

ATLANTA

SUPPLY & CONSUMPTION

The Consulate General in Atlanta covers the states of North Carolina, South Carolina, Tennessee, Mississippi, Alabama, Georgia, Florida, Puerto Rico and the U.S. Virgin Islands. Many of these states also enjoy an active tourism industry which augments considerably a population base of 43 million people. Retail food sales are expected to reach US\$78 billion for 1992. Estimates for foodservice sales vary according to source, however it is probable that restaurant sales will approach US\$83 billion while fast food sales should reach an additional US\$78 for 1992, each representing increases over 1991. It is difficult to estimate the imports of Canadian lobster into the territory. All lobster is sold as "Maine lobster", and the public is encouraged to think in those terms. Restaurants sell lobster (generally in the form of tails, but do not differentiate between the *Homarus Americanus* species and the other types (rock and spiny etc.) that come from other areas of the world.

As of December 1992, live lobster is sold at approximately US\$6.95/lb to US\$7.95/lb at retail and on occasion a supermarket chain will have a loss-leader sale at about US\$3.99/lb. A distributor will sell it to the supermarket at a 30% (approximate) mark-up. The biggest competitor to Canadian frozen lobster tail is the Caribbean lobster tail which most distributors buy from brokers at about US\$11.95/lb, in a falling market. If the distributor can buy direct from the supplier in the Caribbean the price will be in the neighbourhood of US\$9.00/lb. Australian and New Zealand lobster tails are at the US\$16.00/lb level and are making inroads into the foodservice market. Demand for frozen tails from Canadian sources is well developed, when available, with pricing varying according to market forces. Media attention on the safety of seafood may adversely affect the sale of lobster, if this issue continues on the front burner. The U.S. FDA and the National Oceanic and Atmospheric Administration (NOAA) have received increased funding which will strengthen their inspection procedures in all areas of seafood imports as well as domestic production. Informed sources suggest that it is inevitable that safety regulations will have a significant impact on the seafood industry in the near term.

DISTRIBUTION SYSTEMS

Boston appears to remain the classic point of origin of live lobster, hence the accepted "Maine lobster" nomenclature. However, some suppliers are increasingly finding ways to ship on a direct and continuing basis to some markets in the Southeastern U.S., as high transportation costs impact considerably on an already expensive commodity. Distributors in high density population areas typically hold lobsters in tanks and deliver them to either retail customers or to foodservice accounts on a daily or weekly basis. Retail customers have tanks in the seafood section into which they keep stock to meet the next three to five days sales. The tank count varies according to the expected traffic. Sales often feature live lobsters in a retail environment, however value-added lobster products are rarely sale items. Value-added lobster products enter the usual food distributor channels or are sold direct to the retail chain, either in proprietary packaging or under private label.

PROMOTIONAL ACTIVITIES

The Consulate General-Atlanta has scheduled two incoming missions to Atlantic Canada as well as other missions to the food/seafood industry in Toronto and Montreal, all in fiscal year 1993-94. The following important foodservice events take place in the Post territory: 1) Southeast Hospitality and Foodservice Expo, October 1993 in Atlanta, Georgia; 2) Food and Foodservice Equipment Show of the Caribbean, April 1993 in San Juan, Puerto Rico; and 3) Solo Food Show (Canadian products only), December 1993, in Miami, Florida. The post is fully disposed to cooperating with CALPA or with