Agriculture and Agri-Food Canada Agriculture et Agroalimentaire Canada

Canada

# THE NON-ALCOHOLIC BEVERAGE MARKET IN THE UNITED STATES

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*(Également disponible en français sous le titre,*

*Le marché des boissons non alcoolisées aux États-Unis)*

Prepared by the
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and the
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# THE NON-ALCOHOLIC BEVERAGE MARKET IN THE UNITED STATES

Team Canada • Équipe Canada

## EXECUTIVE SUMMARY

The U.S. market for non-alcoholic beverages (specifically soft drinks, bottled water, fruit juices and hot drinks) is valued at $160 billion[(1)] annually. Soft drinks account for the largest share of this market, with 59% of total sales.

Opportunities for Canadian exporters within the non-alcoholic beverages market may be limited to specific products or regions within the United States. For example, while Canadian exporters would be unable to compete with companies such as Coca-Cola and PepsiCo in most areas of the soft drink market, products such as sports drinks or functional beverages that are fortified with herbal extracts, are relatively new product areas that are rapidly growing.

The bottled water market is another area in which Canadian companies have proven to be capable of accessing the U.S. market. In fact, Canada was the largest exporter of bottled water to the United States in 1999, accounting for 51% ($232 million) of total imports. Analysts forecast that this market will continue to grow by 10% to 12% annually through at least 2003.

The U.S. juice market is currently valued at $42 billion. Although Canadian exports of juices are relatively small, new product developments may provide excellent opportunities for Canadian companies. For instance, juices fortified with extra vitamins or calcium have proven to be extremely popular among U.S. consumers. Mixed juices sales are also growing exponentially.

The market for hot drinks is valued at $15 billion annually. Within the coffee sector, premium quality products are driving market growth as consumers have developed a taste for these products in recent years. Teas -- especially herbal and fruit teas -- are also experiencing steady growth. Increased tea sales are primarily attributed to recent reports that have outlined a number of health benefits associated with moderate tea consumption.

## TABLE OF CONTENTS

# THE NON-ALCOHOLIC BEVERAGE MARKET IN THE UNITED STATES

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## MARKET OVERVIEW

In 1998, the U.S. market for non-alcoholic beverages (specifically soft drinks, bottled water, fruit juices and hot drinks) exceeded $160 billion. Within this market, soft drinks account for roughly 59% of sales. Fruit juices account for a further 26% of the market, while hot drinks and bottled water account for 9% and 5%, respectively.

*Soft Drinks*

In 1998, sales of soft drinks exceeded $94.4 billion. The United States represents the largest market in the world for soft drinks, with average annual consumption of 226.5 litres in 1998. As Table 1 outlines, the soft drink market has steadily increased in recent years, primarily due to the popularity of ready-to-drink teas and coffees, sports drinks and functional beverages.

**Table 1. Volume and Value of Soft Drinks Sales, 1994-1998 ($ Billions)**

| Year | Litres (Billions) | Retail Sales | Food Service Sales | Total Sales |
|---|---|---|---|---|
| 1994 | 53.4 | 45.6 | 33.5 | **$79.1** |
| 1995 | 55.4 | 48.6 | 34.0 | **$82.6** |
| 1996 | 57.5 | 49.8 | 37.0 | **$86.8** |
| 1997 | 59.3 | 52.9 | 37.4 | **$90.3** |
| 1998 | 61.2 | 54.1 | 40.3 | **$94.4** |

Source: USA Monitor. *The Market for Soft Drinks in the U.S.*, November 1999.

Like most categories of non-alcoholic beverages, volume sales versus value sales through the retail and food service sectors are quite different. Typically, the food service segment accounts for a relatively small share of sales by volume, while accounting for a significantly higher share of sales by value. This variation can be explained by examining the substantially higher prices charged through food service locations versus sales through retail outlets. For example, in 1998, food service sales of soft drinks by volume accounted for 24.3% of total sales, compared to nearly 43% of sales by value.

Carbonated soft drinks dominate this market, accounting for 92% of total sales by volume. Although colas hold the largest share of this market (60%), with Coca-Cola Classic and Pepsi-Cola accounting for 35% of the market alone, the strongest growth was in segments such as functional drinks (these tend to have herbal extracts) and sports drinks. These areas have shown strong growth and are expected to continue to provide a basis for the growth of the soft drink market as a whole.

Within the sports drink market, Gatorade is the dominant brand. In 1999, it had sales of more than $2.2 billion, or roughly 80% of the sports drink market. Although both PepsiCo and Coca-Cola have products in this market, they have been unable to gain a significant share away from Quaker Oats' Gatorade brand. Currently, Coca-Cola's Powerade brand has a 12% market share, while PepsiCo's Allsport holds a 4% share. Since 1995, the sports drink market has experienced double-digit annual growth.

*Bottled Water*

In 1999, bottled water sales increased by 10% to $8.5 billion. Currently, Americans consume over 5.2 billion litres of bottled water each year. Consumption of bottled water has increased by 10% to 12% annually since 1995, and similar growth is forecast to continue through 2003 when sales are anticipated to reach $11.9 billion.

Currently, there are over 900 different bottled water brands available in the United States. The vast number of brands, combined with different classifications of bottled water and fairly lenient labelling regulations, have created a certain degree of confusion among consumers. However, consumer perception of bottled water offering a cleaner, healthier, better-tasting product than tap water will continue to drive growth. As the market continues to expand, analysts expect a handful of brands to establish themselves as dominant players.

*Fruit Juices*

In 1998, sales of fruit juices in the United States totalled approximately $42 billion. Juice sales have increased by an average of 2.8% annually since 1994. Similar to soft drink sales, the retail sector accounts for 90% of volume sales, while accounting for only 65% of value sales.

The recent growth of this market can be attributed to the increased popularity of fresh juices instead of concentrates, the development of new products, and the introduction of fortified brands (especially those containing calcium or extra vitamin C). Increased sales and the development of new products have also led many retailers to increase the amount of shelf space allocated to juices, thereby increasing their exposure to customers.

New products, such as mixed juices, provide an excellent opportunity for Canadian producers. For example, while cranberry juice sales have declined in recent years, cranberry mixes (e.g. with strawberries, kiwis, bananas) have experienced extremely strong growth of 15% to 70%, depending on the specific product.

The juice sector represents one area in which private-label products have been able to successfully compete with brand-name products. Private-label fruit juices account for over 16% of total sales, while the largest brand name, Tropicana, accounts for less than 10% of the total market. Consumers have found that private-label juices offer similar quality to their brand name counterparts, at a cheaper price.

*Hot Drinks*

In 1998, the retail market for hot drinks was estimated to be worth nearly $15 billion. This market has experienced strong growth in recent years, up from $11.8 billion in 1994. A significant portion of these sales can be attributed to consumers having shown an increased willingness to purchase higher-quality coffees and teas.

