PN-ADC-554

# Supporting Egypt's Processed Foods Export Industry

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**Findings of a Phase II Rapid Industry Analysis (IRA) Of Trade, Market Trends And Opportunities in the United States of America**

**PowerPoint Presentation**

**Prepared By**
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**June 2001**

**Funded by**
**U.S. Agency for International Development**

**USAID/Egypt**
**RP 0264**
**Under Contract No:**
**263-C-00-99-00011-00**

**USAID Cognizant Technical Office:**
**USAID/Egypt/EG/ED**
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A

## For Abt Associates Inc.

## Under the Direction of

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B

## ALEB

*Presentation of Findings*
*of an Industry Rapid Analysis*
*Market Opportunities in the USA*
*by*
*Business Development Services*

## The Energy of Ideas

*Why export to N. America?*
*What are the risks?*
*What do you do if you're interested?*

## Why N. America?

- $600 billion market
- Ethnically heterogeneous
- Progressive consumer
- Logistically accessible
- Good growth rates in Egyptian products
- Common law - transparent

## What are the risks?

- Standards & regulations are more strict
- Requires more research & analysis due to size of market
- More time sensitive due to location
- Scales of economy are much larger
- Communication - language & time zones

## What do you need to do to access this market

- Access information in the public domain
  - US Embassy Commercial Attaché
  - Internet
  - Universities & Government Agencies
- Network - attend trade fairs
- Make a financial & time commitment
- Select your importer/distributor carefully
- Obtain marketing assistance

## The Energy of Ideas

**Abt Associates Inc**

*Agribusiness Consultants to the World*

## US Retail Food Market

- Quality
  - Products
  - Company
  - Personnel
- Good Service
- Sales Presentation
- New Product Launches
- Special Incentives

## You'll Need to Know.....

- Full range of market requirements
- Product characteristics
- Consumer trends and preferences
- Packaging & Labeling
- Pricing & Promotion
- Quality standards
- Applicable US Regulations

## Once You Understand Market Requirements, You'll Need....

- Well-conceived business/marketing plan
- Clear objectives and strategies
- Long-term commitment to human & financial resources necessary to implement the plan
- Maintain flexibility to make marketing changes, including product modifications or improvements

## Ten Items to Avoid

***Most Common Mistakes Made by New-to-Export Firms***

## Failure

...to obtain qualified export counseling and to develop a master international marketing plan before you start an export business.

## Insufficient

- .. commitment by top management to overcome the initial difficulties and financial requirements of exporting.
- ..care in selecting overseas agents or distributors

## Chasing orders

…from around the world instead of establishing a basis for profitable operations and orderly growth

## Neglecting

…export orders when domestic business booms

## Failure

…to treat international distributors on an equal basis with domestic counterparts

## Unwillingness

…to modify products to meet regulations or cultural preferences of other countries

## Failure

…to print services, sales and warranty messages in locally understood languages

## Failure

…to consider use of an export management company or other marketing intermediary

## Failure

.. to consider licensing or joint-venture agreements

## Can You Comply?

Who do you need to please besides the customer and the consumer?

## A Shared Responsibility

The safety and wholesomeness of US food products are safeguarded first through strict regulations, but also through pre-market clearances, mandatory production practices inspections, and random, routine product sampling. All imported food products are required to meet the same standards as domestic goods.

## US Customs Service

http://www.customs.gov

an agency of the U.S. Department of Treasury responsible for the assessment and collection of import duties and taxes and for the control of carriers, persons, and articles entering or departing the United States in addition to more than 400 laws of other agencies governing international traffic and trade

## EPA

http://www.epa.gov

EPA is the regulatory agency for pesticides. Through its Office of Pesticide Programs (OPP) EPA determines the safety of new pesticide products, sets tolerance levels for pesticide residues in foods, which FDA then enforces, and publishes directions for the safe use of pesticides.

