

alone. Of the top five supermarkets in the U.S., two are headquartered in this territory. American Stores (Salt Lake City, Utah) doing over U.S.\$22 billion in 1990 (owner of Lucky Stores headquartered in northern California) and Safeway stores (Oakland, CA) doing U.S. \$14.75 billion in 1990.

Food service and retail groceries in the region are increasingly overlapping, with supermarkets expanding their food service capabilities by offering, for example, in-store delis and catering services. Mergers in retail chains and the wholesale sector have affected the sales network. The merging of brokers may mean larger companies that are fewer in number. This creates niches for the small broker but threatens the future of the mid-sized broker.

The merging of supermarket chains, with fewer broker (sales) organizations may mean less choices on the supermarket shelves for the consumer, and less opportunities for the smaller manufacturer. This trend could lead to higher slotting fees for new product listings. However, given the competitive nature of this industry, constant change is to be expected. The advent of the mass discounter and the increase of food purchasing and sales by what were once exclusively drugstore and variety chains offer new opportunities for the innovative marketer.

Market opportunities are considerable in all segments of the industry, with a multitude of factors affecting the public's buying habits. There is great interest in nutrition, cholesterol and health and this has helped to change eating patterns. Sales of poultry and fish have increased as consumption of red meat has decreased. The trend is discernible in both retail and foodservice sales. The two-income lifestyle has brought about increased markets for prepared value-added food, processed and semi-processed. And gourmet, ethnic (Mexican, Oriental, etc.) and natural foods all are popular with this market's sophisticated consumer who is will-ing to try new and exotic foods.

Fish and Seafood

In the state of California, the food service

industry generated \$28.5 billion in 93,930 eating and drinking establishments. There is increased interest in and opportunities for value-added (processed) fish and fish products, both for foodservice/institutional and retail sales in northern California. Northern California consumers are typically affluent, sophisticated and educated, with a growing concern for nutrition and health foods, and a corresponding desire to increase their fish consumption.

As a major centre for the West Coast fishing industry, with a large local sales market, there are well over 100 fish brokers and wholesalers located in northern California.

We would strongly advise the Canadian manufacturer who wishes to export to utilize the services of a local broker/sales representative who will sell directly to the major buyers, as well as place your product with appropriate wholesalers and buying groups. A local presence is needed in such a large, competitive and sophisticated market.

San Francisco is home to national and regional food trade shows running the gamut from the annual international Fancy Food and Confection Show for gourmet retail sales to the annual Western Restaurant Show, (alternating yearly between southern and northern California) that focuses on the food service and institutional market, the second largest show of its kind in the U.S. Participation in the appropriate trade show is an opportunity to reinforce and enhance your local agent's efforts, and to meet buyers and sales representatives.

Serious food exporters should consider northern California as a primary market goal, but to successfully compete they must first have a quality product, the right packaging and graphics, adequate production capability and a well-conceived marketing program.

For further general information about the region or specific information regarding agents, brokers and distributors please contact: