

## EXECUTIVE SUMMARY

Canadian salmon exporters are facing increasingly intense competition in global markets. Conditions of over-supply with record landings of certain species in recent years, e.g. pinks, combined with significant growth in farmed salmon production are placing downward pressure on prices and altering market dynamics and industry profitability. Growth in inventories has been outstripping consumption. Our competition is touting quality and attempting to differentiate its salmon products by brand identity. These factors suggest that Canadian suppliers will need to be more active and innovative in their marketing programs if they wish to maintain or enhance their export performance.

Farmed salmon accounted for about 30% of world production of salmon in 1992 up from almost zero in 1980. This growth trend is expected to continue, supported by a perception that the quality of farmed salmon is generally superior to salmon harvested in the wild. In certain markets, however, wild salmon remains the preferred choice due to attributes such as texture and colour.

Salmon is considered as a commodity by most levels in the distribution chain. For buyers, price remains the key determinant where quality is deemed acceptable. Consumers still perceive salmon to be a luxury item.

The need for a shift from the simple allocation of products to markets, where the supplier is often the ultimate price taker, to an approach that is more market driven has been recognized by both West and East Coast interests which have designed and are implementing generic marketing programs.

The USA, Japan and Europe continue as the premier outlets for Canadian salmon exports. Efforts must be made to retain these markets in addition to seeking new and alternative export opportunities. The evolution of Russia as an increasingly important international supplier is a wild card and will need to be monitored carefully.

This Global Market Opportunities Review outlines a range of market opportunities and suggests a number of actions to provoke a dialogue between industry and government with a view to defining an agreed course of action aimed at enhancing the viability of the export oriented Canadian salmon industry.

The review should be read in conjunction with the Fish and Seafood and Aquaculture Global Market Opportunities Reviews (see Annex 3).