

neighboring countries where the development of the fleet has shown a different picture in these years. Those data, however, are not yet available.

Mr. Ellis is now working in Guatemala and El Salvador. It is the intention to adopt standard methods in the shrimp research programs in each of the countries concerned, to obtain comparable results. It is hoped that further regional cooperation will develop in the future.

A Plan to Provide a Larger Market for Shrimp in the United States

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AT THIS MOMENT the shrimp industry is faced with many vexing problems. Not since the low year of 1954 have there appeared to be so many difficulties.

From a point of very low production just a few months ago, we are now entering a better production period, only to be met with very low ex-vessel prices. No one in his right mind would want to see shrimp at a dollar a pound again. The reaction is too violent in the opposite direction when buyers balk and prices plummet downward. However, the fisherman must receive a living wage and have an opportunity to pay his insurance and amortize his investment. This depends on a fair price for shrimp boatside.

A third problem is the over-supply of boats. Efforts are now being made to find diversification for some boats in the production of trash fish, meal, fish oil, etc., but this is slow going. Where 300 boats could make a living, say at Tortugas, 600 boats just divide the same catch, so the catch-per-effort drops to make it uneconomical for all hands. In the normal course of events, we shall again resume the replacement of aging and obsolete vessels.

The unrestricted flood of imports from almost 50 different countries has increased inventories and served as a fulcrum to further depress prices and make the future more unstable. The National Shrimp Congress has sponsored legislation seeking to provide for an orderly development in shrimp imports over the years. This is not aimed at those friendly neighboring countries which have helped the United States producer to build the U. S. market. Shrimp are so universal that almost any country which may decide that it needs U. S. dollars can take its shrimp, perhaps now being used to furnish necessary protein food for its hungry people, and dump them on our market for that desirable dollar. And they may take that dollar and buy radios from West Germany, but our free-traders merrily have ignored this significant situation until just recently. But it is obvious that these under-developed countries can find labor at nine to thirty cents a day, or better-developed countries can subsidize their own industries, as has Japan, to drive the American producer out of business and eventually take over the market under their own terms and conditions. Such a procedure would not be new in this rough international fish business.

When the supply of shrimp is unusually light, exceptional profit-making opportunities bring the butcher, the baker and the candle-stick maker into the business—more vessels, new firms, new plants. Then we achieve a reduced catch per operating unit, because no new grounds are really available for exploitation.

The shortage of shrimp inflates the price and makes shrimp a *luxury* item instead of an every day *staple* of food. For the shrimp industry to prosper, it is necessary for shrimp to become—and *remain*—a *needed* food.

The economists give us a two-pronged formula for prosperity: (1) increase the efficiency of operations, making for net savings, and (2) stabilize the market.

When the consumer resists high prices, decreased consumption results, and it is hard to lure him back. The secret is to keep the customers you have and add more. It is a matter of handling *volume*.

Per-capita consumption of shrimp has doubled since 1930, and the trick is to increase this per-capita consumption by keeping shrimp out of the luxury class and by making it as familiar as bread and milk in the household.

In general, the objective of the industry should be: to supply the consumer with a high-quality product at prices low enough to encourage consumption, but at the same time making it profitable for the fisherman, boat owner, wholesaler and processor. Seasonal supply and periods of high inventories must be met by stepped-up advertising and promotion to promote faster turnover.

Some thought should be given to the establishment of futures trading in shrimp products. Hedging on a commodity exchange tends to reduce fluctuations in price due to seasonal ups and downs.

Provided that prices remain on a level which do not engender consumer resistance, per capita consumption of shrimp will continue to rise.

The primary and basic characteristic of shrimp marketing is flexibility. To cope with the vagaries of the market for a highly perishable product, sellers must be able to shift quickly from one outlet to another. Therefore, the regular flow of communications between market and producer is of great importance.

Now we have a number of good reasons for an expanded market. What is being done, and what more can we do?

