

Title: Market potential for the export of Dutch veal to Canada

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Preface

I, Thijs Hummel, have written this research as my final thesis, my last assignment before I graduate from the International Food Business study at the Aeres University of Applied Sciences & Dalhousie University. This research is written for Dutch veal exporters to understand Canada's potential for veal. The assessors of this study provided feedback on the research proposal, this was applied to the relevant chapters according to the feedback. I want to thank all involved in doing this research. I want to especially thank Paul Beltman from Ekro and Jantien Tempert – Lijftogt from Aeres University of Applied Sciences for guiding me over the past couple of months.

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Summary

This study investigates Canada's potential for the export of Dutch veal by describing the external factors of the Canadian market, the opportunities and threats, and comparing those to the internal factors of the Dutch veal industry, the strengths and weaknesses. The aim of the study is to describe the potential that the Canadian market provides for Dutch veal exporters. To find the information necessary for this study, semi-structured interviews were conducted with ten participants, and three participants filled in a survey. Out of the factors given by the participants, four experts filled in a confrontation matrix to describe the influence of the various internal and external factors. The study shows that the most significant internal factor of the Dutch veal industry is the amount of integration in supply chains of the various veal producing companies; this allows the companies to be efficient, reduce costs, and improve the overall performance. Therefore, this internal factor is considered to be a strength. A weakness of the Dutch veal industry is the decreasing social acceptance of veal production, which creates the need for export markets. On the other hand, the study shows that the most significant external factor of the Canadian market is that price is the most important factor for the Canadian consumer when buying food, which is described as both an opportunity and a threat. The confrontation matrix for this study shows that the combination of these two factors has the most impact on the potential for the export of Dutch veal to Canada. This is because when the Dutch veal industry can produce against a competitive price, the Canadian market would be potential for them. According to the study, the Dutch veal industry can do so due to its integrated supply chain. Except, when the Dutch veal industry is unable to do so due to circumstances outside the integrated chain, such as high transport costs, the Canadian market would not be potential for them. When the industry can produce against a competitive price, the Dutch veal-producing companies should focus on the foodservice industry in Ontario and Quebec, as this provides the most potential for veal consumption in Canada.

1. Introduction

1.1 Dutch veal industry

A brief history of the Dutch veal industry is described to understand the industry in which this research is done. Industrial veal production started in the 1960s due to the expansion of the dairy industry. At that time, the male calves that were not used to maintain the farmer's herd were slaughtered right after birth, as there was no further use for them (Heeres, 2017). The same happened to the female calves that were excessive to the replacement of the farmer's dairy cattle. However, in the past 60 years, this surplus of calves created a lucrative business creating and maintaining almost 25.000 jobs (direct) and generating a revenue of €5.8 billion in 2017 in Europe (European Commission, 2018a; EuroVeal, 2021).

Veal can be divided into two groups, distinguished by color. One group is plainer and has a pinkish color; this is named milk-fed veal, as these calves are mainly fed a diet of milk replacers or a special milk formula (American Veal Association, 2019). The other group has a more rosé color and is named grain-fed veal, as these calves are mainly fed a diet based on grain and pellets made of protein, vitamins, and minerals (Veal Farmers of Ontario, 2021b). Since 1997, it has been obligated in the EU to include solid feed in the calves' feed, as this increases the health and welfare of the animals (Berends et al., 2015). Calves that produce grain-fed veal are being milk-fed for the first ten weeks, and after that, their diet of roughage and concentrate increases (Pali Group, n.d.).

The Netherlands is a significant producer of veal. The global market leader in veal, the VanDrie Group, is a Dutch family business (VanDrie Group, 2018). In 2020, the Dutch veal industry slaughtered a total of 1.558.700 calves. This number is divided into calves younger than nine months, 1.406.700, and calves between 9 and 12 months, which were 152.000 (CBS, 2022). This contributed to a total amount of 252.746 tons of veal in 2020.

Even though the Dutch industry produces large amounts of veal, only 5% of that is consumed in the Netherlands; the rest of the meat is exported to other countries, mainly European countries. France, Italy, Germany, and Belgium are the largest veal-consuming countries in Europe, which are combined responsible for 83% of the European consumption (European Commission, 2018a; EuroVeal, 2021).

There is a significant veal consumption in these countries because they have many traditional dishes containing veal (Heeres, 2017), such as wiener schnitzel, ossobuco, and blanquette de veau. However, the European consumption of veal is decreasing annually by 1 to 2.5% (Veeteelt, 2018), and according to the European Commission (2018), this decrease is already ongoing for the past 20 years. Therefore, there is a need for export markets demanding Dutch veal outside the EU.

1.2 Canadian veal industry

A market that could be potential for the export of Dutch veal is Canada. The reason for this is the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union. CETA removes most limitations and restrictions on the trade between these two parties. The details of CETA will be described later in this study. Canada is described using a DESTEP analysis focusing on the veal industry. The DESTEP analysis gives insight into the elements around a market that cannot be influenced directly (Jonker & Faber, 2021). This analysis maps the demographic, economic, social, technological, ecological, and political factors, which together produce a picture of the macro-economic environment of the Dutch veal industry (Jonker & Faber, 2021).

Demographic

Canada is located in the North American continent. In July 2021, it had a population of 37.9 million (CIA, 2021). The population of Canada is mainly urbanized, as the degree of urbanization in Canada in 2020 was 81,56% (World Bank, 2022). The two most populated provinces in 2020 were Ontario with 14.8 million and Quebec with 8.6 million inhabitants (StatCan, 2022). Ontario and Quebec are also the largest producers of veal. This is because the Canadian dairy industry is mainly located in those provinces. As the veal industry is closely linked to the dairy industry, the veal industry is located in the same area as the dairy industry (Veal farmers of Ontario, 2022).

Economic

The economy of Canada is one of the largest in the world, and they are a leading global financier. In 2020 Canada had a GDP per capita of €41.716, an export value of €433.8 billion, and an import value of €463.8 billion. This study found literature with various kinds of currencies; in order to keep a clear overview, all amounts are calculated into Euros by using the exchange rate of the website XE (XE.com,

2022) on the 4th of April 2022. Important industries of the Canadian economy are transportation equipment, food products, timber, and energy production such as petroleum and natural gas. The agricultural output of Canada consists mostly of cereals, potatoes, dairy, and pork (CIA, 2021).

Canada is also active in the veal industry; the veal production has been relatively stable in Canada over the past ten years. The average production of veal was around 35.000 tons. In 2019 Canada produced 33.130 tons of veal (Statista, 2021b). To produce this, a total of 170.161 calves were being slaughtered (Redmeat Section, 2021). The veal industry of Quebec slaughtered a total of 80.338 milk-fed calves and 72.643 grain-fed calves (les Producteurs de bovins du Quebec, 2021).

Canada is an importer and exporter of veal. In 2021, the Canadian veal industry exported 3.141 tons, mainly to the United States. The import of veal was 3.580 tons in the same year, which mostly came from New Zealand (Redmeat Section, 2021). However, 95% of the veal produced in New Zealand is bobby veal, which is meat from calves when slaughtered no older than two weeks and weighing less than 30kg at slaughter (Heaton, 2017). Bobby veal is mainly used as a raw material in processed products, and it is not comparable to traditional veal. The United States was the second biggest veal exporter to Canada, and the Netherlands is Canada's third-biggest exporter of veal (Redmeat Section, 2021). When it comes to veal, Canada has a trade deficit, as their import of veal is larger than the export. This deficit indicates a need for exporters who supply veal to Canada. The price for Dutch veal in Canada over the past six years has been significantly higher than veal originating from other countries. According to Veal Farmers of Ontario (2021), EU veal is generally of higher quality and demands a premium price. In 2019, Canada had an available veal consumption per person of 0,81kg (Statista, 2020). Although from 2010 till 2015, there was a decrease in the veal consumption per person in Canada, this decrease has leveled out to around 0,80kg, which was the average consumption for the years 2015 until 2019.

Social

Canadian culture is mostly a mixture of British, French, and American influences (Britannica, n.d.). A region in Canada that could provide the potential for the export of Dutch veal is Quebec, mainly due to their culture. Quebec is the only French-speaking region of North America, and most of the current

population are descendants of 17th-century French settlers (Canada Guide, 2022). The French traditions still influence Quebec society (Canada Guide, 2022); this is also the case for the cuisine of Quebec. The French culinary traditions heavily influenced Quebec cuisine, as French cuisine was brought over to the new world during the 17th century (Schalk, 2017). As veal is used in multiple traditional French dishes such as Blanquette de Veau and Tête de Veau, the Quebec society is likely to be familiar with veal consumption.

Canadian society has shown positive numbers for meat consumption over the past couple of years. According to Statista (2021), beef and pork consumption has been stable over the past ten years. However, Canada's average annual household expenditure on meat in that same period has increased by almost 50%. On top of that, a study with 5.436 correspondents showed that 48% consume meat daily, and another 39% said they eat meat once or twice a week (Swagbucks, 2020). This information indicates that meat consumption is a significant aspect of the Canadian market.

Technological

According to the World Economic Forum (2019), Canada is ranked 16th globally for innovation capability, and as of May 2021, Canada had a total of 1.65 million employees working in the tech industry. Canada is also home to the Toronto-Waterloo Corridor, the second largest tech cluster in North America after Silicon Valley in the United States (Invest in Canada, 2022). A technological aspect of the Canadian market relevant for veal export is the number of cold storage locations. Fresh and frozen meat needs to be stored at a specific temperature, which requires a cold storage location. Canada is a noteworthy country for cold storage, and the Canadian cold storage industry is expected to grow by 16.1% by 2026 (Global Industry Analysts, 2022). Transportation is another technological aspect that is relevant for the import, export, and distribution of veal. Canada's transportation network efficiently connects cities and smaller communities over its populated territories (Transport Canada, 2018). The Canadian government has a 135 billion Euros investment plan committed to funding trade and transportation for 11 years (Transport Canada, 2018).

Ecological

The Canadian agricultural sector accounted for 8% of the total emissions in Canada (Environment and Climate Change Canada, 2021). According to Desjardins et al. (2012), beef cattle's average national carbon footprint in Canada declined by nearly 50% between 1981 and 2006. The improved productivity and efficiency reduced the greenhouse gas emissions in the beef sector. The dairy industry in eastern Canada contributes around 20% to the total emissions from the Canadian beef sector. In contrast, the dairy industry in western Canada only contributes to around 5% of the total emissions of the Canadian beef sector (Desjardins et al., 2012). As described above, calves can be fed on two diets: milk-fed or grain-fed. A study done by Mollenhorst et al. (2016) showed hardly any difference in the emission of greenhouse gases when calves are milk-fed or grain-fed. The only difference is that diets with solid ingredients, such as the diet for the grain-fed calves, have an increased occupation of land compared to the milk-fed diet (Mollenhorst et al., 2016).

Political

Since 2017 the Comprehensive Economic and Trade Agreement between the EU and Canada has been partially acted. This trade agreement between the EU and Canada aims to boost trade between the two parties by reducing non-tariff trade barriers and tariff rates (Qirjo et al., 2021). All national parliaments in the EU still need to approve the agreement before it can take on full effect. However, now, already 98% of the duties on tariff lines have been removed (European Commission, 2021). According to Devadoss and Luckstead (2018), an overall effect of CETA is the increase in net welfare for both parties. The increase in size combined with the productivity of firms and the fixed entry cost are significant drivers of this increase in welfare. However, research also shows that GDP will possibly grow by only 0.023% for the EU and 0.062% for Canada over 10 to 20 years (Raza et al., 2016).

Furthermore, according to Raza et al. (2016), the agreement will have a stronger effect on the larger EU countries such as Germany, France, and Italy. According to Marijke Everts, director of corporate affairs at the VanDrie Group, the reduction in tariff rates is also applicable for veal. In an interview with De Kalverhouder magazine (2020), the director indicates that CETA can positively affect the Dutch export of veal to Canada, as lower import duties create more opportunities to do business. According to the

European Commission (2018b), CETA has helped the VanDrie Group by eliminating the 26.5% tariffs on veal, which allows them to easily send regular shipments to Canada. This could allow the Dutch veal industry to be more competitive in the Canadian market.

