate.

Since wild caught sea fish cannot bear the organic label, the certificate of the Marine Stewardship Council (MSC) is increasingly gaining importance. Unilever/Iglo is the initiator, but Frosta, Friedrichs, Metro C&C and Deutsche See also offer fish products bearing the blue MSC-seal for resource conservatory fishing.

Source: Lebensmittelzeitung No. 8, February 24, 2006

Record number of new organic supermarkets in Germany

60 new organic supermarkets opened in Germany in 2005, more than ever before. There are meanwhile around 300 of these supermarkets with sales areas between 200 and 1,700 m². The number of new organic supermarkets from 2000 to 2004 ranged from 25 to 43 per year.

The organic supermarket chains are the main driving force behind this growth. 36 of the new

outlets, i.e. 60 %, belonged to an organic chain. A new sales area of almost 28,000 m² was added up to the end of December 2005, of which the chains accounted for some 71 %. www.organicretailer.info

Source: BioFach Newsletter No. 113, January 27, 2006-01-31

Growth in German imports of oysters

Oysters remain very much a niche market in Germany with annual consumption of live oysters below the thousand tonne level. As in Italy, the market is essentially import dependent. Following a decrease in 2004, imports for the first eight months increased this year with volumes up 27% to almost 50 tonnes. Import values are also up, +39% to EUR 1.8 million. The increase this year is largely due to a jump in sales from Ireland. German statistics are also showing a small increase in volumes from France which remains the leading supplier. In line with the Italian trend, import unit values are up this year in Germany (+9% to EUR 3.78/kg) thanks to a 14% increase in unit values for French oysters.

Source: Eurofish Magazine February 2/2006

MEAT MARKET - Meat production in Germany

In 2005, some 6.7 million tons of meat were slaughtered (industrially) in Germany, an increase of 1.8 percent over the last year. The Federal Office of Statistics reported that pork held the largest share with a volume of 4.5 million tons, an increase of 4.6 percent compared to 2004. Pork thus realized a share of 67 percent of the total commercial slaughtered meat, followed by beef and veal with 1.1 million tons (17.2 percent), i.e. 7.8 percent less than in 2004. Poultry accounted for 1.0 million tons or 15.5 percent, an increase of 1.3 percent compared to 2004.

Source: Lebensmittelzeitung No. 7, February 17, 2006

Private consumption of turkey

In 2005, private consumption of fresh turkey parts increased by 5.1 percent, which corresponds to a share of 85 percent of total turkey consumption. According to the Center for Market and Price Reporting (ZMP), frozen turkey parts were bought less frequently; private consumption dropped by



6.3 percent in 2005 and accounting for a share of only 8.4 percent. In the same period, consumption of whole turkeys accounted for a share of 6.6 percent.

Source: Lebensmittelzeitung No. 10, March 20, 2006

AUSTRIA

Austrian retail trade 2005

In 2005, the Austrian retail trade realized a nominal increase of 0.8% compared to the previous year, which corresponds to a sales volume of EUR 41.6. For the first time since 2001, food retail sales were slightly above last year's level (+0.1%). Customer frequency, however, declined by 1.1%.

Christmas sales also registered their first increase since 2001, as reveals the latest economic study by KMU Forschung Austria, in which some 1,500 food retailers participated. With regard to the individual segments, sales increases in the food retail trade even exceeded those of the total retail trade.

Source: SG Sweets Global Network March 2006

SWITZERLAND

COOP Switzerland develops new vegetarian product line

The no. 2 in the Swiss food market is developing a new product line for vegetarians under the Délicorn label. The basic ingredients are soya/wheat, tofu/wheat and organic corn. All products are certified by the Swiss Association of Vegetarianism (SVV) and eight of them carry the organic bud. The sale of vegetarian food has increased by some 50 % in the last five years and the trend is still upwards, reports Lebensmittel Praxis.

Délicorn products are obtainable in minced or chopped form, or as pepper grilling steak, organic vegetable burger or yasoya curry. The products include information on cooking or a recipe idea. The Coop restaurants are currently supplementing their meals with Délicorn products. The food group would like to introduce various vegetarian convenience foods in the second half of the year.

