



STEP – Agri-Value

**IFT 2017
June 25-28, 2017
Las Vegas, NV**

TRIP REPORT

Notice to Recipient: *The attached information is provided by STEP on the express condition that the recipient of such information waives any and all claims of any nature whatsoever (including any claim based in negligence) that it may now or in the future have against STEP or its officers, directors, employees and agents resulting from or in any way connected with its use or reliance on such information.*

Overview/ Mission Description

Institute of Food Technologists (IFT) is the world's largest food ingredient conference and expo. Taking place in Las Vegas, NV, STEP organized a Canadian pavilion incorporating exhibitors from Saskatchewan, Alberta, Manitoba and Ontario. With around 24,000 attendees and 1100 exhibitors from over 90 countries, IFT provides Saskatchewan exporters with the opportunity to market their food ingredient solutions to food manufacturers, R&D personnel, product development managers, food ingredient distributors and importers, food scientists and more.

Summarized Agenda

The event ran over a three day period at the Sands Convention Centre in Las Vegas. Saskatchewan companies were given the opportunity to exhibit within the Canadian Pavilion or walk the show floor.

Each day consisted of set exhibiting hours. Participants also had the chance to attend hundreds of different educational sessions on a variety of topics related to the food ingredient industry. There were numerous networking opportunities and receptions.

Outside of the show hours there was a group dinner where participants had a chance to relax and meet the other companies who were part of the pavilion. The dinner provided a venue for networking in a relaxed environment. Companies also had the opportunity to attend a variety of receptions and events hosted by various organizations.

Market Information

In 2014, agriculture/food exports from Saskatchewan to the US totalled \$4.32 billion, up from \$1.94 billion in 2010. This represents a CAGR of 22.07% and outpaces overall export growth to the US and overall export growth amongst Saskatchewan agriculture/food product exports (all countries). Over the last ten years agriculture/food exports to the US, like overall exports, have been growing consistently, but also took a hit in 2009, losing 26% of their value from 2008.

The US is the largest market for Saskatchewan agriculture/food exports in the world and is more than double the size of the second largest export market, China. However, as a percentage of total exports, agriculture/food exports to the US only represent 19.05% of all Saskatchewan exports to the country. Given this, in 2014, the US was the second least dependent major Saskatchewan export market (top 10) with regards to agriculture/food exports, next only to Brazil.

In terms of regional trade in agriculture/food exports, as with overall exports, the Midwest is the largest region in terms of Saskatchewan exports, receiving 36.60% of all Saskatchewan agriculture/food exports in 2014, followed by the Northwest (29.90%), Southwest (21.79%), Northeast (7.25%) and Southeast (5.27%). The largest state recipients of Saskatchewan agriculture/food exports in 2014 were: California (\$601.5 million), Minnesota (\$569.4 million), Iowa (\$394.6 million), North Dakota (\$356.7 million) and Nebraska (\$306.5 million).

Overall the US market presents many opportunities for Saskatchewan agriculture and food products. In reality, this opportunity comes with many hurdles, as the US market is one of the most competitive in the world and the sheer size of the market makes penetration difficult. While there are opportunities for consumer branded food products to be

sold into the market by Saskatchewan exporters, the majority of the opportunity lies in supply of traditional and innovative food ingredients, ranging from major agricultural commodities to natural product ingredients and organics. In addition, in recent years Saskatchewan exports have been supported by a favourable exchange rate.

Healthy food products, including organics, natural, intolerance and functional foods are growing in popularity in the US. Factors such as greater health awareness, growth in the older population, large youth/child population, high wealth levels and access to a greater variety of healthy products, such as healthy convenience foods, are some of the drivers of this trend. Traditionally considered to be a premium segment, organic foods make up over 4% of food sales and are now sold in 3 of every 4 grocery stores in the US. There are numerous private label options on store shelves and Whole Foods Market, which specializes in organics, has become one of the largest food retailers in the US.

When looking at the market for such products, Market Line reports that the organic market in the US was valued at US\$34.24 billion in 2013 and grew at a CAGR of 8.4% between 2009 and 2013. As well, Market Line forecasts the organic market in the US to hit US\$45.9 billion by 2018. Fruits and vegetables accounted for nearly half (47.3%) the US organic market in 2013, followed by dairy (16.5%), prepared food (15.4%), beverages (9.5%), bread and grains (8.1%) and meat/fish/poultry (3.3%). Overall, the US market represented 45.8% of the total global organic food market (2013).

Saskatchewan products that have potential in the US market related to healthy foods include all organic commodities, but more specifically: oats (human consumption), non-gmo canola oil, flax, camelina, quinoa, pulses and hemp.

Results

In total, 20 companies, associations and government representatives participated in the Canadian Pavilion at IFT. 11 of those participants were from Saskatchewan. 8 exhibited in the pavilion and 3 walked the show. On top of that, 5 Saskatchewan companies exhibited on their own. 360 trade leads were generated by STEP members which will lead to an estimated 3.4 million dollars in export sales over the next 12 months. Outside of the STEP members, companies from the other provinces reported an additional 450 trade leads and 10.5 million in anticipated sales.

The show was busy for two out of three days and the pavilion was perfectly located in a high traffic area. The third day was very slow. Traffic was evenly spread between each side of the pavilion.

The group dinner provided a nice relaxing break from the show and continues to be a fun addition to any trade mission. Invitations to various receptions allowed for an excellent chance to network and meet potential leads.

Recommendations

The mission was highly successful. With its focus on food ingredients, IFT is the ideal show for a majority of our agri-value members. The pavilion design remains very functional and provides excellent sightlines for all exhibitors. This design should continue to be used for future shows.

Improvements should continue to be made to the pavilion. A suggestion was made about hosting a reception in the booth. If budget allows this may be something worth exploring. It would give companies the opportunity to invite their customers and provide great networking opportunities. It would be also worth looking into a more structured B2B program. We worked with the Canadian Trade Commissioners service to drive traffic to the booth. If possible actual scheduled meetings would add value.

As is always the case with IFT, guide listings continue to be an issue. The show only allows 8 listings for our size of booth. This leads to half of the companies not getting listed in the directory. I continue to raise this issue with the show in hopes that they will let us pay for additional listings.

STEP plans on returning to next year's show and has already secured booth space. IFT 2018 takes place in Chicago in July of 2018 and the booth is located in a similar spot.

STEP Contact for Further Information

For Further Information Please Contact:

Jeff Cooper

Trade Specialist, Agri-Value

306-933-6512

jcooper@sasktrade.sk.ca

Photos





