Shrimp Marketing Opportunities
Trade Adjustment Assistance for Farmers

Intensive Training

Shrimp Marketing Opportunities

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Chapter 1
Seafood Market Trends with a Focus on Shrimp

- World and domestic supplies
- Describe overall US seafood market trends
- Focus on shrimp supplies and industry
- Consumer preferences and market niches
- Why try to market your shrimp differently

World Seafood Supply Could Run Out by 2048

Boston Globe. 3 November 2006

Science (Nov 2006)

“Fishery stocks are collapsing all over the world and collapsing faster in low diversity populations,” Biological Science Prof. Stephen Palumbi, Stanford’s Hopkins Marine Institute.

“We really see the end of the line now. It’s within our lifetime. Our children will see a world without seafood if we don’t change things.” Boris Worm, Dalhousie University

Truth ????
World Seafood Supply?

- Most world known fisheries are at capacity
- Current aquaculture represents > 30%
- 75% Edible + 25% Industrial
- Anticipate >10 million metric ton deficit by 2015
- Aquaculture product must double by 2050

Percent of World Seafood Supply Source by Region: 2008

- Atlantic Ocean: 30.3%
- Pacific Ocean: 45.4%
- Other: 14.7%
- Inland: 9.6%

Source: "Fisheries of the United States", various years. NOAA / NMFS.
Trends in *World* Seafood Supplies, 1990-2008

Million metric tons, live weight (*finfish and shellfish*)

Source: “Fisheries of the United States”, various years. NOAA / NMFS.

**World Sources of Seafood Products (wild catch & aquaculture) by Country**  
1996-2008 (weight)

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Source: “Fisheries of the United States”, various years. NOAA / NMFS.
Sources of Edible US Seafood Supply 1976 - 2009

Billion pounds, round weight

Since 1993...
- Lndgs - 26% ↓
- Imprts - 86% ↑

Source: "Fisheries of the United States", various years. NOAA / NMFS.

Sources of US Shrimp Supply 1991 - 2009

Million pounds, round weight

Since 1996...
- Lndgs - 5% ↓
- Imprts - 130% ↑

Source: "Fisheries of the United States", various years. NOAA / NMFS.
Sources of Exports of Shrimp to the U.S.?

The "Perfect Storm" that Changed the Domestic Shrimp Industry

Between 1990 & 2000 average yearly import growth was 34 million lb.
Between 2001 & 2008 average yearly import growth was 73 million lb.
What Conditions Created this “Perfect Storm”? 

- Growth in worldwide culture of shrimp.
- Japan reduced consumption of shrimp, due to worst postwar recession (mid ‘90s – late ‘02).
- EU tripled tariffs on Thai shrimp. Thailand declared a developed country by EU in ‘99...no longer benefit from EU Generalized System of Preferences (preferential tariffs halted: 4.5-6.0% → 14.5-20%)
- A strong US dollar acted like a magnet for imports.
- Differences in worldwide food safety standards served to pull more “troubled imports” into the U.S. market. For example, Chloramphenicol / Nitrofuran residues detected in 2002 on cultured Thai shrimp (detection level differences: 0.1 ppb EU & zero tolerance vs 5.0 ppb US) … detection levels in US since revised

US Shrimp Market Boom/Crisis

- Almost total reliance on imported shrimp for US market (~ 10% domestic fleet harvested)
- Boom to consumers / processors
- Crisis to domestic shrimp fleet and supporting communities ... and to some environmentalists
What Market Forms of Shrimp are Exported to the U.S.?

Product weight (millions of lb.)

Per Capita Consumption of Edible Seafood in US

Pounds, edible meat weight

Source: “Fisheries of the United States”, various years. NOAA / NMFS.
US Per Capita Canned Tuna and Shrimp (all forms) Consumption, 1980-2009

![Graph showing the consumption of canned tuna and shrimp per capita from 1980 to 2009. The graph indicates that per capita consumption of shrimp exceeds that for canned tuna for the first time in the early 2000s.](image)

Seafood Preferences in USA (Top ten products consumed per capita)

<table>
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<th>Rank</th>
<th>1990</th>
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<td>Canned Tuna 3.7</td>
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<td>Canned Tuna 2.5</td>
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<td>Cod 1.4</td>
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<td>Salmon 0.7</td>
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<td>Tilapia 1.2</td>
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<td>Clams 0.6</td>
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<td>Crabs 0.6</td>
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<td>8</td>
<td>Flatfish 0.6</td>
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<td>Cod 0.4</td>
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<td>9</td>
<td>Crabs 0.3</td>
<td>Flatfish 0.4</td>
<td>Clams 0.4</td>
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<td>Scallops 0.3</td>
<td>Scallops 0.3</td>
<td>Pangasius 0.4</td>
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(per capita edible meat weight; Source: NMFS 2006; NFI)
Other US Seafood Consumption Notes ...

