

ONTARIO FOOD MARKET TERMINAL

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Introduction

The North America Free Trade Agreement (NAFTA) has improved trade ties between Canada, Mexico and the United States. Initially Japan was the United States number one trading partner for fruits and vegetables. This situation changed three years ago when Canada became our leading market, followed by Japan, Mexico and Europe. The result of the drastic change in the United States marketing channel for fruits and vegetables triggered the need for this research. The overall objective was to study the current state of affairs facing the Canadian market where most of our fresh produce ends up (Figure 1).



Figure 1: Ontario Food Terminal Board General Office, Canada.

Material and Methods

To obtain marketing and distribution channel information for this research, it was imperative to track the movements of the delivery truck from the United States to Canada. Furthermore, an informal survey and interview of the main buyers of Georgia vegetables was conducted. The officers of the Ontario Food Terminal approved an informal tour of the terminal facilities and warehouses. Priority was given to warehouses and managers who purchased most or all their vegetables from the State of Georgia, U.S.A

Results and Discussions

The main brokers who stocked Georgia vegetables amongst others were RITE-PAK



Figure 2: Georgia Green Pepper in Rite-Pak Produce Warehouse, Canada.

PRODUCE and STRONACH & SONS. RITE-PAK PRODUCE purchased green pepper and other vegetables directly or indirectly from Georgia in bulk. They in turn, resell them to either another semi-wholesaler or to a retailer and subsequently to the consumers.

Marketing Channel

Two different distribution or market channels were observed in this study. There was three-level-channel, i.e. Producer - Wholesaler - Semi-wholesaler - Retailer - Consumer and the two-level-channel which consisted of Producer - Wholesaler - Retailer - Consumer. The producers in this study are Georgia growers who sell their fresh produce to wholesalers in Canada such as RITE-PAK PRODUCE AND STRONACH & SONS. The wholesaler in turn resells the fresh vegetables to a quasi-wholesaler who also buys in semi-bulk. This quasi-wholesaler also sells the produce to a retailer who finally resells the produce to the final consumer.



Figure 3: Georgia Sweet Corn in STRONACH & SONS,
Ontario, Canada.

General Comments/Observations

Canadian buyers were totally satisfied with all the fresh produce coming from Georgia. They rated fresh produce from Georgia as having excellent quality. Delivery was consistent. However, the only problem that came up on numerous occasions was the fact that their warehouses were full to capacity whereas the producers were trying to push in more containers into the market.

Conclusion

Although Canada is still our leading market for fruits and vegetables, the market is almost saturated and cannot absorb all the produce coming from the United States. It is therefore necessary for Georgia growers to start searching for other market opportunities. By so doing, they will be minimizing their risk and helping to keep prices in check.

Reference

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