



Upcoming NDDA Events

POD – Bismarck Holiday Showcase

December 3 – 4

Marketplace of Entrepreneurs

January 17 – 18

Upcoming Trade & Food Shows

Nov. 29 – Dec. 1

Food Ingredients
Europe

Food Show Plus!

Paris, France

Nov. 30 – Dec. 2

Natural Products Expo

Asia

Hong Kong

Jan. 17 – 20

Northeast Buyers

Mission 2006

Philadelphia,

New York & Boston

North Dakota Department of Agriculture International Update

December 2005

CUBA TO BUY A RECORD \$20 MILLION IN NORTH DAKOTA COMMODITIES

The Cuban government has significantly strengthened its commercial ties to North Dakota by agreeing to buy a record-high \$20 million of North Dakota agriculture commodities, including peas, pinto beans, lentils and hard red spring wheat.

The North Dakota delegation, led by Agriculture Commissioner Roger Johnson, attended the 23rd Havana International Fair in Cuba, held October 31 through November 5. The delegation included Justin Flaten, JM Grains, Garrison; Jerome and Marilyn Knudson, Superior Grains, Crosby; Mark Kok, North Dakota Dry Pea and



Alvarez and Johnson sign a contract, agreeing to purchase \$20 million of products from North Dakota.



North Dakota delegates from left to right: Interpreter, Diana Rosa; Mark Kok, Dry Pea & Lentil Association; Justin Flaten, JM Grains; Brad Fay, Phaland Trading; and Wayne Schmitz, Premier Pulses.

Alimport's steadily increasing efforts to purchase U.S. food commodities, and Alvarez acknowledged North Dakota as a continuing and important supplier of agriculture products.

Cuba has been under an American trade embargo for more than four decades, but a law passed by Congress in 2000 allows American food to be sold directly to Cuba on a cash-only basis. Since 2001, Cuba has contracted to buy more than \$1.4 billion in American farm goods, despite having to pay hefty bank fees to send payments through third nation banks.

Recent U.S. regulations that require Cuba to pay for the goods in full before they leave American ports has kept sales relatively stagnant since last year, according to Pedro Alvarez, head of the Alimport.

Lentil Association, Plaza; Wayne Schmitz, Premier Pulses, Minot; Donna Thronson, North Dakota Department of Agriculture and Johnson.

"More North Dakota companies had planned to attend, but Hurricane Wilma put a crimp in those plans," Johnson said. "We had hoped to have some other commodities, notably onion, but these sales can be negotiated later."

U.S. Senator Byron Dorgan and Commissioner Johnson also signed a joint communiqué with Pedro Alvarez, the chairman and CEO of the Empresa Comercializadora de Alimentos (Alimport), the principal Cuban importer of food supplies. In the communiqué, Dorgan and Johnson recognized



Jerome and Marilyn Knudson, Superior Grains.

Jan. 22 – 26

Mexico Retail Trade

Mission

Mexico City, Mexico

Feb. 5 – 9

Mexican Convenience

Store Trade Mission

Monterrey, Mexico

Feb. 26 – Mar. 1

Canadian Specialty

Food

Trade Mission

Toronto, Canada

Mar. 12 – 14

International Boston

Seafood Show Buyers

Mission

Boston, MA

Mar. 14 – 17

Foodex Food Show

Plus!

Tokyo

Mar. 15 – 18

ANTAD Food Show

Plus!

Mexico

Mar. 21 – 23

Food & Hotel Korea

Food Show Plus!

Seoul, Korea

"The recent Administration demand that all sales to Cuba be cash-in-advance has made it much more difficult to do business in Cuba," Johnson said. "International banking institutions are increasingly unwilling to put up with the onerous regulations and the mountains of paperwork. The worst of it is that it's the Cuban people and North Dakota producers who pay that extra cost."

In spite of the added costs, Cuba recognizes that North Dakota produces some of the finest agricultural products in the world, and this is a market that will continue to develop in years to come.

DICKINSON STATE TO HOST RUSSIAN COUNCIL MEETING AND SEMINAR NOVEMBER 29TH

The North Dakota / Nizhny Novgorod Council will hold a meeting at 9:00 a.m. MST on November 29 at Dickinson State University in conjunction with an export seminar coordinated by the ND Trade Office. Agriculture Commissioner Roger Johnson organized the Council after a visit from the Minister of Agriculture from Nizhny Novgorod in January of this year when they signed a memo of understanding to foster trade between the countries.

The seminar at Dickinson State University on "Exporting to Russia, Ukraine, and Kazakhstan" will run from 11:30 a.m. to 3 p.m. (Mountain Time). This event will be sponsored by Dickinson State University and the North Dakota Trade Office. Speakers will include Charles Raether, an international trade specialist with the U.S. Business Information Service for the Newly Independent States (BISNIS) and Steven Dickinson of the Minneapolis-based Fredrikson & Bryon law firm.