Nominal seafood purchases by US consumers was $74.1 Billion in 2009 ... up by 37% from 2000

77% of consumers eat seafood at least once a month

Of those, 51% eat more than 5 years ago

58% consumers eat more seafood than 2 years ago ... reason: Health (64%) Taste (60%) Variety (52%)

Source: H.M. Johnson & Associates

Changing Preferences that May Provide Market Opportunities for Local Producers

Consumers are increasing their demand for products that are ...

- Domestic and Local (support local fisheries)
- Fresh / organic / Chemical-free
- Low fat or low cholesterol
- High omega 3 fatty acid content
- Convenience in preparation / ready to eat
- Produced in a Sustainable manner (Ecolabeling)

Should independent shrimp vessel operators think about innovative marketing ... and how consumers are changing their demand??
Growing dependence on aquaculture or wild catch will pose at least one specific challenge ...

Assurance of *Sustainability* ...

*which means ???

“*Sustainability*” permeates US / World fisheries management efforts ...

1996 Sustainable Fisheries Act → NMFS, Office of Sustainable Fisheries

... and “Sustainability” is influencing domestic and international seafood marketing

Marine Stewardship Council → Walmart

Earth Easy → Sustainable Seafood Brands (Vital Choice Seafoods, Ecofix, Wild Catch, etc)

Monterey Bay Aquarium (Seafood Watch guide cards)
Other environmental groups joining in on the Sustainable Harvest / Culture concern ...

- World Wildlife Fund
- Environmental Defense Fund
- Sustainable Fisheries Foundation
- Audubon Society
- Food and Water Watch
- National Environmental Trust
- Seafood Choice Alliance
- Fish for the Future Foundation
- Project Aware
- Sustainable Fisheries Initiative *(New England Aquarium)*

How will these changing demand for seafood shape the future of shrimp supply and demand in the US market??

- Product availability
- Product sourcing (countries and culture/harvest environments, political stability)
- Product quality assurance
- Product safety
- Product traceability
- Enforcement (harvesting, trade, etc)
- Product mislabeling and related fraud

... and what role can YOU play in taking advantage of these changing market conditions ... and WHY??
Well ... consider the situation ...

Shrimp Exvessel Price Proxy

What’s the Problem??

Total Revenue

Dockside Prices ↓

Profit

Trip costs
Debt retirement
Hull/engine/equip repair & maint.
Overhead (hull insurance, etc)
Family expenses
tie-up ...
Ask for help ...
Get out ...
Make a plan ...

Vessel Operating Costs

Total Costs

A “Cost – Price” Squeeze !!!
Solutions for the US Shrimp Market???

• Imposing tariffs on “dumped” shrimp from 6 nations, including Thailand
• Economic relief programs for domestic trawlers
• Regional market promotion programs for domestically produced shrimp
• Educational programs for on-board shrimp quality
• Research into cost cutting technologies
• Local market innovation ... branding, direct marketing, local sales, etc
Marketing Innovation by Shrimp Harvesters

The remainder of this Module will address the concept of **innovative marketing by shrimpers**. A variety of marketing topics and potential strategies that commercial shrimpers may adopt will be addressed. These strategies may influence the price they receive for their shrimp and the total profits they can earn.

These topics and strategies include ...

- Locating your customers
- Developing a “brand” for your shrimp
- Direct marketing
- Becoming a dealer
- Alternative ways to organize for marketing shrimp
- How to stay current with seafood and shrimp market trends
- Future trends for shrimp marketing opportunities
CHAPTER 2:  
*Where are Your Potential Customers & How Do You Reach Them?*

- Using the Internet: Why you should and how 
- How to find potential customers: Market Research 
- How to reach potential customers: Websites and free tools 
- CASE STUDY: DelCambre Direct Marketing 

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**The Internet:**  
*Why it will help your business*

- 74 % of U.S. adults use the Internet 
- Comprehensive source of information 
- Used to make decisions  

Source: Pew, 2009
The Internet:  
*Why it will help your business*

- Save time, labor and money  
- Maximize your existing resources  
- Improve the image/”brand” of your business  
- Conduct marketing research with ease  
- Advertise and promote products, services and events  
- Increase sales  
- Improve communication & customer service

Source: The Rodale Institute, 2003

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The Internet:  
*How to use search engines*

- Many service providers for the Internet  
- Internet Explorer, Mozilla Firefox  
- What is a search engine and how do you use it?