## FDA

http://www.fda.gov

FDA is the scientific regulatory agency responsible for the safety of all cosmetics, drugs, biologics, medical devices, electronic products that emit radiation, as well as all food items, except meat, poultry, frozen and dried eggs (USDA) and the labeling of alcoholic beverages and tobacco (ATF).

## FDA

http://www.fda.gov

Laws require that:

- Food products are safe, clean & wholesome
- Food labeling is honest & informative

Enforced through:

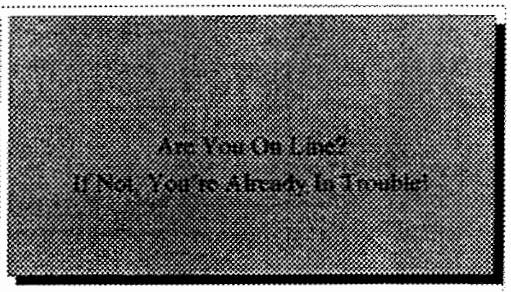
- Periodic, unannounced inspections of facilities and products
- Analysis of samples

## USDA

http://www.usda.gov

USDA's regulatory activities are carried out by the Animal and Plant Health Inspection Service (APHIS), the Food Safety Inspection Service (FSIS), Grain Inspection Packers and Stockyards Administration (GIPSA), Federal Grain Inspection Service (FGIS), and the Agricultural Marketing Service (AMS)

## Other Useful Websites




## Other Useful Websites

- Federal Register
  http://www.access.gpo.gov/
- World Trade Organization (WTO)
  http://www.wto.org/
- CODEX Alimentarius
  http://www.fao.org/waicent/faoinfo/nutrit/codex/codex.htm

## Other Useful Websites

- FDA Center for Food Safety and Applied Nutrition
  http://vm.cfsan.fda.gov/list.html
- FDA Import information
  http://www.fda.gov/ora/import/ora_import_program.html

## Other Useful Websites

- FDA Import detention info
  http://www.fda.gov/ora/ids/ora_ids_homepage.html
- FDA Pesticide Analytical Manual (on-line)
  http://vm.cfsan.fda.gov/~frf/pami3.html

## Other Useful Websites

- Agricultural Marketing Service (AMS/USDA)
  http://www.usda.gov/ams/titlepeq.htm
- USDA Pesticide Data Program Information
  http://www.usda.gov/ams/index.htm

## Other Useful Websites

- USDA Fruit & Vegetables Division
  http://www.usda.gov/AMS/fruitveg.htm
- Food Safety and Inspection Service (FSIS/USDA)
  http://www.usda.gov/agency/fsis/homepage.htm

## *Good Opportunities*

- Tropical Fruit Juices
- Selected herbs and spices
- Selected essential oils
- Selected frozen vegetables, NESOI (including frozen okra, reduced size)
- Olives & Olive Oils
- Specialty Foods
- Ethnic & Kosher Foods

## HTS 2009806090
Tropical Juices - single fruit, unfermented, NESOI

*World Situation*

- Mango production increased 48% over 11 years (1990 - 2000)
- India's production grew 39% - less than 50% market share now
- China production up 173%
- Peru production up 195%
- Ecuador production up 186%

## HTS 2009806090
Tropical Juices - single fruit, unfermented, NESOI

*World Situation*

- Philippines production up 176%
- Global weather patterns have impacted on crops in Latin America, India, Thailand & Indonesia
- Egypt now ranks as 10th largest producer of mangoes - 17th in 1990
- Of 500 varieties, 15 are in Intl Trade

## HTS 2009806090
Tropical Juices - single fruit, unfermented, NESOI

*World Situation*

- ITC/UNCTAD/WTO reports annual world trade 185m MT - 210m MT
- Valued at $175mm - $225mm
- Major markets are:
  - EU
  - USA
  - GCC

HTS 2009806090
Tropical Juices - single fruit, unfermented, NESOI

*World Situation*

- Mango puree & concentrate demand growing at 10% annually
- Annual world trade levels ca 55m MT - 60m MT
- India exported 45,875 MT in '97/98
  - 62% to Gulf (KSA & UAE)
  - 22% to EU (NL, UK, DR)

