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WORLDWIDE FISHERIES MARKETING STUDY: PROSPECTS TO 1985

OVERVIEW



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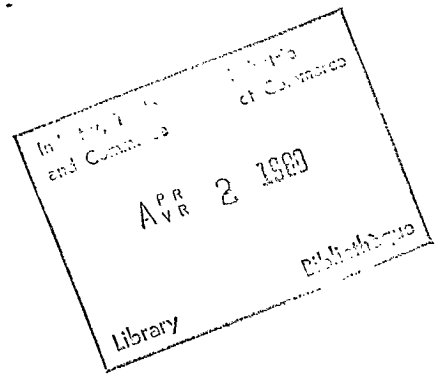
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D R A F T

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OVERVIEW

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October 1979

(version française disponible)

ACKNOWLEDGEMENT

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The views expressed in this Study, however, are ours alone and reflect the Canadian perception of worldwide markets.

With regard to the overall Study, we would like to acknowledge:

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FOREWORD

As a consequence of global extension of fisheries jurisdictions, a radical shift has taken place in the pattern of worldwide fish supply and demand. This change is still going on and will continue for many years before an equilibrium situation is reached. However, in the midst of this re-adjustment, a new trade pattern is emerging -- some net exporting countries are now importing and vice versa. In the longer term, some countries will experience shortages of supply and others will have a surplus. Fortunately, Canada is amongst the latter group.

The implications for the marketing of Canadian fisheries products arising from the worldwide introduction of the 200-mile limit are extensive. With our vastly improved supply position relative to world demand, government and industry are understandably concerned about ensuring that the bright promise of increased market opportunities are real and can be fulfilled. One of the steps in this process is the publication of the Worldwide Fisheries Marketing Study which assesses the potential on a country and species basis.

Specifically, the purpose of the Study is to identify the short (1981) and longer-term (1985) market opportunities for selected traditional and non-traditional species in existing and prospective markets. In this initial phase, 14 country markets and 8 species groups are analysed. It should be noted that while the information contained in the Reports was up-to-date when collected during March-June 1979, some information may now be dated given the speed with which changes are occurring in the marketplace. In this same vein, the market projections to 1981 and 1985 should be viewed with caution given the present and still evolving re-alignment in the pattern of international fisheries trade, keeping in mind the variability of key factors such as foreign exchange rates, energy costs, bilateral fisheries arrangements and the recently concluded GATT-MTN agreements which have a direct effect on trade flows.

Notwithstanding, the findings contained in these Reports represent an important consolidation of knowledge regarding market potential and implications for improvements in our existing marketing and production practices.

Thus, the results of the Study should usefully serve as a basis for planning fisheries development and marketing activities by both government and industry in order to capitalize on the identified market opportunities.

This draft Overview is published for discussion purposes and as such we invite your critical comments.

Ed Wong

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Ottawa

OVERVIEW

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I INTRODUCTION

The extension of fisheries jurisdictions worldwide has brought about a dramatic shift and re-adjustment in the flow of international fisheries trade. A number of major fishing countries have not only been losing access to traditional distant waters, they have also experienced sharp declines in their local supply sources and are turning more to imports to fill the gaps.

In the short term, Canada has already experienced some export gains in certain species such as herring, cod and squid. The Worldwide Marketing Study sets out to identify the longer-term opportunities for Canada. The assessment includes predicting potential fish exports from Canada in the near and longer-term future.

The country markets covered by separate reports in this Study are the United Kingdom (UK), Spain, Portugal, Sweden, Finland, Belgium, Netherlands, France, Federal Republic of Germany (FRG), Italy, Greece, United States of America (US), Japan and Canada. Special emphasis is given to groundfish, herring, salmon, shellfish and squid for which separate reports have been prepared.

This Overview paper synthesizes the material contained in the country and species reports and looks ahead to the mid-1980's, taking note of recent fisheries developments, the likelihood of changes in international production and the attendant trade re-alignment.

II. WORLD PRODUCTION AND TRADE IN FISHERIES

In 1978, Canada became the world's leading exporter of fish in value terms, worth \$1.1 billion[†]. This has occurred in parallel with a steady increase in Canadian landings, from a low point of 1.02 million tonnes in 1975 to 1.38 million tonnes in 1978 (preliminary figure).

The recovery of Canada's Atlantic groundfish stocks since the mid-1970's has coincided with and been reinforced by improved resource management. This recovery has been possible with the extension of Canadian jurisdiction to 200 miles since 1976, and a national fisheries rehabilitation program including the Salmonid Enhancement Program. Extended jurisdiction has and will continue to provide Canada with fish stocks which can be managed to increase and strengthen our present position as a leading fish exporter in the world.

Extension of fisheries jurisdictions was a worldwide phenomenon of the mid-1970's. It was sparked by major resource crises in the early 1970's such as the failure of the Peruvian anchovy harvest, the collapse of the North Sea herring stocks, and the crisis in our Atlantic groundfish fishery. All of these events pointed to a need for coastal states to take a stronger hand in fisheries resource management of their own ocean perimeter. This opportunity not only afforded coastal states greater protection over the fishery

[†] Throughout this paper all values are in Canadian dollars unless otherwise stated.

from over-fishing, it allowed them to gain greater control of the harvesting, processing and income generated in their contiguous waters. Implementation of 200-mile jurisdictions spread quickly after 1976 and has had a major impact on the resources available to the leading fish producing nations. Those with relatively short coastlines, such as Japan and many European nations, had made intensive use of distant water fleets. However, in the post-extension context, access for these fleets has been gradually diminished by coastal states controlling extensive, rich fishing grounds. Canada, US, Iceland, Russia (USSR) and New Zealand are amongst the major beneficiaries of the 200-mile limit.

Today, distant water fleets are greatly reduced and producers such as Japan and countries in the European Economic Community (EC) have been forced to become more dependent on their domestic fishing grounds, which in many instances are already over-exploited. In the absence of a final common fisheries policy, EC countries are faced with further uncertainty regarding future allocations as to who will reap the rewards of fishing European waters.

While resource management and extension of jurisdiction are the main factors bearing upon the changing global fisheries production and trade picture in the late 1970's, a third and increasingly important factor is the rise of fishing industries in certain developing nations. In Africa,

this includes development of industries in the Ivory Coast and Senegal; in South America: Argentina, Mexico, and Chile; in Asia: India, Thailand and the Republic of Korea.

The world fish catch (see Chart 1) has been approximately 70 million tonnes during the 1970's, reaching 74.9 million tonnes in 1978[†]. Japan became the world's premier fish producer in 1972 and has retained that position ever since despite the fact that it has been forced to forego some access to herring and salmon fisheries off North America, the USSR and Australasia.

Table 1 provides an indication of the shifts which have occurred in the tonnage of fish exported by leading traders since 1972. Japan's shipments have been declining, although still ranked third in 1977; Norway, Denmark and Iceland have each expanded their exports and the former two have moved up in rank. The Netherlands and Spain have fallen back, while USSR shipments have grown. The most dramatic changes have been the fall of Peru and the rise of Korea as fish exporters. Canada and the US have both pushed ahead with greater export volume, but neither improved its overall ranking between 1972 and 1977.

It is clear, however, from Table 2, that Canada and the US have been exporting relatively high value fish,

[†] Although some statistics exist for 1978 and have been included in this paper where possible, 1977 is the latest year for which complete and comparable statistics are available.

the export prices of which have escalated sharply since 1972. In value terms, Canada's exports climbed from US\$ 343 million (ranked 3rd) in 1972 to US\$ 757 million (ranked 2nd) in 1977, and of course attained top position at almost US\$ 1 billion in 1978. The United States made similar strides. The impact of extended jurisdiction, over-fishing, and intensified competition shows up among the "winners" and "losers" revealed elsewhere in Table 2. While Japanese exports earned more between 1972 and 1977, Japan dropped from 1st to 4th place in rank. The Netherlands, Spain, and the Federal Republic of Germany, and to a lesser extent the UK, all declined relatively, mirroring their changed production circumstances. Norway, Denmark and Iceland retained their important roles as fish exporters and indeed greatly expanded their foreign exchange earnings. Two new major traders are Mexico and South Korea, the latter having made spectacular gains in the last six years.

As the aforementioned Tables 1 and 2 and Charts 1 and 2 show, there has already been a considerable upheaval in world fisheries production and trade. The shifts evident between 1972 and 1977 are only the beginnings of these movements. Traditional producing nations such as Japan, the EC, Spain and Portugal have suffered, and will likely continue to suffer further losses of access to traditional distant fishing grounds. To buffer this imminent prospect, they are entering

into more government-to-government bilateral agreements (more than 100 have been signed between 1975 and 1978). On a corporate level, joint ventures are actively being sought with enterprises in such nations as Mauritania, Senegal, Namibia (S.W. Africa), Indonesia and Argentina. However, over time as host countries gain experience, technical know-how, and develop their own marketing ability these bilateral agreements and joint ventures will become more difficult to negotiate, and are likely to swing heavily in favour of domestic fisheries industries.

It is evident that many nations with traditional high per capita fish consumption who were able to be more than self-sufficient in the past are now moving to deficit positions. They are rapidly becoming net fish importers, in some cases not only to sustain their processing industries and retain their role as fish product exporters, but also for domestic consumption.

Although resource management, fisheries access, consumer tastes, incomes, relative prices, and balance of payments policies will all play a hand, there are strong indications that by the mid-1980's Japan and the European Community nations will have become heavily dependent on foreign supplies of fish. At the same time, the US import market will have further expanded for certain species, even though it is expected that American production will rise. Canada is

expected to emerge with abundant and assured supplies of preferred species, much of which will be available for export. Chart 3 suggests the dimensions of this potential catch in 1981 and 1985.

With the prospects of growing fisheries production from Canadian waters, it is of vital concern that markets for the years ahead be identified, assessed and developed now. The Worldwide Fisheries Marketing Study has examined market potentialities in 14 countries and estimated our likely production and export dollar value for 5 groups of leading species[†].

In effect, they point the way towards a future fisheries export marketing strategy, by indicating those countries whose imports are expected to expand, which species will be required, and where Canadian processors and fishermen may make the most of these opportunities.

III. ASSESSMENT OF MARKETING POTENTIAL

Canada has considerable potential to increase fish production up to 1985. Substantial increases in the total allowable catches are forecast for such species as cod, ocean perch, flatfish, pollock, hake and other groundfish. Catches of haddock, salmon, crab and shrimp can also be expanded judiciously. These projections are shown in Table 3.

[†] These reports are being issued individually as Annexes and readers are referred to them for details.

It should be noted at the outset that the assessment of market potential is based on estimated Total Allowable Catches (TAC's) which are themselves subject to change in light of experience and new information.

While a more detailed appraisal of expected species production and markets are contained in the species Annexes to this Overview paper, the highlights for the five major groups (groundfish, salmon, herring, squid and shellfish) are as follows:

1. Canadian Market Prospects to 1985

A. GROUND FISH (See Charts 4 & 5)

This is an important area of concern and requires a considerable investment of effort in market development.

COD

- * This species is forecast to have the largest increase with a TAC which could reach 680,000 metric tons by 1985.
- * There will be continued heavy demand for cod in the US market.
- * There is a need to penetrate European markets in order to diversify.
- * This species could fill projected shortfalls in salted products in Third World countries in South and Central America and Africa.

Forecast: No surplus or deficit[†].

[†] If we include a number of other markets not examined by the Worldwide Fisheries Marketing Study in Phase I, such as Eastern Europe, it is likely that there will be a DEFICIT in cod by 1985.

