

Canadian Frozen Salmon For The Wealthy Nepalese And Tourists

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AGR1110

Section 104 Monday at 2:30
Due Monday November 24, 2014

Part I – Product Info

Product Description

High Liner Selects Wild Pacific Salmon is a highly nutritious possible export opportunity for Canada to send to Nepal. High Liner Selects Wild Pacific Salmon is a frozen, packaged Salmon product made by the company High Liner. High Liner is a Canadian company that gets their seafood from a few different places. Seventy three percent of their fish and seafood is caught wild from the oceans and twenty seven percent comes from specifically selected aquaculture farms. The wild pacific salmon is caught in the North Pacific Ocean, and are harvested in the United States of America, Japan, and Russia (High Liner Foods Inc., 2014). Not all of High Liners products are caught and prepared in Canada, but this is for a few specific reasons. Firstly, availability of certain species of fish in Canada has decreased significantly over the last few years. The Canadian Department of Fisheries and Oceans does not yet believe that the fish populations near Canada have recovered enough to start fishing from the area again. Another reason that not all of the fish can be caught in Canada is the fact that not all of the species that High Liner offers are found in Canadian waters (High Liner Inc., 2014). Regardless of whether the fish is caught or processed within or outside of Canada, all of the fish that High Liner offers are processed to the exact specifications of Canadian food standards. High Liner picks specific suppliers of the fish to ensure that the standards of Canadian food products are upheld in the harvesting and processing of the fish and seafood (High Liner Inc., 2014). To ensure that the fish and seafood are held to Canadian standards, High Liner has the fish that is to be imported to Canada tested to Canadian standards before being exported from which ever country it is coming from (High Liner Inc., 2014).

High Liner Selects Pacific Salmon Fillets are a very healthy option when it comes to choosing fish to feed your family. Not only is it a source of Omega-3 Polyunsaturates, but it is low in saturated fat, has no trans fat, and is gluten free. These fillets are also only one hundred and forty calories each, contain only three and a half grams of fat, and twenty three grams of protein (High Liner Inc., 2014).

High Liner already exported products to many other countries. High Liner has experience exporting to the following countries: Algeria, Australia, Bermuda, Cuba, Denmark, Finland, France, Germany, Hong Kong, Iceland, Jamaica, Japan, Korea, Norway, Portugal, Sweden, Taiwan, The United Kingdom, and the United States of America. High Liner is also trying to start exporting to Brasil (Government of Canada, 2014). Since High Liner has already gained so much experience exporting to many countries, exporting to Nepal would be nothing new for them.

Description of Where and How the Product is Grown, Raised and/or Processed

Canadian Salmon comes from one of two different types of places. Canadian salmon is either farmed (Aquaculture) or caught wild in the worlds oceans. The majority of Canada's wild caught salmon is harvested off of the British Columbian coast (Government of Canada, 2011). High Liner's salmon however comes from a few different places. High Liners Wild Pacific salmon is caught and processed in either the United States of America, Japan, or Russia (High Liner Foods Inc., 2014). Due to the decrease in availability of the species required, as well as the fact that not all species that High Liner offers can be caught in Canadian waters, High Liner must have some fish imported (High Liner Inc., 2014). The High Liner products that are not caught and processed in Canada are still held up to

Canadian food standards. This is ensured with the vigorous testing that the products must go through before leaving any of the countries of origin to be exported to Canada (High Liner Inc., 2014). High Liner carries many different types of processed fish and sea food products. Some of the fish products are scaled, filleted and sold fresh, some scaled, filleted and spiced, and others scaled, filleted, breaded and battered (High Liner Foods, 2010). High liner has two major facilities for production. One is located in Lunenburg Nova Scotia, Canada, and the other is located in Portsmouth New Hampshire, United States of America. Both facilities produce High Liner's prepared foods. The annual capacity for the Nova Scotian facility is eighteen thousand, one hundred fifty metric tonnes, where as the annual capacity of the New Hampshire facility is twenty nine thousand, five hundred metric tonnes (High Liner Foods Inc., 2004).

