Canadian Agri-Food Export Analysis

Insights into Canada's agriculture export industry trends

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Introduction and Agenda

Purpose and Scope

Report Purpose and Scope

The report analyzes export concentration in agri-food sectors using HHI and compares concentration with export values.

Strategic Importance

Understanding market concentration aids risk management and diversification planning across major agri-food sectors.

Agri-Food Sectors Covered

The analysis covers dairy, meat, fish and seafood, grains and oilseeds, processed foods, and specialty sectors.

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Agenda

Presentation Structure Overview

The agenda presents a clear, logical flow from HHI concepts to actionable export strategy insights.

Key Topics Covered

Topics include HHI relevance, export trends, sector comparisons, diversification, and strategic implications.

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Understanding HHI and Its Importance

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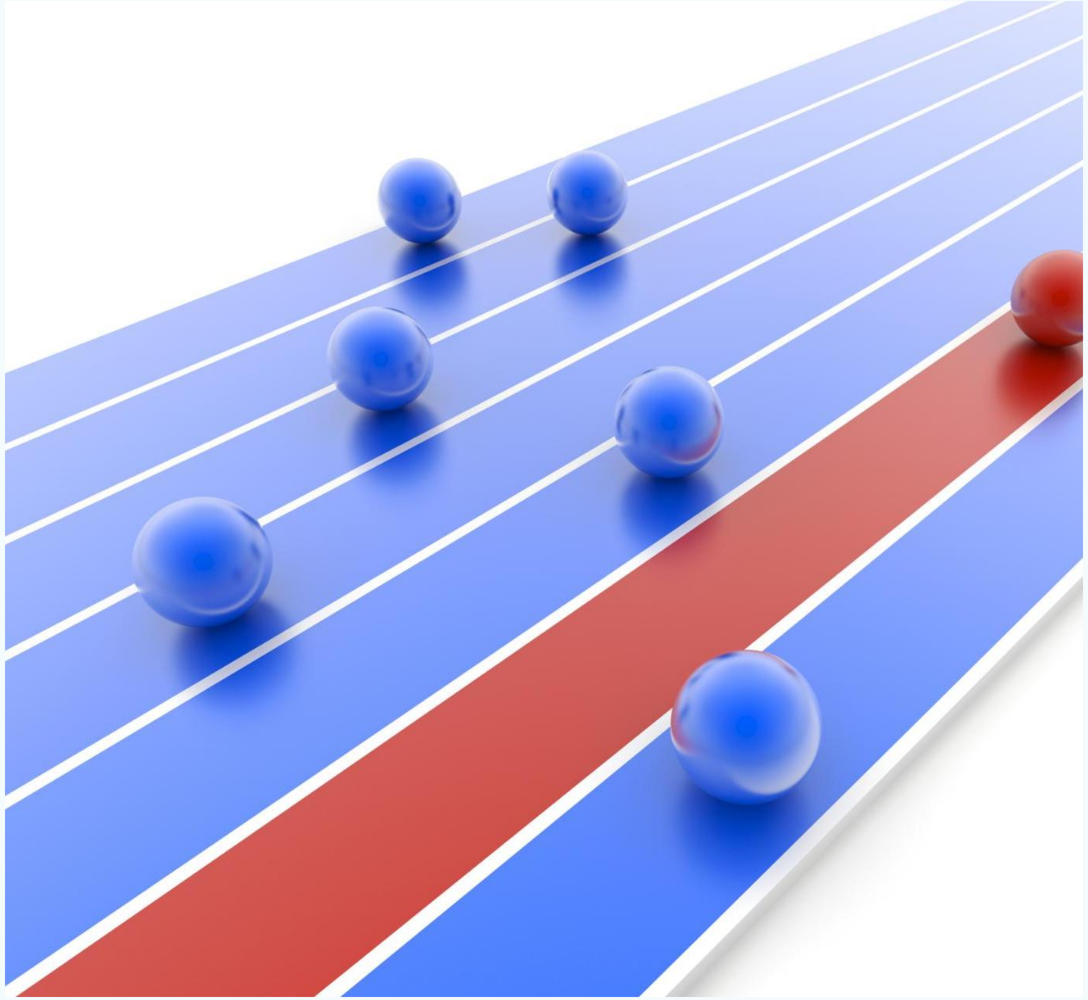
HHI Concept and Strategic Relevance



Understanding HHI Metric

HHI measures market concentration by summing squared market shares, normalized between 0 and 1.