HADDOCK

- * There will be a continued high demand in the US.

Forecast: DEFICIT.

POLLOCK

- * High demand in US market but will have to compete against US supply sources.
- * A heavy promotion in Canadian market is desirable and new overseas markets should be sought.

Forecast: SURPLUS.

HALIBUT

- * Continued strong demand in US and Canada.

Forecast: DEFICIT.

FLATFISH

- * Canada should press hard for new markets as this species will have to compete against forecast increased US supplies.
- * Promotion and new market development required.

Forecast: SURPLUS.

OCEAN PERCH

- * Same as Flatfish (above).

Forecast: SURPLUS.

TURBOT

- * Heavy demand and short supply in US.

Forecast: DEFICIT.

HAKE

- * Quality must be upgraded for this soft fish.
- * Abundant world supply.
- * Canadian products must be top quality and price competitive.
- * Requires new product and market development.

Forecast: SURPLUS.

B. SALMON (see Chart 6)

- * Continues to be a premium species around the world; has existing broad market base[†].
- * Movement from canned to frozen trade which is related to rising incomes.
- * Encouraging signs for Pacific salmonid enhancement.

Forecast: DEFICIT.

[†] These comments apply in general to Pacific salmon. Atlantic salmon is a small but important species exported mainly to W. Europe.

C. FOOD HERRING (see Chart 7)

- * High demand for food herring until 1985 based on reduced resource of competitors; market outcome beyond 1985 is related to recovery of North Sea stocks.
- * Could be in surplus beyond 1985.
- * Uncertainty about US potential for increased herring production.
- * Long term need for market development including promotion, vertical integration into foreign markets.

Forecast: NO SURPLUS OR DEFICIT.

D. SHELLFISH (see Chart 8)

- * Luxury items in high demand.
- * Recent trends toward expansion of foreign markets.
- * Possibility for new product development.

Forecast: NO SURPLUS OR DEFICIT.

E. SQUID (see Chart 9)

- * TAC difficult to predict.
- * High demand; continuing long term decline in Japanese domestic supply.

Forecast: DEFICIT.

F. CAPELIN

- * Recent development as source of roe.
- * TAC difficult to predict.
- * Market development and further investigation required.

G. MACKEREL

- * Relatively inexpensive protein for Third World countries.
- * Questionable whether Canada can fish and process profitably to supply these markets.
- * Reduction in resource off Cornish coast could give Canada new opportunities.
- * No major breakthrough yet as substitute for herring.
- * Promotion and upgrading of image necessary at home and abroad.

H. FRESHWATER

- * Promotion and market development required for these species in Canada and abroad.

2. Market Value of Prospects to 1985

In assessing the total likely value of Canadian fisheries production based on the projected catch of the five major species groups -- groundfish, salmon, herring, squid, and

shellfish -- the prospective importance of the fishing industry becomes clear. Given certain assumptions regarding the supply and demand of each species and, for ease of estimation, assuming a general world fisheries export price increase of 10 percent annually to 1985 plus no major shifts in the relative prices of fish products, then a range of imputed values can be constructed (see Table 4).

Based on the aforementioned considerations, the following estimates of market values for Canadian fisheries sales have been calculated.

- * The LOW estimate is \$3.2 billion in 1985, which reflects no change in relative prices of individual species but only the overall 10 percent rate of expected inflation in all fisheries product prices.
- * The MEDIUM estimate is \$3.6 billion in 1985 which takes into account certain additional increases in the relative prices of highly sought-after fisheries products.
- * The HIGH estimate is \$4.7 billion which assumes that a broad class of fisheries products experience value gains and that sales are supplemented by expanded volumes of currently underutilized species.

Although these projections may appear somewhat high, they come into focus more clearly as LOW \$1.8, MEDIUM \$2.0, HIGH \$2.6 billion when expressed in 1979 dollars.

When domestic Canadian sales are deducted, the total export market values in 1985 are estimated to be:

	in 1985 dollars (billion)	in 1979 dollars (billion)
LOW	2.02	1.14
MEDIUM	2.22	1.25
HIGH	2.73	1.54

However viewed, the projections of fisheries sales in Table 4 underscore the future marketing task. While the export potential is significant, the foregoing projections also assume a large increase in Canadian domestic consumption. In the above forecasts (discussions and tables), the major foreign buyers for various products have been identified[†]. The 1985 trade pattern is likely to follow recent export results, with the US continuing as our major market, while Japan and the EC countries demonstrate the most active new demand for our fisheries products. The recent history of Canadian fisheries exports is displayed in Chart 10.

As shown in Table 5, the thirteen foreign countries analyzed by the Worldwide Fisheries Marketing Study provided Canada with export sales of \$1,037 million in 1978 or equivalent to 91.4 percent of the total fisheries exports. Certain

[†] It should be noted that the above estimates only consider the growth in the five selected species groups. Since they do not include capelin, mackerel, freshwater species and others, they are underestimates. (Phase II of the Study will cover additional countries for which there may be markets for these species).

characteristics of the Canadian export trade mix in recent years are worth noting, since they signal likely future developments:

- * Exports of whole round or dressed fish constituted about one-fifth of total export value in both years. There has been a slight tendency for this proportion to rise, principally because of increased shipments to UK, France and Japan.
- * Fillets constituted about 30 percent of export value in both 1976 and 1978.
- * Canned products accounted for 8 percent of export value in 1976, but only 6.5 percent in 1978. From this it appears that canned products have declined somewhat in production importance. British consumers had a canned salmon scare in 1978, but this setback should be viewed as only temporary.
- * Exports of cured fish have fallen from 10 to 8.5 percent of total export value during the 1976-78 period. This reflects relative slowdowns in sales to the US and northern Europe.
- * Other fisheries products have moved up in export value share from 32.5 to 33.8 percent between 1976 and 1978. Most of this is attributable to very large increases in herring roe and squid sales in Japan.

These reviews of recent export sales indicate that substantial shifts are already occurring among the key destinations for Canadian fisheries exports.

The US in 1976 purchased three-fifths by value of Canada's fish exports, but two years later in 1978 this proportion was just under half. While the US remains Canada's best overall customer for fish, based on volume and dollars, the increased exports to Europe and Japan have diversified Canadian markets.

The European picture however is by no means one of homogeneous sales growth. Although Canadian fisheries exports to the UK rose from \$29 to \$48.6 million in the period between 1976 and 1978, the UK's share of Canadian exports declined from 4.8 to 4.3 percent. The export share bound for the Swedish market also slumped from 2.0 to 1.4 percent. Elsewhere, proportions of sales bound for Belgium/Luxembourg, Italy, Finland and Portugal all held firm but were modest. Nevertheless, these results can be viewed as positive achievements, when taken together with the more dramatic export results recorded by Canadian sales in French, German and Dutch markets.

It is important to bear in mind that variations caused by differences in species and price specifics must be reviewed in detail in order to ascertain particular export market potentialities. This is particularly true of the

Japanese market.

What do these various markets promise in terms of future potential? The trade potentials shown in Table 6 are given in round weight form in terms of thousands of tonnes.

* These projections show a continuing development in the volume of certain groundfish sales to the US. The Federal Republic of Germany, UK, Portugal and Spain are also expected to be important groundfish customers.

* Japan will be the major salmon market followed by the UK, France and a number of other European countries and the US.

* Atlantic herring will go in the main to the US and the FRG, with important shipments bound for Sweden, UK, France, Netherlands and Japan. Pacific herring will mainly be processed for roe and shipped to Japan.

* All squid is shown as exportable, with Japan as the major customer.

* Shellfish exports are highly valuable. It is questionable whether Canada could supply the US with its expected import demand for scallops. The same may be true, but to a lesser extent for lobster shipments. The most important shellfish market is the US, while France, UK and various other European markets and Japan are buyers of small quantities.

IV. TRENDS AND DETERMINANTS IN FISHERIES MARKETS

1. Lifestyles and Tastes

There are several consumer trends which are re-shaping world market demand for fish. As living standards rise, consumers are adjusting their tastes in fish. Consumers are eating relatively less fresh fish and turning more frequently to frozen prepared products while dining out or at home. At the same time, consumers are willing to pay a premium for preferred species in fresh or frozen form. Westernization in a number of countries has seen a shift to new ways of eating fish such as fish burgers.

At home, consumers are eating more ready-to-eat frozen fish products. With more women working in the labour force, there is at once less time for home food preparation and more money available for convenience appliances such as home freezers and microwave ovens. But consumers are also faced with paying higher prices for fish and are consequently more discriminating in their purchases, especially when fish prices rise more quickly than competitive protein products.

The rise of fast food outlets (especially outside of Canada and the US) is adding to consumer preference for convenience food products, including fish. Thus, to retain and build on market shares, fish suppliers must ensure that products are of top quality when frozen. If this is assured,

then when fish products are thawed for re-sale or consumption they maintain their quality for consumers.

In future, adjustments in consumer tastes arising from certain fish supply shortages will be key factors in determining market opportunities by species. For example, the return of North Sea herring supplies will affect not only the level of prices in Western Europe and the prospects for continued herring exports from Canada, but also the continued role of mackerel as a herring substitute. The longer it takes for the return of North Sea herring stocks, the greater the export and price opportunities for Canada. At the same time, market development could help to secure a consumer desire for Canadian herring which could assure continued sales even after North Sea stocks recover.

2. Energy Costs and Exchange Rates

Another variable, and one of increasing significance, is energy costs. Those fishing industries currently operating below capacity because of lack of fish supplies will be even more hard pressed as operating fuel costs escalate. To the extent that the Canadian industry can operate at profitable levels because of proximity of fish resources and improve production and marketing efficiencies, Canadian exporters will be in a stronger position to compete abroad. Energy costs will also have an effect on consumers' ability to get to fast

food outlets (particularly in the US) as well as on packaging, storing and handling costs.

Like energy costs, the fluctuations in currency values are of growing concern to both suppliers and customers. They face continued uncertainty when negotiating delivery prices. Skillful use of forward exchange markets can, however, minimize such risks. In recent years, Canada has enjoyed a windfall currency advantage in the US. At present, the Canadian dollar is about 15% below the US dollar. This differential is particularly notable when US dollars are quoted in other than US market transactions, but it cannot be counted on right through to 1985. Charts 13 and 14 show the fluctuations in exchange rates, relative to the Canadian dollar, of several of our major fisheries export customers for the period 1975 through August of 1979.

3. Impediments to Expanded Fisheries Trade

The task of effective forecasting is made difficult by a variety of as yet unresolved international policy issues. Until the European Community settles its internal differences on a common fisheries policy, allocation of resource access to waters around Western Europe remains in dispute. As a result, it is difficult to assess markets when a competitive supplier such as Canada could lose its marketing

edge in species fished by specific EC members.

In addition, bilateral country agreements or firm-to-firm joint ventures could also influence the supply and price picture in potential markets. When, for example, the FRG signs an accord with Argentinians on hake fishing, Canadians will have less scope for increased hake exports to Germany, other factors being equal. Bilateral arrangements in the years to come will have a large effect on the speed of trade adjustments and ultimately on the fishery trade patterns. For example, it is anticipated that access accorded to major fishing nations by under-developed countries will be reduced to a minimum within the next five to eight years.

Trade obstacles, in the form of tariff and non-tariff discrimination, pose threats to the maximization of export opportunities. Under the free trade provisions of the European Free Trade Association fish exporters from Norway, Denmark and Iceland can ship products such as groundfish and shrimps to the EC free of duty. By comparison, Canadian exporters face the EC tariff which can only be offset by setting Canadian export prices at competitive levels.