Coffee is the largest sector within the hot drinks category, accounting for roughly 90% of sales by volume. Tea accounts for a further 7.5%, while other drinks, such as hot chocolate, account for the remaining portion of sales.

The rapid increase in the number of coffee bars throughout the United States enables consumers to sample a wide variety of premium coffees. Indeed, exposure to high-quality coffees has led to many consumers acquiring a taste for such products. In an attempt to compete with the coffee shops, many supermarkets have installed a selection of fresh beans. Also, producers have responded to health concerns by offering a wide selection of decaffeinated brands, which have proved to be quite popular.

Tea consumption has also shown strong growth, increasing by 31% between 1994 and 1998. Tea sales have been driven by the popularity of fruit and herbal teas, which have been reported to have a number of health benefits, including a reduced risk of cancer.

Consumption of other hot drinks has remained relatively stable in recent years, with no substantial changes anticipated for the future.

Overall, the hot drinks sector is forecast to experience strong growth in the short term. Sales of all hot drinks are forecast to reach $19 billion by 2003.

**Key Factors Shaping Market Growth**

The most significant trend, one that has affected every segment of the non-alcoholic beverage market, is the growing level of consumer health-consciousness. Overall, consumers have increasingly purchased fewer alcoholic beverages, in favour of non-alcoholic options. Among soft drinks, this has led to increased sales of iced teas, sports drinks and fortified drinks, which are perceived as being healthier than carbonated beverages. Within other product areas, this health awareness has led to growing sales of bottled water, fortified juices, decaffeinated coffees, and teas -- particularly green teas, which have been associated to fighting heart disease, cancer and wrinkles.

The popularity of many product areas simply lies in the fact that they appeal to consumer demands for different or unique products. For example, Gatorade has continued to increase sales by steadily introducing new flavours. Products that have undergone packaging innovations and increased product safety have also benefited from increased sales.

Packaging convenience has also become increasingly important. Sales of smaller package sizes with resealable, screw-off lids are steadily increasing as these products can be easily transported to work or leisure activities. In addition, manufacturers benefit from higher retail prices while satisfying consumer demand for more convenient packaging.

Another significant factor that has affected bottled water sales is consumer wariness over the safety of tap water. Isolated incidences of E-coli or other bacteria outbreaks provide a basis for consumer concerns.

Finally, non-alcoholic beverage sales vary depending on demographic as well as climatic factors. For example, soft drink and sports drink sales tend to be highest in southern and western states, which have higher year-round temperatures combined with a higher level of health-consciousness. Coffee, on the other hand, suffers lower sales in these regions for these same reasons. Coffee sales are also significantly influenced by climatic conditions. When coffee harvests are poor, the ensuing price increases lead to lower sales.

**Opportunities**

Due to the relatively mature nature of this market, the most promising opportunities for Canadian exporters will involve relatively new or unique products where dominant companies such as Coca-Cola and PepsiCo have yet to establish market dominance. In addition, products that provide additional health benefits have also experienced substantial growth in recent years, with continued sales increases projected for the future. For example, 100% juice products, new flavour combinations, drinks fortified with added vitamins, minerals or herbs, as well as chai and green teas have all increased sales by appealing to consumer demands for new, healthy products. Products, such as bottled water, which can benefit from consumers perceptions of Canada as a clean and natural place, also represent good opportunities.

***Actual and Planned Projects***

In an effort to gain market share, especially in a competitive marketplace such as the United States, there has been a general trend for large companies to purchase smaller manufacturers that have a strong regional or national presence. For example, in May 2000, Georgia Mountain Water Inc. of Atlanta was purchased by Suntory Water Group Inc. (a subsidiary of the Japanese beverage manufacturer, Suntory Ltd.). Suntory, the third-largest producer of bottled water in the United States, has acquired 32 companies since 1996.

Currently, the American Water Works Association (AWWA),[(2)] in conjunction with some state governments, has been urging the Food and Drug Administration (FDA) to change regulations regarding the labelling of bottled water. The request for labelling changes is underpinned by a recent independent study, which found that one third of bottled waters had levels of bacteria in violation of Environmental Protection Agency (EPA) standards. However, the International Bottled Water Association (IBWA), which represents 85% of bottled water companies in the United States, along with private bottlers, have argued that additional information is both unnecessary and is likely to confuse consumers as to the makeup of bottled waters. These organizations also feel that bottled water is being singled out by legislators.

In July 1998, PepsiCo announced a deal to buy Tropicana, the leading orange juice brand in the United States, from Seagram Co. for $4.9 billion. Tropicana, which includes Dole juices, has annual sales of approximately $3 billion. This acquisition enables PepsiCo to compete with Coca-Cola, with its Minute Maid brand, in the U.S. juice market.

**COMPETITIVE ENVIRONMENT**

**Local Capabilities**

In general, Coca-Cola and PepsiCo are the dominant players in every segment of the U.S. non-alcoholic beverage market. These two companies benefit from their long-term presence as market leaders (and the resulting brand-name recognition among consumers) as well as their vast distribution networks and their strong financial position.

*Soft Drinks*

In 1999, Coca-Cola and PepsiCo together accounted for 75% of soft drink sales. Coca-Cola, the largest producer both domestically and worldwide, currently holds a 45% market share while PepsiCo has a 30% share. Cadbury-Schweppes is the third-largest producer, with more than a 13% market share. Quaker Oats Company accounted for roughly 4% of soft drink sales, mainly due to its Gatorade brand, which accounts for 85% of sport drinks sales. Private-label products continue to be relatively insignificant, accounting for 3% of soft drink sales in 1999.

*Bottled Water*

Bottled water, unlike other non-alcoholic beverages, is a fairly new sector and as such, the market has many producers that are vying for both regional and national market share. However, the financial resources and extensive distribution capabilities of companies like Coca-Cola and PepsiCo are expected to enable them to become market leaders over the long-term. Currently, PepsiCo's Aquafina brand is the largest selling bottled water, holding an 11% market share. Coca-Cola, which only introduced its bottled water brand -- Dasani -- in May 1999, is already the fifth-largest producer in this market.

*Fruit Juices*

In 1999, Coca-Cola's Minute Maid held the largest share of the fruit juice market, accounting for 9.5% of total sales. PepsiCo, after purchasing Tropicana in 1998, was the second-largest domestic producer, with a 9% market share. Not surprisingly, the juice market has numerous producers with small shares of the national market or large shares of regional markets. These producers accounted for the largest share of sales. In addition, private-label juices accounted for nearly 17% of sales due to their lower costs and good quality.

*Hot Drinks*

Within the hot drinks sector, Proctor & Gamble and Kraft Foods accounted for 70% of sales in 1999. Proctor & Gamble's Folgers brand held a 38% market share, while Kraft accounted for a further 32% of sales. Other producers that held a significant share of the market include Nestlé SA, Sara Lee Corporation and Unilever NV.