HHI in Agri-food Exports

HHI assesses reliance on few countries in Canadian agri-food exports, indicating risk or resilience.

Strategic Importance of HHI

Monitoring HHI helps plan for trade disruptions in sectors with concentrated markets like dairy and seafood.

HHI Calculation Methodology

HHI is computed using export-by-country data from official sources such as AAFC and Statistics Canada.

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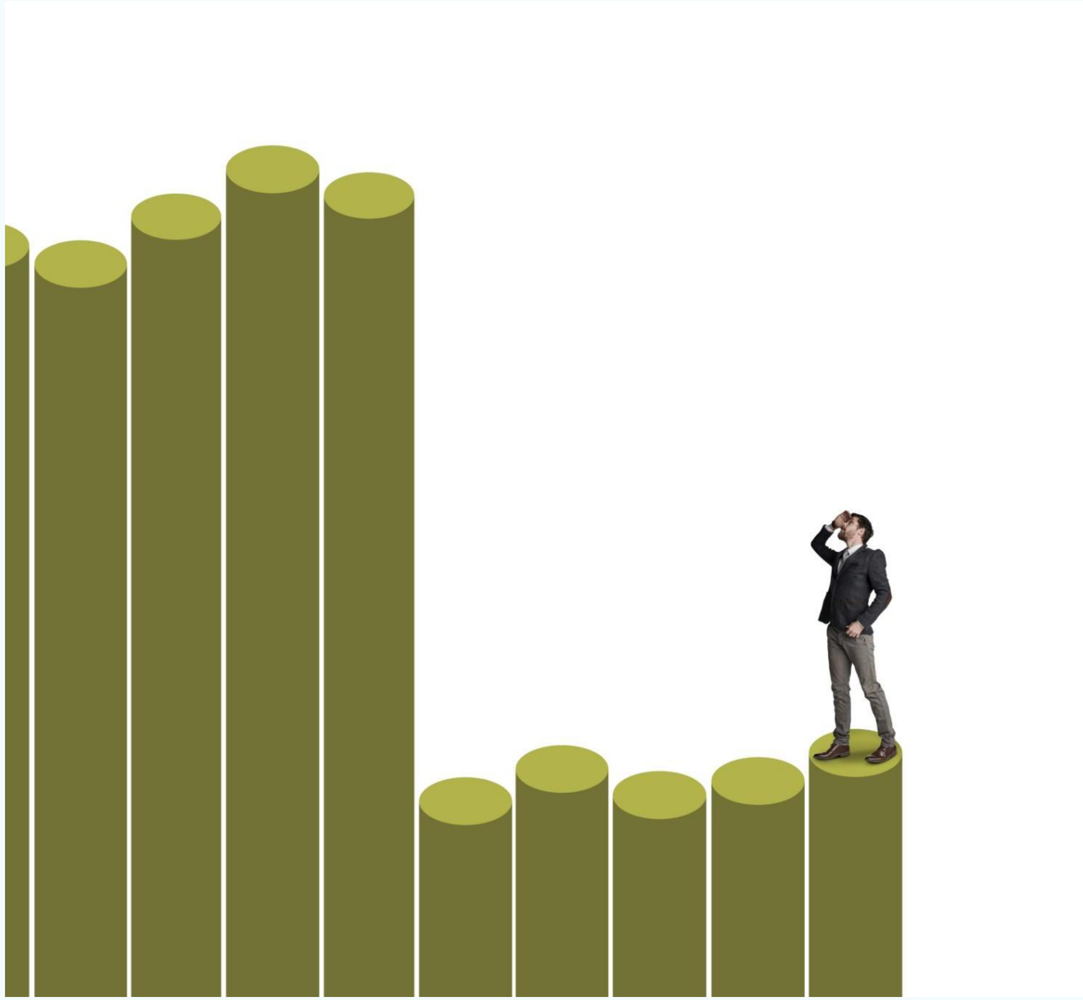
Dairy Export Trends and Concentration

Dairy HHI Trend (2014-2024)



High Export Concentration

Canadian dairy exports show high concentration with HHI values around 0.32 to 0.35 over the decade.

Key Export Markets

The United States dominates as the primary market for Canadian dairy exports, increasing concentration risk.