The Internet: 
*Search engines results*

![Google search results for shrimp](https://via.placeholder.com/150)

Enhancing Communication: 
*Using e-mail*

- Helps establish a relationship with customers
- Provide information on your products
- Facilitate business transactions
- Customer Service

*Source: The Rodale Institute, 2003*
Enhancing Communication:
Setting up an e-mail account

A Google approach to email.
Gmail is built on the idea that email can be more intuitive, efficient, and useful. And maybe even fun. After all, Gmail has:

- **Lots of space**
  - Over 7544.689908 megabytes (and counting) of free storage.
- **Less spam**
  - Keep unwanted messages out of your inbox.
- **Mobile access**
  - Get Gmail on your mobile phone. Learn more.

Latest News from Gmail
Print from your phone with Gmail for mobile and Google Cloud Print Mon Jan 24 2011
Let’s say you need to print an important email attachment on your way to work so that it’s waiting...

Follow us:

New to Gmail? It’s free and easy.
Create an account »

Enhancing Communication:
Setting up an e-mail account

Gmail

Create an Account
Your Google Account gives you access to Gmail and other Google services. If you already have a Google Account, you can sign in here.

Get started with Gmail
First name: 
Last name: 
Desired Login Name: Examples: JSmith, JohnSmith@gmail.com
Check availability:
Choose a password: Password strength: Minimum of 8 characters in length.
Re-enter password:
Enhancing Communication: Setting up an e-mail account

Default Homepage:
- Set Google as my default homepage
- Your default homepage in your browser is the first page that appears when you open your browser.

Security Question:
- Choose a question
  - If you forget your password we will ask for the answer to your security question. Learn More

Answer:

Recovery email:
- This address is used to authenticate your account should you ever encounter problems or forget your password. If you do not have another email address, you may leave this field blank. Learn More

Location:
- United States

Birthday:
- MM/DD/YYYY (e.g.: "1/25/2011")

Terms of Service:
- Please check the Google Account information you've entered above (feel free to change anything you like), and review the Terms of Service below.
- With Gmail, you won't see blinking banner ads. Instead, we display ads you might find useful that are relevant to the content of your messages. Learn more

By clicking on I accept below you are agreeing to the Terms of Service above and both the Program Policy and the Privacy Policy.
Growing your Seafood Business:  
**Finding Your Potential Customers**

- Quickest and least expensive way to find buyers: INTERNET!
- Quick access and convenience factor
- Little to no cost to get the information

**SO, WHO IS BUYING PRODUCTS SIMILAR TO YOURS?**

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**Growing your Seafood Business:  
Who is buying your products?**

- Start by conducting a search
- Ask simple question
- Click on Search/Go button
Growing your Seafood Business:

Who lives in your community?

- Use [http://factfinder.census.gov](http://factfinder.census.gov)
- What is the customer profile for your community?

Growing your Seafood Business:

What businesses cater to the people in your customer profile?
Growing your Seafood Business:

Business Websites – the “Ins” and “Outs?”

www.yourseafoodbusiness.com

“In today’s market, not having an Internet presence is like trying to conduct business without a telephone.”

Source: Nash, NC Sea Grant, 2010

Growing your Seafood Business:

Business Websites – Things to Consider

• What is the purpose of your website?
• Selecting a web designer
• Form vs. Function
• Getting the best service for your website

Source: Nash, NC Sea Grant, 2010
Growing your Seafood Business:  
*Business Websites – Form vs. Function*

Source: Nash, NC Sea Grant, 2010

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**Growing your Seafood Business:**  
*Business Websites – Things to Consider*

- Getting the best service for your website
  - ✓ Establish an Internet connection
  - ✓ Acquire a domain name
  - ✓ Acquire server space
  - ✓ Design a website and place it on server

Resource:


Source: Nash, NC Sea Grant, 2010
Growing your Seafood Business:
*Free web-based marketing tools*

- Local Harvest
- MarketMaker
- Social Networking – The wave of the future

http://www.localharvest.org
Growing your Seafood Business: Free web-based marketing tools

Database of farmers, processors, distributors & retailers

Maps of demographic information
Feedback to registered fishermen, farms and businesses lets them know how often they are viewed and why.