Next to CETA, there is also specific legislation in terms of veterinarian conditions for the export of Dutch veal to Canada, which must be adhered to. On the veterinarian export certificate, information about the origin of the animal, meat, and product needs to be described. According to NVWA (2021), Canada defines the origin of the animal as the country in which the animal has lived for the last 90 days, the origin of the meat is the country in which the animal is slaughtered, and the origin of the product is the country in which the final handling of the product is done before export. Canada has a specific definition of veal, as the definition can vary per country. For example, certain countries, such as the Netherlands, define whether calf meat is veal by the age of the calf. According to NVWA (2021), veal in Canada is defined by the carcass weight limit, which must be below 190kg. This means that a calf's meat can only be named veal if the carcass weight is below 190kg.

The Canadian government applies a tax on products and services depending on the supply place, which means that certain provinces or territories use different tax rates than others, varying from 5 to 13% tax. However, the Canadian government applies a 0% rate of tax to charge basic groceries in every province and territory (Government of Canada, 2021b). Meat is part of the basic groceries category, and therefore 0% tax is charged on it (Government of Canada, 2017).

1.3 Canadian food market

A food market has many segments such as growers, producers, distributors, suppliers, retailers, restaurants, catering businesses, and others (Kraak, 2014). One of the most significant segments in this market in Canada is the retailers. In 2021, the Canadian food retail industry had a market value of €112.2 billion (Statista, 2022). This particular segment of the food market in Canada was also able to take advantage of the COVID-19 situation.

A different segment, the foodservice industry, had the opposite. The sales of the retail companies saw a sharp increase, and the foodservice companies had a significant decrease in sales over the same period

(Goddard, 2021). This change shows that foodservice companies have had more difficulties with their sales in the past couple of years than retail companies. However, it is expected that the demand for dining out will rise again when enough adults are vaccinated, restrictions are removed, and consumers feel safe again to visit restaurants; this would be positive for the foodservice sector of Canada (Goddard, 2021). However, uncertain is whether the foodservice sector will reach the same market share of 30% before the pandemic (Goddard, 2021). The full-service restaurant segment is a large part of the Canadian foodservice industry. In 2019, before the COVID-19 pandemic, the market value of this segment was €32.7 billion, and in 2020 during the COVID-19 pandemic, this was €20.4 billion (IBISWorld, 2021). This decrease in market value also indicates that this segment has had difficulties in the past couple of years.

Another significant segment in the Canadian market is the food and beverage processing industry; the sale of goods produced in 2019 had a value of €85.6 billion (Government of Canada, 2021a). The food processing industry is the largest manufacturing employer in Canada with 290.000 employees, which supplies approximately 70% of all processed food and beverages available in Canada and is Canada's the largest buyer of agricultural production (Government of Canada, 2021a).

These three market segments, retail, food service, and processing industry, could be potential customers for the export of Dutch veal.

When looking at the requirements that customers demand for veal, according to Resano et al. (2018), regional origin and health-related information are important for European customers. They consider this more important at the moment of choice than the tenderness of veal products. This choice could be the same for Canadian customers. As this research is about exporting veal to another continent, the demand for regional origin could not be advantageous for the Dutch exporter. However, the same study indicates that this is the opposite for single-person households, as they tend to value tenderness higher than health-related information or regional origin.

When focusing on Canada, the single-person household population has increased over the past couple of decades. In the 2011 Canadian population consensus, the proportion of single-person households for

the first time exceeded the proportion of couple households with children (Young & Lachapelle, 2017). This group could be potential for Dutch exporters.

A mail survey from 2006 with 542 correspondents in Nevada showed what consumers consider extremely important, very important, and important when buying meat (Harris, 2006). The attributes considered extremely important are price and a series of attributes that can be grouped as quality. The attributes considered very important are animal welfare, environment, and sales/promotion. The attribute which was considered important is the origin of the product. These consumer preferences should be taken into consideration when exporting to Canada.

1.4 Market potential

This study focuses on the market potential for Dutch veal in the Canadian market. According to Lake (2020), the potential of a market is the new opportunities for a business to market and sell products and or services to interested consumers. According to Wrona & Trapczyński (2012), the potential of a market can be expressed in a series of factors that influence the market potential. The factors that influence market potential are the demand, market size, and consumer expenditure on a product; these same factors will be used for this research. For these factors, both economic and social-cultural influence is essential (Wrona & Trapczyński, 2012). Therefore, this research looked at both economic figures and social-cultural behaviors in this research. These factors indicate the market potential for Dutch veal in the Canadian market.

1.5 Knowledge gap

Literature indicates the importance of export markets for the Dutch veal industry as the veal consumption in the Netherlands is only a tiny portion of the national production. The largest export markets of the Dutch veal industry are European countries such as Italy, France, and Germany. However, European veal consumption decreases by 1 to 2.5% annually (Veeteelt, 2018). Canada is a potential export market due to CETA, as most limitations and restrictions on the trade between EU countries and Canada have been removed.

Literature, however, is limited to the actual market potential that the Canadian market provides for the export of Dutch veal. It is unclear what the current economic figures and social-cultural behaviors are for veal consumption in Canada. This study did research on these subjects to define the market potential that Canada provides for Dutch veal.

1.6 Research question

To study the potential that Dutch veal has in the Canadian market, this research had the following research question:

What is the potential of the Canadian market for the export of Dutch veal?

To answer this question, a series of sub-questions were used:

1. *What are the strengths and weaknesses of the Dutch veal industry?*

The objective of this question is to describe the internal factors of the Dutch veal industry, which are the strengths and weaknesses.

2. *What are the opportunities and threats for the export of veal to the Canadian market?*

The objective of this question is to describe the external factors of the Canadian market, which are the opportunities and threats.

3. *How do the internal and external factors influence the market potential?*

The objective of this question is to describe the relationship between internal and external factors and to describe what their influence is on market potential.

2. Materials and methods

This study used a qualitative research method to gather the information necessary to answer the research question. The benefit of using a qualitative research method is that it allows one to understand specific experts better and get insight into the behavior, motivation, and expectations of consumers (Bazen et al., 2021). Qualitative research consists of several methodologies. This study used in-depth interviews as its methodology, as this provides a better understanding of the expert and allows follow-up questions (Rosenthal, 2016). The study conducted several interviews with experts related to the veal industry.

2.1 What are the strengths and weaknesses of the Dutch veal industry?

To answer the first sub-question, interviews were held with five experts active in the Dutch veal industry. The aim of these interviews was to determine what each expert considered the strengths and weaknesses of the Dutch veal industry. This information was gathered in semi-structured interviews, combining structured and unstructured questions. The benefit of conducting semi-structured interviews is that it allows the interviewees to raise new topics (Wilson, 2014) potentially relevant to the study. Therefore, this method was applied in the interviews with the experts to describe all the possible strengths and weaknesses of the Dutch veal industry. One of the experts that was interviewed is an employee of the COV, the central organization for the meat industry in the Netherlands. This organization is a lobbying party responsible for the advocacy of the Dutch meat industry (COV, n.d.). This expert had a more general view of the Dutch veal industry as the employee is responsible for the advocacy of the whole industry. Next to the expert active at the COV, experts active at veal producing companies were being interviewed. One interview was held with an export manager from Ekro, the largest veal producing facility in the world, which is based in the Netherlands (Flynn, 2019).

Further, other experts active in the Dutch veal industry were being interviewed to provide additional competitive advantages. Finally, the five interviews were combined, and the strengths and weaknesses were compared to see if the answers corresponded. The questions for the Dutch experts were based on the following questions:

- Focusing on the Dutch veal industry, what do you consider the strengths of this industry?

- Focusing on the Dutch veal industry, what do you consider the weaknesses of this industry?
- Which strength do you expect to create an advantage for the export to Canada?
- Which weakness do you expect to create a challenge for the export to Canada?

The scheme shown in Table 1 was used to analyze the answers given by the Dutch experts. As shown in Table 1, the strengths given by the experts were described, together with a summary of the explanation of the specific strengths. The same process was done for the weaknesses given by the experts.

Table 1, data analysis of the answers given by the Dutch experts

Interview	
Strengths:	Summary:
Weaknesses:	Summary:

2.2 What are the opportunities and threats for the export of veal to the Canadian market?

Semi-structured interviews were held with five experts active in various sectors, such as Canadian embassies, consulates, or the veal industry, to answer the second sub-question. The introduction gave an overview of the Canadian veal market using a DESTEP analysis, and the second sub-question described the opportunities and threats in the Canadian veal market. First, all the opportunities and threats that the experts provided in the interviews were identified and compared to each other. A clear list of opportunities and threats was made out of this information. The questions for the Canadian experts were based on the following questions:

- How would you describe the Canadian veal industry compared to other veal industries?

- Focusing on the Canadian veal industry, what do you consider the opportunities of this industry?
- Focusing on the Canadian veal industry, what do you consider the threat of this industry?
- Which opportunity do you expect to create an advantage for the export of veal to Canada?
- Which threat do you expect to create a challenge for the export of veal to Canada?

In addition to the five interviews with Canadian experts, there was a possibility to visit the Sial food exhibition in Canada, the largest food innovation trade show in North America (Sial Canada Inc, 2022). At the exhibition, experts active in the Canadian market were contacted to get their opinion about the most significant opportunities and threats of veal in the Canadian market. The aim of this visit was to find additional information to support the findings from the interviews and to get a feeling of the Canadian market. The experts were asked to answer a short survey consisting of a couple of open-ended and closed-ended questions. The reason for choosing a short survey is that the experts present at these exhibitions are usually busy as they want to make the most of their time. After the exhibition, the information gathered was analyzed to describe the various experts' opinions clearly. The questions for the experts at the SIAL can be found in Appendix I.

To analyze the answers given by the Canadian experts, Table 2 was used. Table 2 has the same structure as Table 1, except in Table 2, the weaknesses and threats given by the Canadian experts were described, together with a summary of their explanation.

Table 2, data analysis of the answers given by the Canadian experts

Interview	
Opportunities:	Summary:
Threats:	Summary:

2.3 How do the internal and external factors influence the market potential?

To answer the third sub-question, the internal and external factors were compared against each other using a confrontation matrix. All the strengths and weaknesses of the Dutch veal industry given by the experts were compared against the opportunities and threats of the Canadian market given by the experts. In the in-depth interviews, when the experts had given a series of strengths, weaknesses, opportunities, and threats, they were asked to rank the ones they had given from most to least significant. This is to determine which are more important and which are less important. The experts at the exhibition were asked for only the most significant opportunity and threat; the reason for this is the lack of possibility to go in-depth at the exhibition. All the information, both from the in-depth interviews and survey at the exhibition, was analyzed in the confrontation matrix to define the influence of the internal and external factors on the potential of Dutch veal in the Canadian market.

A confrontation matrix can be used to make effective strategic decisions in an organization, and it often allows new points of view and new lines of thinking (Sansa et al., 2019). In the confrontation matrix, internal factors, which are the strengths, and weaknesses, are compared against the external factors, which are the opportunities and threats (Jenčo & Černák, 2019). Production companies use a confrontation matrix to consider and review individual dimensions (Jenčo & Černák, 2019). Therefore, a Dutch veal producing company was used to fill in the confrontation matrix as a focus group. The study had four experts active in veal exporting who filled in the confrontation matrix. These experts have extensive knowledge about veal exporting and market expertise. They indicated which combinations were essential. The matrix used four different values to indicate the influence of the combination of the internal and external factors; these are the same values given by EPM (n.d.). The focus group was allowed for each opportunity and threat in the confrontation matrix to provide one combination, with a strength or weakness, with a 3, the combination with the most impact. They were allowed to provide one combination with a 2, the combination with the second most impact, and one with a 1, which was the combination with the third most impact. All the other combinations received a 0. The confrontation matrix used to compare the internal factors against the external factors is shown in Table 3.

Table 3, confrontation matrix

		Opportunities				Threats			
		O1	O2	O3	O4	T1	T2	T3	T4
Strengths	S1								
	S2								
	S3								
	S4								
Weaknesses	W1								
	W2								
	W3								
	W4								

3. Results

This chapter will look into the results found in this study. First, the answers given by the Dutch interviewees for the first sub-question are described. After that, the answers given by the Canadian interviewees for the second sub-question are described. And finally, the outcome of the confrontation matrix given by the four experts is described.