Health and Nutritional Information Associated With the High Liner Frozen Salmon Products

The High Liner Selects Wild Pacific Salmon is a very nutritious product. This frozen salmon product is only one hundred forty calories per fillet. The salmon also only has three and a half grams of fat. Fish is a healthy source of fat. The body needs a certain amount of fat per day and getting your fat from fish is healthier than getting your fat from a chocolate or candy bar. High Liner's salmon is not only low in calories and saturated fat, but it is gluten free, high in Omega-3 polyunsaturates, Omega-6 polyunsaturates, contains two percent of the daily recommended intake value of calcium and vitamin C, and four percent of the daily recommended intake value of iron (High Liner Inc., 2014). Omega-3 and Omega-6 are fatty acids that are important for the body. They are important because they are

components of cell membranes, and are also parts of substances involved with blood pressure regulation, and certain inflammatory responses in the body. The anti-inflammatory actions of Omega-3 could potentially help prevent fatal heart disease and many other problems such as diabetes and possibly even cancer (European Food Information Council, 2014). High Liner Selects Wild Pacific Salmon fillets are not breaded which contributes to their low fat and calorie count.

Evaluation of the Market Opportunity

Frozen meat products have started to become more and more popular in Nepal in the past few years. Beef and seafood have to be imported because there is not enough produced in Nepal to meet the consumer demands but other meats can be produced locally. This increasing market is estimated by looking at the sales from the largest supermarket and department store chain in Nepal, Bhat-Bhateni (The Kathmandu Post, 2014). Chicken products have been reported as some of the quickest items to be selling at the supermarket, however a noticeable rise in seafood products, including salmon, has also been reported. An increase in packaged meat has been noticed as well. The demand for packaged meats is most likely rising because consumers want to ensure that their meat is certified hygienic (The Kathmandu Post, 2014). Since there is a great increase in demand for frozen and packaged meats, including seafood and fish, this means that there will be a large market opportunity for High Liner Selects Wild Pacific Salmon in Nepal if they were to decide to start importing it. Since Bhat-Bhateni is the largest supermarket and department store chain in Nepal, it would be best to sell the High Liner frozen salmon products directly to them. Selling directly to Bhat-Bhateni would ensure that the greatest amount of consumers possible would have the opportunity to buy the High Liner Selects Wild

Pacific Salmon fillets.

Benefits to Canada

Canada would benefit greatly from exporting High Liner Wild Pacific Salmon fillets to Nepal. There would be many jobs created in many different areas. Firstly, there would be new jobs created in the fishing and fish farming industries. These industries would have to compensate for the higher demand for Wild Pacific Salmon by bringing in more fish. The increase in numbers of fish required would require more workers to harvest the fish. Next, the increased demand for High Liner Wild Pacific Salmon fillets would create more jobs for High Liner factory workers. The more of these frozen fish products that need to be produced, the more workers that are needed to keep up with the demand. Lastly, the greater demand for the frozen fish products would create jobs in the transportation industry. High Liner will need a refrigerated transportation company to transport the Selects Wild Pacific Salmon fillets to Nepal and keep them frozen all the way there. This creates more jobs because they will need more workers at the transportation company to export this frozen salmon product from Canada to Nepal.

Environmental Sustainability in Growing/Manufacturing in Canada

High Liner is a company committed to environmental sustainability. Since a very large portion

of High Liner's Fish is caught from the wild in the oceans, High Liner has a few guidelines that ensure that what they are doing is sustainable. In order for wild caught fish to be sustainable, High Liner knows that the fish have to be caught legally, which means that they must not be poached or over fished. They also must fish in a way that causes the least amount of habitat damage and disruption of other species that are not being fished at that time (High Liner Foods, n.d.). High Liner has a sustainability program set up that includes partnering with the Sustainable Fisheries Partnership (SFP). This is an organization that is not through the government, that works to maintain the oceans ecosystems. High Liner is also a member of the Global Aquaculture Alliance, and is partnered with Ocean Wise, the Aquaculture Stewardship Council, the National Fisheries Institute, Ocean Trust, and the Fisheries Council of Canada, all to aid in their effort to maintain a sustainable production of their fish and sea food products (High Liner Foods, n.d.).

