

Upcoming Events



BUYERS MISSIONS

September 21-24, 2011

[Natural Products Expo East](#)
[Buyers Mission Baltimore, MD](#)

September 27-28, 2011

[Food Export Marketing Forum](#)
[Boston, MA](#)

October 3 - 7, 2011

[Value-Added Feed Ingredients](#)
[Buyers Mission at World Dairy](#)
[Expo Madison, WI](#)

November 12, 2011

[Retail Foods Buyers Mission at](#)
[PLMA Rosemont, IL](#)

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3RD QUARTER



AUGUST 2011

Eurasian Delegations Visit N.D.

High ranking officials from countries once part of the Soviet Union were in North Dakota in early July, looking for trade opportunities and agricultural expertise.

Bakur Kvezereli, minister of agriculture for the nation of Georgia, met with Agriculture Commissioner Doug Goehring on July 1. According to his government biography, reforming Georgian agriculture is a priority for Kvezereli. He is interested in learning how advanced agricultural practices, like those used in North Dakota, could help Georgia's farm industry.

Georgia's top agricultural imports are wheat, wheat flour, sunflower oil, all produced in North Dakota, opening the door for a growing trade relationship between N.D. and Georgia.

Erlan Idrissov, Kazakhstan's

ambassador to the United States, met with Gov. Jack Dalrymple, Commissioner Goehring, and Eric Hardmeyer, president of the Bank of North Dakota, on July 10, to discuss a possible partnership with the U.S. agricultural industry to facilitate the trade of equipment, technology and other agriculture services.

The Kazakhstan Ministry of Agriculture has developed a strategy for increasing crop production which includes increasing yields through technology in herbicides and seeds, expanding land area for agriculture and reforming the crop rotation system. North Dakota, as a top producer of wheat, barley, and corn, has



already mastered these practices and can help Kazakhstan become a more active participant in the global agriculture community.

Kazakhstan exports 2 to 8 million tons of high-quality wheat annually and also produces barley, oats, corn and rice. Oilseed production is up in recent years but output is still minimal.

The North Dakota Trade Office sponsored Idrissov's visit.

Mixed Reviews on Plans for the 2012 Farm Bill

North Dakota Senator Kent Conrad, chairman of the Senate Budget Committee, is expected to spearhead writing the 2012 farm bill. Conrad's senior agricultural policy staffer told Agweek that Conrad wants to hear from North Dakota farmers about the 2008 bill, and what they'd like to see in the 2012 bill.

The greater question is when the farm bill will be written. Some want to write it in time for Obama to sign before the election, hoping for better results. One thing Congress can agree on is that the bill will be structured the same, supported by commodities, conservation, and nutrition programs. With drastic cuts projected, the uncertainty over the fate of the farm bill is only intensified.

To express your views on the farm bill, contact the North Dakota congressional delegation at the following [link](#). Information courtesy of Agweek, July 26.

Millions of Acres Lost Due to Water

Prevented planting acres will exceed 6 million in 2011.

The USDA Farm Service Agency (FSA) says this year's flooding throughout the state will result in well over 6 million prevented planting acres or 22.3 percent of the state's total cropland.

North Dakota's driest year in recent history was 2008, with only 30,000 acres reported. In 2009 state farmers saw a dramatic increase, hitting 2 million prevented planting acres.

All 53 North Dakota counties reported lost acreage in 2011 from 576,000 acres in Ward County to 4,000 acres in Sioux County. USDA estimates that in six northwestern counties only 10

to 56 percent of crops were planted.

One in four North Dakota acres contributes to the state's export



Field near Devils Lake, ND.

sales, which will take a hit along with the rest of the agriculture sector. Dwight Aakre, NDSU

Extension Service farm management specialist, estimates that the direct financial impact of the flooding will be \$1.1 billion dollars. This number represents a total loss in revenue, not net farm profit. To help offset this loss, affected farmers will receive cost reductions.

Prevented planting is part of USDA's Risk Management insurance program for farmers. The program helps farmers who cannot plant their crop with payments based on average yields and crop prices, as well as premium levels paid by growers.

North Dakota companies made nearly 800 new contacts with buyers in 2010 at various food shows around the world.