HTS 2009806090
Tropical Juices - single fruit, unfermented, NESOI

*World Situation*

- White guava puree & concentrate demand growing steadily
- Annual world trade levels ca 15m MT - '98/99
- India exported 5,000 MT in '98/99 (33%)
- EU imports 13,000
- USA imports 1,000 MT

HTS 2009806090
Tropical Juices - single fruit, unfermented, NESOI

*World Situation*

- Pink guava puree & concentrate is preferred for juice making
- Supplies of pink guava are insufficient to meet demand
- Demand usually outstrips supply

*A look at your major competitors*

Table 2.1 Normal Product Characteristics in International Trade of Mango and Guava Purees and Concentrates

| Product | Brix | Main Sources |
|---|---|---|
| Mango: | | India, Peru, Ecuador |
| Puree | 13° ~ 18° | |
| Concentrate | 28° ~ 32° | |
| Guava: | | South Africa |
| Puree | 8° ~ 11° | Malaysia, India |
| Concentrate | 20° ~ 25° | |

*A look at your major competitor*

*India*

**Range of mango & guava puree offered by India**

| Product | Brix |
|---|---|
| Totapuri Mango Puree | 14° |
| Totapuri Mango Concentrate | 28° |
| Neelam Mango Concentrate | 28° |
| Raspuri Mango Puree | 15° |
| Alphonso Mango Puree | 17° |
| Guava Puree | 10° |

*A look at your major competitor*

*India*

Table 2.2 Indian Exports of Mango Puree, '90/91 - '97/98

| Year | Quantity (MT) | Value (Rs. Crores) FOB |
|---|---|---|
| 1990-91 | 19,496 | 27.07 |
| 1993-94 | 38,226 | 57.98 |
| 1995-96 | 38,033 | 84.81 |
| 1997-98 | 45,875 | 125.31 |

***Where to get market information***

- *Monthly international price trends reported by Market News Service (MNS) of the ITC*
- *Covers selected bulk pack fruit juices in European and USA markets*
- *To subscribe http://www.intracen.org/mns/reportfi.htm*

HTS 2009806090
Juices - single fruit, unfermented, NESOI
USA Market

- Declined 11% from '99 to $30.9mm '00
- Volume off 10.6% to 40.8mm liters
- US imports all mango juice required for domestic market
- FDA imposes HACCP for Juice 18.01.01, phased in to 2004
- Must use warning label if not HACCP

HTS 2009806090
Juices - single fruit, unfermented, NESOI
USA Market

- Top 5 suppliers (1) Chile, (2) Ecuador, (3) Egypt, (4) Brazil, (5) Thailand

| Egypt to USA | 1995 | 2000 | % Change |
|---|---|---|---|
| Liters | 247,379 | 4,586,637 | 1758% |
| CIF $ | $282,094 | $4,322,764 | 1632% |

HTS 2009806090
Juices - single fruit, unfermented, NESOI
USA Market

- Given upheavals in mango production, US importers welcome another source
- Might lead to alliances/JV's like USA investments in S. America
- Specifications Critical
- Import Tariff (General Rate) $0.05/L
- See Vol. I, p. 26 for importers interested in Egypt & Vol. III for contact details

**Herbs & Spices (Generally)**
World Situation

- ITC/UNCTAD/WTO report *Global Spice Markets, IMPORTS - $1.58mmm* in '94 to $2.34mmm in '98 - up 48%
- USA world's leading importer of spices, from $334mm in '94 to $608.9mm in '98
- Germany up from $129mm to $191.3mm in '98

**Flavors & Fragrances**
World Situation

Expanding at an average annual rate of 5.7% for the last 20 years

- Total world market estimated at $10.4mmm to $15mmm
- Includes essential oils, oleoresins, synthetic flavors & fragrances and flavor & fragrance mixtures