3.1 What are the strengths and weaknesses of the Dutch veal industry?

This part of this chapter describes the strengths and weaknesses of the Dutch veal industry. Five interviews were held with experts active in the Dutch veal industry to find the information. The five interviewees gave 11 different strengths and nine different weaknesses of the Dutch veal industry. Only the strengths and weaknesses that two or more interviewees gave were further processed in this research to maintain reliability. The remaining strengths and weaknesses can be found in Appendix II.

Strengths

In total, there were five strengths given by two or more experts. Figure 1 shows that having an integrated supply chain was the most given strength by the experts; all of the five experts indicated that this is a strength of the Dutch veal industry.

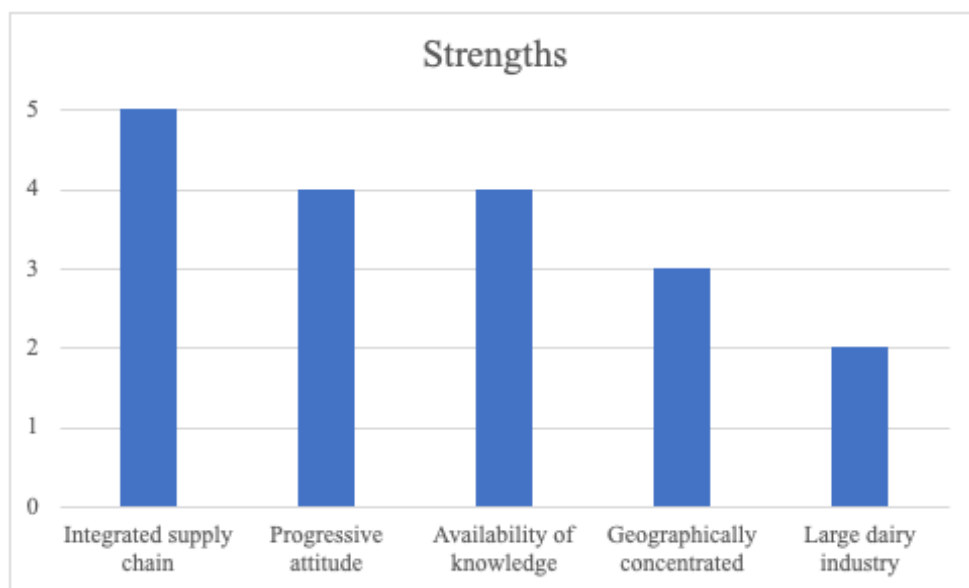


Figure 1, strengths given by the Dutch experts. N=5

Integrated supply chain

All of the interviewees mentioned that the amount of integration in the supply chain of the Dutch veal-producing companies is an important strength of the Dutch veal industry. Two experts even indicated that the integration in the supply chain was the most important strength of the Dutch veal industry. Supply chain integration is a form of cooperation between successive links within an organization or supply chain that aims to achieve benefits for the various partners within this specific supply chain. The links in the supply chain of veal production are calf feed producers, calf farms, calf slaughterhouses, and calfskin processors.

According to interviewee 3, an integrated supply chain ensures the company has more control over the various steps and processes in the supply chain, from feed to slaughter. Interviewee 3 indicated that integration also allows a company to share knowledge and skills among the various companies within the supply chain, which improves the overall performance of the integration. Next to that, an integrated supply chain allows companies to produce efficiently and at a low cost. Interviewee 4 gave the same benefits of having an integrated supply chain. In addition, interviewee 4 added the benefit of having the opportunity to create a full traceability system throughout the supply chain. The company for which interviewee 4 is working has a fully integrated supply chain in which they produce their feed, fatten, and slaughter their calves, and market the products themselves. Interviewees 1 and 2 gave similar advantages as the others.

Progressive attitude

Four interviewees indicated strengths grouped as having a progressive attitude. According to interviewee 1, the Dutch veal industry is extremely modern, and no other country has invested as much in the modernization of the veal industry as the Netherlands has done. "I don't think any country can say that the companies have invested so much (in the modernization of the cattle industry) as the Netherlands has done" (interviewee 1). Furthermore, interviewee 2 indicated that the Dutch veal industry is the world leader in animal welfare and sustainability and has a good reputation internationally. The Dutch veal industry has done numerous innovations to reduce the emissions when

producing veal and improve the calves' welfare, such as reducing the antibiotics used on the calves. According to interviewee 2, this is the combination of two factors. One factor is the Dutch society, which considers these topics important and demands that the industry improves itself. The second factor is that the Dutch veal industry wants to be the market leader in animal welfare and sustainability. The latter factor was also given by interviewees 3, 4, and 5. The third strength, 'efficiency,' which is grouped as having a progressive attitude, was given by interviewee 4. According to interviewee 4, the Dutch veal industry is extremely efficient and can adapt when necessary. Interviewee 4 indicated that the Dutch veal industry is focused on efficiency, which allows the Dutch veal industry to be so competitive. Interviewee 4 mentioned directly that the Dutch veal industry is progressive as they are and aim to stay the market leader.

These four strengths can be defined as one strength, which is having a progressive attitude. According to the interviewees, the Dutch veal industry is an industry that is constantly looking forward, intending to become better and stay ahead of the competition. In addition, the Dutch veal industry is modern, a world leader in animal welfare and sustainability, and the industry is extremely efficient, according to the interviewees.

Availability of knowledge

Four interviewees indicated that an important strength of the Dutch veal industry is the extensive knowledge about veal production. According to interviewee 3, the research and development of the veal industry largely take place in the Netherlands. An example is that interviewee 3 explained that the Dutch veal industry was the first to switch to group housing instead of individual housing of the calves based on research outcomes. One of the reasons given by interviewee 3 why the Dutch veal industry has such extensive knowledge about veal production is the number of research institutions in the Netherlands. Important research institutions for the Dutch veal industry are Wageningen University & Research, Utrecht University, and Royal GD. According to interviewee 3, these institutions do much research about the veal industry and cooperate with the various companies active in the industry. Interviewee 3 indicated that having regarded research institutions near the Dutch veal producers allows the industry to easily access knowledge and cooperate in testing innovations. According to interviewee 3, having

these types of knowledge partners allows the industry to always be the market leader in animal welfare, sustainability, and efficiency.

Interviewees 2, 4, and 5 indicated the same strength of having extensive knowledge about veal production in the Netherlands. These interviewees also named Wageningen University & Research as an important knowledge partner.

Geographically concentrated

Three interviewees indicated the geographical concentration to be an important strength of the Dutch veal industry. Interviewee 3 indicated that the geographical concentration of companies ensures short lines and creates more efficiency between companies. The benefits of the geographical concentration of the Dutch veal industry are somewhat similar to those of the integrated supply chain. Interviewee 4 explained that the Dutch veal industry has logistical benefits, as the Netherlands is a logistical center due to Schiphol airport and the port of Rotterdam as Schiphol airport is a large airport with significant freight capacity, and the port of Rotterdam is the largest port of Europe. According to interviewee 4, being located in such a logistical center, the Dutch veal industry has many export possibilities.

Large dairy industry

Two interviewees indicated that an important strength of the Dutch veal industry is the fact that the Netherlands has a relatively large dairy industry. The veal industry stems from the dairy industry, as the calves that are not needed for the continuation of the dairy farmer's herd are being used for the meat industry. Interviewees 2 and 4 explained that, because of the large Dutch dairy industry, the veal industry has a large supply of calves destined for the meat industry. The interviewees indicated that this large supply of calves allowed the Dutch veal industry to grow over the past decades into the largest veal industry in the world. According to the interviewees, having this large supply of calves is a strength of the Dutch veal industry, as this means that there is a safe continuation of supply. Both interviewee 2 and interviewee 4 indicated that this is not the most important strength but that it is more of a necessity for a large veal industry. Over the past decades, the Dutch veal industry grew in such a way that all calves in the Netherlands were being used and that calves from other countries needed to be imported.

However, the Dutch dairy industry is still the most important supplier of calves for the Dutch veal industry.

Weaknesses

In total, four weaknesses were given by two or more experts. Figure 2 shows that having a low social acceptance of veal production was the most given weakness by the experts.

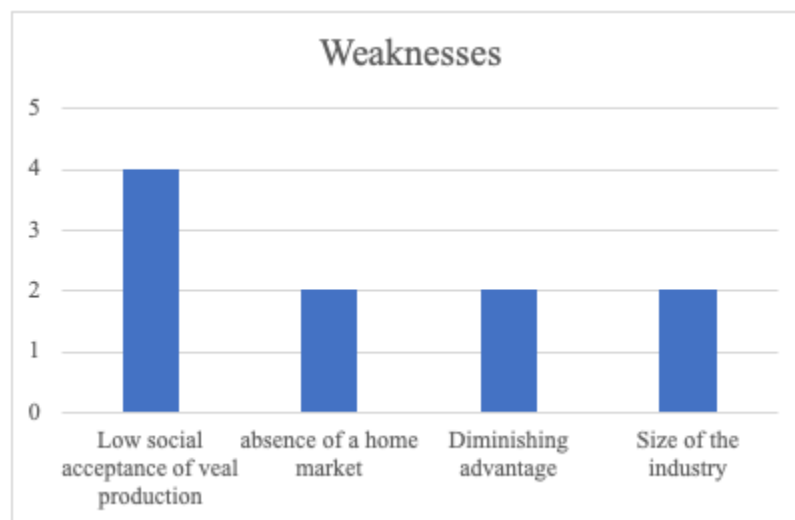


Figure 2, weaknesses given by the Dutch experts

Low social acceptance of veal production

According to interviewee 3, the Dutch society provides a lot of pressure and criticism on animal protein production. Interviewee 3 indicated that the criticism is usually about the treatment of animals and the environmental pollution during animal protein production. All the interviewees indicated that especially the Dutch veal industry receives a lot of criticism. Because the fact that a large amount of veal is being produced in the Netherlands, but only a small amount of veal is consumed in the Netherlands. According to the interviewees, the social acceptance of the Dutch veal industry is slowly decreasing. According to the interviewees, the argument is also that many calves (approximately 50%) are being imported, and almost all the meat is exported. The only things that stay in the Netherlands are the emissions and manure produced by the calves. The interviewees say their 'license to produce' is dependent on social acceptance. So, when the social acceptance is too low, they can lose their 'license to produce'.

Absence of a home market

Two interviewees indicated that a weakness of the Dutch veal industry is the absence of a home market. According to interviewee 1, most countries with a veal industry, such as Italy, France, and Canada, have a significant demand for veal within their country. Interviewee 1, however, indicated that only 5% of the veal produced in the Netherlands is consumed in the Netherlands, and the remaining volume is being exported to other countries. The weakness of not having a home market, according to interviewee 1, is that in times when exporting is difficult, the industry cannot fall back on its home market. Having a strong home market can assure safety for the industry. Interviewee 3 gave the same weakness of the Dutch veal industry and also indicated that they cannot fall back on their home market. According to interviewee 3, this absence of a home market forced the Dutch veal industry to focus on exporting and creating multiple export markets. This is one of the reasons why the Dutch veal industry is focusing on exporting veal to other countries.

Diminishing advantage

Two interviewees indicated that a weakness of the Dutch veal industry is the diminishing advantage of the industry. According to interviewee 4, the Dutch industry used to be strongly progressive and was always looking for new ways to improve and innovate. This progressive spirit created an advantage that the Dutch veal industry had over other veal industries. However, interviewee 4 indicated that the progressive spirit of the Dutch veal industry is not that strong anymore. The innovations come slowly, and the industry is not changing constantly anymore. Because of that, the advantage that the Dutch veal industry had over other industries is slowly diminishing, according to interviewee 4. Interviewee 2 indicated a similar weakness in the Dutch veal industry. According to interviewee 2, the development of the Dutch veal industry has slowed down over the past few years. The reason for the slow development given by interviewee 2 is the uncertainty of the future of the Dutch veal industry. Interviewee 2 expects that the supply of calves in the Netherlands is going to shrink by 15% in the coming few years; this creates uncertainty in the industry.

Size of the industry

Two interviewees explained that a weakness of the Dutch veal industry is the size of the various companies active in the veal industry. As described above, one of the strengths of the Dutch veal industry is the amount of large integrated companies that own various links in the supply chain. Interviewee 4, however, indicated that having many large companies within an industry can also be a weakness. According to interviewee 4, smaller companies can adapt more easily and can innovate quicker. Larger companies are less agile and have more difficulty changing in a new direction. Situations that require quick adaptations can be more easily for smaller companies, as fewer actions need to be taken compared to larger companies. This is a weakness of the Dutch veal industry, according to interviewee 4, as this industry consists mostly of large companies. Interviewee 1 indicated the same weakness of having a couple of large companies in the industry that have an integrated supply chain. According to interviewee 1, the larger companies have more responsibility due to their size and influence, which can be difficult in challenging times.

