



Welcome to the January/February 2014 edition of the Food and Beverage E-Newsletter. This publication has been developed to keep industry stakeholders up-to-date on trade shows, trade missions, training sessions, and news that affect the sector. For more information on any of these topics, please email [Deborah Guillemette](mailto:Deborah.Guillemette@nl.ca), Economic Development Officer at the Department of Innovation, Business and Rural Development or call (709) 729-1943.

**HAPPY NEW YEAR!**

## Alberta Foodservice Show

**Calgary, Alberta**

*May 10 – 11, 2014*

The Department of Innovation, Business and Rural Development is in the planning stages for a Newfoundland and Labrador Pavilion at the [Alberta Foodservice Expo](#) in Calgary, May 10 – 11, 2014. The pavilion will host up to four local food and beverage companies and allow them to market their products while being easily identified as from Newfoundland and Labrador.

- Tap into the fastest growing foodservice market in Canada.
- Join other food distributors, equipment manufacturers, foodservice suppliers and dealers, in over 200 booths in this valuable once a year chance to connect with thousands of the region's top professionals including restaurateurs, chefs, qualified buyers and industry executives.
- Take advantage of this key sales and networking opportunity as you launch new products and services, interact with decision makers, develop new accounts and connect with existing ones, generate qualified sales leads, enhance your corporate profile and build your business.

The department is currently determining the interest of food and beverage companies in exhibiting at the show or walking the show to learn more about the industry and trends. Travel assistance may be available and space is limited.

For more information or to express interest in applying, please contact [Deborah Guillemette](mailto:Deborah.Guillemette@nl.ca) at (709) 729-1943 or visit [Alberta Foodservice Expo](#).

## CanGift Fair

**Toronto, ON**

*August 10 - 13, 2014*

The Department of Innovation, Business and Rural Development would like to determine if there is interest from shelf stable, gourmet food and beverage manufacturers to exhibit at the Fall 2014 [CanGift Fair](#) Show, formerly known as the Canadian Gift and Tableware Association (CGTA) Show.

Throughout 1.2 million square feet of display space, the Toronto CanGift Fair is Canada's largest temporary trade gift show. With over 900 exhibitors each year and nearly 26,000 qualified retail buyers annually from across Canada, it's Canada's largest one-stop shopping/buying venue. Look for innovative tabletop, housewares, gourmet food, garden accessories, collectibles, handmade, stationery, home décor, bath, bed and linen products and much much more. Owned and managed by the Canadian Gift Association, the show is located only minutes from Pearson International Airport and

major highways. It provides gift retailers with a unique, professional buying experience at Toronto's two most convenient venues.

Financial assistance may be available. Space will be limited and preference will be given to new exhibitors to this show/market. To express interest or for more information please contact [Deborah Guillemette](#) at (709) 729-1943.

## European Labelling Course

With the newly signed CETA agreement, many local food and beverage companies are looking "across the pond" for their next exporting opportunity.

The regulatory framework for food labelling in Europe is currently undergoing its biggest revisions for over 30 years. New legislation is scheduled to come into force at the end of 2014 which will effectively require the redesign and re-wording of every food label used in the EU, regardless of the type of product or the scale of the enterprise responsible for it.

The Department of Innovation, Business and Rural Development, in partnership with the Atlantic Food and Beverage Processors Association, are planning a two-day course on getting your product into the European Union and the related labelling requirements.

The date has been tentatively set for February 24 – 25, 2014. A detailed agenda and registration form will be circulated once this is confirmed. Space will be limited. The cost to participate is \$250. Please contact [Deborah Guillemette](#) at (709) 729-1943 to express your interest in this workshop.

## Available Reports

The following are the latest global market reports prepared by the International Markets Bureau of Agriculture and Agri-Food Canada (AAFC). Please contact [Deborah Guillemette](#) to receive a copy.

- Food Intolerance Products in the United States: Lactose-Free, Gluten-Free and Diabetic Food
- Organic Packaged Foods in the USA
- Private Labels in Germany
- Organic Beverage Opportunities in the United States
- Breads, Cakes and Pastries in the United Kingdom
- From Fin to Fork: 2013 Report

Other Reports:

- [Sweet Spreads in the United Kingdom](#)

## Food Facts

According to Statistics Canada....

