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MARKET BRIEF

The New Zealand Market for Canned Salmon 1999

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Unscheduled Report
Wellington [NZ1], NZ

The New Zealand Market for Canned Salmon

March 1999

1. EXECUTIVE SUMMARY

New Zealand's N.Z.\$18.5 million* (U.S.\$9.8 million) canned salmon market offers significant potential for U.S. exporters, providing a well-established consumer market and opportunities to expand usage of American canned salmon. Canned salmon is seen as a quick, nutritious snack alternative and consumers are regular purchasers. New Zealand imported U.S.\$6.05 million of canned salmon in 1998 and the United States accounted for nearly 30 percent of this. Canned salmon imports are tariff free and New Zealand is wholly dependent on imports.

*Supermarket sales, 52 weeks to 21 February 1999, AC Nielsen data.

Advantages	Challenges
Well established product and consumer acceptance.	Canned salmon market dominated by Canadian product.
Opportunities for flavored can salmon.	Positive consumer perception of Canadian product due to consumer-targeted marketing program.
Straight-forward labeling requirements.	
No tariffs/quotas.	
Opportunity to widen consumer use/ knowledge of canned salmon.	

2. CONSUMPTION

- Canned salmon sales have increased over the past two years and look set to increase again in 1999. In the year to 17 May 1998 canned salmon supermarket sales increased 6.8 percent to N.Z.\$17.1 million (U.S.\$11.7 million), up from N.Z.\$16.0 million (U.S.\$11.1 million) in the year to 17 May 1997. (Source: AC Neilson).
- Almost all canned salmon is sold through the three main supermarket groups, Progressive Enterprises (Foodtown., Countdown), Foodstuffs (New World, Pak'N'Save, Four Square), and Woolworths (Woolworths, Big Fresh). Canned salmon is also sold at convenience stores, petrol stations and smaller independent grocery stores.
- Canned salmon is often perceived as a "store-cupboard" item by consumers, for use as a quick meal or snack. In a recent survey, nearly 30 percent of consumers brought canned salmon regularly.
- Canned salmon is most commonly used as a sandwich filling, in salads or as a main meal with pasta. Excellent opportunities exist to further educate consumers about the versatility of canned salmon.

3. TRADE & COMPETITION

- As there is no domestic production of canned salmon, New Zealand is entirely dependent on imported supplies. Canada is the dominant supplier of canned salmon to New Zealand, accounting for 68.7 percent of the total imported canned salmon market in 1998. The United States and Chile accounted for 28.6 percent and 2.5 percent respectively.

N.Z. CANNED SALMON IMPORTS Metric tons, calendar years			
Destination:	1996	1997	1998
Canada	1,999.9	1,437.8	1,132.2
United States	331.7	597.1	471.3
Chile	4.3	6.0	42.8
Japan	0.0	0.5	0.0
Korea	6.0	0.0	0.0
TOTAL	2,341.8	2,041.4	1,646.3
NZ\$000 Value CIF	11,278.7	11,280.7	11,282.7
US\$000 Value CIF	7,777.8	7,479.1	6,055.4

Source: Statistics New Zealand.

- New Zealanders have access to reasonably-priced fresh farmed salmon through supermarkets and fishmongers. Fresh salmon prices are between N.Z.\$19.95 - N.Z.\$22.95 per kilogram (U.S.\$10.70 - U.S.\$12.31). Prices for other fresh white fish varieties range between N.Z.\$7.00 and N.Z.\$17.95 per kilogram (U.S.\$3.7 - U.S.\$9.63), depending upon season.
- John West branded canned salmon has been promoted extensively in New Zealand, chiefly using consumer-focused magazine and television advertising. Few promotions have been undertaken by competitors in the canned salmon segment, but price discounting is often used instead.
- John West is currently the market leader, followed by supermarket house brands, Paramount, Oceans, and Sealord.