Based in Washington, Raether serves as country manager for Kazakhstan and Kyrgyzstan. He also manages the agribusiness/food processing, automotive, legal affairs and franchising sectors throughout Eurasia for BISNIS clients. In this capacity, Mr. Raether provides guidance to U.S. companies seeking to enter the markets of the former Soviet Union, drawing upon his extensive experience in the region and international trade. BISNIS is the United States' primary market information service for U.S. companies exploring trade opportunities in Russia and other Newly Independent States.

Dickinson specializes in Russian trade issues at Fredrikson & Byron, an international law firm with more than 170 attorneys in over 30 service areas.

For more information, or to register for the seminar, contact Cherie Harms of the North Dakota Trade Office at cherie@ndto.com.

EURO TRADE MISSION REAPS SALES AND RELATIONSHIPS

ND Trade Office- Press Release

A recent trade mission to Europe is generating sales of North Dakota crops to some of the largest food buyers and processors in Europe.

Initial sales of peas and lentils total more than \$125,000, making the trade mission a major success. The trade delegation's primary goal was to build new business relationships in an export market with large potential for North Dakota producers, said Eric Bartsch, executive director of the North Dakota Dry Pea and Lentil Association.

Canada currently is the dominate exporter of legume crops to the three European countries.

Mar. 23 – 25

Natural Products Expo
West Buyers Mission
Anaheim, CA

Mar. 23 – 25

Pet Food Buyers
Mission
San Diego, CA

Apr. 2 – 6

Mercosur Trade
Mission
Toronto, Canada

Apr. 25 – 28

Food and Hotel Asia
Food Show Plus!
Southeast Asia

May 9 – 11

European Seafood
Exposition
Brussels, Belgium

May 29 – 31

SIAL China Food
Show Plus!
Shanghai, China.

Jun. 1

Seafood Russia Show
Moscow

Jun. 11 – 13

Buyers Mission –
IDDBA
New Orleans, LA

A seven-member trade mission representing four North Dakota companies left Oct. 15 on a 10-day trip to meet with some of the largest food processors and importers in Italy, Spain and France.

"I think there is a lot of business that can be done over there," said Justin Flaten, owner of JM Grain in Garrison. "It's time we become competitive in that market."

Since returning from Europe, JM Grain has sold two shipments of lentils and chickpeas to buyers in Spain. JM Grain also is following up on about 15 sales inquiries, Flaten said.

Other participating companies also reported sales and many inquiries that have led to contract negotiations.

"We've got our foot in the door, and we're very happy about that," said Les Knudson, president of Superior Grains in Crosby. "They could be very good customers in the future – to the tune of millions of dollars."

Other companies that participated in the trade mission were: West Dakota Feed and Seed of Ross and Paulson Premium Seed of Bowman.

The trade mission was sponsored by the North Dakota Trade Office and the North Dakota Dry Pea and Lentil Association.

MIATCO ANNUAL MEETING REVEALS EXPORT OPPORTUNITIES FOR ND FOOD COMPANIES

The annual MIATCO –Food Export USA Marketing Conference was held in Chicago on October 19-20. Marketing representatives from the 12 state departments of agriculture that are a part of MIATCO as well as those in the Food Export USA-Northeast area participated in the conference. Chuck Fleming represented NDDA at the meeting. According to Fleming, the highlights of the meeting were presentations from in-country representatives from the 22 world wide markets that represent MIATCO and Food Export USA.

Fleming had one-on-one meetings with in-country reps from Korea, Canada, Japan, Germany, China, Taiwan, UK, and India. The in-country representatives outlined the best potential opportunities for US food exporters:

Korea

- Pork
- Potatoes
- Soybean Oil
- Peas & beans (hotel & restaurant market)
- Wine
- Cereal grains

Japan

- Beef
- Pork
- Snack foods
- Dried peas and beans
- Wines
- Frozen potatoes

Jul. 9 – 11

NAFST Summer
Fancy Food Show
Buyers Mission
New York, NY

Sept. 1

ECRM International
Grocery Event
Florida

Sept. 6 - 8

Focused Trade Mission
Expohore Hoteles
Restaurante

Oct. 5 – 7

Natural Products Expo
East Buyers Mission
Washington, DC

China

- Snack foods
- Wines, beer & spirits
- Legumes
- Products for food service

Taiwan

- Fresh and processed fruits/vegetables
- Meat products-especially frozen chicken
- Ready to use food ingredients/additives
- Healthy/specialty snack foods

Canada

- Frozen main meals
- Whole grain products
- Organic foods
- Sausage
- Ethnic foods
- Soy products
- Functional foods

Germany

- Fruit and vegetable juices
- Processed fruits and vegetables
- Vegetable oils
- Wine
- Ethnic foods
- Private label processed foods

United Kingdom

- Wine
- Snack foods
- Confectionary

India

- Peas

Fleming requested and received a list of US export intermediaries who do a lot of business in China. This list would be helpful to ND companies who want to do business there, but feel more comfortable selling their products through an intermediary as an initial step to the China market. For further information about this program or other opportunities, contact Chuck Fleming at cfleming@state.nd.us.