Growing your Seafood Business: Free web-based marketing tools
Growing your Seafood Business: 
*Free web-based marketing tools*

Fishermen & farmers can link to other producers

Fishermen can link to businesses

Businesses can link to businesses

Fish/Shellfish/Seafood producers in Louisiana and Mississippi

Search out and map producers by product and product attributes at the local, state and multi state levels
Growing your Seafood Business: Free web-based marketing tools

Registering your business in 3 easy steps:

1. Go to the national portal, [http://national.marketmaker.uiuc.edu](http://national.marketmaker.uiuc.edu), click on your state, click on “Register Your Business”
2. “Select a business type” from the profile page and follow directions
3. Begin entering information about your business
1. Go to your state website and click on “Register Your Business”

2. “Select a business type” from drop-down menu and follow on-screen instructions
Registering your business: 
Product categories

- Select correct product category (fish and shellfish)
- Selected tab will be darker

Registering your business: 
Product details – type of fish landed

- After selecting the proper product category tab, check the appropriate product items
- Be sure to check all that apply to your business
Registering your business: Product details

- Check all attributes for your product, including 3rd party verified, product form.
- This is a searchable database so check all relevant boxes for your business.

Registering your business: Product method of sales & markets

- Check methods of sale, and markets served.
- Write business hours of operation, or other information.
- When done, click "Continue".
Registering your business: Upload images

- If you have pictures or images of your business, upload them now!
- When finished uploading pictures, click “continue”

Registering your business: Complete business information

- When creating profile, type in all relevant information
- Physical address is critical
- Be sure to include email address
- E-mail will not appear in your public profile
- List your primary phone contacts
Registering your business:
Complete business information

- Write brief description of your business for other business and consumers
- Put twitter and facebook information
- When done, click “continue”

Registering your business:
Contact information

- When finished uploading pictures, click “continue”
Registering your business: Review your prolife!

Review, then submit!

Confirmation

- You receive email confirmation of registration
- Your profile will be online in 1-2 days
Growing your Seafood Business:
Social Networking Sites

- Growing trend to stay connected via social networks
- Facebook, Twitter, Ning = all FREE social networking websites
- Uses for Seafood Businesses:
  - Facebook – Create a business page or Fan page
  - Twitter – Use to send out alerts about your products and business to customers

www.twitter.com
Growing your Seafood Business:

Social Networking Sites


Growing your Seafood Business:

Case Study – Delcambre Direct

www.portofdelcambre.com
Growing your Seafood Business:
Case Study – Delcambre Direct

- Direct to consumer
- Quality
- Fresh
- Local
- Wild...natural
- Better prices

Delcambre Direct ...Market Zone
What are the Results so Far?

- 22 original fishermen/1 shrimp buying dock
- BP spill just prior to program startup
- 12 fishermen active through both seasons
- Spent less than $10,000
- No marketing funds

- 10 fishers avg 5,000 lbs 21/25 per wk
- Shrimp dock price $1.15
- Direct price avg $2.75 ($1.60 more/lb)

Growing your Seafood Business:

Wrap-up

- Using the Internet – search engines & e-mail
- Finding potential customers and conducting target market research using the Internet
- Website development
- Free web-based marketing tools
- Case Study: Delcambre Direct
Chapter 3.

Branding Your Catch:
Creating a Market Identity for Seafood

The Need for Branding

• Market research indicates that consumers are eating more seafood.

• Consumers seem more inclined to purchase local or regional seafood commodities over imports.

• Branding your products or business can help you stand out from the competition.
The Four Ps of Marketing

• A *product* that has perceived value: *Nutrition, Taste, Convenience, Locale*

• A *price* that reflects your product’s level of quality: *Understand your target customer’s sensitivity to cost*

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The Four Ps of Marketing

• *Promotion* or advertising of the product: *What is your product and where it can be purchased? Why is your product superior to the competition?*

• A *place* to sell your product: *Retail or foodservice Frozen or fresh distribution*
Creating a Marketing Identity

Before you begin your marketing program, you need to answer the following questions:

- What kind of image do you want your company to project to the public?
- How do you want your customers to think about your product?

Creating a Brand

A brand is any word, creative design, sound or color that a company uses to provide an identity that distinguishes its products from the competition.

A brand is composed of 3 elements:

1) **brand name**
2) **logo**
3) **tag line**
Brand Name

A brand name contains simple wording that is designed to promote instant awareness of the product.