The recently concluded General Agreement on Tariffs and Trade (GATT) negotiations have opened up access for some Canadian fish products. Most important is the elimination of the tariff quota of fish fillets to the US, the key fish market for Canada. Fish tariffs in the US

have also been reduced or eliminated for other species/products, thus creating a better opportunity for more Canadian exports. These concessions, though not large, are nevertheless helpful in competitive terms.

While European nations have conceded better access for some products, such as lobsters, eels, and canned salmon, Canada continues to face a serious disadvantage in Western Europe against competitive suppliers such as Denmark, Norway and Iceland. Consequently, to obtain greater market shares in Western Europe, Canada will have to press for further tariff reductions from the EC.

4. Canadian Reputation in the Marketplace

Canada has the potential to play an important role in the determination of the global terms of trade for fisheries products in the 1980's. The degree of market power that Canada will be able to exercise will depend on this country's image as a reliable supplier. The essential basis of such an image is first, the management of the fisheries resource to avoid a "boom and bust" syndrome in the catch of various species, and secondly the maintenance of high standards of care in the handling of the fish.

Currently, the perceived image of certain Canadian fish is that it is of a lower quality than products originating from northern European sources. As a consequence, Canadian

fish is discounted with respect to foreign products. This situation permits processors in Europe to buy Canadian fish at below premium prices, process it, and successfully sell it in third markets where Canada may compete, or even back to Canada.

The solution to these marketing problems lies not with our foreign competition, but here in Canada. Market confidence and premium prices are contingent upon buyers having respect for Canadian fisheries products. Assurance of supply is important. More important still is the assurance of reliable quality. Up-grading of our product requires more careful handling and sorting of fish and a coordinated marketing effort.

Where the foreign market is large enough to warrant, it is essential that Canadian fish be processed and packaged with a specific orientation towards the market opportunity. This approach is necessary if Canadian industry is to acquire long term shares in the affluent European markets. With a first rate image rivalling those of North and East European competitors, Canada can command top prices in contrast to the current situation of spot sales at lower prices. The result of this orientation will be higher levels of earnings for our fishermen and processors.

The general upgrading of quality is an attainable

goal for the Canadian fishing industry. For example, the industry is already meeting Japanese standards for roes, squid and salmon. This standard of excellence can be extended to products destined for the European markets as well as for the US. It is possible to foresee the day when the prestige of Canadian salmon in Europe extends to Canadian cod, herring, hake, redfish, and other exportable species.

It is obvious that these product improvements cannot be attained overnight. Nevertheless, in the 1980's upgrading will be the key which will ensure Canada of permanent and expanding shares in the European markets even if the domestic stocks of the buying countries recover.

Canada has the potential to emerge as a pacesetter in the international fish markets of the 1980's. As stated earlier, this can be achieved through a combination of intelligent resource management and making the best use of our fish after it is caught. Skillful product development matched to carefully tailored foreign marketing strategies, will assist in achieving the potential outlined in the Worldwide Fisheries Marketing Study.

V. CONCLUSIONS

Despite the various uncertainties (e.g. bilateral agreements) which underlie the marketing assessment and projections, Canada has a number of obvious factors in its

favour as a world fish exporter. In short, Canada is blessed with relatively abundant supplies for which there is a high world demand. Sales could reach \$4.7 billion by 1985, of which three-fifths or more would be exported.

The identification of market opportunities has, as one of its aims, the clarification of the range of options at home and abroad, thereby facilitating the more effective supply by Canada of those products in high demand, as well as the promotion of substitute species. In addition, Canada is in a better position to improve standards thereby enabling foreign buyers to depend on Canada as a source of consistently high quality fish products. The focusing of attention on the foregoing will place Canada in a stronger position to influence both market prices and market shares in the 1980's.

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- Table 4: Potential Canadian sales by major species: domestic and export markets.
- Table 5: Value of exports (all fishery products) to Canada's major customers 1976-1978.
- Table 6: Canadian export potential of fisheries products to the United States, Europe and Japan, 1985 .

TABLE 1

EXPORTS OF FISH AND FISHERY PRODUCTS (ALL INLAND AND MARINE WATERS)
SELECTED COUNTRIES, 1972-1977
(Thousand metric tons)

Country	1972 Rank	1972	1973	1974	1975	1976	1977	1977 Rank
Peru	1	1936.0	391.6	733.7	951.1	649.1	489.6	5
Norway	2	789.4	770.4	577.6	707.1	864.8	899.2	1
Japan	3	650.6	674.2	706.2	593.4	642.4	582.9	3
Denmark	4	487.2	506.8	572.9	611.2	671.1	611.3	2
Canada	5	338.5	354.9	299.4	301.6	349.6	442.0	7
Netherlands	6	302.8	238.4	217.1	235.0	227.5	232.9	9
U.S.S.R.	7	298.3	301.6	411.8	511.0	526.9	459.1	6
Iceland	8	277.3	323.1	300.2	365.9	325.2	396.0	8
Spain	9	222.4	188.2	195.7	178.4	232.1	190.1	12
United States	10	174.2	253.2	221.8	196.3	220.0	226.0	10
Fed. Republic of Germany	11	154.6	152.4	183.9	153.3	189.0	199.4	11
United Kingdom	12	136.3	187.1	186.7	156.3	165.6	185.5	13
Rep. of Korea	13	101.9	178.2	146.7	395.7	284.8	513.9	4
Mexico ¹		45.3	42.8	38.2	47.5	46.9	64.5	

Source: Yearbook of Fishery Statistics, Vol. 45; FAO, Rome, 1977.

¹ Mexico included because of its importance in terms of monetary value of exports (Table 2).

TABLE 2

VALUE OF EXPORTS OF FISH AND FISHERY PRODUCTS (ALL INLAND AND MARINE WATERS)
SELECTED COUNTRIES, 1972-1978
(U.S. \$ million)

Country	1972 Rank	1972	1973	1974	1975	1976	1977	1978 ¹	1978 Rank ²
Japan	1	467.0	553.9	609.1	490.0	649.9	631.4	748.0	4
Norway	2	362.1	514.1	517.1	515.4	654.6	840.7	759.0	3
Canada	3	343.0	490.7	433.4	441.9	599.0	756.7	981.0	1
Peru	4	281.1	155.1	255.9	212.6	212.9	211.3	240.0	11
Denmark	5	242.3	381.9	439.8	426.8	586.3	627.3	729.0	5
Netherlands	6	161.9	207.9	215.8	258.0	279.8	314.9	399.0	8
United States	7	151.7	285.2	252.6	298.0	371.9	508.0	897.0	2
Spain	8	150.6	169.2	208.6	181.9	244.9	236.4	265.0	10
Iceland	9	140.3	212.2	248.3	243.5	316.8	381.1	491.0	7
Fed. Rep. of Germany	10	98.6	139.3	157.5	139.0	181.0	230.7	232.0	12
U.S.S.R.	11	95.6	122.7	162.1	212.1	198.5	195.2	n.a.	n.a.
Mexico	12	90.4	116.7	135.7	160.6	205.2	277.5	300.0	9
United Kingdom	13	74.1	113.8	138.3	134.2	153.4	197.0	n.a.	n.a.
Rep. of Korea	14	70.4	146.2	169.0	361.1	321.5	696.7	625.0	6

Source: Fishery Commodity Situation and Outlook, 1978/79, Number 719, FAO, Rome, 1979.

¹Preliminary

²Ranking of exporting countries for which statistics are available.

n.a. → not available.

TABLE 3

ACTUAL CANADIAN FISHERIES LANDINGS OF MAJOR SPECIES IN 1977
AND POTENTIAL TOTAL CATCHES IN 1981 AND 1985
(Thousand metric tons, round weight)

	<u>1977</u>	<u>1981</u>	<u>1985</u>
Cod	248	546	680
Haddock	27	35	35
Ocean Perch	75	152	161
Flatfish (inc. Turbot)	140	183	195
Pollock	27	52	60
Hake	12	115	120
Halibut	6	6	7
Other groundfish	10	133	138
Salmon (Pacific & Atlantic)	68	77	92
Atlantic Herring	229	240	270
Pacific Herring	97	200	200
Other pelagic	59	418	407
Squid	39	100	102
Lobster	18	20	25
Crab	16	28	29
Shrimp	11	21	24
Scallops	117	55	55
Other shellfish (inc. clams)	9	20	27
Freshwater Fish	47	42	42
Total	1,255	2,443	2,669

Source: Unpublished data. Department of Fisheries and Oceans, Resource Services Directorate, Ottawa, 1979.

TABLE 4

POTENTIAL CANADIAN SALES BY MAJOR SPECIES:
DOMESTIC AND EXPORT MARKETS
(1985 \$ Million)

	1985		
	<u>Low</u>	<u>Medium</u>	<u>High</u>
Cod	386	386	386
Haddock	32	47	65
Ocean Perch	37	42	53
Flatfish (inc. Turbot)	88	95	104
Pollock	19	19	20
Hake	6	18	44
Halibut	30	47	63
Other groundfish	23	23	23
Salmon (Pacific & Atlantic)	340	389	436
Atlantic Herring	276	294	314
Pacific Herring	116	116	116
Squid	215	255	295
Lobster	280	360	433
Crab	405	440	588
Shrimp	80	100	138
Scallops	491	600	1,226
Other shellfish (inc. clams)	377	377	377
Total Major Species	<u>3,201</u>	<u>3,608</u>	<u>4,681</u>

Source: Unpublished data. Department of Fisheries and Oceans, Marketing Services Branch, Ottawa, 1979.

TABLE 5

VALUE OF EXPORTS (ALL FISHERY PRODUCTS) TO CANADA'S MAJOR CUSTOMERS 1976-1978
(\$ Million)

	1976 ¹		1977 ¹		1978 ²	
	Value of exports	Percent of exports	Value of exports	Percent of exports	Value of exports	Percent of exports
United States	358.0	59.6	423.7	51.9	557.5	49.2
United Kingdom	29.0	4.8	38.0	4.7	48.6	4.3
France	24.4	4.1	41.7	5.1	61.1	5.4
Federal Republic of Germany	22.3	3.7	50.5	6.2	57.4	5.0
Netherlands	4.7	0.8	10.8	1.3	17.7	1.6
Belgium and Luxembourg	9.5	1.6	16.6	2.0	19.9	1.8
Italy	5.4	0.9	5.5	0.7	8.7	0.8
Sweden	12.1	2.0	12.1	1.5	15.4	1.4
Finland	1.9	0.3	1.4	0.2	2.1	0.2
Portugal	.5	0.1	2.1	0.3	0.3	--
Spain	0.3	--	0.2	--	1.6	0.1
Greece	0.2	--	0.3	--	0.3	--
Japan	77.5	12.9	143.1	17.5	245.9	21.7
Sub total countries above	545.8	90.9	746.0	91.5	1,036.5	91.4
Other countries	54.7	9.1	69.7	8.5	97.7	8.6
Grand total - all countries	600.5	100.0	815.7	100.0	1,134.2	100.0

¹Source: Annual Statistical Review of Canadian Fisheries, 1977, Vol. 10, Department of Fisheries and Oceans, Ottawa, 1979.

²Source: Unpublished data, Department of Fisheries and Oceans, Economic Policy Branch, 1979.