Part II – Export potential to Nepal

Trade Between Canada and Nepal

Canada and Nepal have been trading many different products back and forth for many years. Trade between these two countries began in January of 1965 (Ministry of Foreign Affairs, 2012). The main exports from Nepal to Canada consist of textile clothing and apparels. The main exports from Canada to Nepal on the other hand mainly include machinery and aerospace products, vegetables, appliances and optical equipment (Government of Canada, 2014). Nepal and Canada have a great trading system that has already been existing since the nineteen sixties, however, this system does not yet include Frozen Canadian Salmon. The company High Liner produces a nutritious frozen salmon that can be exported to Nepal and sold in all Bhat-Bhateni Supermarket and Department Stores across the country to provide the Nepalese with one more healthy option when in the supermarket shopping to prepare meals for their families.

Cost analysis to Achieve Profitability. Is This Price Point Realistic?

High liner products range between three and seven dollars right now in Ontario (Loblaws Inc., 2014). Currently the Canadian dollar equals about 88.11 Nepalese Rupees. This means that if the price were to rise about one dollar per box of High Liner Selects Wild Pacific Salmon because of shipping costs, the price for the Nepalese would be about 352.44 – 704.88 Rupees. This may not seem like a lot to Canadians because the minimum wage is eleven dollars per hour (in Ontario). Multiply this by

about the average forty hours a week and then by four weeks, and the minimum monthly salary in Ontario is about \$1760. In Nepal however, the minimum monthly salary is only about \$90.23 in comparison (Karoobar National Economic Daily, 2014). For a Nepalese individual to pay up to eight dollars for High Liner Selects Wild Pacific Salmon fillets, which comes with four fillets per box, he or she would be spending almost nine percent of his or her monthly salary on four frozen fillets of salmon. This is why if Nepal were to begin importing High Liner Wild Pacific Salmon fillets, the product would be marketed towards the wealthy Nepalese who can afford to pay this much, and the international tourists.

Needs and Benefits to the Importing Nation

Right now in Nepal there are many changes happening in the areas of agriculture and nutrition. Urbanization is one main reason why poverty is slowly being reduced and nutrition is getting better in Nepal. People are becoming less dependent on foods that they produce for themselves and more dependent on store bought foods. Population growth is also a major factor in these changes. The increase in population is creating a greater demand for food (National Planning Commission Central Bureau of Statistics, 2013). There have also been improving trends noticed when it comes to “stunting” or chronic under nutrition even though the numbers are still very high. For example, over half of all Nepalese children are not receiving anywhere near the amount of nutritious food required by the age of two. Along with these slight improvements in chronic under nutrition, the numbers for acute under nutrition have basically stayed the same at around fifteen percent (National Planning Commission Central Bureau of Statistics, 2013).

With more people relying on store bought foods as opposed to the foods that they produce on

their own, more nutritious food that is not extremely expensive must be made readily available for the Nepalese people. High Liner Wild Pacific Salmon has good nutritious value for a decent price. If Nepal were to begin importing this frozen salmon product to sell to those that can afford it, there would be one more nutritious food on the tables of Nepal. Salmon has Omega-3 and Omega-6 which have so many great health benefits for the body. Having more nutritious food readily available for everyone in Nepal will help combat acute and chronic under nutrition in Nepal.

Potential Nepalese Buyers That Can Be Informed About the Idea to Import High Liner Canadian Frozen Salmon Products

For High Liner Selects Wild Pacific Salmon Fillets to be exported to Nepal, there would need to be a grocery chain willing to carry the product. The largest, most popular supermarket and department store chain in Nepal is Bhat-Bhateni. Bhat- Bhateni has more than 40,000 customers visit its currently nine locations across the country every day (Bhat-Bhateni Supermarket and Department Store, 2013). This means that there are plenty of potential buyers for the High Liner Selects Salmon Fillets if Bhat-Bhateni were to begin carrying this product. Currently there is only one type of frozen fish carried by Bhat-Bhateni. This frozen fish is called Al Kabeer Breaded Cream Dory (Fish). This fish would only be a little bit of competition for the High Liner Selects Wild Pacific Salmon Fillets. The only similarity between these two products is that they are frozen fish products. Since the Wild Pacific Salmon and Cream Dory are two different types of fish, they will not be much competition to each other at all. People would be able to choose from two different species of fish when deciding what to feed their families. Bhat-Bhateni does not carry any kind of frozen salmon product what so ever, therefore there would be no direct competition for the High Liner Wild Pacific Salmon Fillets at all if Nepal were to begin importing this product to be sold in the many Bhat-Bhateni stores across the country.