Revenue Growth

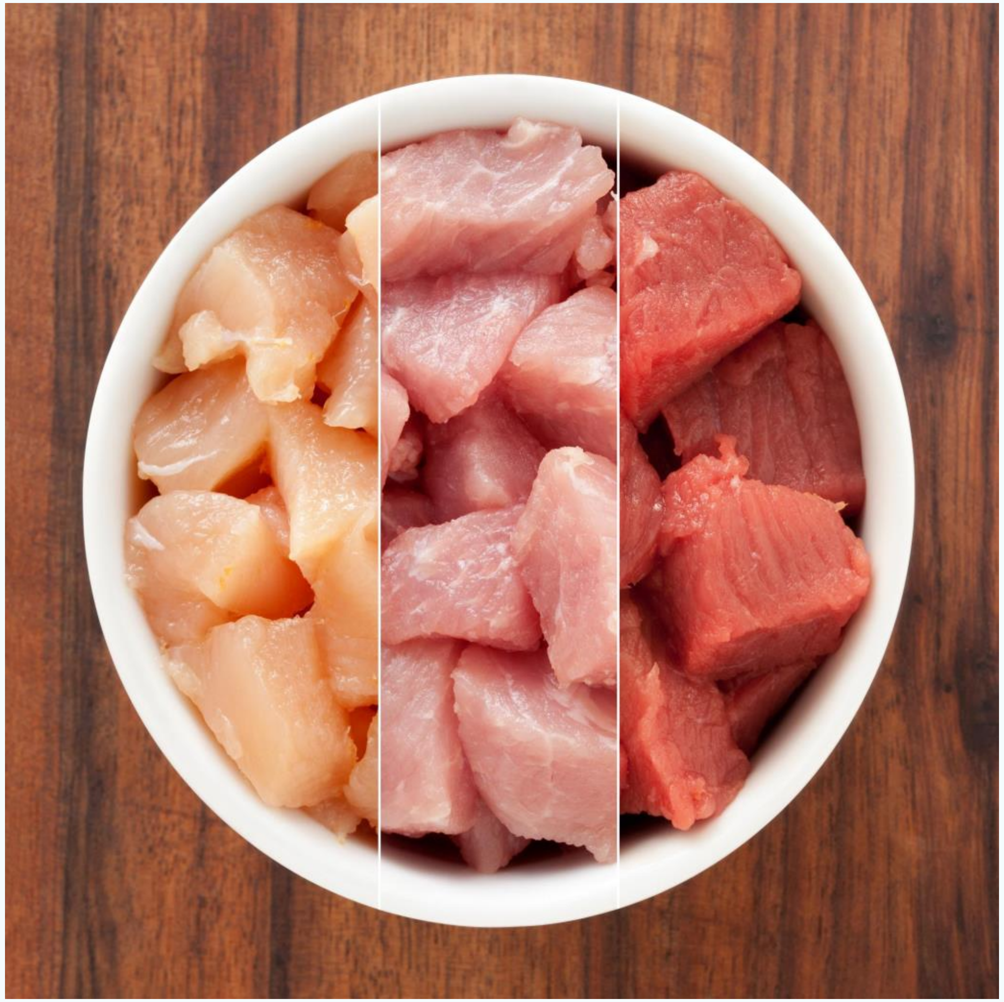
Dairy export values grew from $211 million in 2015 to $554.7 million in 2024 despite concentration risks.

Need for Diversification

High market concentration exposes the sector to geopolitical risks, underscoring the need for diversification strategies.

Comparative Analysis: Dairy vs Pork

Normalized HHI Comparison



Market Concentration Levels

Dairy exports have a high normalized HHI of 0.32–0.35, indicating strong destination concentration.

Broader Market Diversification

Pork exports show lower HHI values around 0.20–0.22, reflecting wider market spread across regions.

Export Value Comparison

Pork exports significantly outperform dairy with $5.48 billion versus $554.7 million in 2024.

Concentration vs Export Performance

High market concentration does not necessarily lead to higher export values, highlighting diversification benefits.

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Sector-Level HHI Trends and Market Shares

Sector-Level HHI Trend

Overall Sector Concentration

The aggregated sector-level HHI hovers around 0.31, indicating moderate market concentration across agri-food sectors.

Low Concentration in Grains & Oilseeds

Grains and oilseeds sectors show low HHI values (~0.16-0.18) due to wide global diversification of exports.

High Concentration in Dairy and Fish

Dairy and fish & seafood sectors have higher HHIs above 0.26, reflecting greater market concentration.

Mid-Range Processed Foods

Processed foods and specialty products fall in the mid-range HHI levels, indicating moderate concentration.