-- Less than 0.1 percent

TABLE 6

CANADIAN EXPORT POTENTIAL OF FISHERIES PRODUCTS TO THE UNITED STATES, EUROPE AND JAPAN, 1985¹
(Thousand metric tons, round weight)

SPECIES	UNITED STATES	UNITED KINGDOM	FRANCE	FED. REP. OF GERMANY	NETH.	BELGIUM	ITALY	SWEDEN	FINLAND	PORTUGAL	SPAIN	GREECE	JAPAN	TOTAL FOR 13 EXPORT MARKETS
Cod	323	58	8	48	-	-	6	-	-	35	19	-	-	497
Haddock	45	-	-	-	-	-	-	-	-	-	-	-	-	45
Ocean Perch	56	-	-	16	-	-	-	1	-	2	-	-	-	75
Halibut	19	-	-	-	-	-	-	-	-	-	-	-	-	19
Flatfish	104	-	-	-	-	-	-	1	-	-	-	-	-	105
Pollock	16	-	-	-	-	-	-	1	-	-	-	-	-	17
Turbot	35	-	-	-	-	-	-	-	-	-	-	-	-	35
Hake	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salmon	3	9	7	1	2	3	1	3	-	-	-	-	35	64
Herring Atlantic	69	6	6	67	6	2	-	8	2	-	-	-	5	171
Herring Pacific	-	-	-	-	-	-	-	-	-	-	-	-	70	70
Squid	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Lobster	13	-	1	-	-	-	-	-	-	-	-	-	-	14
Crab	11	-	5	-	1	2	-	2	-	-	-	-	-	21
Scallops	88	-	2	-	-	-	-	-	-	-	-	-	-	90
Shrimps	1	1	-	1	-	-	-	1	-	-	-	-	-	4
Other shellfish (incl. clams)	22	5	-	-	2	-	-	-	-	-	-	-	1	30
COUNTRY TOTALS	805	79	29	133	11	7	7	17	5 ²	37	19	5 ²	211	1365

¹This table shows forecasted Canadian sales potential. Actual exports for some species are expected to remain below the export potential because of insufficient supplies in Canada.

²Traces of small shipments of diverse products. Vertical total does not include 8,000 tonnes for Finland and Greece.

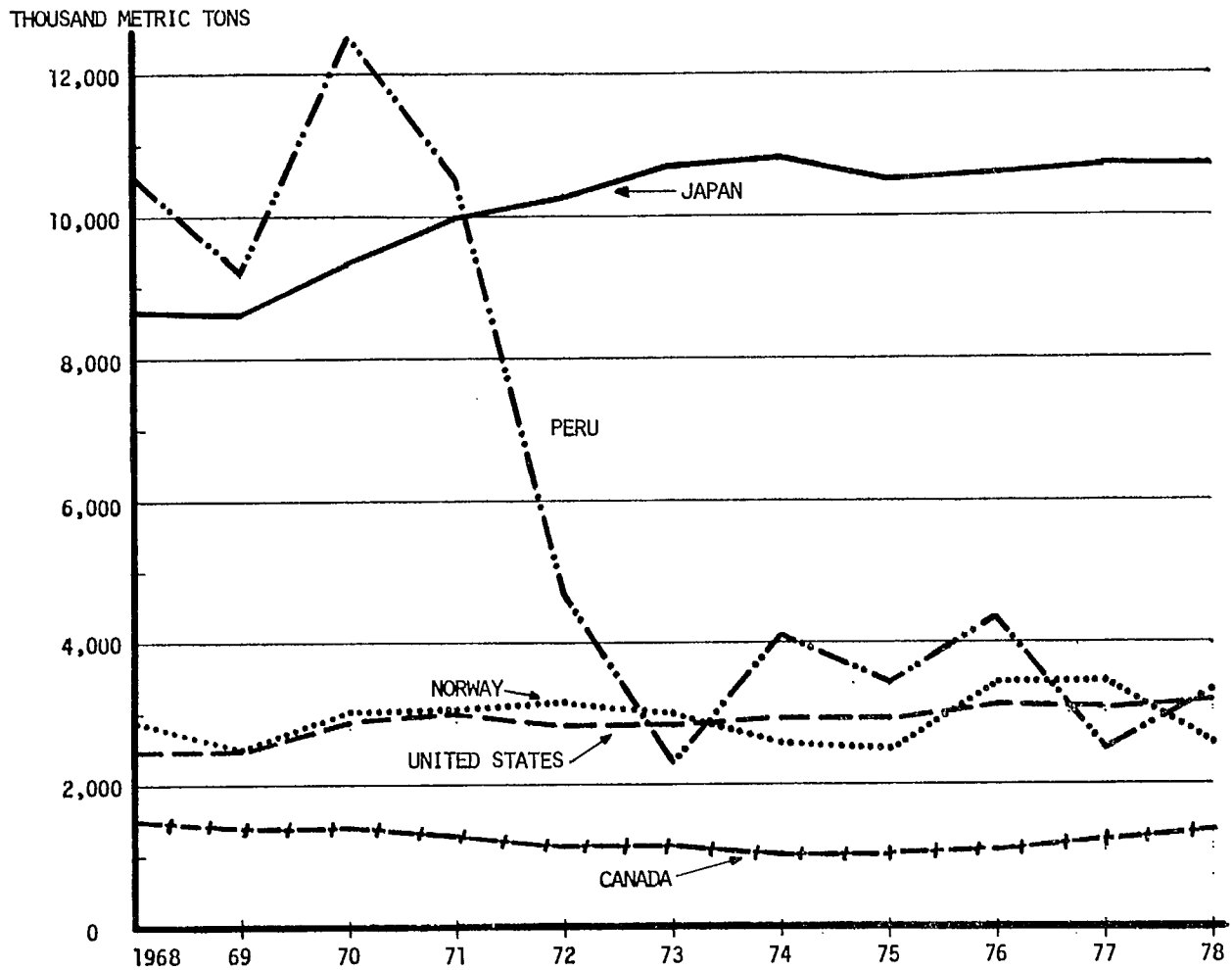
LIST OF CHARTS

- Chart 1: Landings of selected leading fishery nations, 1968-1978.
World landings, 1968-1978.
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- Chart 4: Canadian groundfish exports 1978 and 1985.
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- Chart 6: World market requirements for Pacific salmon from Canada, 1978-1985.
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- Chart 13: Changes in value of Canadian dollar in terms of: British pounds, Japanese yen and U.S. dollars.
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CHART 1

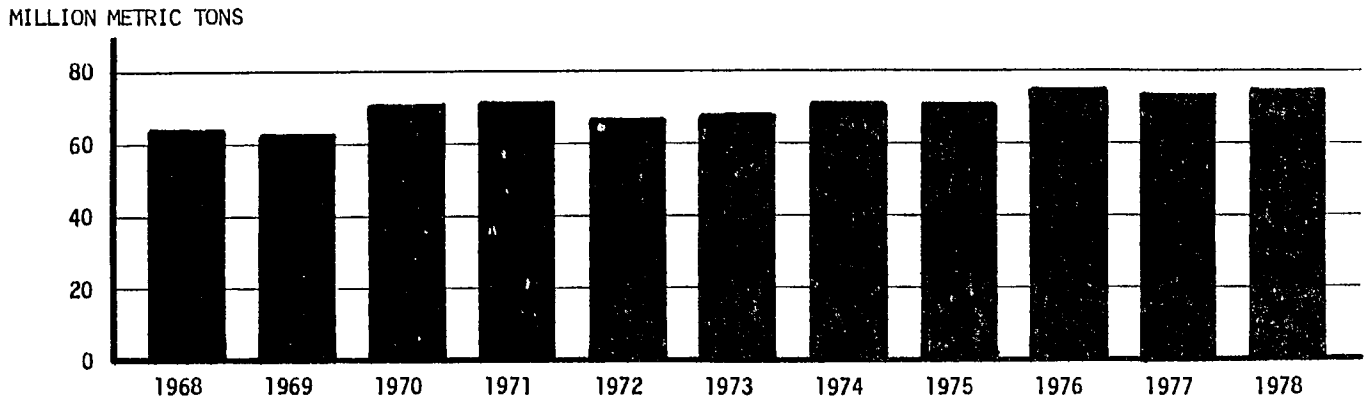
LANDINGS OF SELECTED LEADING FISHERY NATIONS, 1968 - 1978

(ALL AQUATIC ORGANISMS, MARINE AND FRESHWATER)



WORLD LANDINGS, 1968 - 1978

(ALL AQUATIC ORGANISMS, MARINE AND FRESHWATER)



SOURCE: YEARBOOKS OF FISHERY STATISTICS, FAO, ROME.
FISHERY COMMODITY SITUATION AND OUTLOOK, 1978/79, NUMBER 719, FAO, ROME 1979.

CHART 2

VALUE OF FISH EXPORTS BY MAJOR PRODUCING COUNTRIES, 1976 - 1977

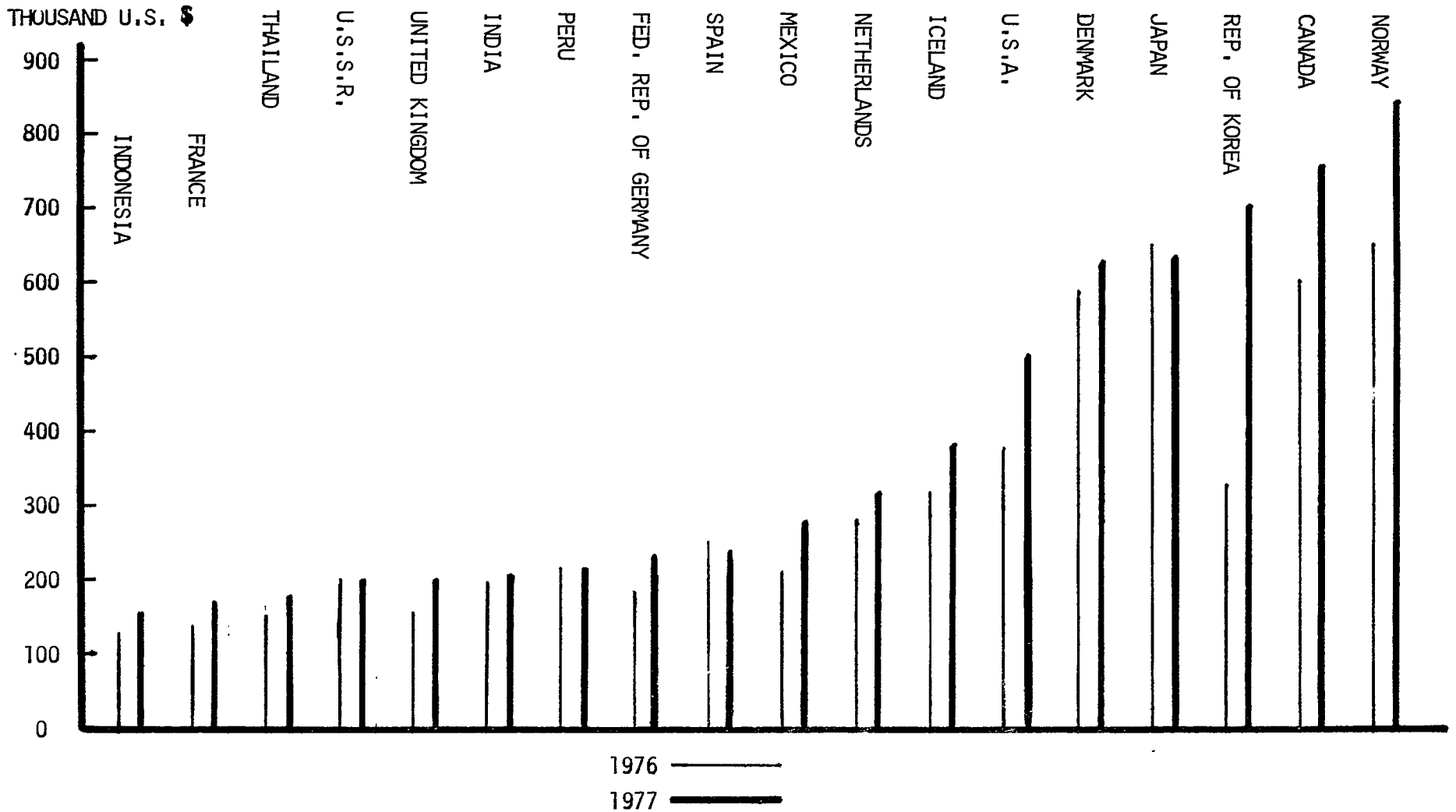


CHART 3

PROJECTED CANADIAN ALLOWABLE CATCHES BY SPECIES

(Thousand metric tons)

