Ontario integrated companies in the summer when the Great Lakes are open and Ontario fresh fish prices are $.30 to $.40/lb. lower than FFMC prices. Therefore, the FFMC inventories a portion of its summer-caught products and sells these in frozen form in the winter when freshwater fish prices normally rise due to tight supply. East of Quebec, the FFMC virtually does not pursue the marketing of its product line except for specialty items such as Arctic char.

3.1.2 Distribution Channels for the Ontario Region's Production

The Ontario fishing companies concentrate their domestic marketing activities in Quebec and Ontario. However, as in the Western Region, high prices in the U.S. market draw the bulk of the supplies from Ontario producers, thereby curtailing availability of products to local markets. In addition, the inability of the Ontario fishery to supply the retail and food service sectors with fresh fish on year-round basis has inhibited the development of the local markets for fresh products.

In Ontario's major metropolitan centres, freshwater fish is moved through wholesalers who service small restaurants and fish shops while also selling through their own retail outlets. However, large restaurants and caterers, who are making large volume purchases, generally buy direct from the fish companies.

During its investigation, the Committee was made aware that one of the major supermarket and food distribution chains in Quebec recently purchased the operations of Montreal's largest and best known fish distributor. This obviously indicates that chain's intention of developing its fresh fish sales. As will be pointed out in subsequent sections of this report, the development of fish and seafood sales in the large retailing chains is an important factor in the expansion of the domestic market for Canadian fishery products. Industry observers believe that a continuation of the trend towards increased marketing of fresh fish at the retail level in Canada could increase domestic sales of fish and fishery products up to 50%.

It should be noted that the Committee's inquiries have revealed that no comprehensive study of the Canadian fish marketing system is available, and that there is a general lack of meaningful information on the domestic fish market. In view of this, the Committee recommends that:

(2) The Department of Fisheries and Oceans undertake a comprehensive study of the Canadian fish and seafood market to determine the size, nature and potential of the domestic market for the purpose of providing sound bases for future fish marketing plans.

3.2 Overview of U.S. Production, Markets and Distribution Channels

3.2.1 U.S. Production of Freshwater Fish

Although the United States ranks fourth among the top 20 fish producing countries of the world (Canada ranks sixteenth), it is a substantial importer of fishery products and is the world's second largest importer after Japan. In 1985, U.S. imports of fishery products (edible and non-edible) reached a record high level of U.S. $6.7 billion. U.S. imports of only edible fishery products also reached a record high of 1.2 million tonnes (2.6 billion lb.) valued at U.S. $4.1 billion in 1985.