## Herbs & Spices (Generally)

USA Market

- Value increased 4.1% in CY 2000 to $609mm
- Volume increased 5.1% to 301,823 MT

| | 1995 | 2000 | % Change |
|---|---|---|---|
| CIF $ | $4176,936 | $608,943 | 45.7% |
| MT | 255,176 | 301,823 | 18.3% |

## Herbs & Spices (Generally)

USA Market

- Major Suppliers
  - Indonesia $132.1mm
  - India $95.7mm
  - Brazil $40.3mm
  - Mexico $32.6mm
  - Madagascar $30.6mm
  - Canada $30.2mm
  - China $23.9mm
  - Malaysia $23.6mm
  - Guatemala $20mm

## Herbs & Spices (Generally)

USA Market

- Major Suppliers
  - Vietnam $18.6mm
  - Turkey $18.5mm
  - Spain $17.7mm
- Egypt major supplier of basil & fennel

## U.S. Imports of Basil, From the World CY 2000

| Country | MT (000) | USD (000) | Volume of Market Share | Ave $/kg |
|---|---|---|---|---|
| Egypt | 2,704 | $3,530 | 81.6% | $1.31 |
| Mexico | 433.2 | $1,442 | 13.1% | $3.33 |
| Other | 82.5 | $100.3 | 2.5% | $1.22 |

## U.S. Imports of Fennel, From the World CY 2000

| Country | MT (000) | USD (000) | Volume of Market Share | Ave $/kg |
|---|---|---|---|---|
| Egypt | 1,915 | $2,220 | 58.9% | $1.16 |
| India | 847 | $577 | 26.1% | $3.33 |
| Turkey | 314 | $282 | 9.7% | $1.22 |

## Egypt Increases Exports During CY 2000

USA Market

| | |
|---|---|
| Parsley, Dried, NESOI | 27.4% |
| Fennel, Marjoram, et al | 18.8% |
| Seeds of Anise | 53.6% |
| Seeds of Cumin | 3,651% |
| Seeds of Caraway | 88.0% |
| Dill | 11.0% |
| Mint Leaves, Crude | 29.0% |

## Egypt Increases Exports During CY 2000
USA Market

- **Basil, Fresh or Dried** 6.4%
- **Plants & Parts (Herbal Teas)** 37.5%
- See Vol. I, pp. 36 & 36 for importers interested in Egypt & Vol. III for contact details

## Import Tariffs for Herbs & Spices

- Basil - Free
- Fennel, marjoram, parsley, savory, tarragon, NESOI (Free to 1.9%)
- Dill - Free
- Spices, NESOI - 1.9%
- Plants/Parts of Plants (Med) - Free

## Essential Oils

- Declined .3% but upward trend since 1995. $84.6mm market. Bright spots:
- Onion - up 39% to $1.02mm
- Cassia - up 8.5% to $10.7mm
- Citrus Fruits, NESOI - up 1.2% to $6.7mm
- Import Tariff (General Rate) - Free

## Egypt Increases Exports During CY 2000
USA Market

| | |
|---|---|
| Essential Oils of Citrus Fruit | 37.5% |
| Essential Oils of Cassia | 18.0% |
| Essential Oils excl. Citrus Fruit | 15.5% |

- Egypt important supplier of geranium oil & has potential to export other fragrance oils such as jasmine
- See Vol. I, pp. 34 & 35 for importers interested in Egypt & Vol. III for contact details

## Jams, Jellies, Marmalades

Selected products up 26.5% to $20.7mm
Average annual growth rate 4.6% - 5.5%

- Strawberry - up 41% to $6.03mm
- Lingonberry/raspberry - up 23% to $5.5
- Peach - up 80.1% to $1.01mm
- Citrus, NESOI - up 4.8% to $607k
- Tariff rates 1.8% to 7%

