

### Market Situation and Outlook

- Reduced supply of salmon which began to be felt in late 1987 is reflected in dramatically lower inventories of product which in turn has resulted in wholesale prices approximately 50% higher than year ago levels. Canadian exporters should receive substantially higher prices in 1988.
- Japanese production of farmed coho salmon increased sharply in 1987 to 12,000 MT and is expected reach 16,000 MT in 1988. A major objective of Japanese government is to promote development of aquaculture industry in Japan.
- Japanese imports of farmed salmon, while still at relatively small levels are projected to increase rapidly in the future and as such good opportunities exist for farmed salmon from Canada.

### Supply Reconciliation - Salmon (000MT)

|                            | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Beginning Inventory(Jan 1) | 48.7        | 76.5        | 66.3        | 99.0        | 85.8        |
| Domestic catch - total     | 173.0       | 171.3       | 219.4       | 184.9       | 200.2       |
| Imports - total            | 99.3        | 94.6        | 118.1       | 115.4       | 111.4       |
| Total supply available     | 321.0       | 342.4       | 403.8       | 399.3       | 397.4       |
| Ending Inventory(Dec 31)   | 76.5        | 66.3        | 99.0        | 85.8        | 67.1        |
| Apparent consumption       | 244.5       | 276.1       | 304.8       | 313.5       | 330.3       |

- Further details on imports and inventories by salmon species are shown below. All figures are trade estimates.

### Estimated Imports by species (contract basis - 000MT)

|         | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> |
|---------|-------------|-------------|-------------|-------------|-------------|
| Sockeye | 74.4        | 57.0        | 78.0        | 71.7        | 68.3        |
| Pink    | 8.5         | 18.0        | 16.0        | 16.2        | 15.8        |
| Chum    | 7.2         | 13.5        | 10.5        | 12.2        | 10.3        |
| Coho    | 4.6         | 3.0         | 9.0         | 12.0        | 9.9         |
| King    | 2.3         | 1.5         | 2.0         | 2.0         | 4.3         |
| Total   | 97.0        | 93.0        | 115.5       | 115.3       | 111.4       |