**International Competition**

*Soft Drinks*

Imported soft drinks account for a relatively small share of the total market. In 1999, the United States imported $323 million worth of soft drinks, up from $251 million the previous year. Canada and Mexico are the dominant exporters to the United States, accounting for 78% of soft drink imports. Other top exporters were Austria, France and Japan, which each held a market share of between 2% and 6%.

*Bottled Water*

Although bottled water imports declined slightly between 1998 and 1999, the United States still imported approximately $456 million worth of these products in 1999. Bottled water imports have consistently been dominated by imports from Canada and France. While Canada has maintained the position as the top importer, with a market share of more than 50%, France has typically accounted for roughly one third of total imports. The only other country holding more than a 2% market share is Italy, at 8%.

*Fruit Juices*

Like most sectors of the non-alcoholic beverage market, imported products account for a relatively small share of total sales. In 1999, juice imports totalled $135 million. Mexico is the largest supplier of fruit juices to the U.S. market, accounting for approximately half of total U.S. imports. Other top importers include Thailand, Taiwan, South Korea and Canada.

*Hot Drinks*

Coffee and tea represent the largest share of non-alcoholic beverage imports. In 1999, coffee imports totalled more than $4 billion, while tea imports totalled nearly $227 million.

Although coffee imports are significant, they have declined substantially in recent years. In 1997, the United States imported over $5.1 billion worth of coffee, decreasing to $4.8 billion in 1998, and to $4 billion last year. Colombia is the perennial leader in imports, accounting for 18.5% of total imports in 1999. Brazil was the second-largest exporter to the United States, with a 17% market share. Other countries with a substantial share of the market include Mexico (15.4%) and Guatemala (11%).

Among tea exporters, Argentina (21%) and China (15%) are the two largest exporters, accounting for 36% of total U.S. imports. Other leading importers include Sri Lanka (8.5%), Malawi (8.5%), India (7.5%) and Germany (7.3%).

## Canadian Position

*Soft Drinks*

In 1999, Canada was the largest exporter of soft drinks to the United States, with total exports amounting to over $163 million and accounting for more than half of total soft drink imports. Canadian exports have fluctuated in recent years, decreasing from $144 million in 1997 to $126.7 million in 1998.

*Bottled Water*

Currently, Canadian bottled water accounts for 51% of U.S. imports. In 1999, bottled water exports totalled $232.6 million -- nearly 100 times larger than U.S. bottled water exports to Canada. Quebec currently accounts for over 90% of Canadian exports to the United States, while Ontario and British Columbia account for a further 9%. Canada's proximity to the United States, combined with the perception of Canada having a clean and natural environment, has helped to establish Canada as the leading exporter in this market.

**Table 2. Canadian Bottled Water Exports to the United States, by Province (1998)**

| Province | Volume (Litres) | Share (%) |
|---|---|---|
| Quebec | 246 558 496 | 90.7 |
| Ontario | 16 710 533 | 6.1 |
| British Columbia | 7 679 841 | 2.8 |
| New Brunswick | 474 160 | 0.2 |
| Alberta | 258 127 | 0.1 |
| Others | 112 298 | 0.1 |
| **Total(s)** | **271 793 455** | **100** |

Source: *The Globe & Mail*. "Bottled Water Gushing South; Canada Gets Little in Return for Rights to Valuable Natural Resource," September 22, 1999.

*Fruit Juices*

Although Canada is the third-largest juice exporter to the United States, its share of the market is relatively small at 7%. In 1999, Canada exported $8.1 million worth of juice to the United States. Exports remained fairly stable between 1997 and 1998, although in 1999 they decreased by 35%.

*Hot Drinks*

In 1999, Canada exported over $126 million worth of coffee and tea. Coffee exports totalled nearly $124.8 million, making Canada the eighth-largest exporter to the U.S. market. However, the Canadian share of total imports remained modest, at slightly more than 3%. Tea exports totalled $1.5 million, or less than 1% of U.S. imports. Canada was the 14th-largest exporter of tea to the United States in 1999.

## Competitive Advantage Through Canadian Government Policies and Initiatives

***Agri-Food Trade Program***

The Agri-Food Trade Program (AFTP) is a cost-shared contribution program designed to support Canadian agri-food industry activities in areas of market readiness, market access and market development. The objective of the AFTP (which combines the AIMS and AFT2000 programs) is to increase sales of agriculture, food and beverage products in domestic and foreign markets.

AFTP's priority is to encourage Canadian agri-food associations and alliances to develop and implement sectoral export market development strategies to improve global competitiveness.

***Canadian Commercial Corporation***

The Canadian Commercial Corporation (CCC) gives Canadian companies access to financing and better payment terms under the Progress Payment Program (PPP). The PPP concept was developed as a partnership between major Canadian financial institutions and the CCC. It enables the exporter's bank to open a project line of credit for the exporter's benefit, based on CCC approval of the project and the exporter's ability to perform. The CCC will also act as a prime contractor on behalf of Canadian small and medium-sized enterprises, giving those businesses increased credibility and competitive advantage.

***Export Development Corporation***

Export Development Corporation (EDC) offers export financing and insurance to Canadian exporters. Additionally, insurance can be provided for larger transactions that are subject to the terms and conditions established by the buyer. EDC prefers to work through letters of credit, bank credits or bank guarantees. Approval for financing is considered on a case-by-case basis.

***North American Free Trade Agreement***

The North American Free Trade Agreement (NAFTA) is a comprehensive free trade agreement among Canada, the United States and Mexico, which came into effect January 1, 1994. The NAFTA has opened markets to Canadian exporters through the elimination of tariff and non-tariff barriers. Efforts have also been made to address export issues of direct concern to small and medium-sized enterprises (SMEs) in terms of trade facilitation, such as infrastructure improvements for the transport of commercial goods.

In recognition of the important role that SMEs play in the national economies of the NAFTA countries, a number of customs-related trade facilitation initiatives have been undertaken to simplify customs procedures and reduce bureaucratic impediments to cross-border trading. For example, The North American Trade Automation Prototype (NATAP) is a joint initiative among Canada, the United States and Mexico to streamline the customs clearance of commercial goods. The Prototype is based on a foundation of common data elements, documents and processes, and will attempt to show that most of the duplication required today could be eliminated. It will also test the use of Intelligent Transportation Systems (ITS) and the concept of a seamless border for low-risk and pre-approved drivers. The Prototype is a low-volume field test currently being operated at six sites, including two on the Canada-U.S. border.

SMEs can now also benefit from a standard procedure for moving commercial samples, professional equipment, tools of trade and exhibition material across borders on a temporary basis, and from the dissemination of accurate, consistent and easy-to-understand information relating to customs laws and procedures. For further information, contact the Canada Customs and Revenue Agency, Trade Agreements Information Line at 1-800-661-6121 or (613) 941-0965, or the NAFTA Customs Web site at http://www.nafta-customs.org.