A great brand name:
• Suggests product benefits
• Fits the company or image of the product
• Is memorable, distinctive and positive.
• Is a registered trademark.

Logo

A logo is an identifying symbol or image that complements the brand name.
Tag Line

A tag line further describes and identifies the brand name to target customers.

“Finger-lickin’ good”......Kentucky Fried Chicken
“I’m lovin’ it”.............McDonald’s
“Where’s the beef?”.......Wendy’s

www.taglineguru.com

Case Study in North Carolina

Commercial:
• Create a stronger awareness of and a demand for local seafood
• Improves revenues for fishermen, dealers and restaurants

Educational:
• Promote the seasonality of local commodities
• Promote the sustainability regulations that protect marine resources
• Promote the heritage of the Carteret County fishing communities
Case Study in North Carolina

To develop a brand name, tag line and logo to help meet these objectives – members of the group worked through a list of questions:

• Vision and Strategy
• Current Image
• Desired Image

Brand Development Exercise

Brand Name Options
• Carteret Catch
• Carteret Tradition
• Carteret Harbor
• Carteret’s Wild Catch
• Carteret Pride
• Captain’s Catch
• Carteret Coast Seafood
• Carteret Reserve
• Southern Harbor
• Southern Horizon

Tag Line Options
• It’s a Coastal Tradition
• A Coastal Tradition
• A Southern Tradition
• Down East Seafood
• Locally Harvested from the Crystal Coast
• The Pride of Carteret County
• Certified Local Sustainable Wild Catch
• Select Seafood Brought to you by the Fishing Families of Carteret County
• Brought to You by Carteret Captains.

 Desired Logo
• Silhouette of a NC fishing trawler
• The word “Catch” is meant to project an image of seafood to consumers;

• The word “Select” is supposed to convey an idea of “only the best”, “high quality” or “special” to consumers;

• The phrase “from the Fishermen of Carteret County” tells consumers their seafood is local – it has been harvested by county fishermen from the ocean waters along the North Carolina coast.
Media Coverage

- Cable in Raleigh and Greensboro markets
- WRAL, Raleigh
- North Carolina Public Radio
- Our State Magazine
- Wildlife in North Carolina
- Carteret County News-Times
- Jacksonville Daily News
- New Bern Sun Journal
- NC State News Services
- US Airways magazine
- The Washington Post
- SeaFood Business
- National Sea Grant
- NC Sea Grant Coastwatch
- Core Sounder
- The News and Observer
- National Fisherman
- NOAA VADM Lautenbacher
- NOAA Research, NOAA OAR
- UNC-TV
Creating Marketing Materials

Materials should include:

- A clear photograph of the product.
- A list of the available items.
- A short narrative describing each product.
- Contact information and your company’s Web site address, if you have one.

Advertising

The objective here is to generate consumers awareness about your brand, your products and where they can be purchased.

It is important to communicate to buyers why your products are worth buying.
Types of Advertising

• **Print** (newspapers, magazines, direct mailings)
  Cost effective in smaller, local markets
• **Radio**
  Lacks visual component
• **Television**
  Strong visual content but expensive
• **Online**
  Can be inexpensive and reach a wide audience

Free Branding Resources

• Available through your state seafood marketing boards, agencies and associations from NC to TX.

• NC Sea Grant seafood branding publication:

Chapter 4.

Getting Out Into the Community: Direct Marketing at Different Retail Outlets

What does it take to get started?

A few questions to start asking yourself:
1. Do you take pride in the product/service you offer?
2. Are you flexible, creative, independent and thrifty?
3. Are you unafraid of taking risks?
4. Are you willing to research, plan and experiment?

DIRECT MARKETING IS FOR YOU!!
DIRECT MARKETING:

What is Direct Marketing?

• Process of selling a product or service directly to the consumer.

BENEFITS:

• Allows producer larger share of food dollar
• Establish unique identity
• Connect with community and customers

DRAWBACKS:

• Requires good “people skills” = customer service
• Requires time management, planning, good records and maybe new investment

DIRECT MARKETING:

Keys to Success in any Direct Market Outlet

• Focus on Value & Quality and set your prices accordingly
• Know what your Customers want
• Seek Unique products/services (try value added)

• Develop a Marketing plan
• Communication is critical to management
• Learn from others and always evaluate your market and business periodically
DIRECT MARKETING:
Which Outlet is Right for You?

Find the direct marketing outlet that matches your capabilities to the market and consider:

• Variety of products
• Volume of products
• Frequency of product availability
• Product form and packaging
• Product delivery
• FIND YOUR TARGET MARKET!