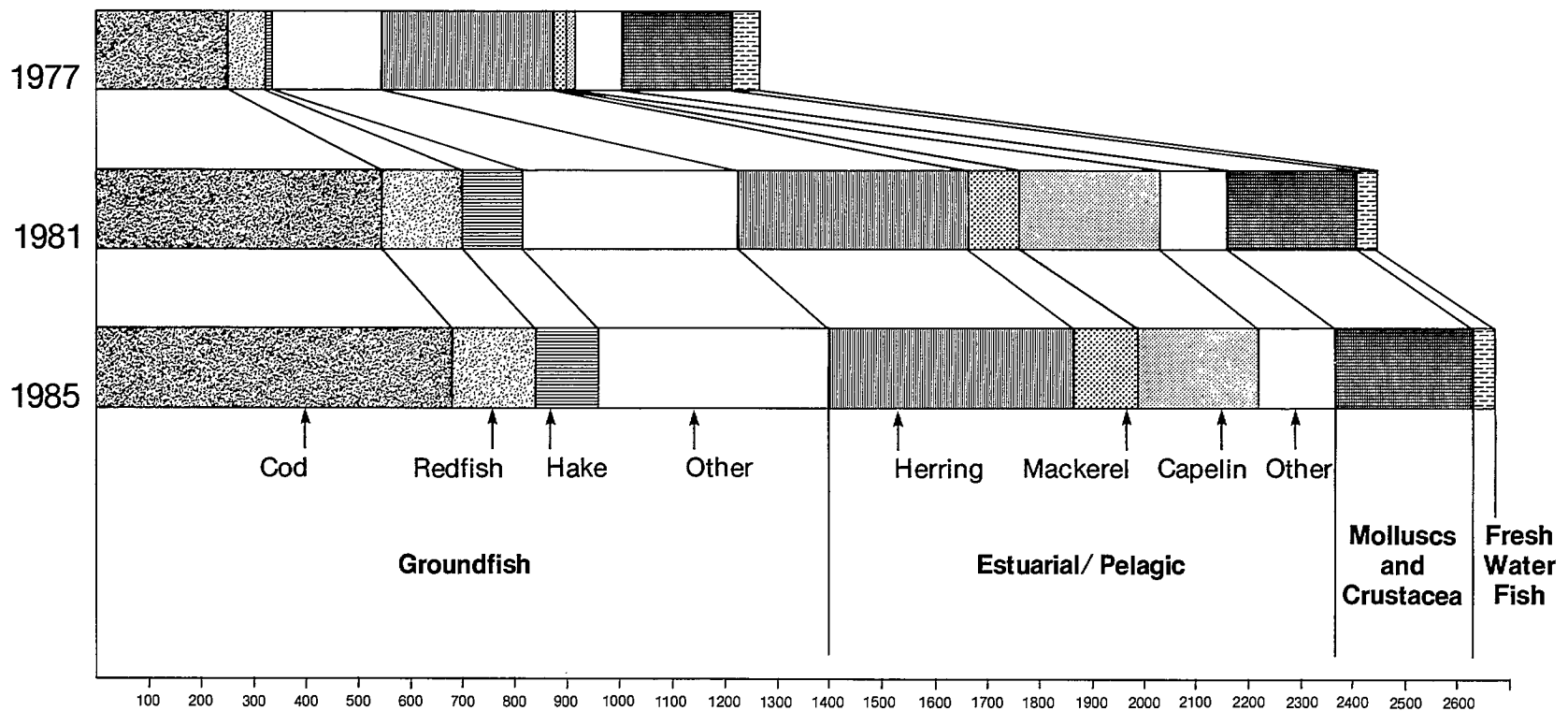


CHART 4

CANADIAN GROUND FISH EXPORTS 1978 AND 1985

(Percentage — distribution based on product weight)

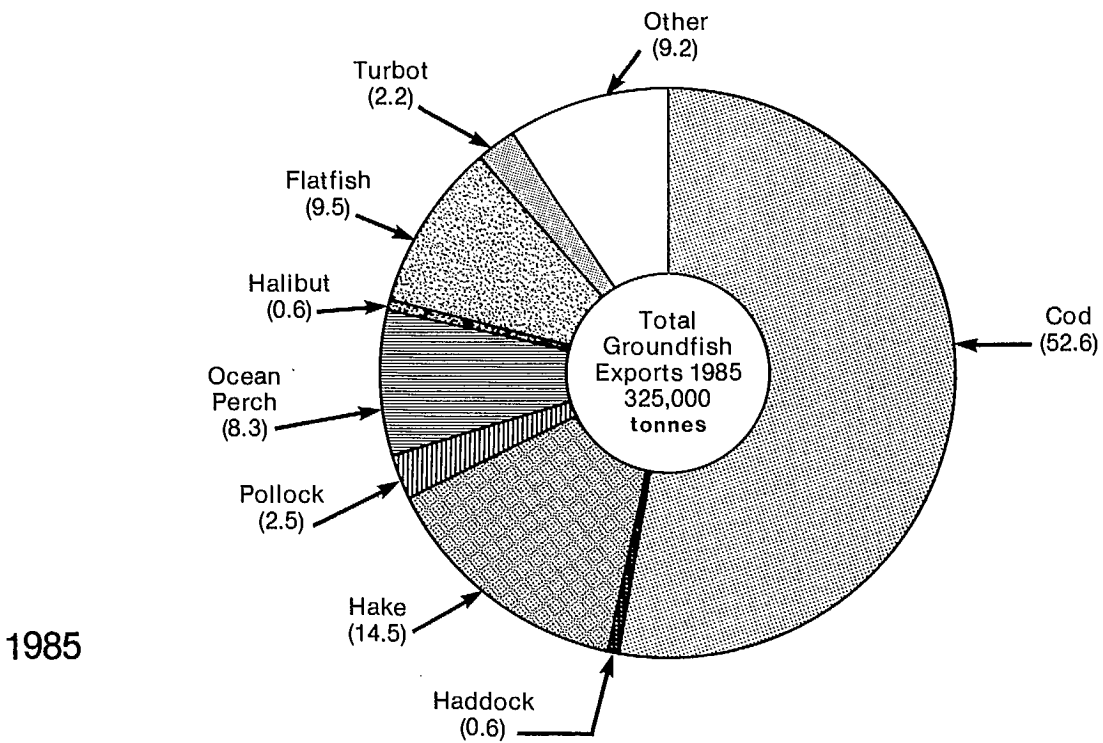
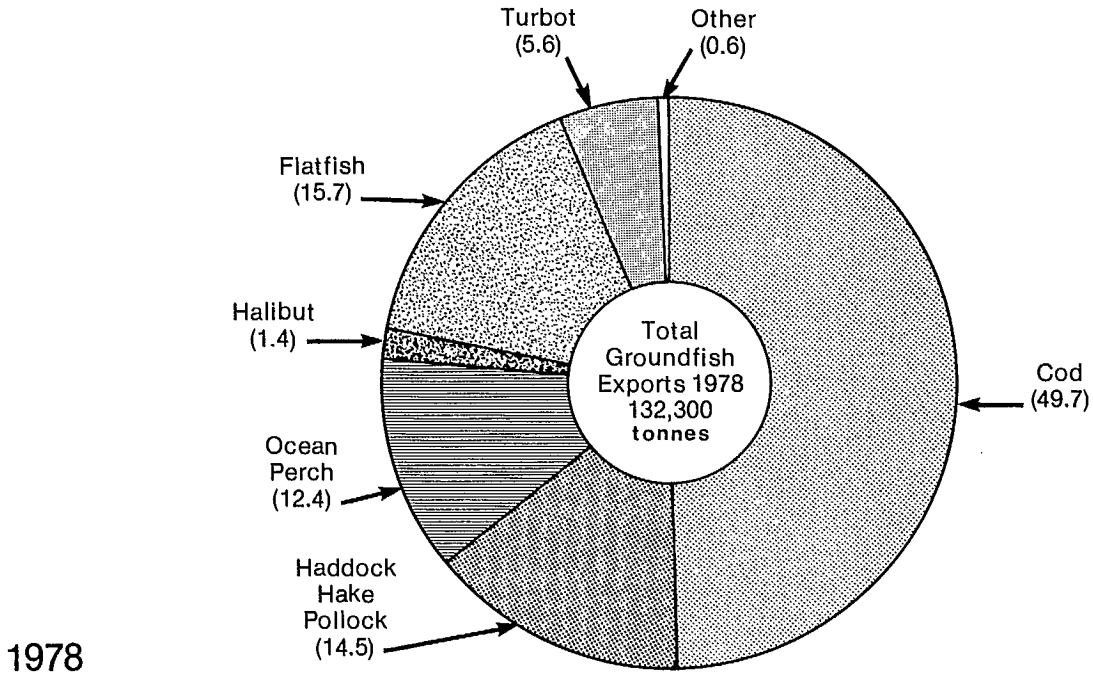