***New Exporters to Border States*** **and** ***Exporters to the United States***

The New Exporters to Border States (NEBS) program introduces the essentials of exporting to Canadian companies that have not yet exported to the United States. NEBS provides participants with practical information and first-hand exposure to U.S. border state markets.

Exporters to the United States (EXTUS -- formally NEBS Plus) helps Canadian companies that are already exporting to U.S. border states to expand to other regions of the United States. For more information on NEBS and EXTUS, call 1-888-811-1119, visit http://www.dfait-maeci.gc.ca/geo/usa/nebs-e.asp or send an e-mail to Roman.Borowyk@dfait-maeci.gc.ca.

***Program for Export Market Development***

The Program for Export Market Development (PEMD) helps Canadian companies enter new markets by sharing the costs of activities that companies normally could not or would not undertake alone, thereby reducing risks involved in entering a foreign market. Eligible costs and activities include market visits, trade fairs, incoming buyers, product testing for market certification, legal fees for international marketing agreements, transportation costs of offshore company trainees, product demonstration costs, promotional materials, and other costs necessary to execute a market development plan. Activity costs are shared on a pre-approved, 50/50 basis.

The PEMD refundable contribution ranges from $5,000 to a maximum of $50,000. Preference is given to companies with fewer than 100 employees for a firm in the manufacturing sector and 50 in the service industry, or with annual sales between $250,000 and $10 million. Other components of the program include international bid preparation (Capital Project Bidding) and, for trade associations, developing international marketing activities for their membership. For additional information visit http://www.infoexport.gc.ca/pemd-e.asp or call 1-888-811-1119.

***WIN Exports***

WIN Exports, a database of Canadian exporters and their capabilities, is used by trade commissioners around the world and by Team Canada Inc partners in Canada to match Canadian suppliers with foreign business leads, and to share information on trade events. To register your company in WIN Exports or for more information, visit http://www.infoexport.gc.ca/winexports/menu-e.asp or call 1-888-811-1119.

## PRIVATE-SECTOR CUSTOMERS

*Soft Drinks*

Within the soft drinks sector, consumption of carbonated soft drinks is highest among consumers, aged 18-24 years. Although colas are the most widely consumed beverages among all ages of consumers, changing flavour preferences and a growing desire for healthier drinks have led to increased consumption of non-carbonated beverages. In response to these trends, manufacturers of sports drinks, functional beverages, and other non-carbonated drinks have increasingly marketed their products to older, health-conscious adults.

*Bottled Water*

Bottled water consumption is highest among consumers between the ages of 35 and 44. Women also tend to be larger consumers of bottled water than men. The lowest levels of consumption tend to be among people aged 65 and older. These consumers are sceptical about purchasing water when tap water is free.

Consumption of bottled water also tends to be closely tied to income, with the most affluent consumers purchasing the largest amount of bottled water. Households with high levels of consumption also tend to purchase healthier products in general, and many of these consumers do not have children.

*Fruit Juices*

Not surprisingly, the largest consumers of juice are families with young children. However, juice consumption has a strong appeal among nearly all consumer classifications. While the number of consumers who eat breakfast has declined in recent years, due to busier schedules, many people still view juices as a staple product to consume in the morning.

*Hot Drinks*

Approximately 80% of U.S. adults drinks coffee, with women accounting for just over half of this figure. Although younger consumers (ages 18-35) provide the largest base of coffee drinkers, the baby boom generation consumes the largest quantities of coffee. Producers hope that coffee shops, which are growing in popularity, will lead to higher levels of coffee consumption among younger consumers.

Tea consumption is highest among consumers with above-average incomes (US$75,000 or greater). However, recent reports of health benefits stemming from moderate tea consumption have led to higher consumption rates among a wider scope of the population.

## MARKET LOGISTICS

*Internet Sales*

The Internet is rapidly becoming a source for distributing beverages. Although this is particularly true of alcoholic beverages, some non-alcoholic drinks can now be ordered from various Web sites. For example, water.com, which is run by the Suntory Water Group, allows users to order products from its Web site in addition to providing health information. Another site, bottledwaterweb.com enables users to order unique or difficult-to-find water direct from the manufacturer. Although the majority of sites only sell to beverage retailers, a few sites have begun targeting individual consumers.

**Channels of Distribution**

Retail outlets tend to be very careful regarding new product introductions. Retailers have a limited amount of space for each type of product. When listing a new product, they want to reduce the risk of both product failure and the alienation of customers who purchased old products. Currently, it is estimated that only 20% of new products succeed. Therefore, guaranteed promotional support is usually required before retailers are willing to carry a new product.

Many stores charge a slotting fee for stocking a new product. Basically, this is a payment for shelf space in retail stores. Fees vary depending on the size of the chain, size of the market, shelf location (top shelf versus bottom shelf), and how many facings the product will have. Manufacturers can sometimes avoid these fees by providing discounts, marketing and promotional support, or product tastings.

*Soft Drinks*

Like most non-alcoholic beverages, the largest share of retail soft drink sales was through supermarkets and hypermarkets, which in 1999 accounted for over 38% of total sales. Supermarkets are expected to maintain their share of sales as these retailers offer consumers the widest selection of soft drinks at the most competitive prices. Although hypermarkets, such as Wal-Mart and Target, generally have a smaller selection than supermarkets, they also offer low prices and convenience for consumers who wish to pick up these products along with other non-food items.

Small food outlets are the second-largest distributors of soft drinks, accounting for 19% of sales. Small retailers benefit primarily from impulse purchases and convenience for soft drink sales. Sales through these outlets will continue to be hindered by limited shelf/cooler space and higher prices.

The popularity of vending machines has slowly increased in recent years. In 1999, vending machines accounted for nearly 9% of total soft drink sales. Although this form of distribution is relatively expensive for consumers, the convenience of these outlets is primarily responsible for sales.

*Bottled Water*

Supermarkets/hypermarkets also account for the largest share of bottled water sales, with roughly 43% of volume sales. As bottled water becomes a more widely purchased item, the popularity of home delivery has steadily increased. Home delivery enables consumers to minimize the amount of effort they must spend carrying large, heavy bottles of water.

Small food outlets and vending machines account for the second- and third-largest share of sales of bottled water, with 21% and 15% respectively. Like soft drinks, the majority of sales stem from the convenience that these outlets offer.

*Fruit Juices*

In 1999, supermarkets/hypermarkets accounted for 70% of total fruit juice sales. Juices are primarily bought for consumption in the morning, and thus do not benefit from impulse purchases to the extent that soft drinks and bottled water do. However, the growth of single-serving juice bottles has increased sales through smaller retailers such as convenience stores, gas stations and small food retailers.