3.2 What are the opportunities and threats for the export of veal to the Canadian market?

This chapter describes the opportunities and threats of the Canadian market. To find the information, five interviews were held with experts active in various Canadian sectors, such as embassies, consulates, and the veal industry. Next to that, the Sial food fair and various companies in Canada were visited from April 19 till April 22 in 2022 in order to find additional information and to support the findings of the interviews. A total of three experts filled in the questionnaire about the Canadian market. The answers given by the experts on the questionnaire can be found in Appendix IV. The eight interviewees gave a total of 11 different opportunities and seven different threats. Only the opportunities and threats that were given by two or more experts were being further processed in this research in order to maintain reliability. The remaining opportunities and threats can be found in Appendix III.

Opportunities

Figure 3 shows the four opportunities given by two or more experts. Price being the most important factor for the Canadian consumer, was the most given opportunity by the experts.

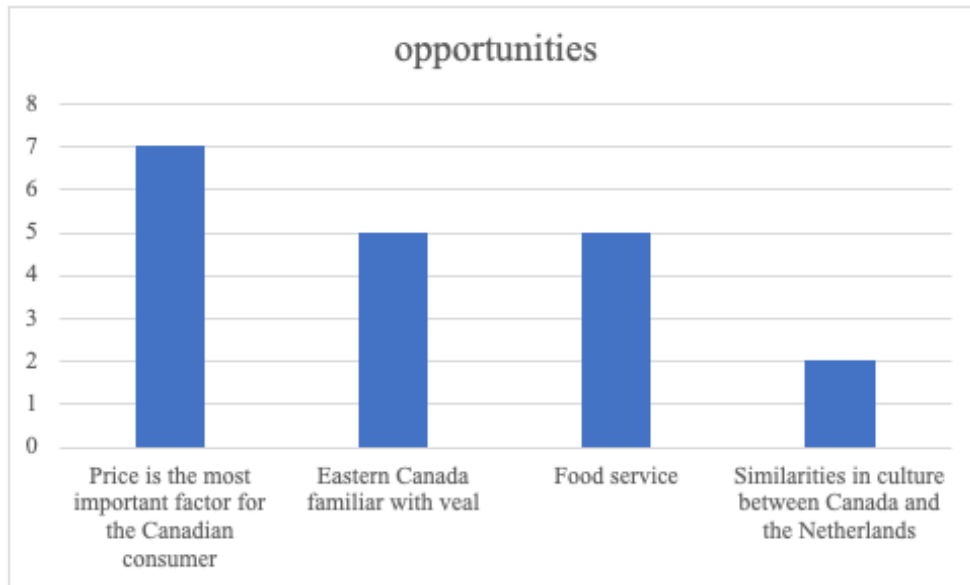


Figure 3, opportunities given by the Canadian experts

Price is the most important factor for the Canadian consumer.

Seven Canadian experts explained that an opportunity in the Canadian market could be the fact that Canadian consumers consider price to be the most important factor when purchasing food. They indicated that the vast majority of the Canadian consumers are price sensitive and will make their decision based on the price of the food product. Interviewee 4 indicated that there are some consumers who consider other factors important, such as local produced or organic. But the majority of the Canadian consumers are not willing to pay more for those factors. Out of the Canadian experts that filled in the questionnaire, all of them indicated that price was the most important factor when purchasing food. The second expert visited in Canada indicated that the Canadian consumers have started to care more about animal welfare and sustainability, but not nearly so much that it is more important than the price. The interviewees indicated that the opportunity of having the Canadian consumers care most about the price of the product means that they are willing to buy imported products, such as Dutch veal. They are not solely focused on locally produced products. The interviewees indicated this as an opportunity for Dutch veal in the Canadian market.

Eastern Canada familiar with veal

Five experts explained that an opportunity in the Canadian market could be the east coast of Canada, especially the province of Quebec. Interviewee 7, who lives in Vancouver, indicated that veal is a significant unknown product in western Canada. Especially in the retail stores in western Canada, veal is hard to find. Interviewee 8, who lives in Toronto, indicated that that is the opposite in eastern Canada, as veal is a product that the eastern Canadians are familiar with, and which can be found in multiple retail stores and many restaurants. According to interviewee 7, eastern Canada is more familiar with veal due to the influence of the French culture in Quebec. Quebec is still heavily influenced by the French culture and, therefore, also the French eating culture. In the French eating culture, veal is a well-known product, and this caused the eastern Canadians to be more familiar with veal. Interviewee 7 explained that the eating culture of western Canada is more influenced by the United States of America, which is predominantly beef. Two of the three Canadian experts who filled in the questionnaire indicated that they saw an opportunity for Dutch veal in eastern Canada, especially Quebec, as that region is familiar with veal. When asked about the Canadian market, all the Dutch experts indicated that they see an opportunity in Canada, especially eastern Canada, due to the fact that veal is a well-known product there.

Furthermore, during the visit to Canada from April 19 to April 22 in 2022, ten different retail stores were visited in eastern Canada to see how many stores sell veal. Out of the six retail stores visited in Ontario, all of them sold veal. Out of the four retail stores visited in Quebec, three of them sold veal. In these nine different stores, a total of 85 veal products were found, out of which 24 were milk-fed veal products and 61 grain-fed veal products. A total of 18 different veal products were found in the retail stores. The prices of all the veal products that were found in the retail store were noted and are shown in Table 4.

Table 4, average prices of veal in Canada and The Netherlands

	Canada		Netherlands	Difference	Canada		Netherlands	Difference
	retail price	-30% mark-up	EXW	EXW	retail price	-30% mark-up	EXW	EXW
Product	Milk-fed	Milk-fed	Milk-fed	Milk-fed	Grain-fed	Grain-fed	Grain-fed	Grain-fed
Veal Shoulder blade chops	€ 12,08	€ 9,29	€ 8,50	€ 0,79	€ 9,66	€ 7,43	€ 8,00	€ -0,57
Stew veal	€ 19,70	€ 15,15	€ 10,00	€ 5,15	€ 15,08	€ 11,60	€ 10,00	€ 1,60
Osso Bucco	€ 25,78	€ 19,83	€ 14,50	€ 5,33	€ 19,55	€ 15,04	€ 13,00	€ 2,04
Rack	€ 29,02	€ 22,32	€ 18,00	€ 4,32	€ 20,96	€ 16,12	€ 16,00	€ 0,12
Rib chop	€ 29,02	€ 22,32	€ 18,00	€ 4,32	€ 19,88	€ 15,29	€ 16,00	€ -0,71
Cutlets	€ 35,46	€ 27,28	€ 19,80	€ 7,48	€ 29,02	€ 22,32	€ 18,00	€ 4,32
Leg cutlets	€ 43,02	€ 33,09	€ 19,80	€ 13,29	€ 26,33	€ 20,25	€ 18,00	€ 2,25
Inside cutlets	€ 38,69	€ 29,76	€ 22,00	€ 7,76	€ 20,94	€ 16,11	€ 20,00	€ -3,89
Liver sliced	€ 25,78	€ 19,83	€ 12,00	€ 7,83	€ 17,72	€ 13,63	€ 12,00	€ 1,63
Lean ground veal	€ -				€ 11,49	€ 8,84	€ 9,20	€ -0,36
Blade roast	€ -				€ 11,49	€ 8,84	€ 8,00	€ 0,84
Loin chops	€ -				€ 18,25	€ 14,04	€ 15,00	€ -0,96
Veal brisket	€ -				€ 8,85	€ 6,81	€ 8,80	€ -1,99
Tenderloin	€ -				€ 30,62	€ 23,55	€ 25,00	€ -1,45
Calf tongue	€ -				€ 14,50	€ 11,15	€ 8,50	€ 2,65
Liver	€ -				€ 10,06	€ 7,74	€ 7,00	€ 0,74
Sirloin	€ 30,97	€ 23,82	€ 20,50	€ 3,32	€ -			
T-Bone	€ 17,19	€ 13,22	€ 19,50	€ -6,28	€ -			

The prices of the Canadian retail stores are compared with the prices of Dutch veal products, provided by interviewee 4, who also explained that the average retail markup is 30%, which is also used in this study. The prices are retrieved on the same date and are therefore comparable. As can be seen in Table 4, except for the product 'T-Bone,' the prices of the milk-fed veal products in Canada are all higher compared to the prices of the milk-fed veal products in The Netherlands. Certain products, such as the 'leg cutlets,' are even €13 higher in Canada compared to The Netherlands. According to interviewee 4, the Dutch veal industry is predominantly focused on milk-fed veal products and is therefore extremely competitive with prices. The products found in the Canadian retail stores were predominantly fresh; interviewee 4 explained that if the Dutch veal industry wants to compete in the Canadian retail industry with fresh products, it needs to use airfreight. According to interviewee 4, the current airfreight rate is approximately €3.80 per kg from the Netherlands to eastern Canada.

Foodservice

Five Canadian experts explained that an opportunity in the Canadian market could be the foodservice industry. Interviewees 6 and 8 expect the Canadian veal consumption to be mostly in the foodservice industry, especially the high-end restaurants. The reason given by the interviewees is the fact that veal is generally perceived as an expensive and luxurious piece of meat. Interviewee 6 indicated that the consumption of veal would be mostly in the cities of Canada, as the concentration of high-end restaurants is higher there compared to the countryside. Interviewee 8 indicated that in Toronto, veal could be largely found in the retail stores, but veal is mostly consumed in Toronto in the foodservice industry. The opinion of the visited experts did not exactly match. The first expert indicated the Canadian consumption of veal to be mostly in the foodservice. The second expert expected the consumption to be mostly in the foodservice and specialty retail stores, such as Italian-style retail stores. According to the third expert, a significant part of the consumers buys their veal at the retail stores, as prices are there the lowest.

Similarities in culture between Canada and the Netherlands

One Canadian and one Dutch expert indicated that an opportunity in the Canadian market could be the fact that Canada and the Netherlands have many similarities in culture. Interviewee 6 indicated that next to similarities in culture, the large number of Dutch citizens who immigrated to Canada in the past couple of decades could provide benefits when doing business in Canada. Interviewee 6 explained that especially many Dutch farmers immigrated to Canada in the hope of having a better life. According to interviewees 4 and 6, the similarities in culture make trade between Canada and the Netherlands very pleasant and easy.

Threats

Figure 4 shows the five threats given by two experts or more. Price being the most important factor for the Canadian consumer, was also the most given threat by the experts.

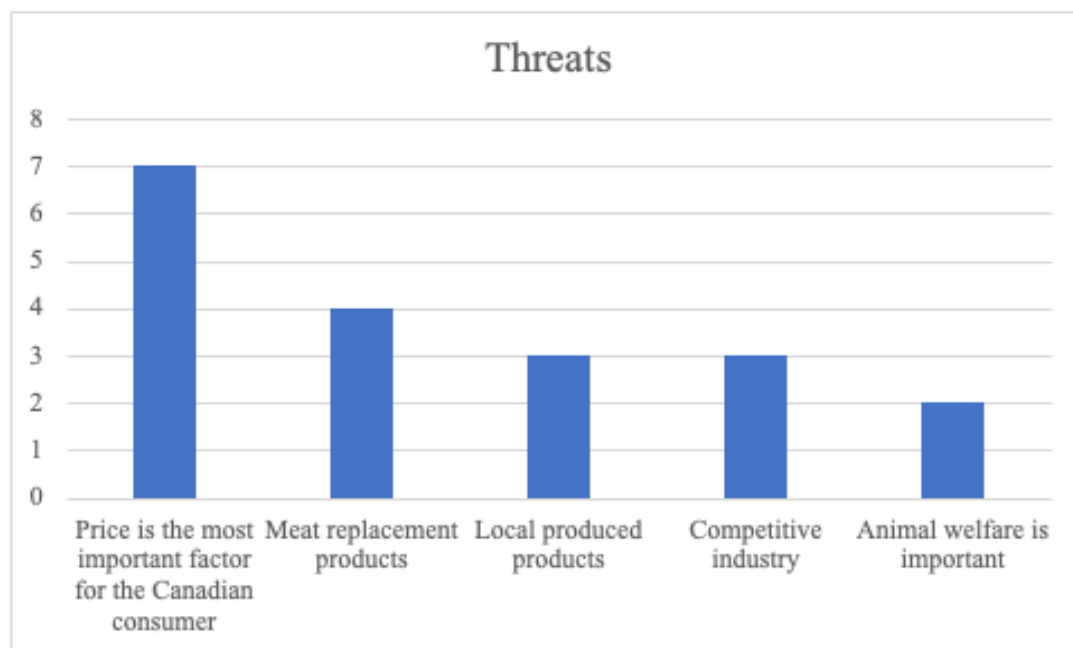


Figure 4, threats given by the Canadian experts

Price is the most important factor for the Canadian consumer.