Source: BioFach Newsletter No. 117 of March 24, 2006, www.biofach.de

Slight drop of organic consumption in Switzerland

The number of organic farms declined slightly in 2005 for the first time in the 25-year history of Bio Suisse. The structural change in agriculture does not even stop for organic. The overall organic market did hold its ground at a high level, however - despite the raw headwind from the cut-price shelves. Turnover steadied at 1.183 billion CHF (752 million EUR), slightly less than 0.5 % below the previous year, but the dynamic differed in the individual submarkets. Sales of organic fruit, organic vegetables and organic eggs grew strongly, but organic meat and organic milk slowed. The Swiss remain world champions with per head spending of 160 CHF (101 EUR) on organic products. 6,114 farms in Switzerland - some 11 % of all farms - currently work to the Bio Suisse guidelines. www.biosuisse.ch

Source: BioFach Newsletter No. 118, April 7, 2006, published online at www.biofach.de

Swiss GM ban

Genetically modified agricultural products have been banned in Switzerland. An amendment to the constitution was proposed by the Social Democrats and the Greens and a referendum took place in December 2005. Preliminary results show 56.5% in favour of the ban, 43.4% against. Participation was 41.7%.

There was a majority in all cantons in favour of the ban; the result was therefore clear. Opinion polls had indicated beforehand that it could be difficult to achieve the required majority. The "GM free initiative" calls for a five year ban on the cultivation of GM crops and on importing animals whose genes have been modified. The moratorium went into effect immediately.

Source: Sweets Global Network SG 1/2006

2. ASEAN Update

April 2006

BRUNEI - LOCAL, FOREIGN INVESTORS CALLED TO CONSIDER AGRIBUSINESS

Bandar Seri Begawan - Investors have now ample opportunities to develop small- and medium sized industries, following the move by the Agriculture Department, Ministry of Industry and Primary



Resources to open the agribusiness sector to private sector participation.

According to the department's booklet, "Investment Opportunities in Agribusiness", the government welcomes the participation of both local and foreign investments in the sector, irrespective of whether they are for start-up ventures or business expansions.

The move is part of the government's continuous effort to diversify the local economy by shifting their focus to industries other than oil and gas.

The country places much importance in agriculture, which is pivotal in ensuring security of food supply. In this respect, the Agriculture Department actively promotes agricultural development as well as facilitates outsourcing of agricultural commodities and food supply.

Although much has been achieved in the primary production of chickens, eggs, vegetables and fruits, the potential in downstream secondary industries, particularly in food processing, has not been exploited. The department believes the secondary industries could offer many opportunities, such as processing of value-added products for the huge consumer market in Asean. The department added, "We look at the agriculture sector in a new light, one that is no longer confined to primary production of raw commodities, but as a business quotient that extends beyond processing, further processing and a spectrum of other services.

The country recognises the importance of primary production to ensure national food security and other social responsibilities, but it still lacks comparative advantages.

"As such, there is a need to develop agribusiness, which has a relative strength in the secondary industry of processing and further processing of value-added products and eyeing selectively for the regional and international markets."

Brunei has an abundant supply of relatively cheap fuel to power industrial development. In addition, the government is supportive of investments on industrial development, including food processing, where there are potentials for investors to establish their manufacturing bases in the country and supply raw commodities to other parts of the region.

The department said, "Investors could exploit the footage offered by the country to produce value-added food products and have access to the vast consumer market of Asean, which has a combined population of over 500 million."

With a fast growing population and economic development, Asean presents a virtual sea of markets for agri-food and agricultural products. "The country recognises the role of private sector in developing a viable agribusiness that is market driven. The government also encourages both domestic and foreign investments in agribusiness through investor-friendly policies."

Other than primary and secondary agro-industries, the service sector too has many opportunities.

Professional services in marketing, veterinary practice and trading of veterinary and agricultural products are in demands. Such professionals are welcomed to set up their practices in the country.

For further information on prospective investments, contact the Department of Agriculture, Ministry of Industry and Primary Resources. - Courtesy of Borneo Bulletin By Achong Tanjong

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INDONESIA TRADING TERMS IMPOSED BY CARREFOUR & GIANT INDONESIA ARE BIGGER

The trading terms imposed by Carrefour and Giant in Indonesia are bigger than the ones imposed by the two big retailers in Malaysia and Singapore. The fact was revealed at the meeting among four supplier associations last week. The four associations are the Indonesian Cosmetics Company Association (Perkosmi), the Indonesian Meat Processing Industry Association (Nampa), the Indonesian Food and Beverages Businesses Association (Gappmi) and the Indonesian Modern Market Supplier Association (AP3MI).

