

U.S. FOODLINK

The bi-monthly newsletter for importers of U.S. foods

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Pet Food Opportunities Abound in Southeast Asia, BUT BE AWARE OF CHALLENGES

Pet ownership is growing in popularity worldwide, creating an associated surge in demand for food products. The opportunities are numerous, as pet owners will be looking for a wider variety of high-quality options to feed their animals, and a few parts of the world stand out as particularly notable opportunities.

U.S. pet food product exports reached more than \$2 billion in 2022, and that number is expected to remain on an upward trajectory in 2024, USDA Undersecretary for Trade and Foreign Agriculture Alexis Taylor said during the American Feed Industry Association's (AFIA) Pet Food Conference.

Manufacturers looking to maintain this momentum should keep an eye on Vietnam, where a rapidly growing middle class is creating new opportunities. These consumers are interested in premium pet food options.

A survey by TGM Pet Care found that 67% of respondents in the country own pets and 53% of those people are raising more than one. Dogs and cats are the most common household animals, and interest in maintaining their health is rising alongside growing incomes.

As a result, Vietnam's total pet food imports have grown by 69% in the past five years, according to data from AFIA. While the country is still a relatively small market, the USDA's Foreign Agricultural Services is offering \$170,000 in funding to

(Continued on page 2)



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Pet Food Opportunities Abound in Southeast Asia *Continued*

help American manufacturers make their mark.

One of the key opportunities for American manufacturers is providing raw pet food ingredients for Vietnamese manufacturers, according to *Vietnam Briefing*. Many pet food processors in the country lack the technology to manufacture the additives and specialized supplements necessary in many higher quality options, making them common imports.

Rice, a commonly used ingredient for pet foods, is more expensive than corn. U.S. firms with access to corn would be in a good position to provide cheaper ingredient options.

However, entering or growing in the international pet food market can be challenging. Each country has its own varied rules, and the need to understand what each market wants while offerings keep up with local regulations creates unique conditions for every new expansion.



While Vietnam has been highlighted as a point of notable opportunity, options abound across the world and southeast Asia in particular. However, manufacturers must be aware of the demands of each market in order to choose the ones that are the best match for their specialties.

Cultural norms, dietary trends and pet ownership habits can all have an impact on a country's preference for food, according to Croucher. She noted that Halal requirements are significant for manufacturers looking to break into Malaysia, as many Muslim pet owners prefer to feed their animals Halal-certified pet food.

Pet food suppliers looking to break into new markets should consider local partners. Working with a company that has a deep understanding of both cultural nuances and government regulations can make entry smoother and help ensure long-term growth.

"The local partner is the key to it all, as establishing company-owned offices overseas is economically irresponsible in most cases," Holly Sher, president and owner of Evanger's, told Pet Food Processing. "Therefore, everyone is searching for country-specific or supranational distributors who are industry-experienced, respected and logistically established in addition to being financially sound and committed to succeeding with a new brand."

A challenge on this front is finding a suitable partner when many markets are already dominated by large pet food players. However, even a smaller company can prove to be a valuable ally. Sher noted that forging these partnerships requires personal visits and price concessions, and that government-sponsored export programs can help offset the cost of starting to do business in a new country.

"When it comes to international pet food trade, processors must be acutely aware of market-specific regulatory and certification requirements such as import permits, marketing, labeling and ingredient restrictions," Reece Croucher, VP of Group Sales Operations, Digitalization and Sustainability and DKSH told Pet Food Processing.

Other requirements processors need to keep in mind are customs duties and taxes for each market. Variation in these can have "a significant effect" on factors that play a role in a successful launch, such as pricing, according to Croucher.

Manufacturers looking to enter the European Union, for instance, will need to understand the complex approval and registration system in place for pet food products. The stringent regulations are designed to ensure extremely high standards of safety, hygiene, and quality, which can pose a challenge for manufacturers and processors who usually operate outside of this market.

Vietnam's regulations aren't as stringent, but manufacturers should be aware that there is a 7% levy on U.S. pet food. The country also sets specific regulations for the customs process.