*Hot Drinks*

By volume, supermarkets/hypermarkets account for 55% of sales. By value, this share is much smaller due to the growing popularity of coffee shops, which charge premium prices for a wide variety of coffees and teas. Many supermarkets have responded to the demand for unique or specialty coffees by installing fresh coffee bean dispensers, enabling consumers to purchase the product they want (ground to their taste) for home consumption.

### *Distributors and Wholesalers*

Distributors are required to ensure that all imported products comply with U.S. food and beverage regulations. However, manufacturers must also take the initiative to ensure that products meet with U.S. import and labelling regulations. Although one distributor can help with access to a specific region of the United States, multiple distributors may be necessary to ensure more widespread distribution.

The level of service provided by distributors varies significantly. Some distributors simply deal with the logistics (transportation, storage, etc.) of products, while others will become more involved in marketing and promotion. When seeking the services of a distributor or wholesaler, exporters should consider the relationship that these individuals have with local governments, buyers and banks; the condition of their facilities; and their willingness and ability to keep inventory. Canadian producers are advised to review U.S. import regulations with a qualified lawyer before entering into an agreement with a prospective partner.

### *Food Brokers*

Most new food exporters choose brokers to sell their products and service their accounts. Brokers do not take title or possession of the goods, but instead act as "outside" sales staff. Some of the advantages of using a broker's services include:

- comparatively low start-up and overhead costs (no sales, no costs);
- quick access to an established network of buying contacts;
- a local presence to service clients; and
- the broker's knowledge of both the market and the product's promotional requirements.

Many brokers have established solid relationships with retailers and wholesalers, and have regular appointments with their buyers. As a result, they can often be instrumental in helping exporters to introduce new products.

When seeking the services of a broker, exporters should consider:

- the market segments and customers it serves;
- its reputation within the industry;
- the size of its sales force;
- its product knowledge
- the number and location of its offices;
- the services it offers;
- the products it currently sells; and
- its interest in the exporter's goods and in those of its competition.

Any written agreement between an exporter and a broker should be prepared by a lawyer, and, as a minimum, should cover the following points:

- territory covered;
- exclusivity, payment terms;
- performance criteria;
- collection of receivables;
- duration of agreement; and
- procedures to terminate the agreement.

It is important for an exporter to build a close and active working relationship with the chosen broker, so that the exported products are given the necessary exposure. Exporters should plan to make multiple trips to the market while attempting to establish a product in the U.S. In order to ensure strong product support from a broker, companies should also spend time "educating and motivating" the entire broker's staff. In addition, producers should plan visits to the market to make joint sales calls on buyers. Manufacturers have the most interest, knowledge, and excitement in their product(s), which should be passed on to distribution partners.

Some markets may require that a broker and distributor be used, while other areas can be most effectively serviced through direct sales and distribution (DSD). In some niches, distributors will perform the functions of both the broker and the distributor - more of a DSD.

For information about food brokers in the United States, exporters are encouraged to seek a retailer's recommendation; contact a local industry association such as the Association of Sales & Marketing Companies, or contact the closest Canadian Consulate.

**Market-entry Considerations**

With the exception of developing markets such as bottled water, sports drinks and functional beverages, the non-alcoholic beverage market is dominated by companies such as Coca-Cola and PepsiCo. Small companies have been able to establish themselves regionally, although factors such as brand recognition and large resource pools will enable these dominant players to maintain their market share. Joint ventures or other partnerships with U.S.-based companies may provide Canadian producers with the best opportunities to access the market.

***Suggested Business Practices***

Generally, business practices employed in Canada and the United States are quite similar. However, Canadian exporters should note that success in the United States will require additional dedication, commitment, persistence, aggressiveness, and resources. The relative maturity and intense competition within these markets has led to customers having come to expect significant after-sales service and incentives. In addition, customer loyalty may not be strong if similar products can be found with added benefits, such as lower costs.

***Export Regulations and Procedures***

Canadian exporters are strongly encouraged to hire a certified customs broker to manage border procedures. Customs brokers are familiar with all information required by the exporter, and are able to provide insight on such market access issues as import restrictions based on quotas, health regulations, documentation, labelling and product testing. Customs brokers typically charge exporters on a per-shipment basis.

To retain the services of a U.S. customs broker, an exporter must first authorize the brokerage firm (by power of attorney) to file entries on its behalf with U.S. Customs Service (USCS). USCS also requires the exporter to post a bond, usually in an amount equal to the value of the shipment plus duties and fees. Exporters should complete the required documents and forward them in advance to their customs brokers, who can then notify USCS of entry and arrange for clearance. The original documents must accompany the shipment, and must include the following:

- pro forma invoice;
- bill of lading;
- inward cargo manifest;
- health certificate, as required by the U.S. Department of Agriculture;
- NAFTA certificate (for individual or annual shipments valued at more than US$2,000).

Exporters may also wish to consult a product broker. These individuals find buyers for products outside the normal distribution channels.

*Bill of Lading*

The bill of lading is the shipper's acknowledgment of receipt of the shipment. Each shipment may contain a set of bills of lading, one copy of which should be kept on file, while other copies are sent to the importer and customs broker, respectively. The bill of lading should include:

- description of the product(s);
- weights and measurements of the packages and their types;
- ports of origin and destination;
- names and addresses of shipper, importer and customs broker;
- any freight or other charge incurred;
- number of bills of lading in the full set; and
- the carrier's acknowledgment of receipt "on board" of the goods for shipment.

Depending on the product, it may be necessary for exporters to include storage temperature and requirements on the bill(s) of lading.

*Packaging and Labelling*

Goods should be properly packed and marked for shipment, to reduce both the risk of damage and pilferage. Properly packaged and labelled goods will also help to expedite customs examination. Food samples (not for resale) are exempt from labelling requirements, but must be marked as samples and shipped in compliance with U.S. import regulations.

Manufacturers are responsible for ensuring that product labels comply with the *Fair Packaging & Labeling Act* and the *Nutritional Labeling and Education Act*. With the exception of bottled water labels, which are currently under review, product labels generally include:

- name of the product;
- description of the product;
- expiry date and any storage requirements;
- product's country of origin;
- manufacturer's lot or batch number;
- nutritional information;
- list of ingredients and weights in metric units; and
- list of additives, preservatives or colouring used.

***Export Credit Risks, Restrictions on Letters of Credit, Currency Controls***

Cash-in-advance and open-account sales are the most common methods of payment. Payments can easily be made by cheque or bank transfer. A buyer's credit rating can be checked with bankers, other suppliers and private credit analysis institutions. EDC offers insurance programs to protect Canadian exporters against non-payment by U.S. buyers. Some exporters have found it helpful to maintain a U.S. business address and bank account; however, companies should first consider the legal and tax implications of such an arrangement.

