

Japan recently relaxed import restrictions on a number of products including mackerel ensuring that there will be no impediments to trade between willing Japanese buyers and Canadian sellers.

The United States and Caribbean countries are traditional markets for frozen and cured mackerel. In the past the Caribbean has been a good outlet for salted mackerel in 50 pound pails. However, in 1989, demand declined considerably due to uncertain economic conditions in the region. The United States is an established market for mackerel fillets. However, little is known of the real potential for this and other products. Fisheries and Oceans have recently completed a study on the potential for smoked mackerel in the US. One area of potential growth which was identified is the market for high quality smoked products which would take advantage of the growing awareness of mackerel as a health food with high omega oil content.

East Bloc countries also offer potential. In the past mackerel has been an important component of purchases under bilateral agreements with the USSR, GDR and Poland. Since 1988 herring has replaced mackerel in these purchases due to the scarcity of mackerel. In 1988, an experimental allocation of 3000 tonnes was given to Poland but this only yielded 300 tonnes. The longer term development of East Bloc markets would appear to depend upon the establishment of successful joint ventures between Canadian and East Bloc entities. The goal of these arrangements would be to transfer catching and processing technology to Canada.

### Herring Roe

I would like now to talk about the prospects for Atlantic herring roe in Japan which is the sole market for herring roe. Herring roe or "kazunoko" is a traditional food of the Japanese. The product is consumed in two forms, as a salted product (shio kazunoko) and as a ready to eat seasoned product (ajitsuke kazunoko). The salted roe is very expensive and consumed only during the festive New Years season while seasoned roe is more suitable for every day consumption and is affordable. Roe imported from British Columbia is processed as salted roe while Atlantic roe is processed as seasoned ready to eat product.

The flavoured roe product has been developed only since 1980. Since then it has grown to produce a variety of end products which are sold as ready to eat foods or as an ingredient with other prepared products. Flavoured roe is popular among younger Japanese and is used in a wide range of preparations and competes with roe products at the lower end of the price spectrum (pollock, capelin roe). High quality Atlantic roe may also compete with salted roe for gift giving. Improved methods of distribution have also resulted in expansion of consumption beyond traditional production areas in northern Japan. These trends suggest that long term demand for Atlantic roe is strong.

The Japanese import Atlantic herring roe in frozen form for