

The following article was provided by the NH Office of International Commerce, highlighting a program in which the NH Dept. of Agriculture, Markets & Food is a partner to encourage NH food and agriculture businesses to explore export markets.

Program helps NH food exporters' costs

By Jerry Miller, Union Leader Correspondent

NEWINGTON – Selling food internationally can be a good way to boost the bottom line, but frustration can come from trying to figure out how to do it right.

Now there is some marketing and promotional assistance available for small food operations, via the Northeast Branded Program, funded by the U.S. Department of Agriculture's Foreign Agricultural Service.

And it couldn't come at a better time, because U.S. consumer food exports are growing at three times the rate of domestic market sales, making the ability to sell internationally increasingly important, even for the smallest of companies.

The state, through the Pease-based International Trade Resource Center, recently accompanied a small number of New Hampshire-based food service companies to a Boston trade show, designed to link suppliers with potential buyers in Belgium, Brazil, Canada, Chile, China, Costa Rica, the Dominican Republic, Guatemala, Indonesia, Korea, Kuwait, Mexico, the Philippines, Romania, Singapore, Taiwan, Thailand, Trinidad, Turkey and the United Arab Emirates.

While American corporate food giants such as Kraft Foods have no difficulty selling overseas, small companies like those that dominate the Granite State market do.

Granite State Exports

New Hampshire is a relatively small player in the food export business.

The most recent figures, from the Mid-America International Agri-Trade Council in Chicago and Food Export USA - Northeast, in Philadelphia, show that in 2005, local companies shipped \$8.37 million in seafood across the globe. The export of fats and oils was valued at \$8.2 million, followed by prepared meats at \$5.77 million, sweeteners at \$3.07 million, beverages at \$254,373, dairy products at \$217,515, and prepared vegetables at \$32,829.

While exporting foods has its upside, small firms should approach the global marketplace with cautious optimism.

"Many have no clue," said Michelle Ouellette, assistant director of the International Trade Resource Center. "Many need to start from scratch" and that includes understanding how to get paid, how to ship, as well as understanding that laws regulating food shipments vary from country to country. Each nation also has its own labeling and packaging requirements, which must be met.

"The whole thing can be overwhelming, especially for small companies like ours, with limited marketing and promotional resources," Ouellette said. "Trying to talk small food companies into the exporting process is much like pulling teeth.

"There is now money available to help them market and there isn't for any other industry sector," she said.

Local involvement

Several New Hampshire firms recently began to pursue overseas opportunities, including Mohamad Chatila, owner of Chatila's, a Derry-based baking company, which employs 40 workers. In the last four months, the company has established a sales presence in Canada and Mexico and has plans to expand to several European markets, including Italy and England.

Chatila's advice: "Know what you're doing. It's a huge step. Know what you're selling and how it will fit a particular market and be certain you have the financial and production capabilities to do what needs to be done."

Most importantly, "Start domestically and build that market," before undertaking to serve the world.

Sylvie Dollard, owner of Hooksett's Health Solutions Spice Blends, which employs three workers, recently began negotiations with China. While overseas sales would certainly enhance her bottom line, she said, "I'm taking care of my U.S. customers first. Those are my long-time customers and my loyalty must go to them first."

Dollard characterized doing business in Canada as "really tough," noting, while Quebec is the sole French speaking province, as of last Dec. 12, the Canadian government has mandated that all packaging include French, no matter what parts of Canada the products are marketed. For smaller companies, like hers, the deadline has been extended to 2007.

China

As for China, "It's a very slow process. It could take six months to a year because of all the things you must work out."

Dollard admits that understanding the export process represents a significant "learning curve," and added, "It's not as easy as it sounds."

To qualify for the Branded Program marketing dollars, a local food maker must apply, be approved and pay a \$200 application fee. Application information is available from Ouelette and Food Export USA staffer Sarah Zimmerman. Both can be reached at the International Trade Resource Center, 334-6074.

Eligible companies can receive up to a 44 percent reimbursement for a wide variety of overseas marketing and promotional activities, including attending trade shows and running ads.

Who is eligible?

A small company, as defined by the U.S. Small Business Administration, as well as an agricultural producer cooperative;

Operations whose products are made from at least 50 percent U.S. agriculture by weight;

Companies that have the rights to the brand name;

Firms incorporated in the U.S. that also have a production facility, corporate officers or a significant portion of its food production originating from Food Export USA's 10-state Northeast region, or MAITCO's 12-state region, which includes Ohio, Indiana, Illinois, Wisconsin, Minnesota, the Dakotas, Iowa, Nebraska and Kansas.

Reimbursable activities

The Branded Program can help New Hampshire-based food makers offset the costs of marketing activities, including advertising and public relations; product demonstrations and in-store promotions; overseas trade show expenses, including exhibiting fees and limited international travel; freight costs associated with shipping samples and packaging and label modifications, to meet importing requirements.