Seven interviewees indicated that price is the most important factor for the Canadian consumer when buying food. As described above, this could provide an opportunity as the majority of the consumers

will buy the product if the price is attractive. However, the interviewees who indicated this could be an opportunity also indicated this as a possible threat. The interviewees indicated that if the price is the most important factor for the Canadian consumers, the Dutch veal exporters will always need to achieve the lowest price in Canada. The interviewees explained when this is not possible, due to certain reasons such as transportation costs, the majority of the Canadian consumers consider price to be the most important factor when buying food; this factor is also given by the interviewees as an opportunity and a threat.

Meat replacements products

Four interviewees explained that a threat to the Canadian market is the upcoming demand for meat replacement products. Interviewee 8 saw an increase in the demand of consumers in Toronto, who are seeking alternative forms of meat. Interviewee 8 was, however, unclear whether that increase in demand for alternative forms of meat is also happening outside the big cities. Interviewees 6 and 9 both indicated that they saw an increase in capital that is being invested into the cellular meat industry. Cellular meat, also known as 'lab-grown' meat, is a scientific method of producing meat with the use of genuine animal cells in a laboratory. Both interviewees indicated that cellular meat could be a threat to the entire meat industry, as it is a way to produce meat without slaughtering animals. The interviewees explained that even though the cellular meat industry is in its infancy, a lot of venture capital is being invested in the industry. Interviewee 6 explained that the global investment in the cellular meat industry in 2020 was 400 million USD and that in 2021 it was already 1.4 billion USD. Both interviewees indicated that meat companies should keep an eye on the cellular meat industry and follow its developments, as this is a potential threat to the meat industry.

Local produced products

Three interviewees explained that a threat to the Canadian market is the preferences of some consumers for locally produced products. As described above, the vast majority of Canadian consumers consider price to be the most important factor when buying food. However, interviewee 7 and 8 indicated that they expect that a small part of the Canadian consumers considers locally produced products to be

important. They expect that these consumers are willing to spend more on locally produced products than on imported products. Interviewees 7 and 8 indicated that approximately 10 to 20% of the Canadian consumers consider locally produced to be important. Interviewee 9 explained that Canadian retailers are also starting to promote locally produced food, as they want to differentiate themselves from other retailers and to support the local producers. The interviewees indicated that this trend could be a threat as the consumers who are only buying locally produced products will possibly not buy imported products.

Competitive industry

Three interviewees indicated that a threat to the Canadian market is the fact that it is an extremely competitive market. According to interviewee 9, the retail and foodservice market in Canada is extremely competitive. Interviewee 9 indicated that, for example, the foodservice market is dominated by a small number of large companies, which causes it to be difficult to start selling to the foodservice companies. Interviewee 9 indicated that because the foodservice market is already dominated by a small number of large players, the competition is already high, and competing can be difficult. According to interviewee 9, this is the same for the Canadian retail industry; there are a small number of large players who largely dominate the market. Two of the interviewed experts explained that there is heavy competition in the Canadian veal industry, and the market is dominated by a couple of large veal producers. Due to this, they expect difficulties for the Dutch veal producers when exporting veal to Canada.

Animal welfare is important

Two Canadian experts mentioned that animal welfare has become more important over the past couple of years to many consumers in Canada. Both of these interviewees indicated that the Canadian veal industry has switched from individual housing to group housing to improve the welfare of the calves. The interviewees explained that this could be a potential threat for the Dutch veal export, as the Dutch veal industry needs to conform to the Canadian animal welfare regulations. The interviewees also

indicated that discussion about animal welfare and the way of producing meat could negatively affect meat consumption and production in the long run.

3.3 How do the internal and external factors influence the market potential?

In order to see how the internal and external factors influence the market potential, a focus group of experts active in veal exporting was asked to fill in the confrontation matrix to see which combination of internal and external factors has a significant impact. A total of four experts filled in the confrontation matrix, which can be found in Appendix V. As can be seen in Table 5 below, all the values given by the experts are added together in order to see what the most significant combinations are. The various internal and external factors that were given to the experts are shown in table 6.

Table 5, results from the confrontation matrix

		Opportunities				Threats				
		O1	O2	O3	O4	T1	T2	T3	T4	T5
Strengths	S1	11	1	8	0	11	4	2	1	3
	S2	1	7	4	7	5	3	6	2	9
	S3	2	3	0	1	1	0	5	6	5
	S4	5	4	2	0	5	3	0	3	0
	S5	4	1	4	2	0	4	5	1	0
Weaknesses	W1	0	1	0	10	0	2	4	5	3
	W2	1	3	6	4	0	2	0	5	0
	W3	0	4	0	0	1	3	1	1	1
	W4	0	0	0	0	1	3	0	0	3

Table 6, list of internal and external factors given to the experts

S1	Integrated supply chain
S2	Progressive attitude
S3	Availability of knowledge
S4	Geographically concentrated
S5	Large dairy industry
W1	Low social acceptance of veal production
W2	Absence of a home market
W3	Diminishing advantage
W4	Size of the industry
O1	Price is the most important factor for the Canadian consumer
O2	Eastern Canada is familiar with veal
O3	Foodservice industry provides most potential
O4	Similarities in culture between Canada and the Netherlands
T1	Price is the most important factor for the Canadian consumer
T2	Competitive industry
T3	Meat replacement products
T4	Local produced products
T5	Animal welfare is important

In this chapter, only the ten combinations with the most points are further analyzed. The reason for analyzing only the first ten combinations is to keep this research concise and because these are the combinations with the most impact. The remaining combinations have less of an impact and are therefore not further analyzed. In the confrontation matrix, two combinations between internal and external factors were valued with an 11, which was the highest total value given by the experts. Three out of the four experts indicated these two combinations with a value of 3, the highest value possible.

S1/O1 & S1/T1

The combination of having an integrated supply chain together with price being the most important factor for the Canadian consumers was the highest valued combination for both the strengths and opportunities and the strengths and threats. Both of these combinations received 11 points. The Canadian consumer is price sensitive, and it is therefore important to have a competitive price in the Canadian market. The experts indicated that having an integrated supply chain allows a company to be cost-efficient, which means that the industry is able to produce veal at a competitive price. This would have a positive impact on the market potential of Canada for the Dutch veal industry. However, when the Dutch veal industry is not able to produce and sell against a competitive price, the price sensitivity can possibly negatively impact the market potential of Canada. Therefore, this combination is considered to have a strong impact on the market potential of Canada for the Dutch veal exporters.

W1/O4

The combination of having a low social acceptance in The Netherlands for veal production together with the similarities in culture between Canada and the Netherlands received 10 points. The experts explained that because the Canadian and Dutch cultures are similar, there is an opportunity in Canada, and as the social acceptance of veal production in the Netherlands is low, but developments and standards are high in the Netherlands, the experts indicated that this opportunity should be seized.

S2/T5

The combination of the Dutch veal industry having a progressive attitude and animal welfare being important for the Canadian consumer was valued with 9 points. The experts explained that the Dutch veal industry is a market leader when it comes to animal welfare, as the industry is constantly innovating together with the knowledge partners located in the Netherlands. Developments in production in The Netherlands seem to be ahead of Canadian production, which could be a competitive advantage.

S1/O3

The combination of having an integrated supply chain in the Dutch veal industry and the foodservice industry providing the most potential for veal consumption in Canada received 8 points. The experts indicated that because the Dutch veal industry has an integrated supply chain, they are able to produce suitable products for the Canadian foodservice industry.

S2/O2

The combination of the Dutch veal industry having a progressive attitude and a good reputation, and eastern Canada being familiar with veal received 7 points. The experts explained that because the Dutch veal is so progressive, they are likely to benefit from the opportunity that eastern Canada is familiar with veal.

S2/O4

The combination of the Dutch veal industry having a progressive attitude and a good reputation and the similarities in culture and values between Canada and the Netherlands received 7 points. The experts explained that the combination between the progressive attitude and the similarities in culture is beneficial for the export between Canada and the Netherlands.

S2/T3

The combination of the Dutch veal industry having a progressive attitude and the increased consumption of meat replacement products in Canada received 6 points. The experts explained that the increased consumption of meat replacement products could be a threat, but they expected that the Dutch veal industry would be able to adapt itself as they are so progressive. Moreover, the experts discussed what replacement products would replace veal, as veal is not a commodity type of product but a specialty product.

S3/T4

The combination of the availability of knowledge in the Dutch veal industry and the locally produced products in Canada received 6 points. The experts explained even though some Canadian consumers

prefer locally produced food, due to the fact that the Dutch veal industry has so much knowledge about veal production, they are able to produce a high-quality piece of veal that has high standards of animal welfare and sustainability.

W2/O3

The combination between the Dutch veal industry missing a home market and the Canadian foodservice providing potential for Canada received 6 points. The experts explained that because the Dutch veal industry does not have a significant home market, they are dependent on export markets. And, because veal is mostly consumed in the Canadian foodservice industry, the experts indicated that this provides a potential for the Dutch veal exporters.

4. Discussion of results

The main objective of this thesis was to describe the potential that Canada provides for the export of Dutch veal, doing so by identifying the opportunities and threats of the Canadian market and comparing those to the strengths and weaknesses of the Dutch veal industry. This chapter discusses the results given by the various experts to see how the results can be interpreted, what the limitations are to this research, and what the recommendations are for further research.

4.1 Discussion of methodology

This research used a qualitative research method to gather the necessary information in order to answer the research question. This method allowed the study to gather in-depth information from the interviewees, as they were able to provide various factors during the interviews. The experts were also able to provide high-quality information as their field of work is in the veal industry. The downside of using a qualitative research method and a limitation to this study is the fact that the number of respondents is limited, and therefore, the findings may be less reliable. Furthermore, there is a possibility that the ten experts who are interviewed did not mention every detail that is important to describe the potential of a market, as they are in the business itself and could see things ‘for granted.’ This means that certain factors may not be included in this research. However, most of the factors given by the experts were corresponding, indicating that the factors mentioned in this research have a significant impact.

In order to answer the first and second sub-question, semi-structured interviews were used. The benefit of using semi-structured interviews is that the interviewees are able to raise new topics during the interview. During the interviews, the experts were also able to steer the conversation in the direction they thought important to the subjects and could provide further explanations about certain topics. All of the sub-questions were answered during the research, and extensive information on the Canadian market was found; therefore, this research could be seen as a success.

Finding much information about specifically the Canadian veal industry was difficult during this study. This was because, in many sources, data about veal was combined with data about beef. This is caused

by the internationally harmonized system, which mentions both beef and veal under the same custom codes for bovine species. Statistics are commonly based on custom registered information. The segregation of veal is mostly done by veterinarians based on the age of the animal at slaughter or the weight of the carcass. This did ensure that data on the Canadian veal industry was limited. Follow-up studies may choose to conduct more interviews with experts active in the Canadian veal industry to get a better understanding of the Canadian market. Furthermore, this study only had four respondents for the confrontation matrix; though they could all be mentioned as experts and did all have a higher educational background (thus aware of the meaning and system of the confrontation matrix), follow-up studies could aim to have more respondents and experts working the confrontation matrix, in order to have more reliability in the values given to the combinations.

4.2 Discussion of results

What are the strengths and weaknesses of the Dutch veal industry?