KARI WARBURG OWNER OF CRANE CREEK GARDENS – 1ST TO COMPLETE ESSENTIALS ONLINE TRAINING IN NORTH DAKOTA

Kari Warburg of Crane Creek Gardens, Stanley, is the first person from a North Dakota company to complete the Export Essentials Online program. Created by the Mid-America International Agri-Trade Council (MIATCO) and Food Export USA-Northeast, the online education center consists of ten modules that can guide companies to determine their export readiness, research and target their top markets and even create an export marketing strategy, all at their own pace and time.

It is full of valuable links, charts, and examples which support the content and has been carefully planned out in order to support those who are interested in working through the export planning process.

Users of Export Essentials Online can create their own username and password and book mark pages to learn at their own pace. A test after each module will exemplify the material covered. The modules:

1. Exploring Export Options
2. Market Research
3. The Export Marketing Mix
4. Strategic Planning
5. International Marketing Activities
6. Pricing, Quoting & Terms of Sale
7. Logistics & Physical Distribution
8. Documentation & Procedures
9. Payment Methods & Strategies
10. Exporting- A Business of Details

The chronological pattern of the modules can assist companies who are just beginning to export to companies who are already exporting. Users can identify specific modules they need or take the entire course.

Export Essentials online is available to U.S. food companies for \$20 per module, \$50 for four modules, \$75 for seven modules, or all 10 modules for \$90. Companies can register with a credit card at www.exportessentials.org or can contact [Cheryl Duvall](mailto:Cheryl.Duvall@polarcomm.com), International Intern for North Dakota for further details. The ND Department of Agriculture will reimburse ND companies, who are Pride of Dakota members who complete the course. Up to three passwords can be issued per company, making this a great, inexpensive tool for training relevant company employees. Users have one year from the start of the course to access the course material.

All three marketing staff at NDDA – Chuck Fleming, Sara Wagner, and Donna Thronson – have completed the course.

INTERNATIONAL INTERN CONNECTS WITH NORTH DAKOTA BUSINESSES

MIATCO's new international intern is staying busy on the phone. Cheryl Duvall, International Intern assigned to the North Dakota Department of Agriculture, has been calling food companies to update the ND / MIATCO Food Exporter Database and help businesses learn about opportunities to expand their horizons.

Duvall, a senior Ag. Economics student at NDSU, is putting her enthusiasm for North Dakota agriculture to work. From her home office in Galesburg, Duvall has been connecting companies with existing export assistance programs and actively exploring international markets for North Dakota identity preserved or processed foods.

Food companies interested in learning about their global market potential should contact Cheryl at 701.488.2225 or send her an email at cherylduvall@polarcomm.com. In addition, companies from the western half of the state may want to schedule an appointment to meet with her at the Pride of Dakota Holiday Showcase in Bismarck on December 3.

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NEWS BRIEFS

Japanese Market for Beef May Soon Open

A Japanese food safety panel has adopted a draft report which could pave the way to end the two year old ban on imports of US and Canadian beef to Japan. The draft document, compiled by a research group of the Japan Food Safety Commission, says beef and beef offal from the US and Canada cattle aged up to 20 months pose a "very low" risk on materials that could transmit BSE (mad cow disease) are properly removed, and the Japanese government takes responsibility for strict compliance with the conditions. ND Senator Kent Conrad has introduced legislation calling on sanctions if Japan does not lift the ban.

USDA Offers Assistance to Improve Barge Availability

USDA has agreed to provide economic assistance to companies unloading barges carrying off-grade grain due to damage from the recent hurricanes in the Gulf Coast. It is estimated that between 200 and 400 barges have damaged grain.

COOL Not Going to Happen Until at Least 2008

Proponents of country of origin labeling took another blow when the Congress recently delayed the implementation to 2008. The North Dakota Congressional Delegation has supported country of origin labeling and expressed disappointment in this latest setback.

Organic Milk a Cash Cow

The New York Times reports that milk is the fastest growing slice of the organic market, accounting for more than 3 percent of all milk sold in the US. But in an era when overall milk consumption is dropping by 8 percent a year, the annual growth rate for organic milk is 23 percent.

Bird Flu a Major Concern

The bird flu outbreak has both China and Japan very worried. Japan is culling another 170,000 more chickens after the virus was detected at a farm north of Toyko. Chinese government officials have warned that an outbreak in northeastern Liaoning Province has not yet been controlled and could easily escalate into a disaster. Since 2003, at least 63 people in Southeast Asia have died as a result of the outbreak.