

Getting more Canadian food onto the Chinese retail shelf

OTTAWA, February 10, 2015 — Chinese retailers want to stock more Canadian foods, but Canadian exporters are being largely out-flanked by competitors in getting space on supermarket shelves and exposure on China's e-commerce sites, concludes a report released today by the Canadian Agri-Food Policy Institute (CAPI) entitled [*Competing in the World's No. 1 Emerging Market*](#).



The report is based on CAPI's networking trip to China last November that introduced Canadian companies and organizations to selected retailers in Beijing and Shanghai. The itinerary and list of participants are contained in the CAPI report.

"With some noteworthy exceptions, Canadian food and beverages largely remain off the radar for most Chinese consumers and retailers," notes David McInnes, CAPI President and CEO. "The good news is that Chinese retailers are eager to source Canadian products and recent developments could make this more readily achievable if we position ourselves right."

Based on first-hand exposure to some leading Chinese retailers, CAPI's report proposes that:

1. Canadian food companies not already exporting to China should initially target "one grocery retailer in one Chinese city" to gain entry into this vast marketplace.
2. Canada needs to leverage its brand and develop a "Canada Online Food Festival" in order to give Canadian companies (especially SMEs) the advantage of promoting their products to Chinese consumers and level the playing field with other exporting countries in the growing e-commerce market.
3. More needs to be done by trade associations and governments to clarify the export/import process, and facilitate regulatory approvals in China, particularly for new or niche food exporters.
4. A new government-business dialogue is required to evolve Canada's China strategy, in order to double Canada's value-added agri-food exports, differentiate Canadian foods, beverages and ingredients from our competitors, and respond to the changing trade access being achieved by others.

On the heels of tainted-food scandals in China, traditional and online grocers wish to satisfy ever-rising consumer expectations that food be safe and sourced from or produced in a clean environment. These are among the attributes that Canada's brand can leverage in seeking greater prominence among these leading retailers.

A renewed effort on relationship-building and better positioning of the Canadian brand are worthy objectives, given that Chinese consumers and retailers have clearly signaled their preparedness to buy more Canadian products:

1. Among upscale retailers visited, over 70% of the food on their shelves (stock-keeping units) was imported. They want to differentiate their food offering to Chinese consumers.
2. Chinese retailers are seeking out new supply relationships to secure quality food products; for example, one major retailer (Beijing Hualian Group) recently located its North American buying office in Toronto.
3. Major Chinese online retailers have created dedicated platforms for several countries (our competitors, such as the US, Australia and the EU) to profile and promote their foods and beverages, and they are interested in doing so for Canada.

About CAPI

CAPI is an independent, non-partisan and non-government research catalyst. We bring leaders together. We provide balanced perspectives. We present strategic choices.

For more information, please contact:

David McInnes
President & Chief Executive Officer
Canadian Agri-Food Policy Institute
(613) 759-1038 / (866) 534-7593
mcinnesd@capi-icpa.ca