The results indicate that the most important strength of the Dutch veal industry is the integrated supply chain, which many Dutch veal-producing companies have. The experts explained that this strength allows the companies to be more efficient, reduce costs, and share knowledge, information, and skills, which allows the Dutch veal industry to be highly competitive in the world. The most significant weakness of the Dutch veal industry, however, is the decreasing acceptance of veal production by Dutch society. The structure of the Dutch veal industry is criticized by the Dutch society, this is a structure in which 95% of the veal that is produced is exported. The results show that the Dutch veal industry is, and needs to be, strongly focused on export, indicating that there is a need for sufficient export markets. Though at the same time, the decreasing social acceptance of veal production is a serious threat to the Dutch veal industry.

What are the opportunities and threats for the export of veal to the Canadian market?

The results indicate that the most given opportunity is simultaneously also the most given threat. Price being the most important factor for the Canadian consumers when buying food was described as an opportunity, as it indicates that the Canadian consumers, in general, do not buy locally produced food

when the price of local products is higher than the price of imported products. Most of the result found in this study is in line with the expectation made in the introduction, such as that price would be one of the most important factors for consumers when buying food described in the introduction. The Canadian experts indicated that this is an opportunity if the Dutch veal industry is able to export against a competitive price. According to the Dutch experts, this should be possible, as having an integrated supply chain ensures that costs can be kept low and therefore have a competitive price. Also in line with the introduction, the experts explained that Ontario and predominantly Quebec provide the most potential for veal consumption in Canada due to their culture. The consumers in these provinces are familiar with veal and know how to prepare it. However, experts indicated that the local competition in Canada is aggressive and could therefore be a threat to the export of Dutch veal to Canada.

Next to that, the Canadian experts also indicated that price being the most important factor, could also be a threat for the Dutch veal exporters. The experts explained that when the Dutch veal industry is not able to export veal against a competitive price, the Canadian consumers will probably not buy it. Especially due to recent developments in transportation costs, it could be difficult for Dutch veal producers to export veal against a competitive price. This is also justified by one of the interviewees, who indicated that the current air freight costs are approximately €3.80 per kg from The Netherlands to eastern Canada. Transportation costs have risen over the past two years due to a number of reasons, and it is expected to rise even further in 2022; especially international transportation costs are expected to increase significantly (Wolff, 2022). Diesel buyers were paying 41% more in February 2022 compared to December 2020 due to high crude oil and natural gas prices (Wolff, 2022). It could seriously affect the market potential of Canada for Dutch veal exporters when transportation costs are too high to be competitive. However, this is an external factor and the Dutch veal industry is unable to directly influence the transport costs.

Out of the ten retail stores that were visited in Quebec and Ontario, nine of them sold veal. This indicates that there must be a certain demand by the Canadian consumers for veal; otherwise, not this many retailers would sell veal in their stores. This confirms the expectation of the introduction that there is a certain demand for veal in Canada, especially in Quebec and Ontario. The prices of the Canadian milk-

fed veal products are generally higher compared to the Dutch milk-fed veal products, and as the Dutch veal industry is predominantly focused on milk-fed veal, this could be an opportunity.

How do the internal and external factors influence the market potential?

The highest valued combination between an internal and external factor is the integrated supply chain, combined with price being the most important factor for the Canadian consumer. As the strength of an integrated supply chain allows a company to be cost-efficient, and as the Canadian consumer is price sensitive, this outcome can be seen as logical. Some combinations can be seen both as opportunities and as threats, such as the combination between the low social acceptance in The Netherlands and the similarities in culture between Canada and the Netherlands. This can be seen as an opportunity, as the similarities in culture provide easier access for the Dutch veal producers. However, the similarities in culture can also mean that the social acceptance in Canada is, or becomes, lower for veal production, in which case this is a threat.

5. Conclusions and recommendations

This research is written for Dutch veal producers who are seeking new markets to export their products to. The main objective of this thesis was to describe the potential that Canada could provide for Dutch veal and had, therefore, the main research question ‘what is the potential of the Canadian market for the export of Dutch veal?’. The main research question is answered using three sub-questions.

The most important answer found on the first sub-question, ‘what are the strengths and weaknesses of the Dutch veal industry’ is that the most important strength is the strong integrated supply chain within the Dutch veal producing companies, which ensures efficiency, cost reduction, and knowledge sharing. The biggest weakness of the Dutch veal industry, however, is the decreasing social acceptance of veal production in the Netherlands, which endangers their 'license to produce.

The most important answer found on the second sub-question, ‘what are the opportunities and threats for the export of Dutch veal to the Canadian market’ is that an important opportunity in the Canadian market is the fact that price is the most important factor for the Canadian consumer when buying food. This indicates that when the Dutch veal industry is able to export veal against a competitive price, Canadian consumers are likely to purchase it. The Canadian market, however, also has some threats. The most important threat is that price is the most important factor for the Canadian consumer because if the Dutch veal industry is not able to export against a competitive price, the demand for Dutch veal by the Canadian consumers will be low.

The most important answer found on the third sub-question, ‘how do the internal and external factors influence the market potential’ are that the integrated supply chain of the Dutch veal industry and price being the most important factor for the Canadian consumer when buying food, was the combination with the most impact on the potential of the Canadian market for the potential of Dutch veal export. Concluding, this research found out that the Canadian market has a potential for the export of Dutch veal.

Based on the conclusions made in this research, a series of short- and long-term recommendations are made for Dutch veal exporters who are seeking new markets to export to.

Short-term recommendations:

As the consumption of veal is predominantly happening in Quebec and Ontario, Dutch veal producers should primarily focus on these two provinces. Due to their culture, the citizens of Ontario and Quebec are familiar with veal. The consumption outside of these two provinces is much less as consumers are less familiar with veal. Next to that, veal is perceived as a luxurious piece of meat in Canada. Because of that, the consumption of veal is predominantly happening in the foodservice industry, especially in high-end restaurants. Therefore, Dutch veal exporters should focus on companies active in the foodservice distribution, as they will provide the most potential as a customer. Lastly, the Dutch veal industry should focus on the export of milk-fed veal products to Canada, as the Dutch industry is highly competitive with milk-fed veal products and because of the prices of milk-fed veal products in Canada are significantly high.

Long-term recommendations:

As Canadian veal consumption is predominantly happening in Quebec and Ontario, a recommendation for the long-term would be to promote veal consumption in the other parts of Canada. This would be a multi-year project in which investments must be made to promote Dutch veal in Canada, knowing that cultures match and that there is a positive image of The Netherlands in Canada. Next to that, a positive and strong image might create a preference for Dutch veal, even if it is a little more expensive. With this project, the Dutch veal industry could increase the number of consumers in Canada and, therefore, the volumes of consumption.

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Appendix I

This is the proposed survey for the experts at SIAL

1. What is your job function?
2. What do you think is an opportunity for Dutch veal in Canada?
3. Which market do you think provides more potential for the export of veal?
 - Retail
 - Foodservice
 - Processing industry
4. What do you think are threats to Dutch veal in Canada?
5. Which of these consumer preferences or requirements do Canadian consumers consider important when buying veal?
 - Quality
 - Price
 - Animal welfare
 - Environment
 - Sales/promotion
 - Origin (Canadian origin)

Appendix II

Interview 1	
Function:	Lobbyist for the Dutch meat industry
Strengths:	Summary:
1. Integrated supply chain	Dutch companies, especially VanDrie and also Vitelco, control the whole chain. As a result, the Dutch veal industry has a couple of very strong chain directors. Other countries do not have such organizations that have the whole chain. French calf breeders are much freer and not integrated; in Belgium, it's the same story, Italy has no integration to slaughter at all, and Germany is a very needy sector.
2. Concentrated	The Netherlands has a highly concentrated sector; other countries around us do not have such large players as VanDrie. France may come close, but part of that also belongs to VanDrie. In Italy and Belgium, the market is much more fragmented among the various companies. The Netherlands is highly concentrated and has the world market leaders in veal.
3. Modern	The Netherlands has a very modern calf industry. No other country has invested so much in modernizing the industry. This involves investments in modern slaughter capacity and modern cattle feed production. But also innovations in the areas of feed, slaughter, and logistics.
4. Lobbying	No country has such a good lobbyist in charge of calf sector advocacy, and no organization is so well organized as the Dutch lobby organization. In countries like France, Italy, and Belgium, the veal sectors are not that important. This creates less interest for lobby organizations to support the industry. The companies and lobby organizations in the Dutch veal industry are active, which has enabled the Netherlands to gain a strong position in the global market. The Netherlands is also very strong in opening up new countries for export opportunities.
Weaknesses:	Summary:
1. Social acceptance	The Netherlands depends on foreign countries for half of its fattening calves. Animal transport and animal welfare are under fire from both politicians and society. The position of the meat industry, in general, is no longer as strong as it used to be, and there is increasing criticism of the meat industry. The position of the veal industry is still strong in Brussels but no longer in The Hague. Dutch politicians would rather see smaller veal production in the Netherlands than greater.
2. Absence of a home market	Most veal producers in other countries usually have a home market they can fall back on in difficult times. This market can act as a stable base. Only 5% of the veal that is produced in the Netherlands is consumed in the Netherlands. The Dutch pork industry, for example, has a strong home market; this is because there are deals between Dutch supermarkets and Dutch pork producers. The Dutch supermarkets have deals with the Dutch pork producers to produce pork meat from pigs which have had a better life. These better life products can only be made in the Netherlands, which means that the Dutch pork industry always has and keeps a strong home market. This is something the Dutch veal industry lacks.
3. Selective market	Veal is a large market, but the industry depends on a number of countries such as Italy, France, and Germany. If Italy stopped

	consuming veal tomorrow, an incredibly important market would be lost. This is the case for a couple of other countries as well. There is little diversification in the veal industry when it comes to the supply countries. This is much more in the beef or pork industry.
4. Size	In bad times it can be extra difficult because the Dutch industry consists of a couple of large companies that are heavily integrated. In difficult times, there is also a lot of responsibility for the various companies due to their size.

Interview 2	
Function:	Director Corporate Affairs at VanDrie Group
Strengths:	Summary:
1. Integrated supply chain	The biggest strength we have as the VanDrie Group is that we control all the links in the supply chain ourselves. From letting the calves grow up with the veal farmers to making the feed and producing the meat to marketing the product, every step is done by the VanDrie Group. And you can see this also among the other major players in the Netherlands. However, the Vandrie Group has developed and integrated its supply chain completely. For example, Denkvit does not have a slaughterhouse division, and Vitelco does not have a feed division. But they still have an important influence on the supply chain and are highly integrated companies. As an integrated company, it is very easy to steer in terms of quantity and quality; because you are in control of the steering wheel, you can easily adapt to the market.
2. Large dairy industry	A requirement of a strong veal industry is strong dairy farming, and you see that here in Western Europe, and certainly here in the Netherlands, we have that. This is the basis needed for a strong veal industry. It ensures the high availability of calves within a relatively short distance. This creates a concentrated market where a lot of raw materials are available. I always say to others that the dairy industry and the veal industry are connected like Yin and Yang; without each other, it is very difficult and almost impossible to produce efficiently.
3. Knowledge	In the Netherlands is a strong presence of knowledge about the industry. The University of Wageningen is a great example of that, a university with whom we cooperate. This creates the opportunity to think of innovative solutions to problems present in the veal industry.
4. Leading in animal welfare & environment	In the area of animal welfare and the environment, we are ahead in the world market. The reason for this is that in the Netherlands, we consider these topics very important. The Netherlands as a country wants to be 'the best boy in the class, and that means that all entrepreneurs have to be just that. Internationally we are also known for that. We have been leading in the field of antibiotics use and sustainability for years. The Netherlands is often the first to take action in the field of animal welfare or sustainability transitions in the veal industry. We are also very strong when it comes to innovations in the Dutch veal industry. Dutch entrepreneurs are also ahead of the game when it comes to regulations, and they don't wait for mandatory changes but seek out opportunities to improve themselves. Think about the individual housing we had at the beginning of the veal industry. In

	the '80s, we had already switched to group housing, and only in 1997 it became Dutch legislation, and only in 2007 it became European legislation. This shows that we, as Dutch entrepreneurs are progressive. This is not always easy since you have to take into account that there are so many different players in the chain. But it is important to keep developing and improving yourself.
Weaknesses:	Summary:
1. Social acceptance	The criticism you often hear about the Dutch veal industry is about the fact that we import calves from other countries to the Netherlands, produce the manure and emissions here, and export the vast majority of the meat to other countries. This is the view of many people when they look at the Dutch veal industry. Because of this, you see that societal pressure is increasing on the veal industry, but also on the entire meat industry in the Netherlands. What I sometimes notice is that many people have the wrong image of our sector, think for example of the manure that is produced. Many people have the image that everything is pumped into the ditch, while we convert a large part of our manure into manure pellets that are used by the garden and arable farming.
2. Slow development	I've noticed that the pace of change in the sector has slowed down in recent years, which is certainly due to the fact that the future of the industry is uncertain. There are also more rules attached to change; think, for example, of possible takeovers. With a recent takeover by the VanDrie Group, there were already many more rules attached than before, and we were even tested by the ACM (Authority for Consumer and market) in the area of sustainability. And we notice that sometimes the larger an organization becomes, the more difficult it is to take over other companies. We are also realistic, and we see that the veal industry in the Netherlands is going to shrink by 15% in the next few years, so developments are not going as fast as they usually should.