## HTS 0710807060 Frozen Vegetables, NESOI/NRS

- US frozen vegetable market growing
- Per capita consumption also increasing
- US Consumers increasingly preferring frozen to fresh due to convenience
- Up 47.1% to $8.64mm
- Import Tariff (General Rate) 11.3% (GSP/DC - Free)

## HTS 0710809300
## Okra, RIS

- Good ethnic & regional markets
- Off 32% to $4 9mm
- Import Tariff (General Rate) 14 9%
(GSP/DC - Free)

## IQF Veggies on the Rise

| Product | Value $mm% | Change |
|---|---|---|
| ■ Beans | $9 2 | 46.1% |
| From Egypt | | -28 5% |
| ■ Spinach | $2.2 | 11 3% |
| From Egypt | | -100% |
| ■ Carrots | $2.7 | 41 7% |
| From Egypt | | -100% |

## IQF Veggies on the Rise

| Product | Value $mm% | Change |
|---|---|---|
| ■ Mixed | $28.5 | 8.85% |
| From Egypt | $0.00344 | 100% |
| ■ Okra (RIS) | $3.0 | -32.0% |
| From Egypt | $$.2665 | 13 95% |

- See Vol. I, pp. 43 for importers interested in Egypt & Vol. III for details

## Olives & Olive Oils
## World Situation

- World table olive consumption 1,150,000 MT in '99/00 - 30,000 MT under total production
- World olive oil consumption 2,360,000 MT in '99/00
- 16% above the decade average

## Olive Oils
## USA Market

- Consumer demand growing at 20% per annum
- USA imports 29% of all olive oil in international transit
- Imports rose to $424.8mm CIF, up 21.3% over '99
- Import volume rose to 203,891 MT, up 25.2%

## Olive Oils
## USA Market

How's it classified?

- U.S. imports of olive oil and olive oil products are classified under the U.S. Harmonized Tariff Schedule into seven (six major) different categories, as follows.

## Olive Oils
USA Market

How's it classified?

- 1509102000 Olive Oil and Its Fractions, Virgin, Weighing With the Immediate Container under 18 KG, Not Chemically Modified
- USA imported $171,133mm - up 19%

## Olive Oils
USA Market

How's it classified?

- 1509104000 Olive Oil and Its Fractions, Virgin, Weighing with the Immediate Container 18 KG or More, Not Chemically Modified
- USA imported $40,614mm - even

## Olive Oils
USA Market

How's it classified?

- 1509902000 Olive Oil and Its Fractions, Refined, Weighing With the Immediate Container under 18 KG, Not Chemically Modified
- USA imported $182,121mm - up 21%

## Olive Oils
USA Market

How's it classified?

- 1509904000 Olive Oil and Its Fractions, Refined, Weighing with Immediate Weighing with Immediate Container 18 KG or More, Not Chemically Modified
- USA imported $19,338mm - down 17.6%

## Olive Oils
USA Market

How's it classified?

- 1510004000 Olive-Residue Oil & Blends Of Olive Oil & Olive-Residue Oil, And Their Fractions, Not Chemically Modified, Edible, Weighing Under 18 KG With Container
- USA imported $8,733mm - even

## Olive Oils
USA Market

How's it classified?

- 1510006000 Olive-Residue Oil & Blends Of Olive Oil & Olive-Residue Oil, And Their Fractions, Not Chemically Modified, Edible, Weighing 18 KG Or More With Container
- USA imported $2,854mm - down 31.2%

## Olive Oils
USA Market

Who's the competition?

- Italy supplied almost 75.5% of the total trade in these products - up 10%
- During CY 2000, the U.S. imported almost 157,126 MT of olive oil and olive oil products from Italy - up 42.6%
- At a CIF value of almost $320.9 million - up 35%

## Olive Oils
USA Market

Who's the competition?

- Spain supplied almost 15% of the total trade in these products
- During CY 2000, the U.S. imported 28,713 MT of olive oil and olive oil products from Spain - up 22%
- At a CIF value of almost $63.5 million

## Olive Oils
USA Market

Who's the competition?

