

In 1990-91, fluctuation of the Canadian dollar, the application of a number of unfavourable trade measures and stiffening competition from American exporters, prompted the Canadian industry to reassess its position in world markets. This has led to more emphasis being placed on value-added and further processed lobster products

To meet growing food service demand for value-added, portion controlled lobster meat, industry has developed a vacuum-packed form of the product which is replacing the more traditional canned product. This has caused a considerable boost in sales, particularly in the U.S.

In their efforts to promote sales of live lobsters domestically and increasingly in international markets, some provinces are encouraging the use of distinctive claw bands (e.g. Quebec uses a blue fleur de lys band while Nova Scotia favours a maple leaf logo). While both approaches have proved successful, noticeably in our domestic markets, in the long run, the use of national rather than provincial bands might be more effective in international markets.

More accurate information regarding foreign seafood consumption trends in general, and lobster in particular, is required. Demographics and consumer concerns and preferences in individual markets have changed dramatically in the past five years, a trend which is expected to continue.

For seafood products, including lobster, consumers are concerned not only with prices but increasingly with considerations such as product safety, health benefits, environmental factors, selection and preparation methods. Brand identity remains important for importers and consumers.

Lobster consumption is influenced by consumer income levels, geographic location, family traditions and cultural dietary patterns. Significantly different patterns are evident among countries concerning how, where, in what manner and in what form lobster is consumed e.g. with dill in Finland, "popsicle packs" in France or in seafood specialty restaurants in Switzerland.

Air Canada, Canadian Airlines, as well as US and foreign airlines are shipping live product. Where direct air freight service is available to major gateways, the scope for enhanced sales of live lobsters is significantly increased (e.g. KLM Halifax-Amsterdam service). The reductions in air freight availability from Atlantic Canada by KLM and Air Canada has exacerbated the existing problem. High transportation costs and mortality rates are prime marketing considerations necessitating improved distributing and handling facilities in buyer countries.

3. CANADIAN COMPETITIVE STRENGTHS

A well-managed fisheries regime in Canada, developed over many decades, holds the prospect of providing a stable supply of lobster on a sustainable basis. This contrasts with the situation in New England where depletion of the resource is becoming evident.

The effective management of the Canadian lobster resource eliminates problems of 'by-catch', associated with other fisheries and is consistent with Canada's commitment to protecting the ecosystem in the lobster harvest.

A hallmark of the Canadian lobster is a high quality, hard-shelled product with excellent image as to source, clean environment, rigorous quality standards and the plant health inspection system.

Having a broader range of available lobster sizes than available in the US, the only competing supplier of *Homarus Americanus*, provides more flexibility to serve special market niches.