- In 2012, total food and beverage manufacturing exports from Atlantic Canada amounted to \$2.8 billion.
  - Of this amount, 74% comes from seafood manufacturing (i.e. \$2.1 billion).
  - Another 20% comes from fruit and vegetable preserving and specialty food manufacturing (i.e. \$579 million).
  - Beverage exports from Atlantic Canada accounted for \$65 million (i.e. 2% of the grand total).
- As is the case for most sectors, the United States was the most important market for Atlantic Canadian food and beverage exports, accounting for \$1.7 billion in 2012. The American market is the destination for 58% of regional food and beverage exports.
- Of this United States total, 67% (i.e. \$1.1 billion) is for seafood manufacturing. About 24% is for fruit and vegetable preserving and specialty food manufacturing. Beverage manufacturing accounts for 3.5% of total food and beverage exports to the United States.

- China is the second most important destination for regional food and beverage exports, absorbing 10% (i.e. \$288 million) of the total. Japan follows with 6%, and Russia and the UK are tied at 3% each.
- Chinese imports of Atlantic Canadian food and beverages are almost solely focused in seafood manufacturing. Of the total food and beverage exports going to China in 2012, 96% (i.e. \$277 million) are for seafood. Fruits and vegetables represent 3.8%.
- The European Union (EU) imports \$296 million of food and beverages from Atlantic Canada. Since 2007, this total has gone down by 34%.
- Of this EU total, 82% (i.e. \$244 million) is for seafood manufacturing. About 17% is for fruit and vegetable preserving and specialty food manufacturing.

## Food News

### Minister Bernier highlights benefits of CETA for food and beverage processors

Minister of State, Maxime Bernier recently highlighted how the Canadian food and beverage processing industry will profit from the Canada-European Union Comprehensive Economic and Trade Agreement. In 2012, Canadian exports for the food processing industry totaled \$26.5 billion. Between 2010 and 2012, annual Canadian exports of manufactured food and beverages to the EU averaged \$536 million. Currently, Canadian exports of processed food products and beverages face complex and prohibitive EU tariffs. The Executive Director of Canadian Agri-Food Trade Alliance, Kathleen Sullivan said when completely implemented, the agreement will increase Canadian agriculture and food exports by \$1.5 billion. (Source: Government of Canada)

### Food Trend Predictions 2014

1. **The Emergence of the "IndieWoman":** Almost 31 million strong, the "IndieWoman" is 27 and older, lives alone and has no children and spends \$50 billion on food and beverages each year. They have no time, so look for more brands to offer more semi-homemade meals that use fresh, high-quality ingredients.
2. **Better for You Snacking:** The NPD Group found that as snacking increased, so did an individuals' overall diet quality. Healthy options are on the rise. Look for supermarkets to replace high-sugar, high-fat snacks at the checkout with healthier on-the-go offerings.
3. **Brands Reach Consumers Locally Through Cause Initiatives:** In 2014, brands will find greater purpose in serving the larger community. The ConAgra Foods survey found that 62 percent of consumers appreciate and want to support companies that donate to important social causes.
4. **Click to Cook:** People rely more on their mobile phones when grocery shopping. Next: the ability to select a recipe, order ingredients and check-out directly from mobile devices or in-car touch screens and drive-through windows for quick order pickup.
5. **Supermarkets--The New Culinary Schools:** Grocery stores will create "community cooking centers" where shoppers can collaborate and learn from each other, just as they have been doing in social media – now it's better, and in person!
6. **The Retailer Becomes the Brand:** The ConAgra Foods survey found that 53 percent of consumers shop at a particular retailer because it has good store brand products. No longer will private brands just emulate national brand products, but consumers will see more private label brands creating new unique products.
7. **Rise and Shine--The New Way to Start Your Day:** Breakfast remains one of the most important meals of the day. In 2014, consumers will look to add more protein to their first meal, to live a healthy lifestyle without compromising taste and indulgence. Look for more protein-rich and convenient breakfast options.
8. **Packaging Evolves to Share More with Consumers:** Consumers want more information, but the area of the package is limiting. Using a mobile device, shoppers will learn more about an ingredient or health

claim by simply focusing the device on the label to tell where the ingredients come from, who prepared the food, the company's history and even offer other customer reviews and ratings.

**9. Millennials Make the Supermarket Social:** Fifty-seven percent of Pinterest is made of food related content with one-third saying they have purchased food or cooking items after seeing them on site, according to a survey by PriceGrabber. Next up: "click to buy" for consumers looking to purchase ingredients for a recipe on Pinterest and have them delivered to their homes.

