



Lawn & Garden Equipment

Gardening has become one of the most popular hobbies among homeowners. In addition to the practical purpose of enhancing the aesthetic appeal of their homes, many people find organizing and tending to their lawns and gardens enjoyable. This has created a hot market for any type of lawn and garden equipment or product and has extended into other product categories such as garden ornaments, fountains and furniture. Professional lawn and landscape services have also increased in the last five years, given the ever-growing aging population with strong spending power.

MARKET OVERVIEW

- ▶ The Canadian lawn and garden equipment industry is primarily import based, with 83% of all imports originating from the United States.
- ▶ The size of the Canadian lawn and garden equipment market is estimated at approximately US\$1.2 billion.
- ▶ In 2004 total Canadian imports for this industry were valued at US\$396.5 million and are estimated that they will continue to increase by 9.4% in 2005 to US\$471.5 million.

EXPORTING TO CANADA

Although there are few Canadian residential lawn and garden equipment manufacturers, there are many distributors and dealers. Canadian distributors carry a wide variety of imports. The strongest three major brands of lawn and garden equipment in Canada are John Deere, Toro, and Honda (manufactured in the United States). Along with the equipment supplied by the big three manufacturers, the Canadian marketplace displays a mosaic of independent U.S. manufactured specialty equipment. United States specialty equipment manufacturers have enjoyed great success in the Canadian market due to the number of equipment retailers, short distribution chain and strong brand loyalty.

U.S. POSITION

- ▶ The success of U.S. lawn & garden equipment suppliers in Canada is primarily due to the advantages that U.S. manufacturers enjoy over third-country suppliers, including geographic proximity, similar quality demands and channels of distribution, and duty-free access under NAFTA.
- ▶ Canadian imports of lawn and garden equipment from the United States were valued at US\$328 million in 2004 and are expected to increase to US\$385 million in 2005.
- ▶ In 2004 the U.S.-Canada exchange rate stabilized with the value of the Canadian dollar inching its way up so that American-made products are now more price-competitive in the Canadian market.



COMPETITORS

- ▶ Domestic competition in the Canadian lawn and garden equipment industry is limited with only one major Canadian garden equipment manufacturer.
- ▶ Consolidation or buyouts of other smaller Canadian manufacturers in the late 1990s have left very few small Canadian OEMs that serve primarily the professional landscaping market.
- ▶ U.S. manufacturers of lawn and garden equipment have historically enjoyed a leading position in the Canadian lawn and garden equipment market, however, in the last five years, U.S. manufacturers exporting to Canada have slowly lost import market share to third country suppliers, primarily from Japan, China and Mexico.

THINK CANADA FIRST!

U.S. manufacturers of lawn & garden equipment are well positioned to increase their market presence in Canada by meeting the growing demand for high-end, high quality, easy to use equipment. We encourage U.S. companies to contact the U.S. Commercial Service to receive more information on how to increase their export potential in Canada's lawn & garden equipment market.

When you think of exporting, Think Canada First!

We hope that you find this information useful. If you would like further information, please contact the CS Canada National Lawn & Garden Equipment and Products Sector Specialist, Rita Patlan at Rita.Patlan@mail.doc.gov or (416) 595-5412, ext. 223. . Visit our website www.buyusa.gov/Canada to discover other commercial opportunities in Canada. (08/05)