Interview 3	
Function:	Sector manager for the veal industry
Strengths:	Summary:
1. Integrated supply chain Most important	In the Netherlands, we have a number of major parties in the veal sector. These parties control the chain from feed to slaughter or beyond. These parties have chain integration in their companies, which makes it easy to share knowledge and expertise. This is less the case with rosé veal, for example, in this market, there are several players and fewer integrations, so you have to deal with several types of qualities or types of meat. This, in turn, gives more variety in the market. But this is not the case for about 2/3 of the Dutch veal; this is white veal which comes mainly from the integrations. This also allows them to save costs and be more efficient in several aspects. This makes it possible for the Netherlands to have a low-cost price and be competitive in the European but also in the world market. I think that the strong degree of integration is a very important strong point of the Dutch veal industry.
2. Concentrated	In the Dutch market, there is a strong concentration of feed production, slaughter production, and livestock farming. This ensures short lines and efficiency in the veal industry.

3. Knowledge	The Research and Development of the veal industry largely take place in the Netherlands, and this means that the Dutch industry is therefore always at the forefront of development. The Netherlands was the first to start group housing, and now they are also the first to probably take calves from dairy farming at an older age. The Dutch sector also has the ambition to stay ahead. The Netherlands has many knowledge partners who are collaborating to keep the veal industry ahead of the curve; think of Wageningen University, GD (Animal Health Service), and Utrecht University.
Weaknesses:	Summary:
1. Social acceptance	There is a lot of social attention and especially pressure on animal protein production and consumption. In the Netherlands, we are very much focused on the export of products; with veal, this is especially the case. There is also a lot of focus on animal health and welfare; think of long-distance transport. I personally expect that within five years, we will no longer buy calves from Eastern Europe or Ireland. In the Netherlands, there are also several organizations that are anti-farming and want to ensure that companies lose their license to operate.
2. Concentrated	Because the Dutch veal industry is highly concentrated, there is also more vulnerability to the spread of diseases, for example. Another issue is the discussion on nitrogen; because of the high concentration of the market, many companies are located around Natura 2000 areas. These areas are meant to restore the biodiversity in Europe. However, being located around or in a Natura 200 area can create vulnerable situations for the companies. The reason for this is that it is expected that companies located in a Natura 2000 area will either be bought by the government, or the barn design will have to be adjusted so that emissions are significantly reduced. These are substantial investment costs that must be recouped.
3. Absence of a home market	Dutch people are less willing to spend a lot of money on food; however, veal is really seen as a luxury product that is more expensive than regular meat. Because of this, the Netherlands has to focus on countries like France and Italy, countries where a lot of veal is consumed. But the French and Italians give priority to products from their own country, so as Dutchmen, we always come second. Because of our knowledge and expertise, we can undercut the price of the Italians and French and be competitive in these markets. To be able to continue to realize this, you must, as an industry, maintain your leading position because you will price yourself out of the market. Because the Dutch are often unfamiliar with veal, and because it is a lot more expensive than chicken or pork, for example, few Dutch people choose veal. This means that the Dutch veal industry does not have a large home market to fall back on, and they have to continue to focus on other markets.

Interview 4	
Function:	Export manager
Strengths:	Summary:
1. Integrated supply chain Most important	The Netherlands has a large veal industry with a couple of big companies and not a lot of small companies. These big companies have integrated supply chains, in which they have control over the various steps in the supply chain. Other benefits of an integrated

	supply chain are sharing knowledge, traceability, and distributing more profit. The Dutch veal industry is also mostly focused on Milk-fed veal products, and is a market leader in this segment.
2. Large dairy industry Most important	The large dairy industry is the source of the Dutch veal industry; without a large number of dairy cows in the Netherlands, we would not have such a large supply of calves.
3. Size	The Dutch veal industry has a couple of big companies which produce large volumes of veal. They are able to have a scale advantage, and because of this, they are able to produce for a competitive price.
4. Strategic location	The Netherlands is a logistical center, as we have Schiphol airport with a large freight capacity and because we have the port of Rotterdam, the largest container port in Europe. Because of this, we can strategically distribute our products to the rest of the world.
5. Dutch trade spirit	The Dutch people have a true trade spirit. Our history shows how well we are at trading goods, and this is still the case. Because of this, the Dutch will always try to trade goods all over the world.
6. Voice of the minority	In the Netherlands, almost everybody with an opinion is being heard. This is also the case for the environment and animal welfare, two topics that are important for many Dutch people. This drives the industry to constantly develop and improve. The downside of this, however, is that sometimes too many actions are being demanded for a small problem. But it constantly pushes the industry to do better. The license to produce for the Dutch veal industry is also dependent on the acceptance of society.
7. Efficiency	The Dutch veal industry is extremely efficient; we are competent to adapt ourselves and develop a solution where necessary.
8. Knowledge	The Dutch veal industry is also surrounded by institutions with a lot of knowledge about veal production. The University of Wageningen, which is mostly focused on agriculture, is an important institution that helps the Dutch veal industry to improve. The University of Utrecht is also an important institution for the Dutch veal industry; they provide a lot of knowledge focused on animal welfare.
Weaknesses:	Summary:
1. Social acceptance	The Dutch veal industry is the largest veal producer in the world; however, 95% of the production is exported to other countries. This creates a situation in which the social acceptance of veal production in the Netherlands is put under pressure. The argument which is used most often is the fact that the Dutch veal industry imports a lot of calves from European countries, produces meat, and then exports almost all of the meat to other countries, leaving the Netherlands only with the manure and emissions. The social acceptance of producing veal in the Netherlands is slowly decreasing.
2. Size	The smaller companies can adapt more easily; they can innovate quicker. Large companies have a harder time changing and are less agile. This is a weakness of the Dutch veal industry as it consists mostly of large companies.
3. Diminishing advantage	The Dutch veal industry, and especially Ekro, used to be strongly progressive. The industry was constantly looking for new ways to improve and innovate. An example of this is the fact that the industry changed from solo housing to group housing before

	anybody thought about it. However, that progressive spirit is not that strong anymore. Innovations come slowly, and the industry is not changing constantly anymore. Because of that, the advantage that the Dutch veal industry had over the other industries is slowly diminishing.
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Interview 5	
Function:	Former Director Corporate Affairs at VanDrie Group
Strengths:	Summary:
1. Progressive Most important	The Dutch veal industry is extremely reliable when it comes to food safety, food quality, animal welfare, and sustainability. The Dutch industry is also the market leader in those fields, and they are constantly developing in order to stay the market leader. An example of the Dutch veal industry is the initiative of reducing the use of antibiotics for the calves, something which the Dutch veal industry has successfully reduced.
2. Consistency	The Dutch veal industry is able to produce high-quality veal products with consistency. This can be seen in the entire industry, as there is consistency at the calf farms, the transport, the planning, and the production of veal.
3. Integrated supply chain	The Dutch veal industry consists of many companies that have integrated supply chains. Having an integrated supply chain allows a company to produce more efficiently, save costs, and share data and knowledge throughout the supply chain. Being able to share data and knowledge throughout the supply chain allows the company to overall become more efficient. A specific example for the veal industry is being able to steer the supply of calves in the various seasons and maintaining a constant quality of products.
4. Knowledge	The Dutch veal industry has a strong availability of knowledge, and the various companies within the industry have invested in this. Much research is being done with the aim of improving the overall quality of the supply chain. The Dutch veal industry also has multiple knowledge partners, such as Wageningen University & Research, with which the Dutch veal industry is cooperating.
Weaknesses:	Summary:
1. Insufficient distribution of farms	In retrospect, the Dutch veal industry has paid insufficient attention to the distribution of calf farms. The reason why there is a strong concentration of calf farms in a small region is optimization in transport, but also families in which the son started a calf farm as well and did this close to the parents. The reason why this is a weakness is the fact that most of these farms are located in or close to nature reserves, such as Natura 2000, which means that in the near future, a serious number of farms will disappear. This will create a decrease in the supply of calves for the veal industry.
2. Decreasing cooperation	In the past 25 years, the Dutch veal industry has turned into an industry with a couple of large companies which form a strong front. However, more and more initiatives started to rise in the industry of companies who are operating outside of the front. This threatens the strong front and can create difficulties for the industry. This is also one of the reasons why social acceptance is slowly decreasing in the Netherlands, as the Dutch veal industry

	is less united and therefore unable to clearly explain situations are happening in the industry.
3. Scarcity of dairy raw materials	The Netherlands has a large dairy industry, however, and the Dutch veal industry uses a lot of dairy raw materials to feed the calves. However, a scarcity of dairy raw materials can be a weakness of the Dutch veal industry. Dairy products are used in many different industries, not only in the veal industry. Therefore, the Dutch veal industry should respond in a timely manner and look for alternative protein materials in order to maintain the production of veal.

Appendix III

Interview 6	
Function:	Trade Commissioner at Canadian Embassy
Opportunities:	Summary:
1. Consumption of veal mostly in foodservice	Expected is that the veal consumption in Canada will be mostly in the foodservice. As veal is a more luxurious piece of meat, the more high-end restaurants in Canada will provide the most potential.
2. The special bond between Canada and the Netherlands	The Netherlands has a unique relationship with Canada. In the past decades, many Dutch citizens, usually farmers, immigrated to Canada. Next to that, the Canadian and Dutch cultures are, in certain areas, quite similar. There is a certain kind of trust between the companies of Canada and of the Netherlands. Other countries in Europe have difficulties having such good relations with Canadian companies as the Dutch companies have.
3. Canadian industry lags behind the Dutch industry	The Canadian food industry is often 8 to 9 years behind Europe when it comes to innovations and machinery. One reason for this is the strong competition within the EU which makes the companies more and more competitive, and so the least competitive companies will drop out more quickly. In addition, Canada is a market of SMEs (small and medium-sized enterprises), and for them, millions in investments are often difficult and too risky. This means that they cannot, or do not yet, keep up with the level of the EU. As a result, it is expected that the EU will have a competitive advantage over the Canadian food industry for the years to come.
Threats:	Summary:
1. The climate becomes more important	It is important to understand that the environment has become more important for Canadian consumers. Especially the younger generation is more conscious of the changing environment. A lot of recent start-ups and scale-ups are focused on environmental issues. This development could have an influence on the consumption of meat.
2. Meat replacement products	In the most recent years, meat replacement products have become more popular. Vegetable meat replacers have seen an immense increase in sales over the past few years, but more recently, their sales have started to stabilize. A different meat replacement product is cellular meat. This is still in development, but the amount of venture capital put into this industry is immense. The benefit of cellular meat is the fact that animals do not have to be killed to produce the meat.

Interview 7	
Function:	Trade officer at Netherlands Consulate
Opportunities:	Summary
1. Price-point is the most important factor for Canadian consumers	The vast majority of Canadian consumers are mostly focused on the price when buying food. Canadian consumers are considered to be price-sensitive and will therefore mostly focus on the lowest price products.
2. Animal welfare discussion in Canada	In the Netherlands, there is a strong discussion about animal welfare. In Canada, this discussion is not as strong as in the Netherlands. Meat consumption is still mainstream, and the welfare of the animals is of less attention than in the Netherlands.

is not as important as in the Netherlands.	This means that the market for meat consumers is comparatively larger than in, for example, the Netherlands.
3. Eastern Canada is familiar with veal	Eastern Canada, predominantly Quebec, will provide the most potential for veal consumption. The French culture has an important influence on Quebec, and therefore the French kitchen is well-known in Quebec. Veal is a product that is used in the French kitchen and therefore known to consumers in Quebec. Therefore, because of culture, the eastern part of Canada is familiar with veal
Threats:	Summary:
1. Meat replacement products	A slow trend toward more plant-based proteins can be seen in Canada, but that's mainly in the last five years.
2. Western Canada is not familiar with veal	In western Canada, there is actually no veal in the supermarket. Veal in western Canada is a really unknown product; in restaurants, it is also rarely offered. The eating habits of western Canada are more similar to those of the Americans, which is big pieces of beef.
3. 10-20% of consumers buy local	There is a certain part of the consumers that are willing to buy organic, and these are also often looking to buy local. Expected is that approximately 10-20% of the consumers are regularly buying locally produced products.
4. Price-point is the most important factor for Canadian consumers	The vast majority of Canadian consumers are mostly focused on the price when buying food. Canadian consumers are considered to be price-sensitive and will therefore mostly focus on the lowest price products.