"Entering an international pet food market requires a comprehensive understanding of trends, regulations and market conditions," said Croucher. "Successful market entry often involves meticulous planning, market research, quality control and a flexible approach to adapt to the unique demands of each market."



Geopolitical Turmoil Weighs On Global Ingredient Supply Chain



The combination of militia attacks in the Red Sea, a drought in the Panama Canal and ongoing geopolitical tension is expected to cause problems for U.S. imports and exports alike. The rerouting of container ships will cause delays and cost additional fuel, which could lead to significant impact on pricing for both raw ingredients and finished products, while war is reducing output of certain agricultural products.

Houthi militia began attacking commercial ships in the Red Sea in November 2023, which has led to some choosing longer and more costly routes. The alternatives require ships to navigate the southern tip of Africa around the Cape of Good Hope, which can add as much as two weeks to travel time.

Notably, the impacts on ingredient availability will be different than what happened during the COVID-19 shortages. While those problems were caused by lack of container ships, the number currently running is the standard, according to Bank of America research. The extra time caused by vessels seeking alternative routes is what could cause disruptions.

The Panama Canal recorded the lowest water level ever for the start of a dry season due to an extreme drought that is exacerbated by an El Niño climate pattern that's expected to last into May, according to The New York Times. The result is that fewer and lighter ships than usual can pass through the canal.

As a result, the Panama Canal Authority has reduced daily traffic by nearly 40% compared to 2023 levels. Ships are seeking other ocean routes, which will increase both time and cost to unload their cargo, and some companies are shifting cargo to rail to offset the impact where possible.



Russia's continued invasion in Ukraine isn't having a major impact on supply chains, but it is putting further strain on ingredients derived from sunflowers. Ukraine produced the highest volume of sunflower seeds in the world during the 2021-22 season.

Ukraine was also a major supplier of corn, soybeans, wheat and barley, with 70% of its land dedicated to agriculture. This can have effects further down the supply chain, such as by impacting ingredients like animal products due to lower feed availability.

While the war in Ukraine is ongoing, the shipping disruptions are still in their relatively early stages and the full impact they will have on the global supply chain remains to be seen. Prices are expected to rise due to longer and more costly voyages, and processors should keep a close eye on further developments to plan for how these challenges will affect their own export opportunities.

Featured U.S. Midwest & Northeast State Profiles

Iowa

3.2 mil POPULATION	86,104 FARMS	30.6 mil ACRES	Ranked #2 AMONG 50 U.S. STATES IN AG EXPORTS
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Delaware

1 mil POPULATION	2,302 FARMS	525,324 ACRES	Ranked #40 AMONG 50 U.S. STATES IN AG EXPORTS
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New York

19.7 mil POPULATION	33,438 FARMS	6.9 mil ACRES	Ranked #28 AMONG 50 U.S. STATES IN AG EXPORTS
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Oklahoma

4 mil POPULATION	78,531 FARMS	34.2 mil ACRES	Ranked #25 AMONG 50 U.S. STATES IN AG EXPORTS
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Brendan Wilson
Chief Executive Officer/Executive Director

Michelle Rogowski
Chief Operating Officer/Deputy Director

Laura England
Chief Communications Officer/
Deputy Director

Teresa Miller
Chief Program & Partnership Officer

Gina Donio
Marketing & Communications Manager

news briefs

Inflation drove seafood consumers towards value in 2023, and that trend is expected to extend into 2024.

Circana data shows 55% of seafood shoppers looked for sales or deals more often throughout 2023, according to 210 Analytics analysis, reported *Seafood Source*.

Retailers say organic is off to a phenomenal start.

Many retailers and grocers see huge jumps in organic sales in January and 2024 is no different; consumers are more aware of healthy eating opportunities than ever before and many want to support locally sourced produce and growers, reported *The Packer*.

Organic items aren't taking a hit even though the cost of many grocery items – like beef and poultry – continues to rise. In fact, sales of organic food surpassed \$60 billion last year, according to *The Food Institute*.

Kerry released its 2024 U.S. and global taste charts, primarily noting the increasingly inventive crossovers of international cuisines, such as the blends of Filipino and American dishes. Another noteworthy finding: some familiar flavors, such as orange, are getting a new look with varietal and floral twists.