**PROMOTIONAL EVENTS**

| Event/Description | Organizer |
|---|---|

**Interbred - International Beverage Industry Exhibition and Congress**
December 4-6, 2000 and November 18-20, 2002
(Biennial)
Ernest N. Moral Convention Centre
New Orleans, Louisiana
A wide variety of both alcoholic and non-alcoholic beverages., industry equipment, packaging technology, supplies, ingredients and services.

Interbred Ltd.
1101 16th St. NW
Washington, DC 20036
Tel.: (202) 463-6794
Fax: (202) 833-2484

**International Bottled Water Association Show**
October 12-14, 2000 (Annual)
Seattle Convention Centre
Seattle, Washington
Equipment, supplies, technology and samples related to the bottled water industry.

International Bottled Water Association
1700 Diagonal Rd., Suite 650
Alexandria, VA 22314
Tel.: (703) 683-5213
Fax: (703) 683-4074
E-mail: ibwainfo@bottledwater.org
Internet: http://www.bottledwater.org

**Worldwide Food Expo**
October 18-21, 2001 (Biennial)
McCormick Place
Chicago, Illinois
One of the largest showcases of processing, packaging, equipment, ingredients and services for foods and beverages.

Convention Management Group
2751 Prosperity Ave., Suite 100
Fairfax, VA 22031
Tel.: (703) 876-0900
Fax: (703) 876-0904
E-mail: wwfe@cmgexpo.com
Internet: http://www.worldwidefood.com

**National Restaurant Association's Hotel and Motel Show**
May 19-22, 2001 (Annual)
McCormick Place
Chicago, Illinois
Food, beverage, equipment and other supplies related to the food service industry.

National Restaurant Association
150 North Michigan Ave., Suite 2000
Chicago, IL 60601
Tel.: (312) 853-2525
Fax: (312) 853-2548
E-mail: isal@restaurant.org
Internet: http://www.restaurant.org/show

## KEY CONTACTS AND SUPPORT SERVICES

**Agriculture and Agri-Food Canada**
International Markets Bureau
930 Carling Ave., 10th Floor
Ottawa, ON K1A 0C5
Contact: Brian Sundue

**Department of Foreign Affairs and International Trade (DFAIT)**
125 Sussex Dr.
Ottawa, ON K1A 0G2
Internet: http://www.dfait-maeci.gc.ca

Tel.: (613) 759-7712
Fax: (613) 759-7506
E-mail: sundueb@em.agr.ca

**Canadian Commercial Corporation (CCC)**
Metropolitan Centre
50 O'Connor St., 11th Floor
Ottawa, ON K1A 0S6
Tel.: 1-800-748-8191 or (613) 996-0034
Fax: (613) 995-2121
E-mail: info@ccc.ca
Internet: http://www.ccc.ca

**Canadian Food Inspection Agency (CFIA)**
59 Camelot Dr.
Nepean, ON K1A 0Y9
Tel.: (613) 225-2342
Fax: (613) 228-6653
E-mail: cfiamaster@em.agr.ca

*Authentication and Service of Documents (JLAC)*
Tel.: (613) 992-6602
Fax: (613) 992-2467

*Market Support Division (TCM)*
Tel.: (613) 995-1773
Fax: (613) 943-1103

*Tariffs and Market Access Division (EAT)*
Tel.: (613) 992-2177
Fax: (613) 992-6002 or (613) 944-4840

*U.S. Business Development Division (UTO)*
Tel.: (613) 944-5912
Fax: (613) 944-9119

**Export Development Corporation (EDC)**
151 O'Connor St.
Ottawa, ON K1A 1K3
Tel.: 1-800-850-9626 or (613) 598-2500
Fax: (613) 598-6697
E-mail: export@edc4.edc.ca
Internet: http://www.edc.ca

**Agriculture and Agri-Food Canada - Regional Trade Contacts**

Renee Umezuki
*New Westminster*
Tel.: (604) 666-7903

Mike Southwood
*Edmonton*
Tel.: (780) 495-5528

Brenda Patton
*Regina*
Tel.: (306) 780-7071

Bernard Mallet
*Fredericton*
Tel.: (506) 452-3732

Chris Pharo
*Charlottetown*
Tel.: (902) 566-7310

Dan Wuerch
*Winnipeg*
Tel.: (204) 984-4230

Frank Webster
*Guelph*
Tel.: (519) 837-5854

Robert Bouchard
*Montreal*
Tel.: (514) 283-3815

Janet Steele
*Halifax*
Tel.: (902) 426-2221

Al McIsaac
*St. John's*
Tel.: (709) 772-0330

**International Trade Centres**

For export counselling or publications for Canadian exporters, contact a local International Trade Centre by calling 1-888-811-1119.

**Canadian Government Contacts in the United States**

**Canadian Embassy - Washington**
501 Pennsylvania Ave. NW
Washington, DC 20001
Contact: Cynthia Stevenson
Tel.: (202) 682-7765
Fax: (202) 682-7619
E-mail: cynthia.stevenson@dfait-maeci.gc.ca

**Canadian Consulate General - Atlanta**
1175 Peachtree St. N.E.
1700 - 100 Colony Square
Atlanta, GA 30361-6205
Contact: Carl Rockburne
Tel.: (404) 532-2000
Fax: (404) 532-2050
E-mail: carl.rockburne@dfait-maeci.gc.ca

**Canadian Consulate General - Boston**
3 Copley Place, Suite 400
Boston, MA 02116
Contact: Colette Lekborg
Tel.: (617) 262-3760
Fax: (617) 262-3415
E-mail: colette.lekborg@dfait-maeci.gc.ca

**Canadian Consulate General - Buffalo**
1 Marine Midland Centre, Suite 3000
Buffalo, NY 14203-2884
Contact: Marcia Grove
Tel.: (716) 858-9555
Fax: (716) 852-4340
E-mail: marcia.grove@dfait-maeci.gc.ca
Internet: http://www.canadianconsulatebuf.org

**Canadian Consulate General - Minneapolis**
701 4th Ave. South, Suite 900
Minneapolis, MN 55415-1899
Contact: Kent Jensen
Tel.: (612) 332-7486 ext. 3357
Fax: (612) 332-4061
E-mail: kent.jensen@dfait-maeci.gc.ca

**Canadian Consulate General - New York**
1251 Avenue of the Americas

**Canadian Consulate General - Chicago**
2 Prudential Plaza
180 N. Stetson Ave., Suite 2400
Chicago, IL 60601
Contact: Cathy Cameron
Tel.: (312) 616-1873 ext. 3368
Fax: (312) 616-1878
E-mail: cathy.cameron@dfait-maeci.gc.ca

**Canadian Consulate General - Dallas**
750 North St. Paul Street, Suite 1700
Dallas, TX 75201
Contact: Cate Lisak
Tel.: (214) 922-9806
Fax: (214) 922-9815
E-mail: cate.lisak@dfait-maeci.gc.ca

