

Bringing Buyer and Seller Together

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Internationalization, a buzz word of the 1980's, is affecting all sectors of the U.S. economy, including the meat industry. Many American meat companies are looking beyond the United States for new customers for their products. Selling products overseas, however, presents a new set of responsibilities and tasks for a company, which it may not be able to accomplish because of lack of staff, resources, and market knowledge. But an organization exists with a track record of success in helping U.S. meat companies sell their products overseas—the U.S. Meat Export Federation (MEF).

Getting Started

Since 1976, MEF has helped U.S. meat companies sell beef, pork, and lamb throughout the world. Based in Denver, Colorado, MEF has offices in Tokyo, Singapore, Hamburg, and Caracas. MEF helps U.S. meat packers, processors, and exporters sell more of their product overseas through market development, trade servicing, and market access. It is funded not only by meat packers but also by livestock organizations, grain promotion groups, farm organizations, and agribusiness companies.

Through its trade-servicing function, MEF provides assistance and knowledge to its member companies. For example, a small meat-processing company might hear that the market for U.S. meat products is growing in Japan. Through further discussions with other industry members, the

company might discover that companies involved in exporting are MEF members.

A call to MEF in Denver puts the company in contact with the Technical Services Department. This department explains market potential as well as the basic requirements in exporting meat overseas. These requirements include export documentation, shipping procedures, importing country requirements, and labeling. Following additional discussions, the company might decide to join MEF in order to receive full-fledged trade servicing. A representative from the company will then most likely call the MEF overseas director responsible for the country or region in which the company wants to sell its product.

According to its European and Middle East director, Willem Zerk, common questions asked by exporters new to selling to a particular region include these: Who are the end users—retail outlets, restaurants, companies that carry out further processing? What are the preferences for marbling and portion size? What are the requirements for labeling, packaging, and documentation? What is the reliability of the supplier and the potential of the market?

In addition to answering questions, overseas directors can provide a vast amount of research about a country or market. For example, MEF's office in Japan has thoroughly studied the Japanese market for U.S. meat and has produced two research books, detailing every aspect of the Japanese

market for both beef and pork. Such research could take years for individual exporters to compile. In addition to research, MEF has a vast network of trade contacts throughout Japan, which it can provide to MEF members.

Lending Credibility

According to vice president of international programs Phil Seng, MEF also lends its reputation and credibility in introducing exporters to potential customers. Unlike their counterparts in the United States, firms in many foreign countries conduct business only after a period of establishing a business relationship. In Japan, it is important to have credibility before business is conducted. MEF/Tokyo has such credibility and lends credibility to exporters new to a market or buyer when introducing the exporter. "Our job is basically to put buyer and seller together," Seng said. "However we also assist in following up on sales, which is very important."

Conducting business in a foreign country can sometimes be frustrating for U.S. exporters if they are unsure about cultural differences. MEF is always able to assist with one obvious difference—language—by sending along a bilingual staff member to translate. In addition, exporters may not understand cultural differences, from body language to ways in which business transactions are begun and closed. Seng said sometimes a U.S. exporter might return to MEF's office from a meeting with a buyer and be uncertain how to analyze what took place at the meeting. MEF staff can help the exporter understand what the buyer was saying or insinuating. MEF can also advise from a cultural standpoint the next step the exporter should take to carry through a sale.

Keeping Customers Happy

Along with introducing exporters to customers, MEF plays a valuable role in maintaining contacts with importers; the hotel, restaurant, and institutional (HRI) trade; importers; and trade associations. MEF-member Tom Healy of the Excel Corporation said MEF is good with followup or "keeping customers happy." He cited a current situation in which MEF's Hamburg office works with retail outlets in Belgium. In addition to calling on trade members on a regular basis, MEF has helped retailers develop recipe leaflets for U.S. beef tongues. Maintaining these contacts requires MEF overseas directors to travel frequently as they are responsible not only for the country in which the office is located, but also for the surrounding countries or regions as well. Such travel is difficult and expensive for many exporters to do regularly.

For example, Foo Meng Hian is the MEF director responsible for ASEAN—the Association of South East Asian Nations. Its member countries are Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. During a 12-day swing through the Phillipines and Brunei, Foo met with more than 50 trade members, including hotel food and beverage managers, purchasing managers, chefs, restaurant personnel, importers, and tourist associations. The meetings covered a variety of subjects, typical of discussions any overseas director would have during similar meetings in other countries. In the Philippines, Foo's meetings included a discussion with an importer about a new brand of beef he recently began buying. The importer also was interested in obtaining funds from MEF to conduct promotions of U.S. meat. Meetings with hotel food and beverage managers produced several trade leads and

requests for MEF purchasing guides and meat charts.