Marketing Strategy to Sell in Nepal

To sell the High Liner Selects Wild Pacific Salmon in Nepal, the product should be marketed towards the wealthy Nepalese and the international tourists. The Himalayas in Nepal have recently become much more popular to international tourists in the past years (Nepal, S.K., 2000). This means that there would be more international tourists in this area that could potentially buy the High Liner Selects Wild Salmon fillets if they were made readily available in Nepalese grocery stores and supermarkets such as Bhat-Bhateni Supermarket and department stores. Marketing this product towards the wealthy Nepalese and tourists is the best option to sell the greatest number of these products. Not all Nepali people may be able to afford a house with electricity that can power a refrigerator or freezer. This would be one problem with selling the High Liner Selects Wild Pacific Salmon to all of the people in Nepal. This is why the product will be marketed towards the wealthy Nepalese who can afford the means of refrigeration required for this product. There is already a rising market for frozen food products in Nepal already which means that there is a potential market for the High Liner Wild Pacific Salmon if Nepal were to decide to start importing it (The Kathmandu Post, 2014). Not all Nepalese will be able to afford luxury of High Liner Wild Pacific Salmon fillets, but the ones who can will have one more healthy option when it comes to putting food on the table.

Evaluation of Potential Competition for High Liner Selects Wild Pacific Salmon

In Nepal, the largest supermarket and Department store chain is Bhat-Bhateni. Bhat-Bhateni

carries only one type of frozen fish product. This frozen fish product is called Al Kabeer Breaded Cream Dory (Fish). Al Kabeer is a company that specializes in many different frozen food products. Al Kabeer processes its shrimp in Bahrain, gets vegetables from their farms in Hyderabad Telangana, India, and gets their meat products from Mumbai Maharashtra, India (Al Kabeer Group Companies, 2009). Al Kabeer's Breaded Cream Dori is not the healthiest fish option on the market today, however it is the only frozen fish product that is offered at Bhat-Bhateni locations in Nepal (Bhat-Bhateni Online, n.d.). Al Kabeer's breaded Cream Dory has one hundred seventy one calories, five grams of fat, and only twelve grams of protein per one hundred gram serving (My Fitness Pal, 2014). Bhat-Bhateni does not carry any kind of frozen salmon product yet. If Nepal were to start importing High Liner Wild Pacific Salmon fillets to be sold in the many Bhat-Bhateni stores across the country, there would be a much healthier frozen fish option for the people of Nepal to choose. Sure it may be slightly more expensive because it will be imported from Canada, but it will be worth the cost for people to buy to get all of the extra nutritious value that the non battered wild salmon fillets will have as opposed to the battered Cream Dory fish product.

What is Still Unknown for The Exportation of The Frozen Salmon From Canada to Nepal

Right now there are many things known when it comes to Canada exporting High Liner Wild Pacific Salmon fillets to Nepal. Canada and Nepal already have a strong trade system established that is working well with several other products (Ministry of Foreign Affairs, 2012). Both Canada and Nepal would benefit greatly from this import/ export endeavor. Nepal has an under nutrition rate that is too high, but having nutritious food such as High Liner Wild Pacific Salmon fillets readily available to the Nepalese public would help get the people the nutrition that they need (National Planning

Commission Central Bureau of Statistics, 2013). Canada would benefit from this export because there would be lots of different jobs created in many different sectors all along the production chain including: fishing and fish farming, processing in High Liner plants, and even transportation jobs. It is also known that there is a market already set up for frozen fish in the supermarkets of Nepal. With the increase in international tourists and increase in demand for frozen meat and fish products in Nepal, the only unknown about this export is just how well it will do in Nepal (The Kathmandu Post, 2014) (Nepal, S.K., 2000). The only test that can be done to evaluate how well the product will sell in Nepal is to actually export a few of the High Liner Wild Pacific Salmon fillets to each of the Bhat-Bhateni supermarket and department stores across Nepal. With the high demand for frozen and packaged meat and fish products (including salmon) in Nepal right now, it would be no surprise if the High Liner Wild Pacific Salmon fillets flew off the shelves (The Kathmandu Post, 2014).

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