Tesco CEO Ken Murphy said the Red Sea shipping crisis could reignite inflation. The uncertain situation coupled with rising incidents of violence could impact new stock arrivals as suppliers divert millions of dollars and lose weeks by rerouting their ships, reported *Bloomberg*.

Scientists are racing to save the world's banana supply. A fungus threatens to wipe out the Cavendish banana, and its only hope may be genetic modification, reported *Bloomberg*.

Many consumers are focused on “30 G,” or a goal of eating 30 grams of protein per meal. Some health experts suggest eating 30 grams of protein per meal because it's an ideal amount to help dampen cravings and support energy levels, reported *Women's Health*.

One-third of Americans purchase chocolate for an energy boost, according to research by Mintel. Meanwhile, chocolate consumption remains robust in Britain; Mintel predicted UK chocolate market sales will soon reach £7 billion.

Predictions for 2024 eating and drinking include more snacks (and less meals), enhanced water and premium hydration, complex heat, and all kinds of soup. As consumers continue to change their dietary habits and preferences, many new trends are set to disrupt everything from CPG to the restaurant industry, direct-to-consumer, and more, reported *The New York Times*.

Australian Mountain Rye, millets, buckwheat, nal t'eel: demand for ancient grains like these are on the rise, according to The Food Institute.



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1820 The Family Restaurant LLC

Keytesville, Missouri

Introducing 1820 Sauce, a game-changing cooking sauce that will enhance the flavor of any dish it meets. Our one-of-a-kind sauce is so versatile, making it a staple in your kitchen.

- Sweet and Spicy: Our sauce combines the perfect balance of sweetness and spice to elevate any dish.
- Versatile: Use our sauce as a marinade, salad dressing, dipping sauce or even as an ingredient in stir-fries, soups & casseroles to add an extra layer of flavor.
- Gluten Free & MSG FREE

1820 Sauce is not your ordinary cooking sauce. Made with only quality ingredients, this unique blend is sure to become your go-to in the kitchen. Missouri Made. Small Family Owned & Operated Business.



Aero-Cos International

Marlboro, New Jersey

Aero-Cos is pleased to feature Western Range Better-For-You Healthy Snacks comprised of plant-based portabella mushrooms which are vegan, non-GMO, gluten free, and a good source of protein, available in 3 flavors.

In addition, Western Range includes premium dried fruits and steak bites jerky. The beef jerky is also available with halal certification. All Western Range products are grown, processed, and packed in the USA. They are all shelf stable with a shelf life of 15-18 months.

For further information, email info@aerocos.com.



Angry Irishman LLC

Bowling Green, Ohio

Angry Irishman LLC is a female-owned, craft hot sauce company located in NW Ohio. We take a differing approach to creating our products, in that, we don't do the "salty-vinegary" route that most mainstream companies follow. We carefully blend every batch with the highest quality ingredients available without adding any extra salt, resulting in a more flavorful, healthy alternative to name brand sauces. We offer a broad range of flavors and heat levels, but I am initially listing our flagship sauce – Angry Irishman LLC's Original Hot Sauce. Habanero and jalapeno peppers blended with tomatoes and spices give our "OG" sauce just the right amount of kick with a pleasing taste. angryirishman.net



Banks Hardwoods

White Pigeon, Michigan

Nature takes no shortcuts. Neither do we.

We could talk about our 30-year history providing the finest hardwoods in North America to discerning buyers across the globe. We could talk about our people and their commitment. We could talk about our rigorous quality control program and relentless training. We could talk about our tremendous capacity and our state-of-the-art facilities.

We could talk about all that, but ultimately, we understand when you're investing the time and effort to source products from thousands of miles away, you can afford nothing less than quality everything. That's not just our motto, it is our promise to you. No shortcuts. No excuses. We stand behind every load and every transaction, every time.

A journey thousands of miles long begins with just one step. We can invite you to take that step, with a name you can trust, Banks Hardwoods.



Drench, LLC

West Bloomfield, Michigan

Woman owned and created with your health in mind, drench revolutionizes dressings & marinades with our delicious line of clean dressings sold in over 2500 stores in 37 states! Prepare to be blown away by our flavors!

