Consumer education is required in many markets in order to dispel the notion that lobster is an exotic food dish, for special occasions only.

4.2 ACCESS AND TRADE BARRIERS

In many markets, tariffs and NTBs (phytosanitary, packaging & labelling requirements, inspections) are not a major factor as there is no particular call for protecting indigenous production of lobster. Some degree of tariff protection, however, exists in some areas vis à vis competing products e.g. rock lobster. Given the importance of Canadian exports of lobster and lobster products, access impediments in particular jurisdictions have been identified and are being pursued in the MTN.

TARIFFS. To the extent tariffs are reduced or eliminated, especially for value-added forms which generally attract higher rates, prices for lobster will become somewhat lower in markets of interest, making it more competitive relative to other competing products. Similarly, the reduction of tariff margins of preference (e.g. EFTA/EC preferences, GSP/GPT for many developed countries providing better access for warm water species) confers an improved price advantage for Canadian exporters.

NTBs. Phytosanitary regulations and size limitations represent the most difficult access problems facing Canadian exporters in many markets. In the US, carapace size restrictions for live lobsters and listeria is an ongoing issue for processed products along with delays in inspection. In the Nordic countries, Sweden has minimum carapace size requirements of 22 cm for live imports and Norway prohibits the entry of live product unless it is cooked immediately upon importation, prior to entering Norwegian commerce. This arises from concerns over the transfer of gaffkemia disease from imports to domestic stocks. The draft MTN Agreement on Sanitary and Phytosanitary Measures (SPS) will provide scope to reduce the impact of some of these measures.

In Korea and the PRC, slow customs and rigorous inspection systems have adversely affected imports although it appears that Korean customs clearance procedures have recently improved.

4.3 COMMERCIAL PRACTICES AND CONSTRAINTS

The harvesting seasons vary from region to region with the peak period being from May to July. This does not coincide with peak periods of European demand for live lobsters during the Christmas and Easter holidays. Increasing availability of holding tanks can mitigate this to a degree but will require significant investment in target markets of importance such as Japan or the UK.

Canadian product is sometimes sold as American due to a lack of identity as to the real origin. This loss of identity at the border may, however, be an advantage in some circumstances.

There are approximately 250 exporters of Canadian lobster and lobster products, but few firms have the capacity to take direct advantage of opportunities in international markets. CALPA has a mandate to promote lobster products generically and in varied forms so as to stimulate demand for the product. In pursuit of this goal, CALPA will need the ongoing support of the provincial and federal governments to ensure that the Canadian lobster image remains strong in all major markets.

Canadian exporters face major constraints in terms of access to effective transportation services, especially for shipments of live lobster. Buyers sometimes call for less than container sized lots and it may be difficult to fill these orders. The necessity to trans-ship, usually through Boston with its better links to major markets, can increase handling and freight rates as well as mortality levels. Boston also serves as a major distribution point for shipments to other destinations in the US.