4. PRICE SURVEY

- Pink salmon: 210 gram tin - priced between N.Z.\$1.85 - \$2.90 (U.S.\$0.99 - \$1.55).
 - Pink salmon: 415 gram tin - priced between N.Z.\$3.45 - \$5.15 (U.S.\$1.85 - \$2.76).
 - Red salmon: 210 gram tin - priced between N.Z.\$3.90 - \$6.52 (U.S.\$2.09 - \$3.49).
- Note: Spot Exchange Rate N.Z.\$0.5366 = U.S.\$1.00.
- Red salmon in 415 gram tins was not stocked in any of the six supermarkets surveyed.
 - The following brands are currently available through New Zealand's main supermarkets: John West, First Choice, No Frills, ABC, Sealord, Paramount, Trident, Foodtown, Laurel Wreath.
- Source: Price surveys as at January 1999.

5. MARKET ACCESS

Tariffs and taxes

There are no tariffs or quotas applied to imports of canned salmon entering New Zealand. All goods and services sold in New Zealand are liable for Goods and Services Tax (GST). GST on imported goods is payable to the Customs Department by the importer at the time of entry. The GST rate effective from July 1, 1989 is 12.5 percent.

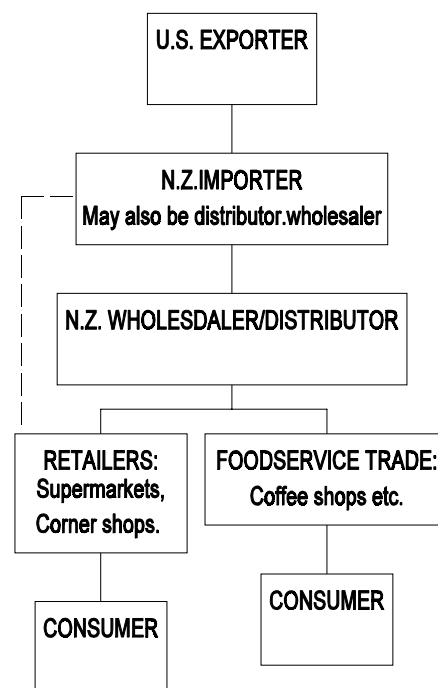
Labeling Standards

Labels on canned salmon sold in New Zealand must contain the following information:

- Common name of the food. Fish or fish products described as salmon shall be fish of the *Oncorhynchus* genus known as Pacific salmon, or the species *Salmo salar* known as Atlantic salmon, and the label on each package shall bear the recognized trade name of the particular variety of salmon in lettering of 3 mm in height. Every reference to the kind of fish or trade name of the variety of fish shall be a reference to the common rather than the scientific name of the variety of the fish.
- The label on each package of canned fish shall bear, in association with the name of the food, a statement of the nature of the packing medium e.g. Vegetable oil, brine.
- The net metric weight or volume of or number of servings of the contents of the package. If stating the number of servings, the quantity of each serving (by weight or volume) must be displayed with equal prominence.
- The trading name and business address of the manufacturer or seller or packer of the food. If the business address given is outside of New Zealand, the name (or a recognized abbreviation) of the state, territory or province or other regional designation and the country.
- Every package of canned food shall be labeled or embossed with or otherwise marked, either in code or clear, to identify the lot of which it forms a part, and the factory or other premises in which the package was packed.

6. DISTRIBUTION CHANNELS

- Canned salmon is usually imported by independent importers who deal in a broad range of imported grocery goods and have key contacts with supermarket buyers.
- Importers are often wholesalers as well, cutting down on middle-men and mark-ups.
- Canned salmon sales through the food-service trade is estimated to be less than 10 percent of all canned salmon sales.



End of Report

Market Briefs are researched and produced by the Foreign Agricultural Service Office in Wellington, New Zealand. Market briefs are meant to provide exporters with key information on products the FAS Office has identified as having potential within the New Zealand market.

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