Carrefour Indonesia, for example, imposes 43.75% of the prices of products set by the suppliers, while Carrefour Malaysia only applied 30%. Giant Indonesia imposes 42.25%, while in Malaysia and Singapore, Dairy Farm Group (a partner company of Giant) only applies 32% and 35%, respectively.



When asked for confirmation, Corporate Affairs Director of PT Carrefour Indonesia Irawan D. Kadarman revealed that trading terms were not determined by Carrefour headquarters. "The application and range of trading terms is the authority of each regional Carrefour." In the meantime, Vivien Goh, Corporate Secretary of PT Hero Group-the management of Giant Indonesia-declined to make any comment.

At the meeting, the four supplier organizations agreed to send letters to the Department of Trade, the Department of Industry, and the House of Representatives to take actions about the issue of trading terms.

Separately, Head of the Business Competition Supervisory Commission (KPPU) Syamsul Maarif said that the government should regulate trading terms if the big retailers had been proven to limit the businesses of small and medium enterprises.

"How come retailers can impose lower trading terms in other countries? I think it is about time the government should make intervention," he inserted yesterday.

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MALAYSIA RAISING PERCENTAGE SELF- SUFFICIENCY IN BEEF OUTPUT

The Agriculture and Agro-Based Industry Ministry hopes to raise the country's beef output to 40 per cent self-sufficiency by 2015 under a national plan that seeks to reduce import of the commodity. The National Beef Production Policy would increase beef output from 30,270 tonnes against demand of 126,540 tonnes for this year to 62,300 tonnes against demand of 153,600 tonnes in 2015. Expanding the cattle population was one of the strategic approaches under the plan. Incentive schemes would be provided and the infrastructure as well as the business environment would be improved to draw government-linked companies (GLCs) and private companies to venture into beef production on a large scale. Under the Ninth Malaysia Plan (2006-2010), the production target was 28 per cent self-sufficiency for beef and 10 per cent for mutton. The country recorded 23 per cent self-sufficiency for beef and eight per cent for mutton last year. Production of broiler and layer chickens had surpassed the self-sufficiency point,

recording 121 per cent and 113 per cent respectively last year.

Source : Bernama Daily Malaysian News, 30 March 2006

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PHILIPPINES PHILIPPINE MEAT PROCESSING INDUSTRY: A STEADY MARKET FOR IMPORTED MEAT

Each Filipino consumes an average of seven kilograms of hotdogs, corned beef and other processed meat products annually. This translates to an estimated 600,000 tons of product per year, and benefits more than 40 allied industries, including livestock, poultry, and international trade. "Compared to double-digit consumption in developed countries, the Philippine market has so much more growth opportunities in store for the meat processing industry," said Mr. Felix O. Tiukinhoy Jr., president of the Philippine Association of Meat Processors of the Philippines, Inc. (PAMPI).

Mr. Tiukinhoy said that the average per capita consumption of processed meat products in the Philippines is lower than the 13 to 14 kilogram average in other Asian countries. For Europe it is about 23 kilograms per head. He said that it seems that the more developed an economy is, the higher is the consumption of processed meat by its consumers. The expected growth of the Philippine economy, he said, means that consumption will continue to pick up in the coming years.

In 2005, the Philippines imported a total of 42,000 MT of beef; 62,000 MT of buffalo meat; 50,000 MT of pork; and 24,000 MT of chicken meat. Canada ranks among the largest suppliers of pork and chicken meat.

The local meat processing industry is comprised of fresh/frozen processed meat products, which account for 60 percent of the total, and canned meat products which represent the remaining 40 percent. Hotdogs lead the fresh/frozen processed meat market, with a 70 percent share, while ham, bacon, cold cuts and native specialties account for the rest. Corned beef is the top canned meat product, with 50 percent share, followed by luncheon meat and sausages.