- Turkey $11mm 2.6% - down 66%
- Greece $10.5mm 2.5% - up 11.5%

## Olive Oils
USA Market

- Due to the dominance of Italian exports of retail pack consumer ready olive oil products to the U.S. market, and the high cost of successfully entering this market segment, it is recommended that Egyptian olive oil exporters initially concentrate on penetrating the institutional market.

## Olive Oils
USA Market

Opportunity

- Distinctly flavored olive oil products from Egypt. These distinctly flavored olive oils, e.g. Olive Oil from Tuscany, are growing in popularity and are developing niche markets in the United States.

## Olive Oils
USA Market

Opportunity

- A big reason the Italians have been so successful in the U.S. market is that they are also good chemists, and are able to successfully blend olive oils from various sources to offer a consistent and reliable supply from year to year.

## Olive Oils
### USA Market

Opportunity

- Egyptian exporters will need to also learn this practice if they want to begin selling to the U.S. trade directly instead of shipping their olive oil in bulk to Italy and other countries, where it is blended then re-exported. One U.S. company interested trading with Egypt will do blending here in the U.S. market.

## Table Olives
### USA Market

- The value of total U.S. imports of olives over CY 2000 period declined 10.8 percent to $178 million CIF, compared to $199.5 million CIF during CY 1999, due to lower import prices.
- Total import volume in CY 2000, however, continued to grow rising 2 percent to 96,122 MT, compared to 94,268 MT a year earlier.

## Table Olives
### USA Market

- Total quantities of olives imported into the U.S. market have increased 23 percent over the last six years, from a level of 78,291metric tons (MT) during CY 1995 to the 96,122 MT imported in CY 2000.
- See Table 33 in the Statistical Appendix for details U.S. Olive imports by Country of Origin, Quantity and Value.

## Table Olives
### USA Market

34 USHTS codes for Olives

# 1

28,327 MT of green, whole stuffed olives in containers less than 8 kg represented almost 39 percent of total U.S. imports of olives, totaling $69 3 million in CIF value during 2000.

## Table Olives
### USA Market

# 2

The second largest category of import trade on the U.S. market is for Olives, Not Green In Color, Sliced, Canned In A Saline Solution, Not Frozen, which totaled $32.3 million in CIF value during CY 2000, representing 18.2% of total U.S. imports of olives on a CIF basis

## Table Olives
### USA Market

# 3

- Olives, Not Green In Color, Not Canned, In Saline Solution, Not Frozen, NESOI (9,937 MT valued $17.5 million);

# 4

Olives, Green, Broken, Sliced Or Salad Style, Containers Holding Less Than 8 KG, In A Saline Solution, Not Frozen (7,582 MT valued $12.6 million)

## Table Olives
USA Market

# 5

- Olives, Green, Whole, Stuffed, In Saline Solution, In Containers Holding More Than 8 KG Each, Not Frozen (5,704 MT valued at $8.1 million).
- These 5 categories account for 78.5% of the total CIF value of US imports of table olives in CY 2000

## Table Olives
USA Market

Who's the competition?

- Spain supplied almost 74% of the total trade in these products.
- During CY 2000, the U.S. imported 68,154 MT of table olives from Spain - up 9.8%
- At a CIF value of almost $131.6 million - 8.8% due to lower prices

## Table Olives
USA Market

Who's the competition?

- Spain supplied almost 98.4% of the green, whole stuffed olives in containers less than 8 kg to the USA, CIF value $68.2mm
- Average CIF import price for this product was $2.45/kg - down from $2.81 in CY 1999

## Table Olives
USA Market

- The second leading olive product shipped by Spain was Olives, Not Green in Color, Sliced, Canned In A Saline Solution, Not Frozen
- Dominant supplier to the U.S. market within this tariff classification category, shipping 62.1 percent of total U.S. imports of this olive product, at a CIF value of $20 million.

## Table Olives
USA Market

- Average CIF import prices from Spain during CY 2000 for this olive product were $1.33 per kilogram, down from an average of $1.58 per kilogram in CY 1999.