DIRECT MARKETING:
Roadside Stands/Markets

Keys to Success:
• Great visibility/accessibility
• Cater to local customers & visitors
• Sanitary and attractive display
• Clearly marked labels/prices
• Steady business hours (evening)
• Partnering opportunities
DIRECT MARKETING:  
Farmers Markets

Keys to Success:
• Community commitment
• Strong advertising/promotion
• Regular market hours/days
• Attractive/colorful displays
• Steady prices (NO price wars!)
• Strong management/policies
• Good signage of products
• Variety of products

DIRECT MARKETING:  
Community Supported Fishery

• Producer agrees to provide product to consumers who purchase a share in your CSF.
• “Subscription” harvesting
• Risk of producing is shared between producer & shareholders
• Formula for share price = portion of production cost + living wage
DIRECT MARKETING: Example of a *Community Supported Fishery*

**Background**
- Have access to 2,000 lbs of seafood a week for 10 weeks.
- Each week 95% (1,900 lbs) is sold via traditional wholesale but you want to experiment with a CSF.

**What You Do**
- You offer 20 shares (1 per person or family) for $250 each to be paid to you prior to the start of the season. Each share = 50 lbs of seafood (at $5 lb) during that 10 week period.
- Establish customer agreement and pickup / delivery schedule.
- Depending on your expenses – you probably made a profit – but more importantly – you have successfully experimented with direct marketing through a CSF.

**DIRECT MARKETING: Community Supported Fishery**

**Benefits:**
- Capital at a time when it is needed
- A larger market for a portion of what is caught
- A vital link to consumers and to community

**Challenges:**
- Management skills
- People and public relations
- The number of participants in relation to production capacity
- Time needed for processing & packing orders
- Method and location of distribution
- Updating product prices & availability
DIRECT MARKETING:
Community Supported Fishery

Things to consider for success:
• Sell only highest quality seafood
• Don’t under price the shares
• Have application / informal contract for shareholder
• Good promotional materials (website) and directions to pick-up point
• Follow sanitation/regulatory/HACCP requirements early in process
• START SMALL (5-25 shareholders)
• Involve shareholders in events – offloads at the dock, boat tours, etc.
• Publish a weekly newsletter and recipe cards to put in shareholder box describing seafood, how to handle/cook, family story, etc.
• Educate shareholders on fishing practices, fishery management, seasonality of seafood species
• Consider e-mail, texts and social media to stay in touch with customers.

DIRECT MARKETING:
Connecting with Chefs/Restaurants

What you need to know from Chef:
• What is the ordering cycle?
• What are the receiving hours?
• What are the receiving days?
• What are the invoicing procedures?
• How must the product be packaged/processed?
• What are the quality standards?
• Do they currently buy locally?
• What types of product would they be interested in purchasing?
• What are the quantities they use each week?
DIRECT MARKETING:  
Connecting with Chefs/Restaurants

Restaurants Expectations of Service:

• Chefs prefer a diverse selection of fin fish and shellfish
• Prefer large fin fish (20 lbs. or greater) be headed, gutted, scaled and filleted
• Small fin fish (less than 20 lbs.) can be head-on but must be gutted
• Fin fish must be received packed in ice, not floating in ice water
• Chefs prefer direct-door delivery

DIRECT MARKETING:  
Connecting with Chefs/Restaurants

Restaurants Expectations of Service:

• Fraud will not be tolerated: Thawed, previously frozen seafood sold as fresh-caught; species substitution, out-of-state shellfish advertised as locally-harvested

• Price consistency: Highest quality at lowest price; Different price structures for different markets
DIRECT MARKETING:
Connecting with Chefs/Restaurants

Restaurants Expectations of Quality: FINFISH

- The flesh of fin fish must be firm to the touch
- Scales of fin fish must be bright and adhere tightly to carcass
- Fin fish must be free of excess slime and filth
- No offensive odors
- Bright red gills: fin fish carcasses delivered without gills are likely to be rejected
- Eyes clear and bulging (not sunken)

Restaurants Expectations of Quality: Crustaceans/Shellfish

- Shrimp must be sorted so they are of a consistent size and appearance
- Crab meat must be free of excess cartilage, egg particulates and offensive odors
- The liquid of shucked oysters must be clear, the meat plump and free of offensive odors
- Live shellfish must be of a consistent size and have tightly closed lids; lids must close when tapped
DIRECT MARKETING:  
**Innovative Examples**