Differentiators:

- shelf stable
- made with the finest ingredients
- olive oil based, no seed oils
- free of most allergens
- artificial color & preservative free
- no refined sugars
- Non-GMO Project verified

We are seeking international partners, especially in Canada.



GivePet

Overland Park, Kansas

GivePet is a premium dog and cat treat company that gives treats back to rescues and shelters with each purchase. For every bag sold, we give enough treats for 10 shelter dogs or cats. The treats are very healthy, made with whole foods and no added salt, sugar, or artificial ingredients. Shelters and recues need treats daily for training and socializing dogs and cats. The more trained and socialized a dog or cat is, the more successful the adoption will be. Not only do they need treats, but they want healthy treats. And above all, we want dogs and cats in shelters to feel special too!

For more information about these or other Featured Products please email: FoodLink@foodexport.org.



The Gluten Free Bar

Grand Rapids, Michigan

We're just two brothers who had two common problems. We were gluten intolerant, and we didn't like the gluten-free foods options available to us. So, we decided to make our own, and The Gluten Free Brothers was born. The GFB is a certified B-Corp located in Grand Rapids, MI, that aims to produce good-for-you food in good-for-you ways. The company uses simple, quality ingredients to create ridiculously tasty, protein-packed food that is non-GMO verified, vegan, certified gluten-free, and certified kosher. Everything that the company produces is crafted in their own zero-waste facility utilizing a local workforce with a focus on creating a sustainable business.



Hollander Chocolate Co.

Port Washington, Wisconsin

Hollander Chocolate is the fastest-growing full-line chocolate sauce and powder company in the US and the preferred brand for premier specialty coffee and retail companies. The success is attributed to Chefs, Baristas, and Bartenders knowing that great flavor comes with carefully selected ingredients. Authenticity can't be imitated, so Hollander makes premium sauces and powders with the best chocolatier-grade cocoas, American-grown sugar, and honest ingredients.

Hollander is also intentional in sourcing practices, partnering with the Rainforest Alliance to certify all cocoa ingredients, and exclusively sourcing American sugar, sea salt, and dairy from the best producers in the USA, pairing nicely with both the flavors and story behind your mocha, hot cocoa, or dessert.

As a result of collaborative teamwork and commitment to genuinely quality products, Hollander has seen tremendous growth in both the US and internationally and will be opening their new Global Headquarters in Port Washington, Wisconsin, which will be open to the public in late Spring 2024.

Products: Chocolate, White Chocolate, Caramel, and Pumpkin Sauces. Hot Fudge. Chocolate Powders, Hot Cocoa Powder, White Chocolate Powder, and Gourmet Frappe powder mixes.



J.R. Kelly Company

Collinsville, Illinois

J.R. Kelly Company is the leading shipper of horseradish root in the United States. Not only do we supply horseradish roots domestically, but internationally as well, shipping tons of horseradish roots to all corners of the globe.

J.R. Kelly Company offers different grades of horseradish to suit all needs in the world of horseradish. Whether you're looking for bulk horseradish root for large processing and food manufacturers or fresh horseradish root for produce markets, J.R. Kelly has you covered.

As a leader in the horseradish industry, J.R. Kelly is consistently searching for new markets to expand its global reach. Our larger grower network and PrimuGFS certification combine to make J.R. Kelly Company the most dependable supplier in the horseradish market! jrkelly.com



LorAnn Oils, Inc.

Lansing, Michigan

Founded in 1962, LorAnn Oils is a renowned provider of high-quality flavorings, essential oils, and candy-making supplies, catering to both home cooks and professional bakers alike.

LorAnn offers an extensive range of products, including concentrated super-strength flavorings, food coloring, specialty ingredients, emulsions, and premium vanillas. These products are meticulously crafted to ensure maximum potency and flavor, making them ideal for a variety of culinary applications.

One of LorAnn's standout offerings is its line of super-strength flavorings, which are up to four times stronger than traditional extracts, ensuring that a little goes a long way. Whether you're baking, candy-making, or creating beverages, LorAnn's products provide an unparalleled depth of flavor that elevates any recipe.