Export Programs Benefit ND Companies

North Dakota exporters reported more than \$12 million in sales as a direct result of their participation in Food Export-Midwest programs in 2010.

"Last year, 27 North Dakota exporters of food and value-added agricultural products capitalized on the many opportunities provided through the North Dakota Department of Agriculture and Food Export-Midwest," said Agriculture Commissioner Doug Goehring. "Each dollar of state funds used to achieve those sales generated \$1,800 in return."

Goehring said the North Dakota companies participated in 60 different Food Export-Midwest programs, including buyer's missions, trade missions, tradeshow assistance and cost-share reimbursement.

North Dakota companies made nearly 800 new contacts with buyers in 2010 at various food shows around the world.

JM Grain, Inc., Garrison, participated in the Gulfood and Ingredients Middle East trade show in Dubai, where co-owner Justin Flaten said his company made numerous new contacts and successfully finalized sales to five buyers – two of them new contacts.

"I don't think a day has gone by for that market. There are all kinds of countries there wanting to buy."

Goehring said the programs help companies deal with financial and logistical barriers through pre-event planning, program fulfillment and information.

"These programs have helped and will continue to help North Dakota exporters contribute positively to the state's economy, grow and succeed," Goehring said. "Successful exporting is not only about immediate sales; it is about developing long-term, customer relationships and promoting the future stability of exporting companies."

Goehring said the North Dakota companies expressed an average satisfaction level of 4.43 out of 5 when using Food Export programs in 2010.

Food Export Midwest (Food Export Association of the Midwest USA) is comprised of the 12 state agricultural promotion agencies of North Dakota, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota and Wisconsin. The association's activities are funded through the Foreign Agriculture Service of the U.S.



US Pavilion at Food Ingredients-China.



What's New at Food Export-Midwest...

Branded Program Deadline Approaches



August 1, 2011, marks the start of the 2012 Branded Program year. Approval is on a first-come,

first-serve basis, so don't miss out on this opportunity! To enroll in the Branded Program you must fill out a prequalification [worksheet](#), which will determine if you are eligible for the program. The application fee is \$250.

Applications for January 2012 approvals are due October 1, 2011; application acceptance beyond this date contingent upon available funds.

In addition, to help you get started on your export marketing plan for 2012, we'll send you the 2012 activity calendar for all Buyers Missions, tradeshows featuring Food Show PLUS!™, and Focused Trade Missions. Or look for the activities to be posted on www.foodexport.org later this summer.

What is the Branded Program?

Food Export-Midwest's Branded Program works to help small businesses through the financial requirements of the export process. This program provides a 50% cost reimbursement for qualifying international marketing activities. To qualify for reimbursement, products must meet regional requirements such as, products must be 50% U.S. agricultural content excluding water and packaging. Activities covered may include package modifications, advertising, exhibition fees, and more. The program runs from January 1st to December 31st and allows for a minimum request level of \$2,500 and a maximum of \$300,000.

To learn more about this program or submit your pre-qualification worksheet, visit Food Export-Midwest's [website](#). If you have further questions, you can also view an [instructional webinar](#) about the Branded Program or call our office at 701-239-7211.

Marketing Forum Registration

Early registration has passed for the September Food Export Marketing Forum, but that does not mean it's too late to sign up! Registration is \$450 per person and closes on August 19th. This forum, from September 27-28 in Boston, MA, provides first time or experienced exporters with resources they need to prosper in international markets. Meet one-on-one with buyers and in-market representatives to discover the perfect sales markets for your products. In 2010, over \$900,000 in actual sales were generated at the forum.

To learn more and complete your registration, visit the Food Export Marketing Forum [flyer](#) or contact Stephanie Sinner at 701-239-7211.

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FOOD SHOW PLUS!