**10. International Restaurant Flavors At Home:** From school cafeterias, to the dining room table, global flavors are sprouting up everywhere. Kids become exposed to global cuisine flavors much younger so, international flavors will be more accepted by these, and their palates will be more sophisticated. Kids influence nearly 80 percent of purchase decisions by families, so look for all shoppers to be eating more international inspired foods.

(Source: Supermarket Guru December 2013)

## General Business

### Business Confidence in Newfoundland and Labrador Strongest in the Country: CFIB

Newfoundland and Labrador's Business Barometer index remains the highest in Canada at 74.7, according to a recent CFIB news release.

The release notes that 55 per cent of respondents cite their business performance is good, close to its historical average. Staffing plans have weakened, however, with only 16 per cent of owners expecting to add full-time employees in the next few months — versus 11 per cent who plan to cut back.

November has shaped up to be a reasonably positive month for Canadian small businesses. CFIB's Business Barometer® Index gained almost a full point, posting a 65.9 this month over October's 65.0. It is also the second highest reading of 2013 after February's 66.2

"The picture we're looking at right now is reasonably positive," said Ted Mallett, CFIB's chief economist and vice-president.

"It will be interesting to see if this trend continues among modest pricing and wage expectations in the coming months."

Optimism remains strongest in Newfoundland and Labrador, although there are gains in all four western Provinces — particularly in British Columbia (72.3). Ontario businesses are showing slightly less optimism, but with an index tracking still very close to the national average. The problem areas continue to be Quebec, New Brunswick and Prince Edward Island, each with index levels at least 10 points below national norms.

Measured on a scale between 0 and 100, an index level above 50 means owners expecting their business' performance to be stronger in the next year outnumber those expecting weaker performance. An index level of between 65 and 70 means the economy is growing at its potential.

November 2013 findings are based on 1141 responses, collected from a stratified random sample of CFIB members, to a controlled-access web survey. Findings are statistically accurate to +/- 2.9 per cent 19 times in 20.

### Eleven New Rules of Trade Show Marketing

In the last 10 years or so there have been fundamental technological and economic changes that have rewritten the trade show rule book. Not rules like how close to the aisle your exhibit structure can be or how loud your music can play, but rules about what it takes to succeed on the show floor.

Some changes evolved slowly over the years, and some were wrenched into place almost at once. Here's what's changed — and how you can adapt to those changes:

- 1. More Uncertainty:** Economic uncertainty has lasted for years, and shows little signs of going away. This makes your top company executives reluctant to commit early to trade shows, and buy capital-intensive larger exhibits. You have to balance their need for financial flexibility by waiting longer to commit to shows and vendors, and yet still avoid more expensive rush charges. (I sincerely wish you luck walking that tightrope.) Rental exhibits help avoid capital expenses, too.
- 2. Measurement A Must:** Gone are the days when you could end the show by saying to your boss, "We had a good show, didn't we?" and that would be enough. Your trade show spending is being compared to more explicitly measurable electronic marketing mediums. So even if your trade show is producing greater results, if you don't prove it with real numbers, such as ROI ratios or sales generated, it didn't happen in the minds of your bosses, and your budget is in jeopardy
- 3. Trade Shows Stronger Than Some Expected:** Trade shows are one of the winners in the marketing media wars. Along with electronic media, trade shows have retained a greater share of B2B marketing budgets than print and direct mail. It's because trade shows still provide what all marketers want: face time with lots of real buyers in one place. So be sure to take full advantage of your face time at shows, because it's harder to reach buyers elsewhere.
- 4. More Knowledgeable Buyers:** Attendees now look up potential suppliers on the internet before the show, so they arrive already knowing about your products. If they visit you, it's because they want to know if your product really does what you say it can, who your people are and how trustworthy your company is. You will need to provide more hospitality, have more space for longer meetings, and bring people who can answer detailed questions, but also deepen relationships.
- 5. Pre-Show Promotions Harder:** Pre-show promotions with traditional media don't bring in as many attendees as they used to. Your pre-show mailers get ignored, emails get deleted, calls get screened, and magazine ads are left unread. Buyers are just too busy before the show to pay much attention to your pre-show promotions. To get attendees into your booth, you have to do more at-show promotions, to grab their attention when they are focused on the show.
- 6. Social Media Rising:** Social media is where people now spend their time. Fortunately, social media is not a replacement for trade shows, but is a great conduit to people who have tuned out of direct mail, email, ads, and phone calls. Social media can also help you extend the conversation that peaked at the show. Your activities in your booth (new products, product demonstrations, customer testimonials) are great content to share via social media after the show.
- 7. Which Promotions Work Now:** Trade show attendees may walk the show floor, but it's harder to get them out of the aisle and into your booth space. The internet has given them control of the buying process, so they don't like to easily give it up at a show, either. So your promotions have to be better. To get them into your booth, you have to give them one of these three things: an exchange of value, an experience, or learning. Otherwise, they will keep walking.
- 8. Vertical Market Messages Love Flat Screens:** In the old days, exhibitors would design their exhibit with a main message for the company overall, but swap out a portion of the exhibit graphics to customize their message for different industry trade shows. Now, with the price of large LED flat screen monitors about 25% of what they were when introduced (and lighter, too), exhibitors tailor their vertical market messages with pixels, not printed graphics.
- 9. Even Island Exhibits Are Lighter:** While portable trade show displays have been the standard for decades, the high cost of shipping and especially drayage (up 488% from 1982 to 2010) have caused big-booth exhibitors to try to lighten their load, too. The improved style and flexibility of metal frame exhibit systems and the brilliant, sharp fabric graphics of today are taking over many trade shows.
- 10. Unqualified Leads Will Be Ignored:** Your overworked sales force no longer has the time to work through a pile of business cards. Give them basically a list, and after several calls they will stop calling, if they start at all. You have to give them more qualifying information about each lead than just contact information, and you should only give them the qualified leads that are ready to talk to a sales person – or at least tell them which leads are the higher quality ones, so they can start there first.