## Table Olives
USA Market

- The third leading olive product shipped by Spain to the U.S. market during CY 2000 was Olives, Green, Broken, Sliced Or Salad Style, Containers Holding Less Than 5 KG, In A Saline Solution, Not Frozen.
- Spain dominant supplier, shipping 89 percent of total U.S. imports of this olive product, at a CIF value of $11.2 million.

## Table Olives
### USA Market

- Average CIF import price from Spain during CY 2000 for this olive product was $1.70 per kilogram, down from an average of $2.07 per kilogram in CY 1999.

## Table Olives
### USA Market

- The fourth leading olive product shipped by Spain to the U.S. market during CY 2000 was Olives, Green, Whole, Stuffed, In Saline Solution, In Containers Holding More Than 8 KG Each, Not Frozen.

## Table Olives
### USA Market

- As in the above three product categories, Spain was again the dominant supplier to the U.S. market within this tariff classification category, shipping 96.8 percent of total U.S. imports of this olive product, at a CIF value of $7.8 million.

## Table Olives
### USA Market

- Average CIF import price from Spain during CY 2000 for this olive product was $1.41 per kilogram, down from an average CIF import price of $2.07 per kilogram during CY 1999.

## Table Olives
### USA Market

Opportunity

- Of the 79 importers of olive and olive products contacted over the period of this scope of work, 11 of these import companies expressed interest in being contacted by our Egyptian exporters with offers and product samples.
- See pp. 64 & 65 for a list of these importers & Vol III for contact details.

## Specialty Foods
### USA Market

- The rapid growth of the natural products industry throughout the 1990s was characterized by consumer demand for a range of products considered natural and healthy. This market segment includes many products, but can be divided up into several major categories, such as:

## Specialty Foods
USA Market

- Organic foods (fresh and processed)
- Functional Foods (nutraceuticals)
- Essential oils for flavor and fragrance
- Herbs, spices and botanicals for teas, remedies, cosmetics, and foods
- Supplements for health and nutrition

## Specialty Foods
USA Market

- The *Natural Foods Merchandiser* estimates that total sales of all natural products in 1999 reached $28 billion, double the sales level of 1997, and is expected to have exceeded $31.0 billion in 2000. The market for organic foods is estimated to have attained $7.8 billion in 2000, continuing a trend throughout the 1990s of double digit growth.

## Specialty Foods
USA Market

- High growth products include organic frozen fruits and vegetables, spices, herbs, and dehydrated ingredients for processed organic foods. In comparison, conventional food sales grew around 2%.

## Ethnic & Kosher Foods
USA Market

- Ethnic foods will capture one out of every seven new food dollars spent in the decade ahead. Mainstream consumers, who already account for 75% of ethnic food sales, will continue to contribute to this overall growth as they sample more and different types of ethnic foods.

## Ethnic & Kosher Foods
USA Market

- As in the case of organic foods, the retail and food service sales of ethnic foods is also projected to greatly outpace the sale of conventional foods, with forecasts of a 50 percent growth rate over the next decade from an estimated $50 billion to $75 billion.

## Ethnic & Kosher Foods
USA Market

- The kosher market in the U.S. also continues to grow as kosher certification of food products becomes more appealing to non-Semitic consumers and mainstream food companies continue to seek the kosher seal of approval for many of their brands.

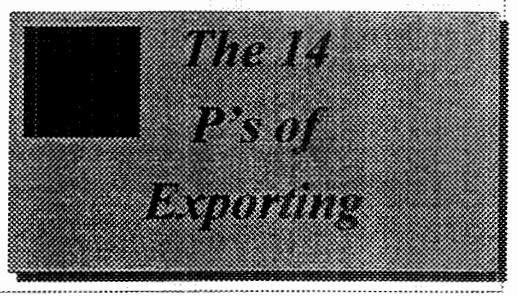
## Ethnic & Kosher Foods
### USA Market

- According to a *Packaged Facts* report, produced by FIND/SVP Publishing, there are now more than 41,000 kosher-certified products in the U.S. retail food market. U.S. retail sales of kosher products have increased by 37 percent from $35 billion in 1997 to an estimated $47.8 billion in 2000.