CHART 5
CANADIAN GROUND FISH PRODUCTION AND EXPORTS, 1985

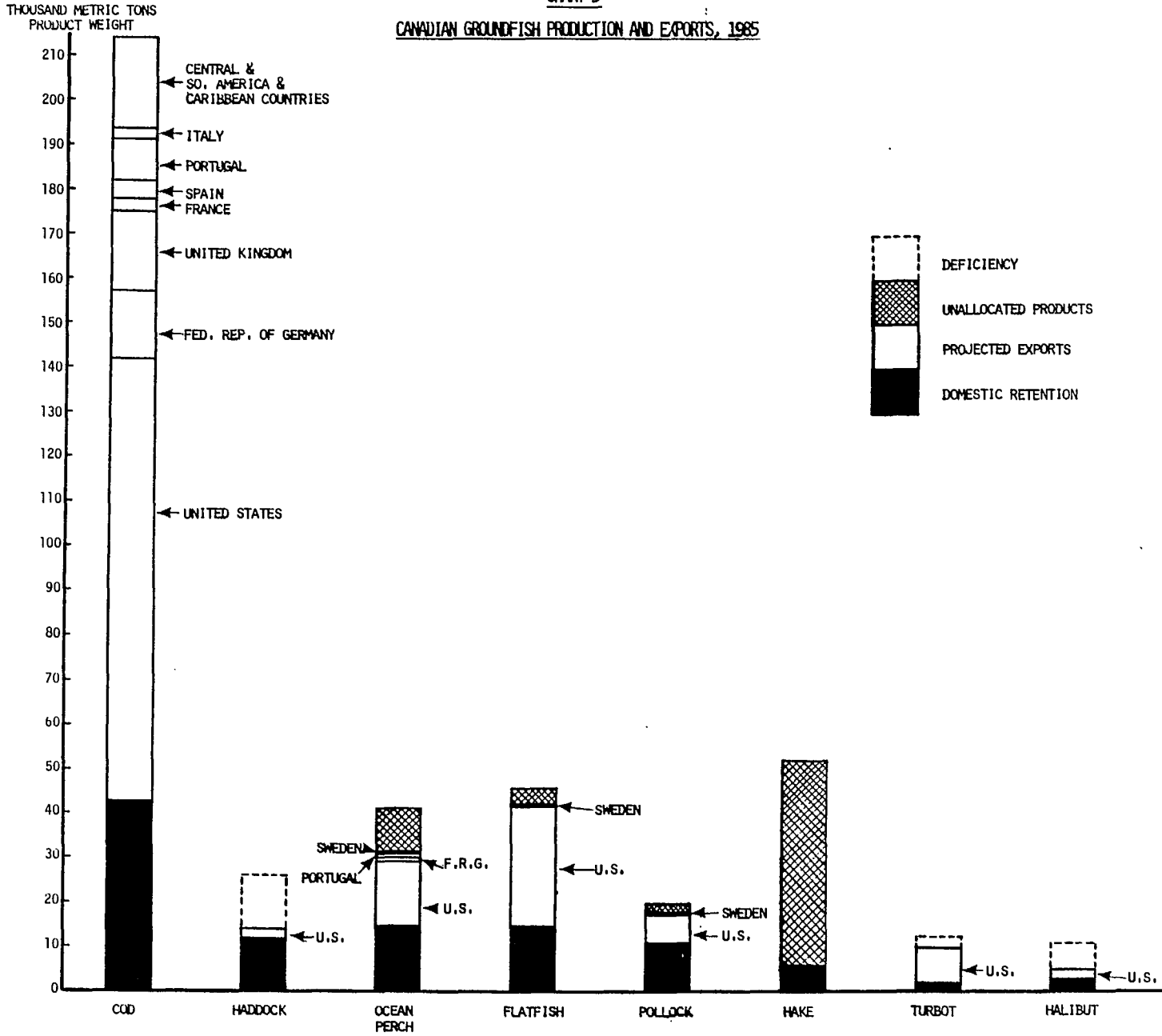
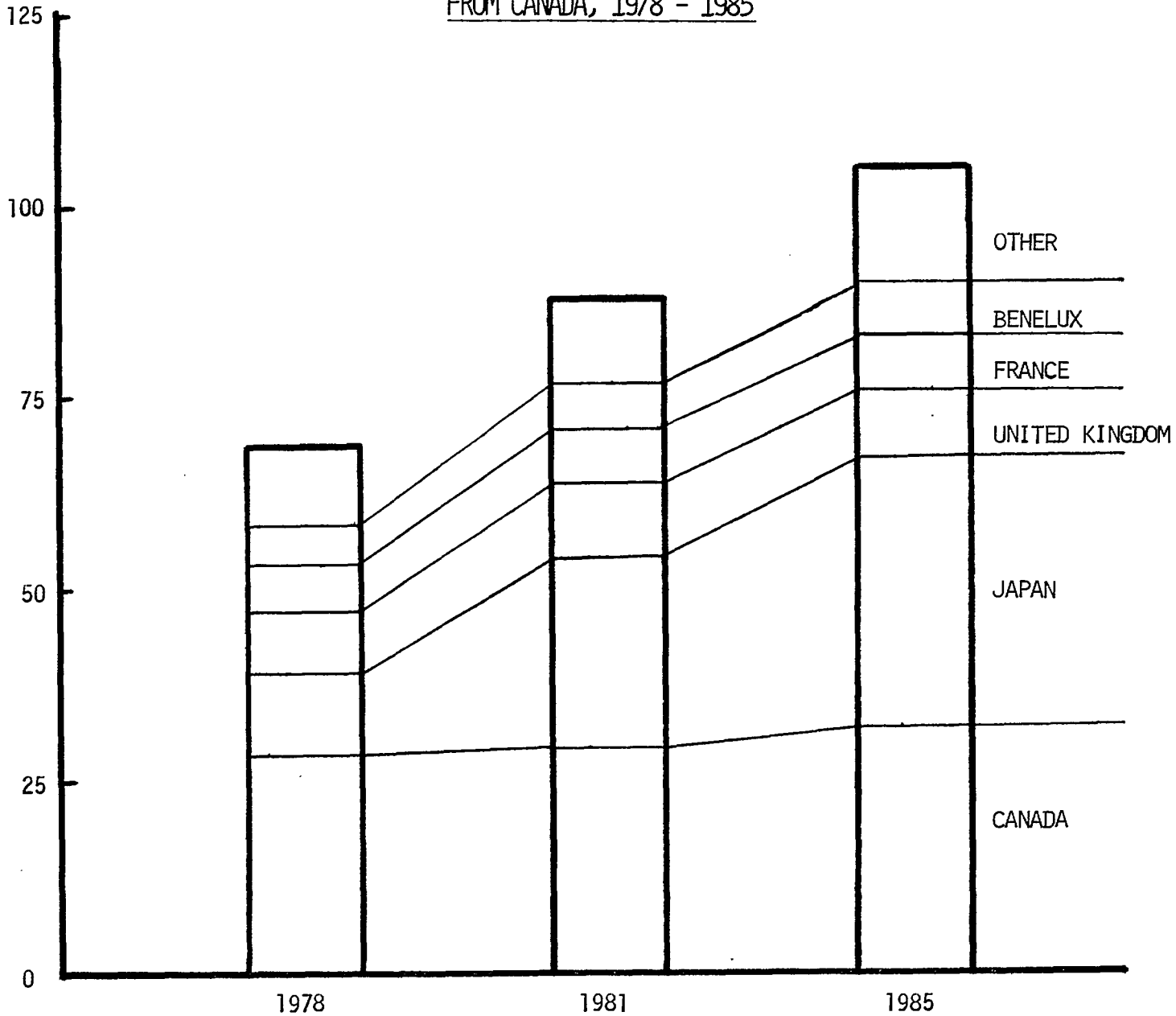


CHART 6

WORLD MARKET REQUIREMENTS FOR PACIFIC SALMON¹

FROM CANADA, 1978 - 1985

THOUSAND METRIC TONS
ROUND WEIGHT

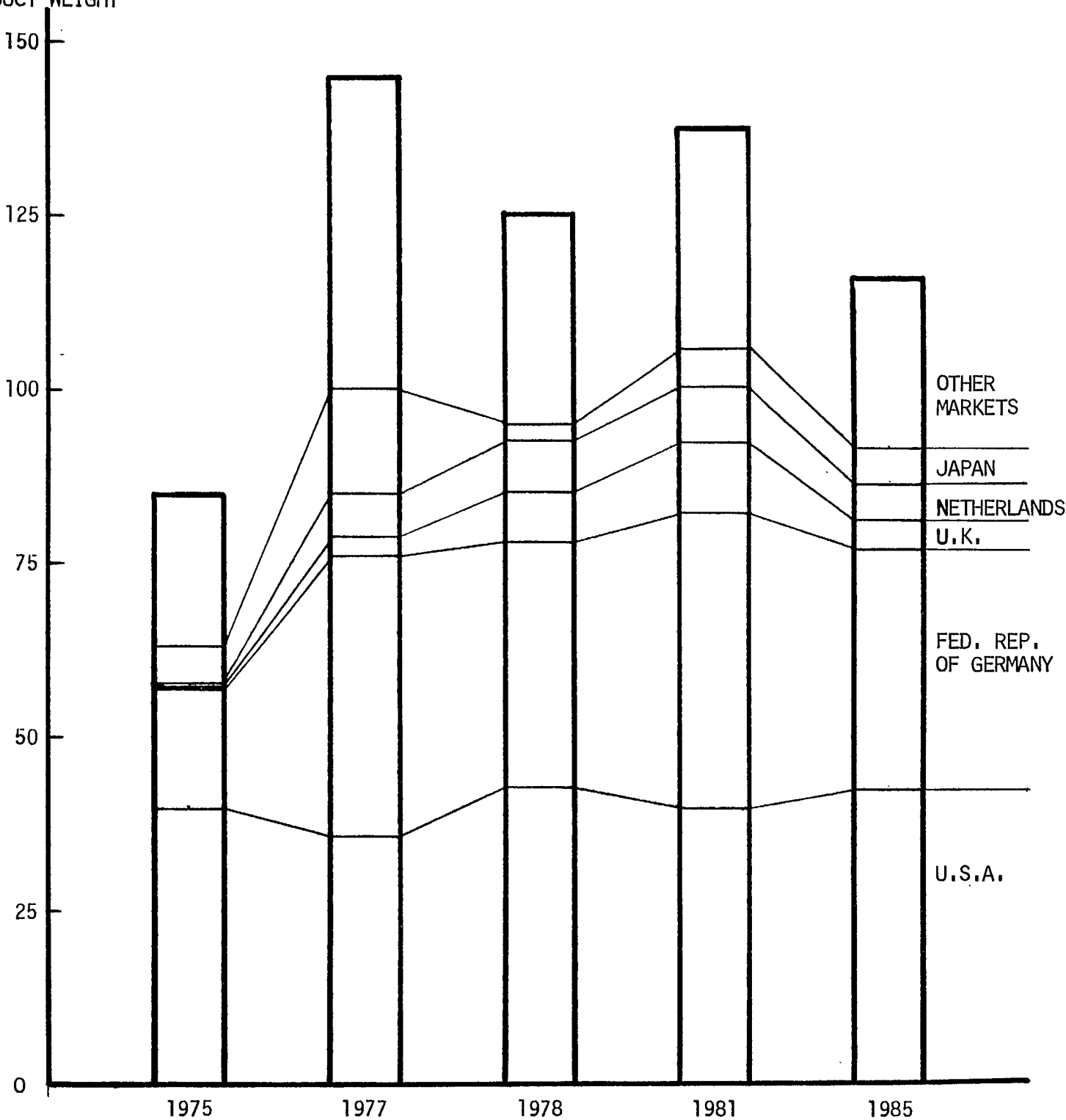


¹ CANNED AND FROZEN SALMON ONLY.