- 11. Technology Everywhere:** Technology has infiltrated trade show marketing. From iPads to enhance one-on-one interactive conversations and revolutionize lead management to flat screen integrated into exhibit designs to wireless internet hubs, and social media to entice booth visitors, technology is everywhere on the show floor. That means you have to know the difference between an HDMI and a VGA cable, a .csv and a .txt file, and a wireless or a hardwired internet connection. Because even in face-to-face marketing, technology boosts results.

If your trade show marketing isn't as effective as it used to be, see if you haven't adapted your program to the new rules of the show hall. Take these new rules into account, and rejuvenate and enhance your program and your results. What other new rules of trade show marketing have you noticed? Have broken at your peril? Share them in the comments box below.

## Twelve Time-Saving Tips for Trade Show Exhibitors

You'd like to do trade shows better. But you don't have the time. But what if you could find more time? What if there were activities you could do that would either save you time at every show, or are worth spending extra time on to reap huge benefits later?

Here are some ideas in key trade show areas:

### Promotions:

1. **SAVE TIME:** Can you find a promo that works across multiple shows, so you don't have to create, source and buy a promo at every trade show?
2. **INVEST TIME:** Take time to define your buyers' demographics – age, gender, mindset, occupation. Get into their head, get promotions they will crave, and then they'll be more people in your booth every show.

### Lead Management:

3. **SAVE TIME:** Qualify the leads in your booth, so you don't have to take the time after the show. Only send the sales ready leads to sales.
4. **SAVE TIME:** Get a lead retrieval machine that scans the badges of attendees. That way you don't have to write down their contact info if they do not have a business card. You can also get an Excel file after the show that has all the lead data in it, so you can import it into your contact management system without having to re-type your leads.
5. **INVEST TIME:** Create a closed-loop lead system that quickly gets your trade show leads in the hands of your sales force, and then lets you easily measure how well the leads converted. You'll gather essential info for judging shows and reporting to management.

### Booth Staffing:

6. **SAVE TIME:** An hour before the show, do a pre-show meeting in the booth to review [booth staffing basics](#) and what staffers need to know about that specific show. Then appoint a veteran staffer to review the basics with inevitable staffers who show up late, so you can focus on other last minute booth details instead.
7. **INVEST TIME:** Measure how many qualified leads each staffer gets per show, or even per hour they staff. Then you know who would make the best staffers at upcoming shows. You'll save time recruiting for staffers, and you will get many more leads per show.

### Exhibit Design:

8. **SAVE TIME:** Get a display that is faster to set up and tear down. That way you can arrive later at the show, and leave the same day the show ends, saving a day or two. Here's more info about the new [Skyline® WindScape™ Exhibit System](#), which sets up in a fraction of the time of even existing portable displays, let alone traditional custom exhibits.
9. **INVEST TIME:** Figure out what really separates you from your competitors in the eyes of your best buyers, and make that as explicit as you can on your exhibit graphics. Make it very clear what products and services you

offer. That way, your exhibit will help filter visitors, so only more qualified leads walk into your booth, and you waste less time with unqualified prospects.

