

AGENTS

Depending on the terms of the agreement, agents or representatives can be authorized to enter into contractual sales agreements with customers on the processor's behalf. Agents usually work on commission, but may prefer to work on a retainer with an agreement regarding expenses. They can provide many types of expertise, including market intelligence if it is part of the agreement with the Canadian processor. Several related but non-competing fish and seafood lines can be handled for more than one supplier. The usual process for concluding a sale involves the agent obtaining the order and the manufacturer supplying the goods and invoicing the customer directly. The manufacturer then collects the payment and pays the agent a commission on the sale.

Canadian fish and seafood exporters may decide to give their agent the authority to hire and fire distributors as necessary. The U.S. agent then becomes your field sales manager and receives commissions on products sold by the distributors, or on reorders by the distributors. In turn, the agent supports the distributors by training sales personnel, making sales calls, providing leads to the distributors, and sometimes, providing after-sales services as required.

Generally, the Canadian fish and seafood exporters retains most control over the indirect sales representation process if an agent is contracted to do the selling. Greater market coverage for the entire United States market would be assured, because a quality agent will call on all distributors, dealers or other suitable purchasers.

DISTRIBUTORS

The distributor can often be the best indirect sales option in the United States market for many fish and seafood products. Certain retail seafood items are frequently contracted with distributors to channel their products to the retailers. Distributors in the U.S. buy the seafood products from the foreign processor, stock them in their warehouses, and re-sell them to their retail customers throughout their particular region.

Canadian exporters of these types of seafood products must expect longer terms of sale in such transactions. By using a United States distributor, Canadian fish and seafood exporters lose some control over the marketing process, and this extends to delivery, because the distributor supplies the products directly to the retailers.

BROKERS

Brokers in the United States pursue individual sales on their Canadian seafood suppliers' behalf, and pass requests for quotations on products to their Canadian suppliers' for a response. For brokers in the U.S. fish and seafood industry, it is just as important to please their customers as their suppliers.

This means that, if the product of a Canadian exporter is not as price-competitive as that of another supplier, the broker may sell a competitor's product to keep a regular customer satisfied. The broker may be paid a commission on sales, or sometimes the agreement will stipulate that a broker will take legal title to and physical possession of the product, and ship it from the broker's premises in the appropriate U.S. market territory.