## Ethnic & Kosher Foods
### USA Market

- Projections are that it will grow another 23 percent to $58.9 billion in 2002. The "core market" of dedicated observers of the kosher diet, particularly Jews, Muslims and Seventh-day Adventists accounts for only 10 -12 percent of total U.S. retail sales of kosher foods.

## *Exporting to the USA*




## *Plan*

- You must have a marketing and business plan
- Define your strategy, timetable, costs, staff and money requirements, and long-term goals.
- This must have top management approval and commitment.
- Permanence must be perceived.

## *Product*

- Do you have a product(s) that is market ready - packaged and ready to sell?
- Is it acceptable to the market you intend to enter - taste, local habits, ethnic acceptance?
- Where will your product be purchased, or where will it be sold?

## *Package*

- Is your package ready for the consumer, retailer, and market(s) that you are intending to enter -
  - *label,*
  - *size,*
  - *language,*
  - *ecology,*
  - *convenience?*
- What will sell in that market?

## Price

- Are you pricing to sell compared to competition?
- Have you priced competition?
- Do you know all costs, landed in the export market that you intend to enter?
- What will sell in the market?

## Preparation

- Have you arranged for the appropriate inspections, sampling, stocks, lead times, and customs clearance?
- Are you *prepared to sell* in the export market?
- Have you selected a distributor or arranged for distribution?

## Preparation

- Have you considered a co-packer in the export country?
- Have you selected a broker or retained the representation you will need?
- Is your product *available*?

## Perception

- How will your product be perceived by the customer, the buyer, the retailer, the distributor, the broker?
- *How will they "see" it*? Will their perception be what you intended it to be? (Value, Demand)
- What will it take to have them perceive, and accept the product?

## Placement

- Where will the product fit *in the store*?
- How many different departments and sections in the store will accept the product?
- Be sure you are talking with the appropriate buyer, distributor, broker
- Can your product be "tied-in" with other products and promotions?

## Promotion Program

- You must have a well thought out program of promotional activity to sell your product(s) in the introductory period, in the following weeks and months, and in year two and year three.
- The program must appeal to the distributor, broker, retailer, wholesale buyer, store owner, and customer.

## Proof

- You must *test market* your product, package, program, perception - and summarize the results.
- The results of your test marketing, and the necessary *changes* resulting from your test(s) become the proof that the product will sell - *document* your proof for the buyer.

## Performance

- Compile data on product sales, growth, profit dollars and income for retailers, brokers and distributors.
- *Results*. How the product performed becomes the basis for future sales.
- Tell everyone how they did, and how you plan to help them grow and profit with you in the future.

## Persistence

- Are you prepared to *continually call* on buyers, distributors, brokers, store owners, in-store customers - until you make the sale; to sell often & hard.
- Are you prepared to continue to *follow-up, follow-up, follow-up* - after the first sale? Whatever it takes…

## Perseverance

- Do you have the *staying power*… to commit to the effort?
  - Product inventory
  - Financing
  - People
  - Overcoming adversities and disappointments

## People

- Are you committing enough of management and *staff time* to the export market?
- Do you have the people to maintain your ongoing business and this new segment of your business?
- Do you have the *right people*, the right distributor, the right broker?

## Professionalism

- ***Is your organization professional?***
  - People
  - Product
  - Package
  - Promotion
  - Proof
  - Plan
  - Print Material

## *Professionalism*

- Are you and your offering major league?
- Do you and your offering fit into the environment that you are entering?
- Is your presentation professional and rehearsed?

## *The Energy of Ideas*

*5 Offices in the USA*
*S. Africa*
*Kazakhstan*
*Egypt*
*1000 Employees*

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