**Canadian Consulate General - Detroit**
600 Renaissance Centre, Suite 1100
Detroit, MI 48243-1798
Contact: Keith Jozwik
Tel.: (313) 567-2208 ext. 3361
Fax: (313) 567-2164
E-mail: keith.jozwik@dfait-maeci.gc.ca

**Canadian Consulate General - Los Angeles**
550 South Hope Street, 9th Floor
Los Angeles, CA 90071-2627
Contact: Carl Light
Tel.: (213) 346-2700
Fax: (213) 346-2627
E-mail: carl.light@dfait-maeci.gc.ca

**Canadian Consulate General - Seattle**
412 Plaza 600, Sixth and Stewart Streets
Seattle, WA 98101-1286
Contact: Doug McCracken
Tel.: (206) 443-0336 ext. 3356
Fax: (206) 443-9662
E-mail: doug.mccracken@dfait-maeci.gc.ca

New York, NY 10020-1175
Contact: Lisa Rambert
Tel.: (212) 596-1656
Fax: (212) 596-1793
E-mail: lisa.rambert@dfait-maeci.gc.ca
Internet: http://www.canada-ny.org

**Export-Oriented Canadian Food Industry Associations**

A detailed list of both provincial and national Canadian food industry associations can be found on the Agriculture and Agri-Food Web site at: http://atn-riae.agr.ca/public/associations-e.htm.

**Alliance of Manufacturers & Exporters Canada**
75 International Blvd., 4th Floor
Toronto, ON M9W 6L9
Tel.: (416) 798-8000 or (613) 563-9218
Fax: (416) 798-8050
E-mail: national@the-alliance.com
Internet: http://www.the-alliance.com

**Atlantic Canada Export Club**
24 Pictou Rd.
Truro, NS B2N 2R8
Tel.: (902) 893-7539
Fax: (902) 893-7041
E-mail: atlcanadaexport@ns.sympatico.ca
Internet: http://www.atlcanadaexport.ca

**Canadian Food Exporters Association**
885 Don Mills Rd., Suite 301
Don Mills, ON M3C 1V9
Tel.: 1-888-227-8848 or (416) 445-3747
Fax: (416) 510-8044
Contact: Susan Powell
E-mail: susanp@cfea.com
Internet: http://www.cfea.com

**Food Beverage Canada**
17311 - 103rd Ave., Suite 201
Edmonton, AB T5S 1J4
Tel.: 1-800-493-9767 or (780) 486-9679
Fax: (780) 484-0985
Internet: http://www.foodbeveragecanada.com

**Food Institute of Canada (FIC)**
1600 Scott St., Suite 415
Ottawa, ON K1Y 4N7
Tel.: (613) 722-1000
Fax: (613) 722-1404
Internet: http://foodnet.fic.ca

**Quebec Agri-Food Export Club**
200 MacDonald St., Suite 102
St. Jean-sur-Richelieu, QC J3B 8J6
Tel.: (514) 349-1521
Fax: (514) 349-6923
E-mail: castor@profil-cdi.qc.ca
Internet: http://www.profil-cdi.qc.ca

**U.S. Government Contacts**

**U.S. Department of Agriculture (USDA)**

**U.S. Department of Health and Human**

14th Street and Independence Avenue, S.W.
Washington, D.C. 20250, U.S.A.
Tel.: (202) 720-2791
Internet: http://www.usda.gov

Note: All USDA offices are accessible from the main telephone number.

**U.S. Department of Agriculture (USDA)**
*Food Safety and Inspection Service (FSIS)*
14th Street and Independence Avenue, S.W.
Washington, D.C. 20250, U.S.A.
Tel: (202) 720-7025
Fax: (202) 205-0158
Internet: http://www.fsis.usda.gov

**Services**
*Food and Drug Administration (FDA)*
5600 Fishers Lane
Rockville, MD 20857
Tel.: (301) 443-4480
Fax: (301) 443-0335
Internet: http://www.fda.gov

**U.S. Department of the Treasury**
*U.S. Customs Service (USCS)*
1300 Pennsylvania Ave. NW
Washington, DC 20229
Tel.: (202) 927-6724
Fax: (202) 927-1393
Internet: http://www.customs.ustreas.gov

**U.S. Industry Associations**

**American Water Works Association (AWWA)**
6666 West Quincy Ave.
Denver, CO 80235
Tel.: (303) 794-7711

1401 New York Ave. NW, Suite 640
Washington, DC 20005
Tel.: (202) 628-8303
Internet: http://www.awwa.org

**American Wholesale Marketers Association**
1128 16th St. NW
Washington, DC 20036
Tel.: (202) 463-2124
Fax: (202) 463-6312
Internet: http://www.awmanet.org

**Association of Sales & Marketing Companies**
2100 Reston Parkway, Suite 400
Reston, VA 20191-1218
Tel.: (703) 758-7790
Fax: (703) 758-7787
E-mail: info@asmc.org
Internet: http://www.asmc.org
Formerly the National Food Brokers Association and the International Food Service Brokers Association.

**National Association of Beverage Retailers**
5101 River Rd., Suite 108
Bethesda, MD 20816-1508
Tel.: 301-656-1494

**International Bottled Water Association (IBWA)**
1700 Diagonal Rd., Suite 650
Alexandria, VA 22314
Tel.: (703) 683-5213
Fax: (703) 683-4074
E-mail: ibwainfo@bottledwater.org
Internet: http://www.bottledwater.org

**Food Distributors International**
201 Park Washington Court
Falls Church, VA 22046-4521
Tel.: (703) 532-9400
Fax: (703) 538-4673
Internet: http://www.fdi.org
Formerly the National American Wholesale Grocers Association and the International Food Service Distributors Association.

**Food Marketing Institute**
655 15th St. NW
Washington, DC 20005
Tel.: (202) 452-8444
Fax: (202) 429-4519
E-mail: fmi@fmi.org
Internet: http://www.fmi.org

**National Food Processors Association**
1350 I St. NW, Suite 300
Washington, DC 20005
Tel.: (202) 639-5900
Fax: (202) 639-5932
E-mail: nfpa@nfpa-food.org

Fax: 301-656-7539
Email: nabr@nabronline.org

**National Soft Drink Association**
1101 16th St. NW
Washington, DC 20036
Tel.: (202) 463-6732
Fax: (202) 463-8277
E-mail: mcavanagh@nsda.com
Internet: http://www.nsda.org

**National Association for Retail Merchandising Services**
PO Box 906
Plover, Wisconsin 54467-0906
Tel.: (715) 342-0948
Fax: (715) 342-1943
Internet: http://www.narms.com

Internet: http://www.nfpa-food.org/index.html

**National Restaurant Association**
1200 17th St. NW
Washington, DC 20036-3097
Tel.: 1-800-424-5156
Fax: (202) 331-5946
E-mail: info@dineout.org
Internet: http://www.restaurant.org

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Beverage Marketing. *Bottled Water in the U.S.*, June 1999.

