

3.2.3 Overview of the U.S. Markets and Distribution Channels

The Great Lakes Region (see Exhibit 2 on page 18), ranked fifth in terms of fish consumption by the National Marine Fisheries Services, is the major U.S. market for Canadian freshwater fish. Per capita income in that region is slightly above that of the national average but, more importantly, it is inhabited by 26% of the U.S. population and is relatively close to the Canadian border. The Great Lakes Region is served by the distributors and wholesalers of Detroit and Chicago which are the largest ones for freshwater fish. The Detroit distributors service the states of Michigan and Ohio and move minimal amounts of freshwater fish into the New York market. The Chicago fish distributors are more developed than those in Detroit as they handle larger amounts of product. Wholesalers in Chicago serve the states of Illinois and Indiana, while those in Minneapolis move FFMC products mainly into the Mid-West states and even California.

The mid-Atlantic Region, also an important market for freshwater fish, centres on the New York market. Wholesalers in New York service the important New York area market as well as New Jersey. In the past, the New York market basically drew its importance from serving the traditional Jewish market through the retail and small restaurant trades. This established the New York market as the price setter for freshwater fish.

The wholesalers of these large freshwater fish market segments generally service the retail trades as well as the small independently-run restaurants. However, the FFMC and the Ontario fish producers in addition to utilizing the wholesale distribution system also sell directly to some fast food chains and food processors in the United States. As well, the Canadian freshwater fish companies sell directly to institutional markets such as cafeterias, hospitals and prisons, but these are limited outlets for Canadian products since, as a rule, these institutions must satisfy local procurement regulations.

As a final note on this overview of the U.S. market and distribution network for freshwater fish, it should be noted that, as shown in Table 7 on page 19, the food service industry accounts for 65% of sales of fish in the U.S. and the retail market for 35%. This tends to confirm that: "American food consumers demand and generally get reliability of supply, price and quality in the supermarket. The erratic presentation of seafood at the retail level and, consequently, to the consumer [in addition to the consumer's lack of knowledge of how to prepare fishery products] has kept home usage down in the United States, despite many favorable attributes."⁽¹⁾ Therefore, in addition to striving continually to improve its image of quality, the Canadian freshwater fishing industry should also endeavour to make its products available in the market place on a broader scale and on a year-round basis.

⁽¹⁾ Seafood Management Corporation, *Surimi: The Explosive Seafood Market, 1984*, p. 8.