November 16 - 18, 2011

[Food Show PLUS! at Food and Hotel China Shanghai, China](#)

November 16 - 24, 2011

[Food Show PLUS! at SIAL Middle East Qatar, Abu Dhabi](#)

FOCUSED TRADE MISSIONS

October 13 - 15, 2011

[Focused Trade Mission to London for Specialty and Natural Products London, UK](#)

October 24 - 28, 2011

[Focused Trade Mission to Indonesia and the Philippines for Bakery Ingredients Jakarta, Indonesia and Manila, Philippines](#)

November 7 - 9, 2011

[Focused Trade Mission to Mexico for Retail Products Mexico City, Mexico](#)

November 15 - 20, 2011

[Focused Trade Mission to India for Retail and Food Ingredients Mumbai and New Delhi, India](#)

November 17 - 19, 2011

[Focused Trade Mission to Taiwan for Food Service and Ingredients Taipei, Taiwan](#)

ND Ag. Commissioner Appointed to Biotechnology Committee



Secretary Vilsack

U.S. Secretary of Agriculture Tom Vilsack has appointed North Dakota Agriculture Commissioner Doug Goehring to a two-year term on the newly-formed

USDA Advisory Committee on Biotechnology & 21st Century Agriculture (AC21).

The immediate work of the 22-member committee is providing practical recommendations on how to strengthen coexistence between crop production methods. Specifically, members

will try to discover ways to help markets balance risks and rewards in their production sectors. The long-term goal is examining the long-term impacts of biotechnology on the food and agriculture system and providing guidance on specific issues surrounding biotechnology in agriculture.

Members represent the organic food industry, seed industry, manufacturers, state governments, consumer groups and the biotechnology sector.

“Coexistence among producers, especially those who advocate the use of biotechnology and those who support organic

production, is something we must achieve if the U.S. is to increase its food production to meet growing world demand,” said Goehring. “Biotechnology in agriculture helps farmers lower their production costs while increasing their yields. By fully understanding the potential and effects of biotechnology in agriculture, producers and consumers will receive benefits of these advanced technologies in their agriculture products.”



Follow North Dakota ag-fun facts every Tuesday and Thursday! The N.D. Department of Agriculture's [Facebook page](#) will post these facts in the morning. Log on and give us your feedback along with any questions or comments you may have.

Opportunities for Exporting to Canada

International exports do not have to travel around the world to exotic markets, export opportunities exist in our own backyard. Canada is the top market for U.S. exporters, spending over \$505 million on North Dakota exports alone in 2010.

New markets are on the rise in Canada. From 2006-2010, North Dakota exporters did not sell any coffee into Canada—in 2011 that trend has already been reversed, with over \$10,000 of coffee already exported. Additionally, sauce and condiment exports from North Dakota to Canada totaled \$179,000 in 2010 and have already surpassed \$60,000 in 2011. Markets are also available for pasta, mixes and dough,

bottled water, and more. In 2010, nearly \$6.6 million of consumer oriented products such as these were imported from North Dakota.

Canada's aging population is increasingly demanding healthier foods. Packaged foods with smaller portions, as well as all-natural products are on the rise because of this boom. Canadians do not spend carelessly on eating out, but are choosing to cook at home with less packaged foods. In 2009, the number of households with a disposable income above \$45,000 increased by 25 percent, allowing more Canadians to purchase more food products.

The similarities between U.S. and Canadian consumers, along with

North Dakota's proximity to the border provide great opportunities for North Dakota products to do well.

More information about the Canadian market is available through Food Export-Midwest's [Canadian country profile](#). If you are interested in pursuing Canadian markets to help your company grow, contact us and we can help! For more information on potential Canadian trade opportunities, contact Stephanie Sinner at (701)239-7211.



Features

Feature Crop: Canola

Canola is a genetic variation of rapeseed that was developed in the 1970s. The plant's name is a term that comes from the combination of Canada, where it was developed, and "oil low acid."

This crop has become very popular with North Dakota farmers, who produce 92% of the country's canola. In 2010, the U.S. exported \$429.69 million worth of canola seed and oil. The 2010 total export figures for these products in North Dakota was \$256.35 million, 59.6% of the nation's total canola oil and seed exports. All of North Dakota's

canola exports were sent to either Canada or Mexico in 2010.

Edible canola oil is the main product derived from canola, as 43% of each seed is oil. The oil produced is very healthy and has the lowest level of saturated fats of all commonly used oils. Additionally, canola oil has omega-3 fatty acids, which are known for their heart health benefits. The health boost canola oil provides led to its growing popularity.

Canola oil has a lighter color and more delicate taste than olive oil, which causes many individuals to prefer it

when cooking. Canola oil is also used in many baking products, spreads, and dressings. Canola oil is not only used in the kitchen, it often acts as an ingredient in biofuels, candles, lipsticks, and inks.



http://www.soyatech.com/canola_facts.htm

<http://www.northerncanola.com/recipe/index.asp>

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Feature Market: Canada

Canada is the number one market for U.S. agricultural imports. This trade relationship flourishes due to the countries' proximity, common culture, lifestyle and ease of travel across the border. Like U.S. consumers, Canadians are becoming more health conscious, increasingly demanding healthy foods with fewer processed ingredients.

After the 1994 implementation of the North American Free Trade Agreement (NAFTA), which eliminated trade barriers between the U.S. and Canada, their trade relations saw dramatic improvements. NAFTA created the largest bilateral trade market in the entire world.

In 2010 U.S. agricultural exports to Canada were valued at over \$16.8 billion dollars, a 6.5% increase from 2009. Additionally, in 2009, U.S.

agricultural exports to Canada accounted for 16% of total U.S. food and agricultural product exports of \$98.6 billion.

Consumer-oriented agricultural products accounted for 76% of total U.S. food and agricultural product sales to Canada in 2009.

U.S. products are known for their quality, which makes them a desirable commodity with Canadian consumers. In 2009, 62% of Canada's total agricultural imports were from the United States. Sales of consumer-oriented products to Canada were record breaking in the same year with:

- Fresh fruit (\$1.4 billion)
- Fresh vegetables (\$1.5 billion)
- Snack foods (\$1.4 billion)

Simple foods are also gaining popularity in Canada. Consumers are seeking foods with less processed ingredients and turning



to more food ingredient products such as flour and olive oil. The vast majority of retail food sales in Canada are through supermarkets, representing over 75% of total retail food sales in 2008. Due to the increase in popularity of consumer-oriented products, these markets have the highest level of potential for U.S. exporters.

Sources: Food Export-Midwest, USDA FAS

SBA Export Assistance



Small businesses across the country have the ability to capitalize on assistance from a familiar face in the federal government. The U.S. Small Business Administration has export finance solutions through three different programs: the Export Working Capital Program (EWCP), International Trade Loan Program and Export Express.

These financial programs provide guaranteed working capital or loans to businesses so they can promote and secure their sales. These three services cover a variety of needs through different financial means to most appropriately suit your business. To learn more about all of SBA's trade finance programs visit <http://www.sba.gov/content/export-loan-programs> or contact Tom Linnertz at the North Dakota District SBA office at thomas.linnertz@sba.gov or (701)239-5131 ext. 215.

Trade Agreements Stalled

The Obama administration has delayed sending free trade agreements with Colombia, South Korea, and Panama to Congress. Enacting trade agreements has been a priority for the Obama administration, but these agreements were reached under President Bush.

The agreements were stalled by congressional republicans after it was proposed that they were attached to a piece of aid program legislation. Talks on the FTAs will resume after Congress' August break.

U.S.-Mexico Trucking Dispute Resolved

The United States and Mexican governments reached an agreement in early July to resolve a 15-year trucking dispute. In 1995 the U.S. blocked NAFTA rules allowing Mexican trucks to cross 25 miles beyond the border. Now that the conflict has been resolved Mexican trucks can travel further into the United States, but not between states. Additionally, Mexico agreed to lift excessive tariffs on about \$2.4 billion of U.S. goods. Tariffs will be reduced on 99 products that were affected by the trucking dispute. Secretary of Agriculture, Tom Vilsack said this about the agreement: "The agreement signed today between the governments of Mexico and the United States to resolve the cross-border long-haul trucking dispute is a major win for U.S. agriculture, American jobs and our nation's economic prosperity...This dispute has cost U.S. businesses more than \$2 billion."

Vilsack also stated that this agreement will help increase exports into Mexico. After the Mexican government slashes their tariffs, exports of designated commodities will be reduced by 27%. This agreement restores both sides commitment to NAFTA and will be beneficial for each country's export markets.

[Click here](#) to view USDA Secretary Tom Vilsack's statement on the agreement.

Doug Goehring

Agriculture Commissioner

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