The 17-year-old PAMPI groups 35 of the largest meat processors in the Philippines, with combined annual revenues of P70 billion (C\$ 1.7 billion), representing 78 percent of the country's total income from the meat processing sector.

Source: Excerpts from the 2005-2006 Report of PAMPI President Felix O. Tiukinhoy, Jr.

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SINGAPORE

Canadian organizations engaged in agri-food research and development may be able to take advantage of the enhanced objectives of the Singapore Food Manufacturers' Association, as it is looking to improve the profile and technological capability of its members.

SINGAPORE FOOD EXPORTER? JOIN THE CLUB

SINGAPORE food manufacturers are banding together to take on the world market by forming their own export club.

The club, launched last Friday by 30 members of the Singapore Food Manufacturers' Association (SFMA), hopes to make its presence felt in overseas food shows by banding together. Currently, 68 of the more than 260 association members export their products, but SFMA wants to get more of them to think of selling beyond Singapore's shores. Currently, some members export their products to over 30 countries. The top three markets for local food exports are Japan, the United States and Malaysia. But the club wants to capture new markets like Turkey, India and the Middle East.

The export club is the latest in a series of initiatives by the association to help upgrade and expand members' businesses. For instance, a Food Development and Resource Centre is in the works. It hopes to enlist the expertise and technological know-how of polytechnics and universities here to help food makers develop new products. There could also be opportunities for collaboration with foreign food research institutes or universities.

The food manufacturing industry had a value-add of \$1.2 billion last year.

Adapted and summarized from: The Straits Times

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VIETNAM THE DEVELOPING AGRICULTURAL BIOTECHNOLOGY SECTOR IN VIETNAM

In separate meetings in Hanoi and Ho Chi Minh City in March, 2006, Regional Agri-Food Trade Commissioner Bruce Howard learned about Vietnam's push toward agricultural biotechnology (agbiotech). The financial and human resources that the government is putting towards agbiotech to ensure Vietnam becomes a major center of agbiotech are nothing short of phenomenal.

Dr. Le Huy Ham is the Vice Director of the Institute of Agricultural Genetics in the Ministry of Agricultural and Rural Development. Dr. Ham revealed that the government has allocated USD\$7 million per year on an escalating basis over the next 14 years to develop the agbiotech sector. To lever this investment, Vietnam seeks cooperation from Canada as well in the areas of transgenics, crop production and vaccine development. Vietnam intends to invest USD\$100 million between 2006 and 2020. The government has prepared a paper on its intended agbiotech activities which is available by e-mail from the Regional Trade Commissioner.

Meanwhile, in Ho Chi Minh City, Dr. Binh Nguyen-Quoc, a Vietnamese-Canadian, has been recruited from Laval University where he taught in the agbiotech field, to serve as Executive Vice Director of the Biotechnology Center of Ho Chi Minh City. The Centre has secured a 22 hectare site 12 km from the City's downtown where currently a temporary lab is set up. The plans call for the centre to be built by 2008. The City has its own separate budget for agbiotech of USD\$100 million, and the Centre will eventually operate with approximately 1,000 professional and technical staff in the fields of vaccines production, plant probiotics and recombinant protein production. When asked about intellectual property protection, Dr. Binh replied that Vietnam will follow the international rules for IP following its accession to the World Trade Organization, expected later this year.

Dr. Binh is also looking for research and collaboration with Canadian firms and research



entities with shared interests in agbiotech disciplines.

Below is the site plan for the centre which Dr. Binh is establishing. There are clusters of buildings for animal and plant production, vaccines and clinical trials (200 bed hospital) for neutraceutical and traditional medicine development. Planning for the Centre is almost 90% complete. Over a 5 year period, 250 students will receive Ph.D training overseas.

Of interest to Canadian companies would be the possibilities in research, technology transfer and commercialization through sales of vaccine technology, for example, or co-development of vaccine technology.

More information can be found at the website of the Biotechnology Centre of Ho Chi Minh City: www.hcmbiotech.com.vn

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3. What's New

[Agri-Food Trade Service](#)

[Mexico Export Preparedness Guide - Exporting Agriculture and Agri-Food Products to Mexico](#)

[Agri-Food Past, Present & Future Report Nigeria](#)

[Agri-Food Regional Profile European Union](#)

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