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*The Globe & Mail*. "Bottled Water Gushing South; Canada Gets Little in Return for Rights to Valuable Natural Resource," September 22, 1999.

*Industries in Transition*. "Bottled Water Sales Flow Uphill," October 1, 1999.

------. "FDA Feasibility Study Splits Water Camps," May 1, 2000.

*International Food Ingredients*. "U.S. Soft Drink Consumption Totalled 46,271 Million Litres Worth $215,279.7 Million in 1998," January 1, 2000.

*Natural Foods Merchandiser*. "In 1998, Bottled Water Sales Totalled $5.2 Billion, According to the International Bottled Water Association," March 1, 2000.

*Pesticide & Toxic Chemical News*. "FDA Releases Bottled Water Labelling Study," March 2, 2000.

*Pittsburgh Post-Gazette*. "Pepsi's Battle With Coke Gets $3.3 Billion Juicier," July 21, 1998.

*Prepared Foods*. "In 1999, Water, Chai, Green Tea and Ready-to-Drink Juices Were the Beverage Sub-Categories with Many Standout New Products," April 1, 2000.

*Restaurants & Institutions*. "Bottled Water Sales Exceed $4 Billion/Year, Much of It in the Food Service Industry," May 1, 2000.

*Supermarket News*. "Tea Time," April 10, 2000.

------. "Isotonic Drink Sales in the U.S. Totalled $801 Million for the 52 Weeks Ending Dec. 5, 1999," February 21, 2000.

------. "Water's Rising: Bottled Water Volume is Growing like the Genie Released From the Jug - and Retailers are Basically Just Staying out of the Way," August 16, 1999.

USA Monitor. *The Market for Bottled Water in the U.S.*, October 1999.

------. *The Market for Fruit Juices in the U.S.*, October 1999.

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*Wall Street Journal*. "Gatorade, Which Reported $1.5 Billion in Sales in 1999 and has a Market Share of 81%, Maintains Its Dominant Position with Research Substantiating the Benefits of Its Products," May 5, 2000.

*Water Engineering & Management*. "AWWA Demands Full Disclosure on Bottled Water Contaminants," April 1, 2000.

*Water World*. "In 1998, Sales of Bottled Water in the U.S. Reached Nearly $5 Billion and that Figure is Predicted to Increase to $6.4 Billion by 2003," April 1, 2000.

## OTHER REFERENCE MATERIAL

### Internet Sites

Agri-Food Trade Service: http://ats.agr.ca

American Water Works Association: http://www.awwa.org

Associations of Sales and Marketing: http://www.asmc.org

Canada Business Service Centres: http://www.cbsc.org

Canadian Food Inspection Agency: http://www.cfia-acia.agr.ca

Canadian Food Trade Alliance: http://www.cfta.ca

Department of Foreign Affairs and International Trade: http://www.dfait.maeci.gc.ca

ExpoGuide: http://www.expoguide.com

ExportSource: http://exportsource.gc.ca

Food Distributors International: http://www.fdi.org

Governments on the WWW - United States of America: http://www.gksoft.com/govt/en/us.html

InfoExport: http://www.infoexport.gc.ca

International Bottled Water Association: http://www.bottledwater.org

National Association of Beverage Retailers: http://www.nabronline.org

National Association of Convenience Stores: http://www.cstorecentral.com

National Soft Drink Association: http://www.nsda.org

Strategis: http://strategis.ic.gc.ca

Tradeport: http://www.tradeport.org

Trade Show Central: http://www.tscentral.com

Trade Show News Network: http://www.tsnn.com

U.S. Food and Drug Administration: http://www.fda.gov

U.S. Trade Center: http://www.ustradecenter.com

Water.com Home Page: http://www.water.com

**Table 3: Currency Conversion Rates for the Canadian dollar, and the U.S. dollar (using average annual rates)**

| Currencies | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|---|---|---|---|---|---|
| Canadian dollar to U.S. dollar | 0.7322 | 0.7289 | 0.7334 | 0.7224 | 0.6747 | 0.6732 |
| U.S. dollar to Canadian dollar | 1.3661 | 1.3724 | 1.3635 | 1.3846 | 1.4837 | 1.4857 |

Source: IDD Information Services, *Tradeline*, January-March 2000.

**READER EVALUATION**

Please help the Team Canada Market Research Centre to produce market reports which meet your information needs by completing this evaluation form and returning it by fax (613) 943-1103. Thank you for your valuable input.

**1. How did you obtain a copy of this market report?**

☐ InfoCentre FaxLink system ☐ Government worldwide web site
☐ InfoCentre help line ☐ InfoCentre bulletin board system
☐ Local government office ☐ Other: ____________________________

**2. How would you describe this market report?**

| | Strongly agree | Agree | No opinion | Disagree | Strongly disagree |
|---|---|---|---|---|---|
| Useful | ☐ | ☐ | ☐ | ☐ | ☐ |
| Complete | ☐ | ☐ | ☐ | ☐ | ☐ |
| Well organized | ☐ | ☐ | ☐ | ☐ | ☐ |
| Well written | ☐ | ☐ | ☐ | ☐ | ☐ |
| Ideal length | ☐ | ☐ | ☐ | ☐ | ☐ |

**3. In what form do you prefer to obtain these reports?**

☐ Print ☐ Electronic

**4. Based on the information in this report, what specific action(s) does your organization plan to take in this market? Check all that apply.**

☐ Seek an agent/distributor ☐ Contact Canadian trade office abroad
☐ Visit the market ☐ Participate in a trade show abroad
☐ Do more research ☐ Nothing
☐ Other: ____________________________

**5. What other market reports would be of benefit to your organization? Please identify specific products and countries.**

________________________________________________________________________
________________________________________________________________________

**6. Which of the following categories best describes your organization? Check one only.**

☐ Processor/manufacturer ☐ Government
☐ Trading house ☐ Student/academia
☐ Export service provider ☐ Consultant
☐ Industry/trade association ☐ Other: ______________________________

**7. What were your organization's total sales last year, in Canadian dollars?**

☐ Less than 10 million ☐ 10 million to 50 million
☐ More than 50 million ☐ Not applicable

**Additional comments/suggestions for improvement:**

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

**OPTIONAL** — The name of your organization is: _________________________

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1. All monetary amounts are expressed in Canadian dollars, unless otherwise indicated. The conversion rate to Canadian dollars is based on IDD Information Services, *Tradeline*, January-March 2000. Exact rates can be found at the end of this report, in Table 3.

2. For contact information regarding key organizations mentioned in this report, see **Key Contacts and Support Services**.

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