**Surfin’ Seafood**  
http://www.surfinseafood.com

**The Shrimp Connection**  
http://shrimpconnect.com/  

**Fabian Seafood**  
www.fabianseafood.com
DIRECT MARKETING:
Innovative Examples

Port Clyde Fresh Catch
www.portclydefreshcatch.com

DIRECT MARKETING:
Keys to Success in any Direct Market Outlet

• Focus on Value & Quality and set your prices accordingly
• Know what your Customers want
• Seek Unique products/services (try value added)
• Develop a Marketing plan
• Communication is critical to management
• Learn from others and always evaluate your market and business periodically
Chapter 5
Alternative Ways to Organize for the Purposes Of Marketing Seafood Products

• Overview of seafood marketing problems
• Discuss alternative seafood marketing approaches
• Discuss pros and cons of each
• Describe current seafood marketing initiatives in the US

Seafood Marketing Problems and the Harvester

• Extremely diverse mix of species and product forms
• Limited market access by harvester
• Avoiding commodity pricing and import pressure
• Limited influence on dockside prices
• Lack of coordination among industry sectors
• Consumer confidence and acceptance
Conceptualizing How to Market Your Product

Time – Space – Form ??

Product – Price – Place – Promotion ??

Differing Methods and Organizational Structures for Marketing Seafood

- Organized Exchanges and Auctions
- Forward Contracting
- Integration and Joint Ventures
- Marketing Orders and Boards
- Group Bargaining / Associations / Cooperatives
Organized Exchanges and Auctions

New Bedford Whaling City Seafood Auction
Portland Auction
Gloucester Auction
Tokyo “Tsukigi Fish Market” Auction
Sydney Fish Market Auction

**Major Types –**

English Auction
Dutch Auction
Sealed-bid Auction

On-Line auctions becoming more popular

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Forward Contracting

Establishing a formal, written agreement between a buyer and a seller concerning product form, price, delivery schedule, amount, quality of product, and others.

**Advantages to fishermen:**
- risk reduction for fishermen by securing their market
- fair price ensured to fishermen
- buyer is assured as certain portion of the local supply
- increased planning / coordination within port facility and market

**Disadvantages to fishermen:**
- reduced flexibility for both fishermen and buyers
- price is fixed in the face of increasing costs
- may reduce the amount of public price information available

Requires a stable supply to attract contracts
Vertical Integration

Participating in two or more levels of the harvesting-processing-marketing chain by the same business organization.

Forward and backward integration by fishermen ... to gain some control or the “margin” that exists.

Advantages to fishermen:
- increased profits by engaging in marketing and processing
- improve efficiency by better decision-making
- circumvent bottlenecks in the market place

Disadvantages to fishermen:
- additional capital and time requirements
- increased responsibilities and risk associated with additional levels in the market system

Marketing Orders and Boards

A cooperative endeavor between a government entity and the producer industry of interest.

Marketing orders operate under enabling government legislation that requires everyone in the industry within a region to participate.

Well known examples are orders for eggs, milk, and beef.

The program is funded through industry contributions or “check-offs”.

Provides a means for industry to collectively address marketing issues they cannot solve individually ... such as problems related to quality, quantity, packaging standards, research & development, promotion, and other issues.

The most visible efforts of orders and boards concern generic promotion.
Group Bargaining, Associations & Cooperatives

“The collective action of fishermen with a common interest in addressing a production or marketing objective”

From a marketing perspective ... requires organizing with in intent to commit the harvest of a group of fishermen to be sold as a common entity ... and share in the returns (costs) that such collective sales would generate versus selling individually.

Examples: Marketing Associations, Marketing Cooperatives, Cooperative Marketing Associations

Motivated by the perception that fishermen are receiving a lower price relative to what their buyers eventually receive. Fishermen wish to gain control over that price spread or margin ... by becoming dealers themselves ... and selling collectively to higher levels in the market chain ... for higher prices.

Group Bargaining, Associations & Cooperatives continued ...

A common form of organization would be a Marketing Cooperative. Several fisheries cooperatives do exist in the Gulf and South Atlantic region. Their success / failure has been in large part due to fishermen willingness / unwillingness to work together toward a common goal ... and to share in the returns and costs.

Requires fishermen to pool their catch ... relinquish control of sale to the Cooperative ... and trust the bargaining ability of management.

Cooperative members share in the additional revenues achieved by the collective sales ... through member payments ... and share in the investment requirements needed by the cooperative.
How Might “Doing Things Differently” Impact the Existing Local Seafood Market Structure?