CHART 7

CANADIAN EXPORTS OF FOOD HERRING¹ TO MAJOR MARKETS

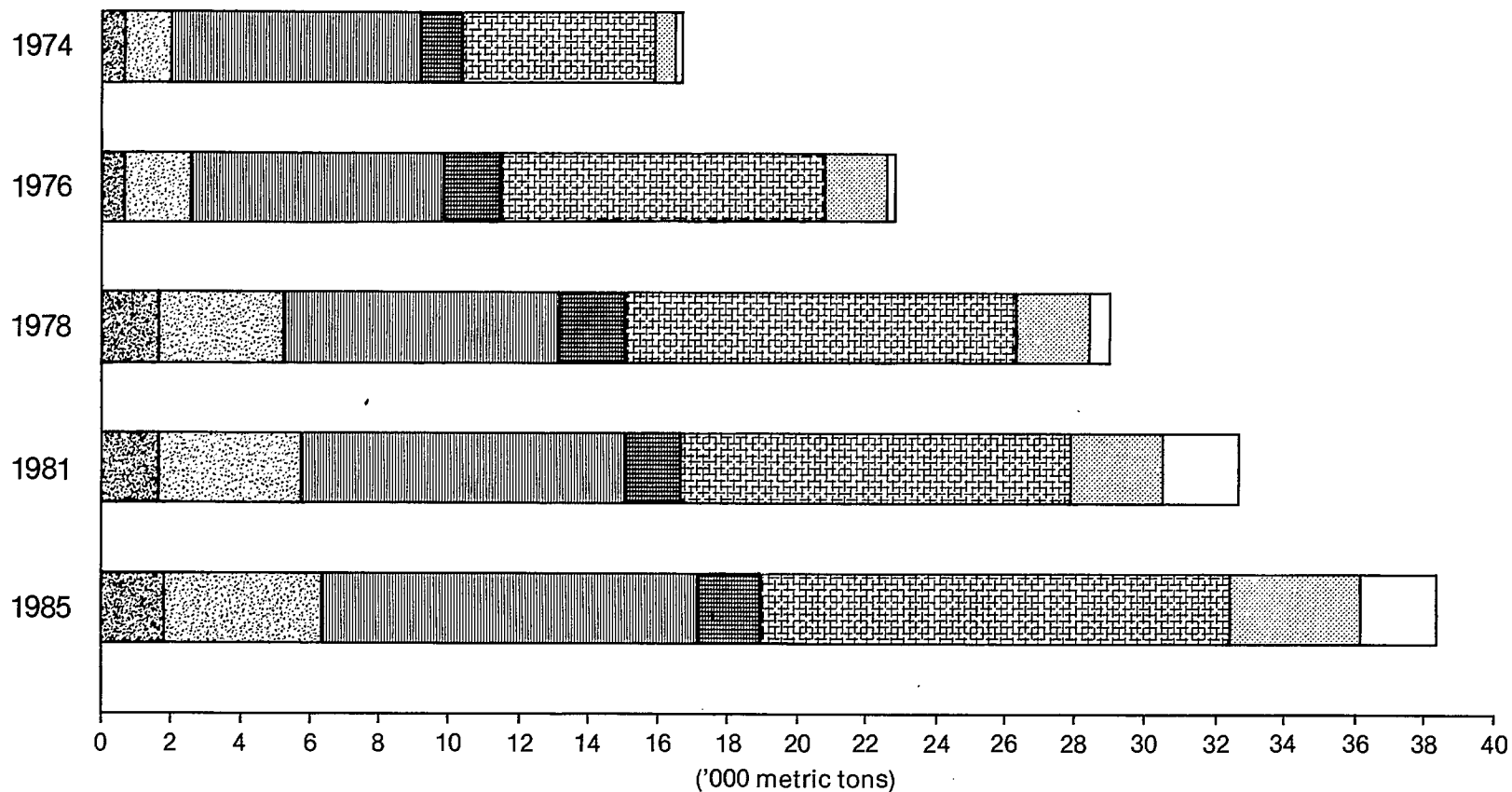
THOUSAND METRIC TONS
PRODUCT WEIGHT










¹ EXCLUDES ROE.

CHART 8

CANADIAN SHELLFISH EXPORTS*, 1974-1985
 (Thousand metric tons)



-  Clams, fresh or frozen
-  Crab, fresh or frozen & canned
-  Lobster in shell (fresh or frozen)
-  Lobster meat (fresh, chilled, boiled or frozen) & canned
-  Scallops, fresh or chilled & frozen
-  Shrimps & prawns, fresh or frozen
-  Shellfish & products n.e.s.

* Excludes all squid products.

* Refer to footnote 1, Table 6, page 32.

CHART 9

CANADIAN EXPORTS OF SQUID, 1974 - 1985

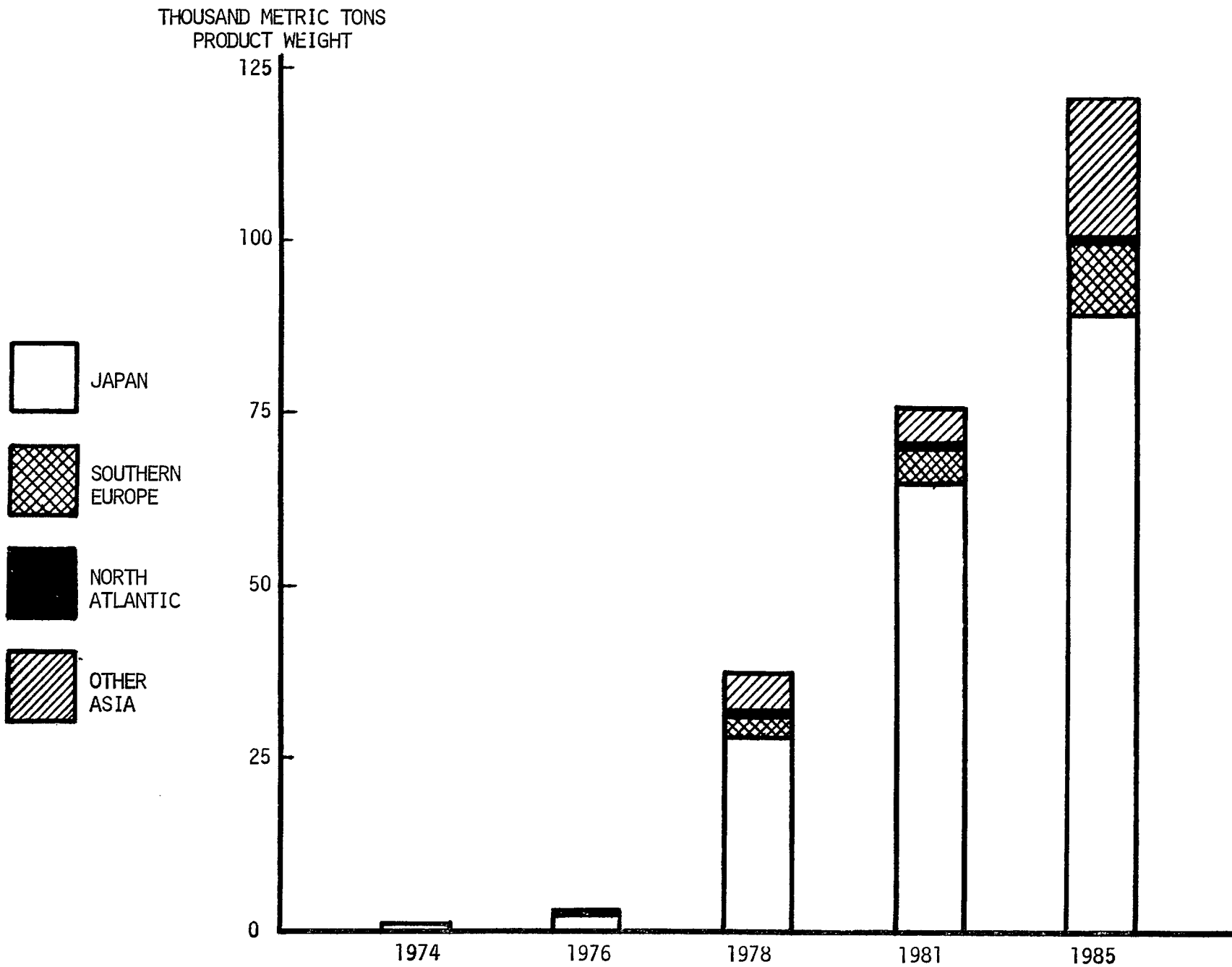


CHART 10

VALUE OF CANADIAN FISHERIES EXPORTS, 1976 - 1978

MILLION \$

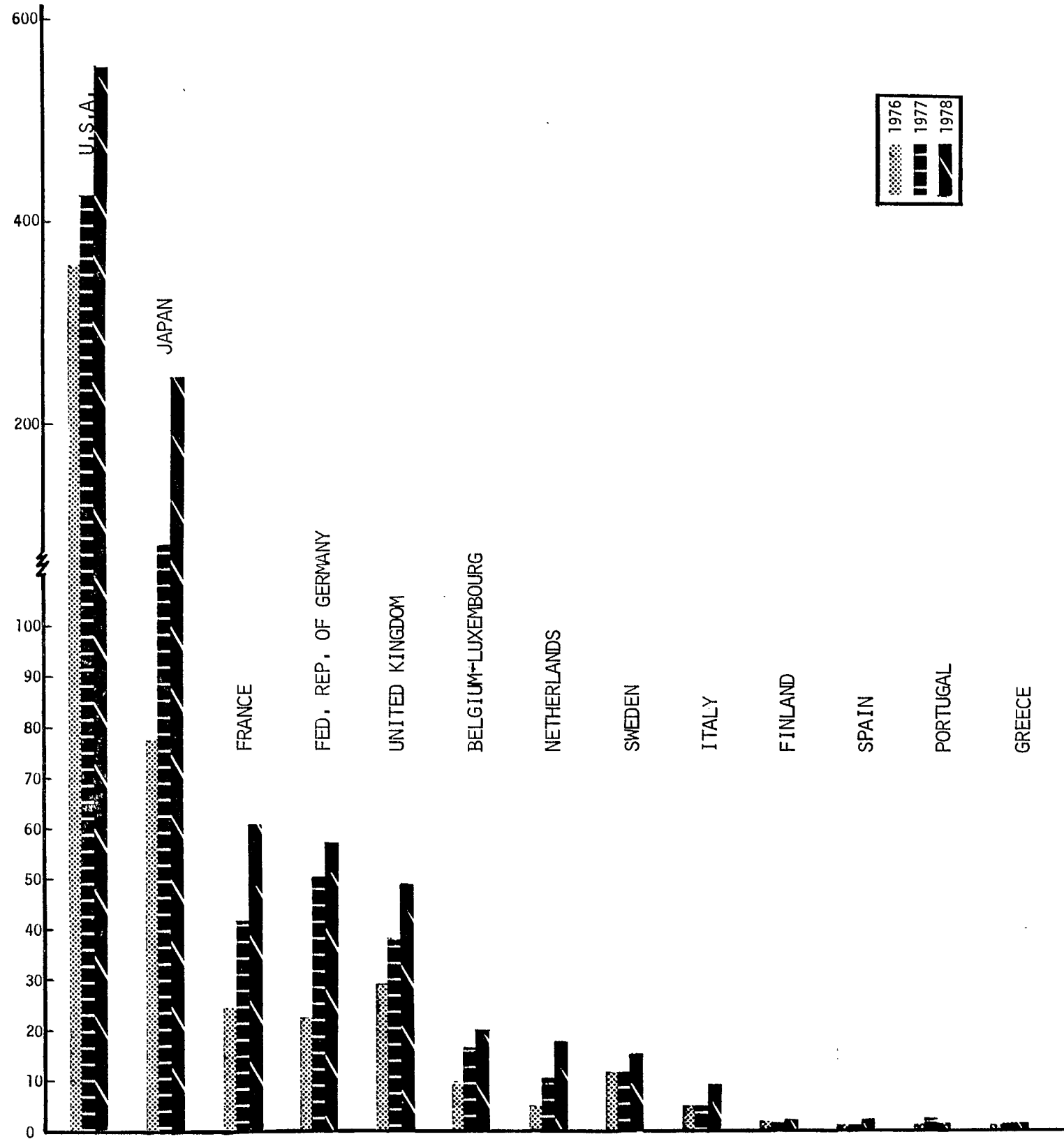


CHART 11

CANADIAN FISHERIES EXPORTS BY COUNTRY AND PRODUCT

1978

(total: 503,042 metric tons)

