Delivering Quality Pork to Export Markets

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Summary

Pork quality in the international market place goes beyond product characteristics. It encompasses all components of the value chain from feed to our delivery systems of the final product. The basic component of conducting business globally is to have competitive market access. Once this has been established the next step involves how your product is differentiated. Differentiation can come in many forms as you are marketing a value proposition, and depending on where are you are selling in the world this proposition is not necessarily the same. The key in conducting business globally for your sales mix is to target the parts of the world, for that particular item(s), that offers the best potential ability to add value.

Market Access

In ensuring we have the ability access to a specific country, the reputation of the country has a very large influence. That reputation is derived from many sources, but includes the current state of the Animal Health, as well as the level of confidence of our food systems and quality assurance programs. Of course, perception of the country in general and that of its' people always plays a factor. In Canada, our systems that promote the health of safety of our products have a very good reputation. This encompasses such programs as the CQA at the farm level, HAACP at the plant level, and the quality of our Canadian meat inspection system. In order to ensure we play on the same playing field in any specific market we need to ensure we have competitive access. Competitive access goes beyond our trade negotiations in multilateral or bilateral agreements, but also includes regulatory and technical issues. It is amazing how much time the industry spends on market access related issues, which is really the root of our ability to market our products in a global capacity.
Differentiation

The quality of our value proposition is very encompassing, and may vary to a degree market to market. Certainly all markets want to have the assurance that our product is healthy and safe. This is the basic component of market access, but perception can alter the buying decision from the customer or consumer.

Certainly the international market is very competitive, and we continue to compete at a much heightened level with our global competitors. Customers/Consumers have more suppliers to choose from, so we need to separate our products from that of our competition. We are in no position to compete on price alone, so we must build a quality value proposition to the market. At the supplier level it is very important that we build a strong business relationship in the market, and choose the customers in the market that you want to partnership with. Depending on the market, this could take a great deal of time, especially when looking at a market such as Japan. It is very important that you understand the business of your customer, and are able to offer them a product that is unique as possible to their business. This would include product with specific cut and selection specifications, varied packing options, shipping options, etc. In order to be able to meet this proposition it is extremely important to have flexible operations.

In the quality proposition there are also attributes that are both emotional and technical, and really affect other facets of the value chain. Of course, country of origin is always present in the buying decision, but also more specific technical items such as food safety systems at the farm and plant level, animal welfare systems and policies, environmental policies, etc. Marketing support is also a large component, but again not for all market segments. Marketing support is very important for those countries in which you can indeed value add, and affect the decision of buyer at the end user level. There has been marketing activity at the end user level in countries such as Japan, South Korea, Singapore, Hong Kong, etc. We also have specific branding activities in certain countries which really leverages on the generic type activity that already has been exercised. Marketing support is not a one time expenditure, and we must continue to offer this support not to only further develop the market, but also protect your established market share. For instance in countries such as Japan and South Korea, we are always in combat with aggressive marketing campaigns from the USA.

There is nothing more important in the value proposition than the attributes of the product itself. Product quality is affected by all components in the value chain: feed, genetics, farm operations, plant operations, logistics etc. There has been a tremendous amount of effort in the past years on the quality meat attributes of colour, texture, marbling, etc. In essence, at the consumer level
they want a piece of pork that is tender, juicy, and of course tastes good. Different markets in the world place a valued importance on meat quality, and depending on the sales channels where it is be marketed, different attributes are more important than others. For products that are sold at the retail level, there is an importance on meat quality for attributes such as colour, texture, and marbling. Of course, for the retail store itself they would also be looking at such decision criteria as shelf life, yield, and of course profit. For products that are sold for processing, attributes such as water holding capacity, yields, lean muscle, etc are important quality factors.

In conclusion, ensuring quality is the responsibility of everyone in the value chain. Quality of our pork proposition not only aids in market access, but enables us to effectively compete in the global market place. In marketing pork in the International market is it vital to look at each item in the sales mix, and identify which markets, customers, and sales channels offer the greatest opportunity in promoting your quality proposition.

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