For Better or ... For Worse?

Something Else to Consider

Hazard Analysis Critical Control Point

A HACCP plan would ...
1. Conduct a hazard analysis (HA) and ID where significant hazards may occur and describe the preventive measures
2. Identify the critical control points (CCP)
3. Establish critical limits for the preventive measures for each CCP
4. Establish CCP monitoring requirements.
5. Establish corrective actions to be taken
6. Establish procedures for verification that the HACCP system is working correctly.
7. Establish effective record-keeping procedures

Sources of information on HACCP ...

http://seafood.ucdavis.edu/haccp/training/slides/haccpslide.htm
Other Marketing Tools for the Seafood Industry

- State Seafood Marketing Bureaus
- Gulf and South Atlantic Fishery Foundation
  and ...
- National Seafood Marketing Coalition
  “... intended to help domestic seafood better compete with imported product. Funded by revenues from import and antidumping/countervailing duties on fish and fish products as an annual funding source to market U.S. produced seafood.”
Chapter 6:

Staying Up to Date on Seafood Market Trends

Staying Up to Date on Seafood Market Trends: 
*Types of Resources*

- Printed publications
- Websites
- E-newsletters
- Industry Organizations – local and national
Staying Up to Date on Seafood Market Trends:
Industry Organizations/Associations

- Southern Shrimp Alliance
  - www.shrimpalliance.org

- Gulfs & South Atlantic Fisheries Foundation, Inc.
  - www.gulfsouthfoundation.org

- Southeastern Fisheries Association, Inc.
  - www.seafoodsustainability.us
  - Serving the Commercial Fishing Industry for Over 50 Years

Check for local and state shrimp and seafood industry organizations!!

Staying Up to Date on Seafood Market Trends:
Industry Publications

- Subscribe to National Fisherman
  - http://www.nationalfisherman.com/

Staying Up to Date on Seafood Market Trends:

Industry Publications

http://www.seafoodbusiness.com

FREE subscription for businesses

http://www.seafoodsource.com

Staying Up to Date on Seafood Market Trends:

National Marine Fisheries Service

Commercial Fisheries Statistics:
- Monthly/Annual Commercial Landing Statistics
  http://www.st.nmfs.noaa.gov/st1/commercial/index.html

Fishery Market News:
- Weekly Gulf Shrimp Landings by Area & Species
- Weekly Ex-vessel Gulf Fresh Shrimp Prices & Landings
- Monthly Gulf Coast Shrimp Statistics
Staying Up to Date on Seafood Market Trends: Federal/State Fishery Management Agencies

“Knowledge is POWER!”
Chapter 7.
Future Trends and the Outlook for New Marketing Opportunities

Picture from www.nonprofitquarterly.org

Sustainability and Marketability

• Wild-caught = ~50% of stocks “fully exploited” and ~30% are “overexploited, depleted or recovering.”

• With wild-caught production at / near peak, growth of aquaculture products will fill demand for seafood.

• As a producer, you must accept these market factors, and use it to your advantage.
Future Trends

Sustainable Seafood certification programs


Future Trends

• Walmart remains the world’s largest retail seller of seafood.

• In 2005, committed to provide sustainable seafood products.¹

• By end of 2011, Walmart U.S. will require all seafood suppliers to submit plans to become third-party certified as sustainable.²

(1) http://walmartstores.com/media/factsheets/fs_2248.pdf
Future Trends

SC Aquarium’s Sustainable Seafood Initiative

Future Trends

Local Food Movement

Brunswick Catch

Fresh from local fishermen to you.

Future Trend: *Food Sustainability?*

- Looking at impact from ocean to table
- Impact of harvest on fishery resource
- Energy use in harvesting the resource
- Energy cost of shipping product to market

What is a Carbon Footprint?

Seafood generally is a winner until considering....

- Modes of transportation/shipping
- Food miles – number of miles the product travels from harvest to the kitchen.
- Production phase = harvest methods

Future Trends: *Food Traceability*

- Linked to food safety concerns.
- Origin of harvest.
- Concerns about consumer fraud: *Am I really eating grouper or farm-raised catfish?*
- Consumer connections: *Knowing your fisherman*


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Future Trends: *Pacific FishTrax*

- Connecting with consumers
- Find your fish!

http://www.pacificfishtrax.org/home
http://www.pacificfishtrax.org/market-place/from-boat-to-plate
http://www.pacificfishtrax.org/find-your-fish
Summary

NOW YOU HAVE THE TOOLS!