Interview 8	
Function:	Senior Advisor Economic Affairs at Netherlands Consulate
Opportunities:	Summary:
1. Eastern Canada is familiar with veal	Canadians are familiar with veal, and it is certainly eaten. It can be bought in a retail store, but especially in restaurants in eastern Canada, you'll come across quite a lot of veal.
2. Consumption of veal mostly in foodservice	Expected is that the consumption of veal in Canada is more in the foodservice industry than in the retail industry. As veal is a more luxurious piece of meat, consumers will eat this more often in a restaurant than buy it themselves and prepare it at home.
3. Price-point is the most important factor for Canadian consumers	The mainstream consideration for Canadian consumers when buying a product is Price-point. Organic produce and local products can easily be \$5 to \$6 more expensive, and the majority of the population in Toronto is not willing to pay that.
Threats:	Summary:
1. Meat replacement products	In Toronto, there is an increase in people seeking alternative forms of meat; it is unclear whether that increase is also outside of the cities.
2. 10-20% of consumers buy local	Expected is that around 10-20% of the consumers are buying locally produced products. They are willing to pay more for products that come from farms or companies nearby.
3. Price-point is the most important factor for Canadian consumers	The mainstream consideration for Canadian consumers when buying a product is Price-point. Organic produce and local products can easily be \$5 to \$6 more expensive, and the majority of the population in Toronto is not willing to pay that.

Interview 9	
Function:	Food Trade and Investment Attraction at Government of Ontario
Opportunities:	Summary:
1. Meat is still important	In North America, meat is still an important product, and this will stay the same in the future to come. We saw an increase in alternative meat products, but right now, that increase has stopped. We also see a demand for premiumization, and I think veal can be seen as a premium product. The North American consumer is still dependent on their meat consumption and is, therefore, a stable market.
2. Health & Wellness trend	A big trend in North America is the health & wellness trend, just like in Europe. More people have started to take their personal health seriously, and they want to adapt their lifestyle to it. Veal is, of course, lean meat, and therefore there will be consumer demand for that type of product. An important part of the health & wellness trend is the ingredient list of products. The alternative meat products have a large list of ingredients; this is necessary in order to imitate the characteristics of meat. A lot of consumers in North America are hesitant about highly processed food, and this could be a big challenge for alternative meat products. The trend of people being hesitant about highly processed food has been really solid for the past couple of years. This is an opportunity for the meat industry as meat is usually not highly processed.
3. Price-point is the most important factor for the Canadian consumers	The average Canadian consumer is price sensitive and will therefore choose the product with the lowest price. A lot of consumers in Canada still do groceries only once a week, and when doing so, they will focus on the lower prices.
4. Frozen ready-to-eat meals	Most Canadian retail stores have a limited number of frozen ready-to-eat meals with veal in them; these are usually high-end ready-to-eat meals. Personally, I do not have a reason why there are so few meals with veal in them. During the past three years, there were introduced only eight new ready-to-eat meals with veal in them across whole Canada. These frozen meals containing veal are more expensive than the regular frozen meals; however, it allows the consumer to eat veal for a lower price than in the restaurants. Therefore, frozen ready-to-eat meals could be an opportunity.
5. Processing in Canada	We see a lot of investment in Canada with the aim to export to the US. You can import raw materials and ingredients into Canada, produce or further produce a product in a facility in Canada, and eventually export the product into the US. And because Canada has an agreement with the US, the USMCA agreement, they can export to US cheaper compared to exporting directly from the EU to the US. From Ontario, you have access to around 140 million people within a day; therefore, this type of business model could provide a big opportunity. And due to CETA, goods can be exported to Canada without duty fees. Working with a partner or co-manufacturer would allow you to distribute your products in the US. You have to look closely at the tariff lines because if, for example, a quarter has a different

	tariff line than a cutlet, it is beneficial to produce in Canada and export to the US.
6. Independent retailers	Independent retailers are quite big in Canada, and this could be a good place to start. They want to have something different on their shelves to differentiate from the large retail chains. The independent groceries association is the right organization to look for these retail stores. This could be an interesting place to start selling in Canada.
Threats:	Summary:
1. Competitive industry	The foodservice distributors in Canada are extremely dominated, which causes it to be difficult to sell directly to foodservice companies. There are generally two big companies in Canada that dominate the foodservice industry, which is GFS and Sysco. So, it is more difficult to get through the distribution supply chain. It is similar to the retail industry in Canada; there are only a couple of big retail companies that are supplying the consumers.
2. Meat replacement products	Cellular meat should be on the radar of every meat producing company, as there is a rise of companies who are trying to produce lab-grown meat. It is still far away, but better to keep an eye on the development of cellular meat. The benefit of cellular meat is that there is no animal welfare issue, as no animals are being slaughtered to produce the meat. However, consumer acceptance is still a potential difficulty for the cellular meat industry, as the product is produced scientifically. For the entire meat industry, cellular meat could be a potential threat. But the, cellular meat could also be a potential opportunity to invest in. Meat processors could make a transition toward lab-grown meat in order to maintain their position.
3. High-end food service has gone through a difficult time.	During the COVID-19 pandemic, the more expensive white-tablecloth restaurants have had a lot of difficulties. And I do not know how much of that industry has left. The quick-service restaurants have done much better during the COVID-19 pandemic; I think they more or less have maintained their sales. This means that the high-end part of the foodservice industry may have some difficulties in the years to come in order to regain their market share.
4. Animal welfare	A few years ago, there was a big conversation ongoing about the crates in which the calves were being kept. The Canadian veal industry changed its raising system because of that. This shows that animal welfare has become more important to Canadian consumers as the conversations started with the consumers. However, I cannot find any new articles about animal welfare practices or discussions on veal in Canada. So, it looks like it has been quiet over the past couple of years. However, animal welfare has become more important in the world, and it can affect meat production and consumption in the long run.
5. Price-point is the most important factor for the Canadian consumers	Price is the most important factor for Canadian consumers. This could be an opportunity when the Dutch veal producers are able to export veal against a competitive price. However, when they are not able to do so, the fact that price is the most important

	factor for Canadian consumers will be more of a threat than an opportunity.
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Interview 10	
Function:	Assistant Professor at Dalhousie University
Opportunities:	Summary:
1. Eastern Canada familiar with veal	What you can see is that the veal consumption in Canada is mostly happening in eastern Canada and then, especially in Ontario and Quebec. Those provinces have a culture in which veal is a well-known product. This means that you will not have to explain to the consumer what veal is; they know what the product is, what the taste is, and how to prepare it.
2. Price is important	The Canadian consumer considers the price to be important, and they will base their choice of product mainly on the price. Taste and tenderness are also factors that are important for Canadian consumers, but they consider price to be the most important factor when buying food. This means that when the Dutch veal producer is able to export veal against a competitive price to Canada, the majority of the consumers who buy veal in Canada will also buy Dutch veal.
3. Foodservice most potential for veal	Veal is perceived as a luxurious piece of meat, as the price is significantly higher than the more regular pieces of meat such as poultry or pork. This means that the veal consumption will be predominantly in the foodservice industry, especially the more high-end restaurants.
Threats:	Summary:
1. Animal welfare is important	Canadian citizens consider the welfare of animals to be important. The people who think animal welfare is important has increased over the past year, and this is now something to consider before exporting to Canada. A couple of years ago, the Canadian veal industry decided to switch from individual housing to group housing in order to increase animal welfare. This is an example of the Canadian industry becoming more aware of the importance of animal welfare.
2. Price is important	As price is important for Canadian consumers, it is vital to have a competitive price when exporting to Canada. When you are not able to export veal from the Netherlands against a competitive price, the majority of the Canadian consumer will not buy the Dutch veal.

Appendix IV

1. What is your job function?

Sales manager

2. What do you think is an opportunity for Dutch veal in Canada?

Montreal families with veal

3. Which market do you think provides more potential for the export of veal?

- ☐ Retail
- ☒ Foodservice
- ☐ Processing industry

4. What do you think are threats to Dutch veal in Canada?

Aggressive local competition

lot of grain-fed veal in Canada

5. Which of these consumer preferences or requirements do Canadian consumers consider important when buying veal?

- ☐ Quality
- ☒ Price
- ☐ Animal welfare
- ☐ Environment
- ☐ Sales/promotion
- ☐ Origin (Canadian origin)

1. What is your job function?

Sales manager

2. What do you think is an opportunity for Dutch veal in Canada?

montreal is familiar with veal due to culture

3. Which market do you think provides more potential for the export of veal?

- Retail *specialty stores, italian retailers*
- Foodservice
- Processing industry

4. What do you think are threats to Dutch veal in Canada?

Canada has its own production, so the competition is big.

5. Which of these consumer preferences or requirements do Canadian consumers consider important when buying veal?

- Quality
- Price
- Animal welfare
- Environment
- Sales/promotion
- Origin (Canadian origin)

1. What is your job function?

Owner

2. What do you think is an opportunity for Dutch veal in Canada?

Halal is upcoming, and people tend to pay more for Halal Products

3. Which market do you think provides more potential for the export of veal?

- Retail
- Foodservice
- Processing industry

4. What do you think are threats to Dutch veal in Canada?

The big retail chains aim for low prices, which you always need to have the lowest price

5. Which of these consumer preferences or requirements do Canadian consumers consider important when buying veal?

- Quality
- Price
- Animal welfare
- Environment
- Sales/promotion
- Origin (Canadian origin)

Appendix V

Expert 1, Export manager

		Opportunities				Threats				
		O1	O2	O3	O4	T1	T2	T3	T4	T5
Strengths	S1	3		2		2	1			
	S2		2	1	2	1		2		3
	S3				1			1		
	S4	2	3			3	3		1	
	S5	1								
Weaknesses	W1		1		3		2	3	3	2
	W2			3					2	
	W3									1
	W4									

Expert 2, Sales manager

		Opportunities				Threats				
		O1	O2	O3	O4	T1	T2	T3	T4	T5
Strengths	S1	2		2		3				2
	S2			3	1	2		1		3
	S3							2		
	S4	1	1							
	S5	3						3	1	
Weaknesses	W1				3				2	1
	W2		3	1	2		2		3	
	W3		2			1	1			
	W4						3			

Meeste impact = 3 Op één na meeste impact = 2 Op twee na meeste impact = 1 Alle overige = 0									
	Opportunities				Threats				
	O1	O2	O3	O4	T1	T2	T3	T4	T5
Strengths	S1	3	0	3	0	3	0	0	0
	S2	1	2	0	3	0	3	0	1
	S3	2	3	0	0	0	2	3	2
	S4	0	0	2	0	0	0	2	0
	S5	0	1	1	0	2	0	0	0
Weaknesses	W1	0	0	0	1	0	0	1	0
	W2	0	0	0	0	0	0	0	0
	W3	0	0	0	0	1	0	1	0
	W4	0	0	0	0	0	0	0	3

Meeste impact = 3 Op één na meeste impact = 2 Op twee na meeste impact = 1 Alle overige = 0										
Strengths	S1	01	02	03	04	T1	T2	T3	T4	T5
	S2	0	3	0	1	2	0	0	2	2
	S3	0	0	0	0	1	0	3	3	3
	S4	2	0	0	0	0	0	0	0	0
	S5	0	0	3	0	0	2	0	0	0
Weaknesses	W1	0	0	0	3	0	0	0	0	0
	W2	1	0	2	2	0	0	0	0	0
	W3	0	2	0	0	0	1	1	0	0
	W4	0	0	0	0	0	0	0	0	0