

Market Overview

Canada is one of the most important trading partners for the United States and is projected to regain status as the top export destination in USD value for U.S. agricultural products in 2016. Trade with Canada is facilitated by proximity, common culture, language, similar lifestyle pursuits, and the ease of travel among citizens for business and pleasure. Additionally, NAFTA favors the trading relationship between the United States and Canada by eliminating trade barriers (such as tariffs) and promoting market access. Another major free trade agreement called Trans-Pacific Partnership will continue to liberalize trade.

In fiscal year 2015, U.S. agricultural exports to Canada reached \$21.3 billion, making Canada the second largest export destination followed by China. More specifically, food exports from the SUSTA region have increased by a significant amount, rising from approximately \$2.5 billion in 2010 to \$3.5 billion in 2014, and almost reaching \$4 billion in 2015.

Some of the main export categories include: prepared food (\$1.4 billion), fresh vegetables (\$1.4 billion), fresh fruit (\$1.3 billion), snack foods (\$1 billion), and non-alcoholic beverages (\$900 million).

Opportunities and Advantages

- Canada is an excellent market for U.S. companies because of the similar culture, food and consumption trends and shopping patterns.
- Of all imported goods, those of U.S. origin are perceived to be the highest quality.
- Proximity and ease of travel, combined with the duty-free tariff treatment under NAFTA, make the act of exporting relatively simple.

Market Challenges

- There are a number of differences between U.S. and Canadian labeling for retail products: bilingual (English and French) labeling is necessary, Canada has different nutrition labeling guidelines, and all measurements must follow the metric system.

SUSTA Sponsored Events in Canada:

Inbound Horticulture Trade Mission to TPIE
Inbound Trade Mission to Seafood Expo North America
SIAL Canada
Canadian horticulture trade shows
Inbound Trade Missions for value-added food products
Outbound Trade Mission to Toronto
Inbound Produce Missions