In Brunei, visits with hotel managers revealed that U.S. beef was being featured and that at one hotel, MEF's place mats and other materials had helped build a steady demand for U.S. beef. In all the countries, many of the trade members Foo met with for the first time said they were glad to know about MEF and would use the organization in the future.

The Latin American/Caribbean region poses a similar situation to MEF representative Jerry Perez, whose office is in Caracas, Venezuela. To help maintain business in the Caribbean, an important market for U.S. meat, Perez travels throughout the islands calling on importers and HRI members. Like other overseas directors, Perez conducts trade seminars to educate trade members about the quality of U.S. meat and how to handle and store frozen meat.

Discovering New Markets

Trade servicing trips and seminars also help MEF uncover new markets or potential markets. MEF then relays this information to its members, who often then find new customers for their products.

North Yemen is an example of such a discovery and resulting sales for MEF members. During the oil boom years, Middle Eastern countries such as Saudi Arabia were an excellent market for U.S. meat. However, as the oil industry declined and many expatriates left these countries, U.S. meat exports to the region declined. MEF monitored the situation in these countries and periodically assessed market potential in nontraditional markets.

During a market survey trip to North Yemen in 1986, European and Middle East director Zerk found the country's buying power was increasing because of the recent discovery of

oil. He relayed market potential information to MEF members, who were somewhat reluctant to respond because of their lack of knowledge about the region. However, Zerk persisted and today, several MEF-member companies are supplying variety meats to the region.

Through a market survey trip to the Canary Islands, Zerk discovered a large potential for beef liver sales. Zerk once again relayed this information to members. One member visited importers and end users, investigated the market, made changes in its packaging, and began selling large quantities of beef livers. Zerk said this business had a spill-over effect, and the company also began selling high quality beef.

The sale of beef livers to the Canary Islands is an example of how MEF's market development efforts—particularly promotion and education—tie in with an individual company's sales efforts. Given the large potential for beef liver sales in the islands, MEF developed a leaflet to educate the HRI trade and consumers about the advantages of U.S. beef livers. MEF worked with companies selling the product in the region, importers, and end users to develop recipes and other information for the leaflet that would appeal to Spanish consumers' tastes.

Selling More Meat

The advantage of MEF's market development efforts to U.S. meat packers was no better experienced than in Japan in 1987 under the Targeted Export Assistance (TEA) Program. The \$6.5 million MEF received in TEA funding was used for television and print advertising, restaurant and retail promotions, consumer seminars, and educational publications. Trade seminars allowed individual U.S. companies to present their



Japan's first meat month, staged by MEF, provided many opportunities for U.S. meat packers to meet one-on-one with members of the Japanese trade. This consumer has taken advantage of the event to purchase meat. (Meat Export Federation)

products and capabilities to interested industry members. Through elaborate trade show displays, companies displayed their products to the trade and consumers. MEF also staged the first U.S. Meat Month in Japan, providing numerous opportunities for U.S. meat packers to meet one-on-one with members of the Japanese trade.

Tadayoshi Watanabe of John Morrell & Company said MEF's program

was a "good sales campaign of high grade. The program is a 10—100 percent." John Jay of Excel said, "MEF's approach is good. We're saying why our product is good, rather than why our competitor's product is bad."

In an independent evaluation of MEF's program, 75 percent of Japanese meat trade members said they had helped to improve the image of U.S. meat with consumers during the



U.S. meat-cooking seminars, like this one for Japanese consumers, was one of many highly successful activities of the Meat Export Federation. Other activities included television and print advertising, restaurant and retail promotions, and educational publications. (Meat Export Federation)

past year, and 100 percent said they believed that if quotas were liberalized, MEF programs would help improve U.S. meat sales in Japan.

It appears the Japanese industry was right. In August 1987, 5 months into MEF's campaign, the Japanese Government announced it would raise Japan's beef import quota an unprecedented 37,000 metric tons—a 21-percent increase. The increase would take place in Japanese fiscal year 1987, and approximately half of the increase was expected to be filled by U.S. beef.

Developing Markets for the Future

In the fast-paced world of the U.S. meat industry where entering a foreign market presents a series of formidable challenges, MEF is providing a valuable service. Through trade servicing, market development and market access, MEF is bringing buyer and seller together to help companies sell their products overseas today and in the years ahead.