

in any significant way. Seafood is way behind poultry, pork and beef in this respect.

Of these three factors, the problem of high prices appears to be, BY FAR, THE MOST IMPORTANT in the consumer's mind. One survey reportedly showed that at least SIXTY PERCENT of consumers think so.

Resistance to high prices does not apply only to the consumer. It is a problem at the trade level as well. For example, fresh seafood retailers seem to be learning more and more about shrinkage and how it can reduce their mark-up by 10 percent or more. These retailers use the 25 to 40 percent markup for fresh seafood as they do for fresh meat like beef. But meat doesn't shrink as much as seafood. And the longer the seafood product is on display the worse is the shrinkage.

On the other hand, frozen food retailers complain of slow movement of seafood products compared to other items. The opportunity cost of shelf space is high in the very competitive frozen food market, one that they eventually pass along to the seafood processors. Nowadays, just to get a listing with a retail chain is formidably costly. This is one major reason why converters tend to resist high prices for blocks.

So, on the demand side, things don't look too good. And for the rest of 1989, the overall economic environment in the United States is not going to be helpful. Recession is not