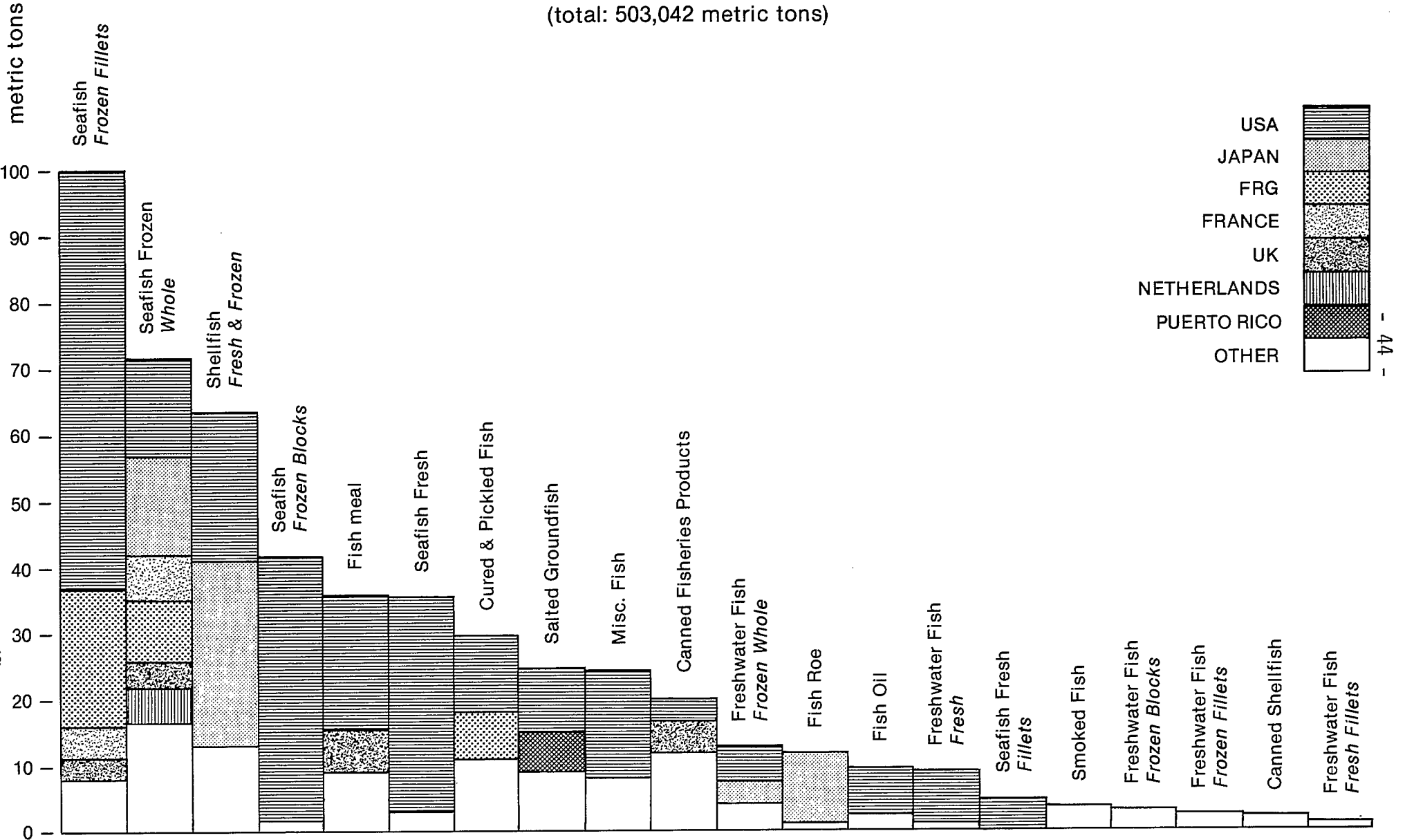


CHART 12

CANADIAN FISHERIES EXPORTS BY PRODUCTS MAJOR SPECIES, 1978

(total: 503,042 metric tons)

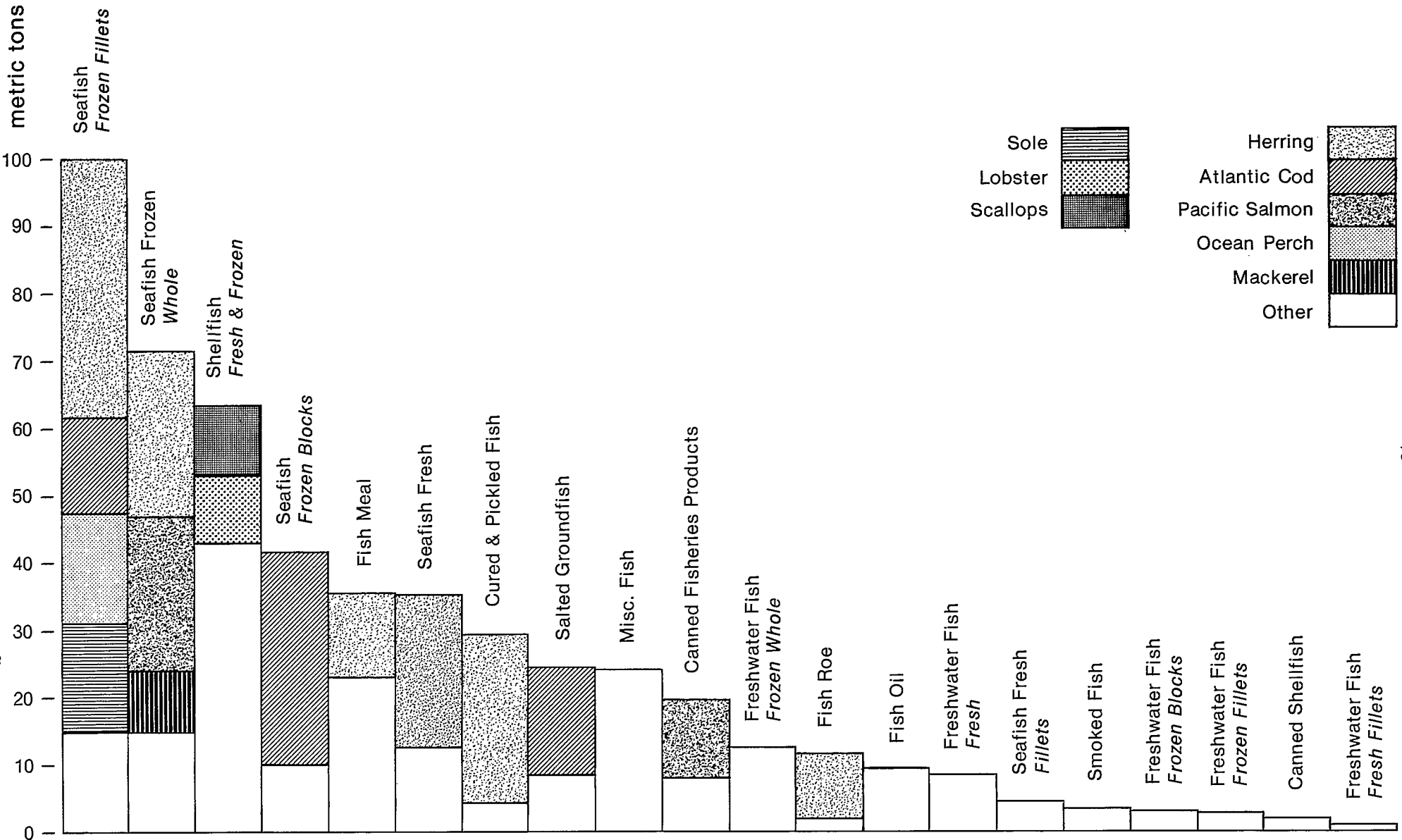


CHART 13

CHANGES IN VALUE OF CANADIAN DOLLAR IN TERMS OF: BRITISH POUNDS, JAPANESE YEN AND U.S. DOLLARS

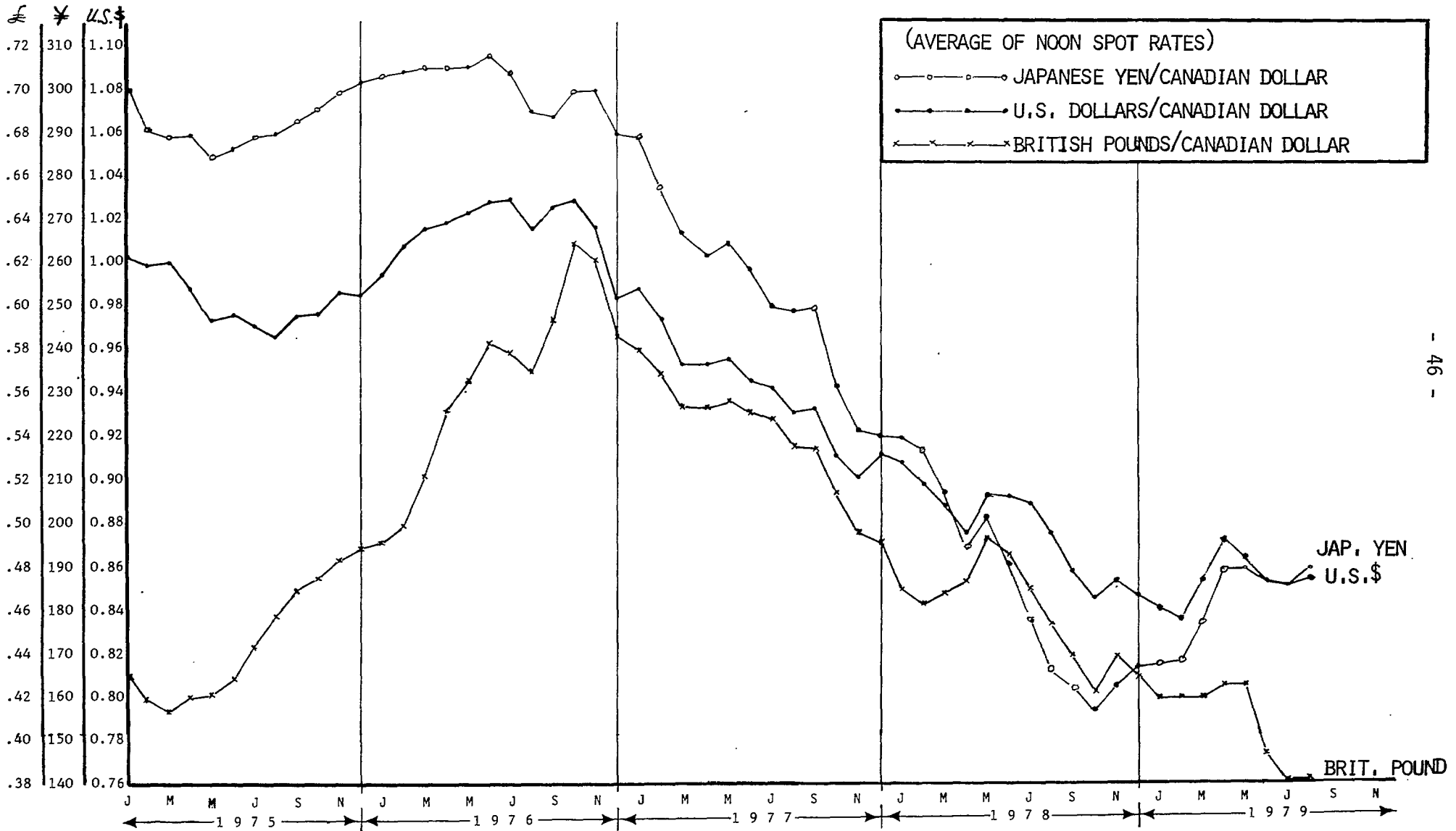


CHART 14

CHANGES IN VALUE OF CANADIAN DOLLAR IN TERMS OF: BELGIAN FRANCS, FRENCH FRANCS AND GERMAN MARKS

