

MINNEAPOLIS

SUPPLY AND CONSUMPTION

Salmon is the most popular fish species sold in the Upper Midwest market, followed by cod and walleye/pickarel. Salmon ranks first in sales in both retail and foodservices, with retail sales currently being the predominant and most rapidly increasing market segment. Minneapolis/St.Paul's two largest retail chains, CUB Foods and Rainbow Foods (which control 55 percent market share in the Twin Cities market and are expanding operations throughout the central U.S.) both have very aggressive fresh fish marketing programmes and consumer education programmes that have greatly increased fish consumption in this market area over the past few years. These two chains have the ability to move considerable quantities of fish through their outlets in a very brief time span. A typical fresh salmon promotion by one of these chains could involve special pricing and a modest newspaper advertisement, and could result in sales of 15-20 truckloads of product in one week.

Alaska is the source of most salmon sold in the Minneapolis/St.Paul market, followed by Norway. Most Canadian salmon sold in the market is sourced through B.C. Packers. There is one local farmed salmon firm which has become a factor in the market: Minnesota Aquafarms of Chisholm, Minnesota. Operating in abandoned open-pit mines in the northern part of the state, the firm now processes approximately 25,000 pounds per week. The product is able to command a premium price because it is carefully processed with meticulous bone removal.

In the Minneapolis/St.Paul market, salmon steaks are more popular with consumers than fillets. Canned salmon consumption is declining as inexpensive fresh salmon has become more readily available. Frozen portion-pack salmon steaks are used considerably in the foodservices trade. The market for smoked salmon is small, largely due to high price levels and a Minnesota state law regulating the sale of smoked fish which effectively prohibits cold smoked product. (This law is currently undergoing revision and new legislation, to be enacted within the next few months, will open the local market to Canadian processors).

TARIFFS

There are no trade barriers other than the Minnesota state legislation concerning smoked fish products currently being revised. The major health concern with the U.S. Food and Drug Administration is listeria, a problem well recognized by Canadian industry. All relevant health regulations for Canadian salmon exports to the U.S. are highlighted in detail at the end of this chapter.