STEP – Agriculture

Pulse Trade Mission to Spain and Italy  
Dec 03 – 07, 2018  
Madrid, Naples, Vicenza and Rome

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.
In search for a new market for Saskatchewan pulses and special crops, Saskatchewan Trade & Export Partnership (STEP) decided to explore the European Union market. Given the current market uncertainty, there is no doubt the need for a market diversification. As a first stop we travelled to Spain and Italy this year. We partnered with the Trade Commissioner Services in Spain and Italy who helped us organize the tour. The Spanish Pulses Association helped us develop a one-day program in Madrid that included B2B meetings and presentations. The TCS in Rome helped us with the program in Italy that included site visits and B2B meetings. This mission started with a trip to Madrid, Spain on Dec 2, and then to Rome, Italy, on Dec 4, concluding in Vicenza on Dec 6, 2018.

The B2B meetings were primarily targeted for pulses and commodity importers, however there were quite a few pulse canning companies that met us during the mission. The primary objective of the mission was to identify and strengthen pulses and the commodity supply opportunity to the market. This is the first time in the last five years we travelled to the market with a trade mission focused on pulses and commodities.

### Summarized Agenda

#### Monday, December 3, 2018  
**Madrid, Spain**

- 06:15 Meet in Hotel Lobby
- 06:30 Depart Hotel for Train Station
- 07:05 Depart Madrid
- 09:21 Arrive in Leon
- 11:00 Tour a Pulse processing and canning plant.
- 16:25 Depart Train Station in Leon
- 21:31 Arrive in Madrid

#### Tuesday, December 4, 2018  
**Madrid, Spain / Rome, Italy**

- 09:30 Arrive at Embassy
- 10:00 Participant Registration
- 10:30 Welcome by the Embassy of Canada in Spain
- 10:45 Address from the Association of Legumbristas of Spain
- 11:00 STEP and the Saskatchewan’s Pulses and Special Crops Industry, Mortoza Tarafder
- 11:30 B2B Meetings
- 13:30 Spanish wine glass
- 14:00 Travel to Airport
- 17:15 Travel to Rome, Italy

#### Wednesday, December 5, 2018  
**Rome, Italy**

- 09:00 – 10:40 Meeting with a pulse buyer.  
  - Embassy of Canada
- 10:45 Transfer to Termini station by taxi, 15 minutes
- 11:23 – 12:33 Train Rome – Napels
- 12:40 Lunch and transfer to Ottaviano, 50 minutes
- 14:00 Meeting with a pulse and special crops processor.
Market Information

The European Union (EU) is Canada's second-largest trading partner, and continues to maintain approximately 20% of the world's gross domestic product (GDP); with a market of over 510 million consumers, and imports of over $115 billion ($694 billion if you include intra trade). As a Union the group is Saskatchewan's fifth largest market, with wheat, canola and lentils being the largest exports. The European Union (EU) market is diverse, expanding, and full of opportunities for Canadian business.

The Canadian-European Union Comprehensive Economic and Trade Agreement (CETA) is poised to help Canadian exporters access European Union (EU) agri-food markets and will open new agriculture and agri-food market opportunities for Canadian exporters in the EU. They will have an advantage over competitors in countries that do not have a free trade agreement with the EU. When CETA enters into force, almost 94% of the EU agricultural tariff lines will be duty-free, including tariff lines for Saskatchewan processed pulse products such as chickpea flour, canned pulses and specialty soups.

Lentils are now seen as a major source of protein and iron across the EU. They are an important part of Spanish traditional dishes and are well established in the Italian diet for their nutritional benefits. Beans, peas, and lentils are an important part of traditional Spanish dishes. Leading pulse players are investing in the production of innovative processed pulse products. Spain is the third-largest importer of pulses in the EU, with imports worth US$207.5 million in 2016. Spain relies on imports to meet consumption demand for dried pulses. Italy is the fourth-largest importer of lentils in the EU. The Italian market is segmented into North and South, where the North was subject to industrialisation, and the South remains local-driven. Italians are very focused on the cleanliness of the products. They area a small market with huge emphasis on clean products. Saskatchewan products would definitely have an advantage over our competitors in these markets.

Results

A total of six STEP member companies joined the mission. STEP represented two members during the visit.
For the first time our mission was solely focused on special crops and provided our members a great introduction to the special crops commodity buyers. The visit to several plants and the pulse market provided an insight of the industry and how things work in both of these countries.

**Quantitative Results**

Trade Leads: 48  
Deals consummated: 13  
# of Companies Participating: 6  
# of Companies Represented: 2  
Anticipated sales: About C$1.51M in the next 12 months.

**Recommendations**

In general the mission program went well. There were plant visits, market visit and B2B meetings. This was the first pulses and special crops focused Saskatchewan trade mission to both Spain and Italy in the last 5 years.

The buyers were welcoming and the meetings were cordial. Members reported they had some successful meetings and believed they have made some serious business leads and useful contacts. Both markets provide great potential for growth. The Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU has reduced tariffs and some Canadian processed lentil products are now allowed to enter the EU dutyfree. In 2016, the EU imported C$350.4 million worth of lentils at a compound annual growth rate of 15% (2012 to 2016). The EU made up 14% of the world’s lentil imports in 2016.

Both of these markets provide some growing opportunities, we should remain active in these markets and recommend that we visit the market once in every two years and keep up the momentum.

**STEP Contact For Further Information**

For further information, please contact:  
Mortoza Tarafder  
Director - Agri-Value  
Tel: 306-787-9687  
E-mail: mtarafder@sasktrade.sk.ca