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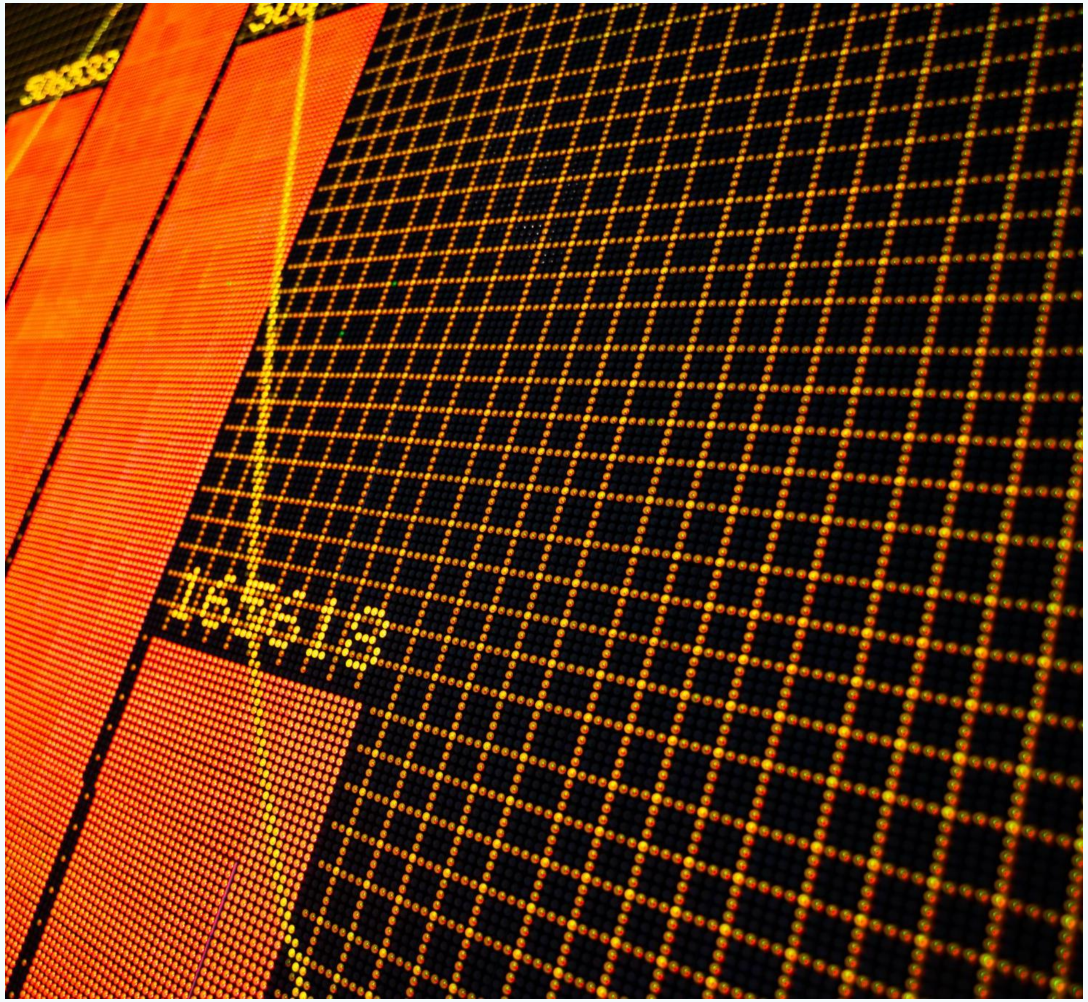
Sector Share Comparison



Grains & Oilseeds Share

Grains and oilseeds maintain the largest export share but slightly decline from 50% to 45% between 2014 and 2024.

Processed Foods Growth

Processed foods experience growth, increasing their export share from 15% to 20%, signaling opportunity in specialty products.

Meat and Fish Sector Changes

Meat export share drops marginally from 28% to 25%, while fish and seafood increase modestly from 10% to 12%.

Dairy and Diversification

Dairy exports decline from 2% to 1%, while other sectors grow, indicating a gradual diversification in export markets.