With a legacy of innovation and quality, LorAnn Oils continues to be a trusted source for flavorings and culinary essentials, empowering chefs, and home cooks to unleash their creativity in the kitchen.



Margarita Man

Stillwater, Oklahoma

Since 1984, Margarita Man has been a leading manufacturer of delicious margarita and daiquiri concentrates. Our selection of over 30 specially curated flavors is made with pure cane sugar. Many of our top-selling options are crafted from natural ingredients, organic flavors, and real fruit. All mixes can be used in a machine, blender, or on the rocks.

Margarita Man products can be tasted at high-end resorts, casinos, pool bars, daiquiri shops, and restaurants. With a diverse portfolio we have the ability to suit the needs of everyone.



Martin's Famous Potato Rolls and Bread

Chambersburg, Pennsylvania

Martin's Famous Pastry Shoppe, Inc., headquartered in Chambersburg, Pennsylvania, has been producing delicious potato rolls and bread since 1955. Using time-tested recipes, the Martin family continues to deliver exceptional baked goods that are loved by millions across the nation and around the world. Martin's focuses on baking the best products by using the highest quality ingredients, such as high protein, unbleached wheat flour, real milk, potatoes, butter, and pure cane sugar. These premium ingredients result in a soft, pillowy texture, and buttery-sweet flavor that complement both savory and sweet sandwiches and meals.

foodservice.potatorolls.com

For more information about these or other Featured Products please email: FoodLink@foodexport.org.



NOSHI

New York, New York

Noshi was founded in New York in 2015 to make fun, interactive organic food products for kids. All the research says the same: If you give kids more responsibility in the preparation of their food, they eat more. They pay more attention to what goes into it, both the ingredients and the effort, and they take pride in their involvement. It's their lack of control that causes the vast majority of mealtime meltdowns.

And we know that kids love condiments (in large part a result of them having 'control' over these products), so we put two and two together and launched Noshi organic Ketchup, organic Ranch and organic Chick N Dip – our version of the famous Chick Fil A sauce, but organic!

Our products have been sold in Walmart stores nationwide in the USA for the past four years and we're excited to now be able to offer them for export.



Smoke'n Magic

Grain Valley, Missouri

For us, BBQ competition has always been a little smoke and magic. Our first date was a BBQ competition, and as we fell in love with each other, we also fell in love with the BBQ competition circuit. Our mission is to make the smoke and magic of BBQ approachable to everyone. Smoke'n Magic sauces and rubs are family-made and competition-tested, from our BBQ to yours. Let the magic begin!



Tanuk Inc.

Newton Highlands, Massachusetts

Meal Mantra is a line of SOFI Award winning all-natural dips, Chutneys and Curry Simmer sauces. Meal Mantra sauces are crafted in small batches with heirloom family recipes from the creators of Tandoori Cuisine and simmered to perfection. Our mission is to offer easy to do, clean label, all natural sauces that take the tedium out of intricate cuisines yet allow a wonderful culinary exploration of global flavors. Gordon Ramsay had this to say about our century old recipes, "My most memorable meal in Delhi was at the legendary Moti Mahal restaurant in Daryaganj, where classics such as tandoori chicken and butter chicken (one of my all-time favourites) were invented more than 60 years ago." 'Gordon Ramsay's Great Escape: 100 Classic Indian Recipes' (HarperCollins).

Now enjoy these same uniquely authentic and globally acclaimed recipes with each jar of Meal Mantra!



Wildlife Sciences

Minnetonka, Minnesota

A leader in private label branding, Wildlife Sciences is a manufacturer of wild bird food products specializing in suet (beef fat) cakes and balls. Our innovative manufacturing and creative packaging options allow retailers and distributors to promote their own high quality, distinctive look.

With more than two dozen private label brands across the United States and Canada, our experience makes it easy to implement a successful private label program. We have a broad range of flavor and packaging options for Suet Cakes, Suet Balls, Suet Plugs and vegetable gelatin Seed Bars. Our unique one-piece wrapper package provides merchandising advantages with bold graphics around the entire package. Consumers appreciate the easy-open, no-mess handling advantages of the "suet cake in the candy bar wrapper." Retailers appreciate the creative display options and repeat sales. wildlifesciences.net