

soon on the phone making deals, either bringing the Taiwanese machines across the Pacific or lowering the North American price or, more likely, both.

Virtually nothing Canada produces can escape international comparison. Take the common scallop as an example. The Atlantic scallop is big, succulent and very white — a choice product by any measure. But “in no way can we dominate the scallop market,” observes Steve Green, assistant to the president at Clearwater Fine Foods of Nova Scotia.

There are in the world about 100 varieties of scallop. Most are smaller than Canada’s Atlantic version. Many aren’t quite as white. But Green says scallops are easily substituted one for the other, especially in the breaded form many consumers buy. There are even ersatz scallops, ordinary fish cut cookie-cutter style. So, with a relatively small Canadian scallop resource available, companies such as Clearwater have to take whatever price they can get.

Similarly, Canada’s Atlantic cod sells into the vast white-fish market, to which everything from hake to Alaskan pollock have been introduced in recent years. “Canada,” says Green, “is just a player, with lots of competition.”

Clearwater’s answer has been “forward integration” — establishment of a presence closer to the consumer end of the marketing chain. Its long-term agreement with Canada’s Loblaw supermarket group to supply “President’s Choice” seafood products is an example of this, allowing Clearwater to claim a greater share of the value contributed by processing and packaging.

Clearwater Takes Nova Scotia to the World



Owen Fitzgerald

In a world where even the personal computer quickly falls victim to the intense pressures of price competition, consider the case of fish.

Like pork bellies and micro-circuits, grains and crude oil, Canada’s vast harvest of seafood depends for its price on the surging tides of global supply and demand.

For Clearwater Fine Foods Inc. of Bedford, Nova Scotia, the answer increasingly is something called “forward integration” — expansion up the marketing chain to allow for more and more value-added factors, in essence putting out a more highly processed and packaged product.

Clearwater, a relative newcomer to the international market, is already Canada’s largest exporter of sea scallops, shrimp, clams and live lobster.

But now, fresh from its successful domestic deal with Canada’s Loblaw supermarket chain, under which it

supplies “President’s Choice” brand seafood products, Clearwater recently acquired a British company selling house-branded ready-to-prepare products to the popular Marks & Spencer stores in Britain. A similar sales tactic is being tried with two smaller chains in the United States.

This isn’t Clearwater’s only gambit in the struggle to moderate its exposure purely to price competition. The company has also invested in big, technologically advanced lobster pounds to establish itself as a year-round supplier of lobster. The east coast lobster is an attractive product to begin with, because no other lobster offers claw meat. But, until quite recently, it was considered a seasonal delicacy. By providing a year-round supply, Clearwater finds it can demand

Fish packing at Clearwater Fine Foods Inc. — Canada’s largest exporter of sea scallops, shrimps, clams and live lobster.

higher prices from regular customers, even in mid-season.

Steve Green, assistant to Clearwater president John Risley, credits one of Clearwater’s Canadian competitors, National Sea Products, for building a market advantage through its “High Liner” brand of retail products. Foreclosed from that route to the marketplace — “it just takes too much money,” Green says — Clearwater plans to expand its house-brand strategy instead.

The effort has been paying off. With just four years of fullscale participation in the international market, exports took off in 1987, producing in that year 95 per cent of the company’s total sales.