Destination HHI vs Export Values

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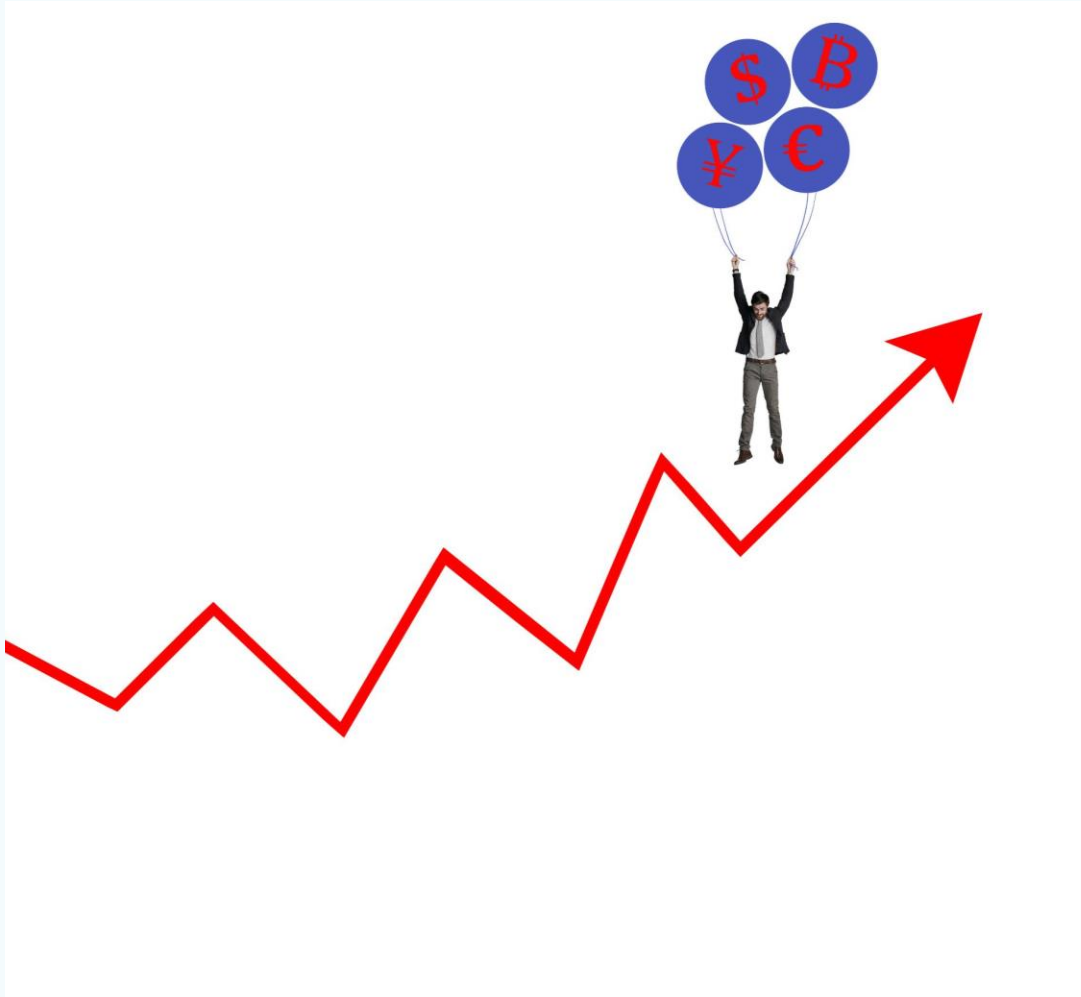
2024 Snapshot: HHI and Export Values



Dairy Sector Concentration

Dairy sector exhibits the highest market concentration with HHI around 0.32–0.35 but has the lowest export value near $554.7 million.

Fish & Seafood Performance

Fish & seafood sector balances relatively high concentration (HHI 0.26–0.28) with large export value of about $8.1 billion.

Grains & Oilseeds Diversification

Grains and oilseeds show the lowest market concentration (HHI 0.16–0.18) and maintain substantial export volumes, indicating global diversification.

Export and Concentration Insights

Export performance and concentration risk do not always correlate, underscoring the need for nuanced sector strategies.

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Strategic Implications

Recommendations for Market Diversification of Canadian Agri-food Sectors

Diversification for High-HHI Sectors

High-HHI sectors like dairy and fish & seafood should diversify into emerging markets to reduce concentration risk.

Value Addition and Supply Chain Resilience

Grains, oilseeds, and processed foods should focus on value-added products and supply chain resilience for competitiveness.

Continuous Monitoring and Risk Management

Ongoing monitoring of HHI and export growth supports proactive risk management and strategic decision-making.

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