#### Show Selection:

10. INVEST TIME: [Track your sales from each show](#), and then rank them by their return on investment. Leave the shows that are at the bottom of the list, especially if they are not profitable and serve no other valuable marketing goals. Now you do fewer shows.
11. INVEST TIME: Call 10 or 20 of your best clients, and ask them what shows they go to as attendees. Are these the same shows you exhibit at?
12. INVEST TIME: Ask your top management what are their marketing goals for the year, and next few years. Do the shows on your trade show schedule enable you to meet those goals?

As you noticed, there's little time to be saved selecting shows, but there are huge opportunities to invest time and boost results.

You certainly don't have time to do all of this at once. But you can carve the time to do one thing. So pick one thing and gain back some time. Then when you have more time, pick another – not just something to save time, but something to invest time that reaps greater results.

## Government Website Focuses on Innovation

An energetic, story-focused media campaign that promotes the innovative work being done by entrepreneurs, industry and research institutions throughout Newfoundland and Labrador was launched in November by the Honourable Kathy Dunderdale, Premier of Newfoundland and Labrador.

The *Innovation Lives Here* campaign features a number of Newfoundland and Labrador innovators and entrepreneurs telling their stories, with the initial phase of the campaign beginning immediately. The campaign features television commercials, cinema feature spots and a new website, [www.innovationlivesherenl.ca](http://www.innovationlivesherenl.ca), which includes the commercials, short videos and information on other innovation success stories. The first phase of the campaign will feature Provincial Aerospace, Best Boy Entertainment, SubC Imaging and Magine Snowboards, with other groups to be featured in future spots.

View the videos and get more information on the campaign by visiting the [Innovation Lives Here website](#).

## Departmental Funding Programs

The Department of Innovation, Business and Rural Development (IBRD) recognizes business and sector development as the key to economic development. The Business Investment Fund provides a source of funding to business and economic sectors that responds to the changing needs of enterprises. The Business Investment Fund is comprised of two components: the Business Investment Program and the Business Development Support Program.

### **BUSINESS INVESTMENT PROGRAM**

The Business Investment Program provides term loans and equity investments to small and medium-sized enterprises (SMEs) in strategic growth sectors as identified by IBRD. The fund is also available to businesses which have export potential and require assistance to enter or expand in external markets. Funds are provided to complement funding from conventional sources, where a need has been demonstrated, and are also intended to increase the capital base of businesses allowing them to leverage new private-sector investments.

### **BUSINESS DEVELOPMENT SUPPORT PROGRAM**

The Business Development Support Program assists Newfoundland and Labrador SMEs with opportunities to increase their productivity and improve their competitiveness. The program supports SMEs who demonstrate a desire to develop and grow by improving the operations of the business, investing in its people, and focusing on trade opportunities. IBRD assistance will be targeted towards businesses in strategic sectors that normally focus on export markets and/or improve

import substitution. Funding is available for productivity improvements, knowledge development, market development and/or professional technical advice.

### **AVAILABLE FUNDING**

The Business Investment Program is in the form of repayable term loans to a maximum amount of \$500,000 per government fiscal year at the department's base rate of three per cent.

Equity funding in the form of redeemable preferred shares to a maximum of \$500,000 per project; maximum aggregate of \$1 million is available.

The Business Development Support Program is in the form of a non-repayable contribution(s) to a maximum amount of \$100,000 per government fiscal year. The contribution level will be based on 50 per cent of eligible costs, with the business identifying their access to the remaining 50 per cent to complete the project(s).

### **ELIGIBLE APPLICANTS**

Eligible applicants must normally:

- Be a small and medium-sized enterprise (SME) based and operating in Newfoundland and Labrador having fewer than 100 employees and less than \$10 million in sales.
- Demonstrate its ability to undertake the work identified in the project proposal.
- Demonstrate its ability to access the financial capital required to complete the project.
- Operate in a strategic sector as defined by IBRD.
- Be in good standing with the Government of Newfoundland and Labrador.

For project consideration, complete an [application](#) for funding or contact your nearest [IBRD office](#).

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This e-Newsletter is a bi-monthly publication from the [Department of Innovation, Business and Rural Development](#), which keeps you up-to-date on activities in the food and beverage sector.

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