We are all aware of the fine promotional work being done by the Shrimp Association of the Americas and by the National Fisheries Institute. Also, some of the pennies in the spread between ex-vessel prices and the consumer are also used by processors and retailers in advertising campaigns. It is readily admitted that this may serve to sell brand names of particular processors, but it is all helpful in the sale of shrimp — making the public more aware of the product.

Hard times seem to beget harder times. I am told that SAOTA is having difficulty meeting its advertising budget, just when you need *more* money and *more* effort. Whatever further sacrifices can be made by industry in this direction should be made, because it is an over-all comprehensive program which helps every single person connected with the shrimp industry. Every producer should give twenty-five cents per box, as a minimum, towards this splendid promotional work. Perhaps some of the free-loaders who have profited from the fine work for years could now come forward and donate one box of shrimp to bolster up this advertising fund. Industry must help itself, and must prove to Government that it is helping itself before Government can be persuaded to come to the rescue.

Government is not unmindful of the plight of the shrimp industry. They are making official surveys and studies. They are working, this very minute, in the Bureau of Commercial Fisheries, on budgets and appropriations to present to Congress next year to help industry. We hope and pray that it may not be "too little and too late."

It was our friendly Bureau of Commercial Fisheries which sponsored a meeting of representatives of the shrimp industry in New Orleans on October 30, 1959, to show us what they were now doing about marketing and promotion, and to ask us how they could do more. It is doubtful whether most of you are aware of the great effort and attention being given to shrimp marketing by this Bureau. Government gets free time on television and radio, as a "Public Service." The Bureau of Commercial Fisheries can obtain cooperation from the Department of Agriculture for valuable promotional "tie-ins" with other food products. The field staffs of the Bureau have a close association with State extension services, state and national restaurant associations, school lunch supervisors, the military departments and many other associations and agencies. From the Government printing office come attractive folders, recipes and other promotional material. They issue press releases which reach a special and exclusive field. They prepare exhibits and pamphlets for distribution at national food conventions. They have trained and specialized marketing experts, and they have home economists and other staff personnel in the field, in close contact with the public.

Examples of the help of the Bureau of Commercial Fisheries to the shrimp marketing program are legion. A few are mentioned:

(1) The appearance of Assistant Secretary of Interior, Ross Leffler, on the Don McNeil Breakfast Club on October 14, 1959—an audience of 30 million people heard the emphasis on shrimp; the facts of lowered cholesterol in the blood because of eating shrimp. It would have cost industry \$8,000.00 for this radio time.

(2) The two films, "Shrimp Please" and "Shrimp Tips from New Orleans," shown widely throughout the United States on television.

(3) The printing of 50,000 copies of Test Kitchen No. 7—"How to Cook Shrimp."

This and other types of shrimp market promotion have been scheduled by the Bureau through 1960. At the recent New Orleans meeting, your representatives from the Shrimp Industry passed a resolution, which, after all the whereases, said, in part: "Recommends . . . that the Bureau of Commercial Fisheries is strongly urged to increase and intensify its program for shrimp marketing *on an emergency basis*, using any emergency or other funds presently available, and planning and budgeting for further funds to finance expanded programs which will help to alleviate the present plight of the Shrimp Industry and will help to restore it to a healthy position in the U. S. economy . . ."

It is urgent that each shrimp association direct a similar resolution to the Secretary of Interior, emphasizing the need for an expanded shrimp marketing program, so that this department may be armed with suitable requests and resolutions to justify the use of Federal funds in this connection.

This Federal program is not designed to pre-empt the field, and industry will get little sympathy from Washington unless it, too, is making strenuous efforts to help itself. We have touched on industry itself, the Federal government—there remains the area of state activity.

Let me tell you about the increased interest and activity in the states. Chairman Ringhaver, of the National Shrimp Congress, received a letter dated October 26, 1959, from the Honorable Ross R. Barnett, Governor-elect of the State of Mississippi. It says, in part: "The industry is indeed in a bad plight at this time. I hope that Congress will place a graduated control on the imports,

which should give some help to our Gulf Coast. As Governor-elect of Mississippi, I am going to work untiringly with the seafood industry on the Mississippi Gulf Coast in an effort to get it revitalized and back in the position it once held. I would like to have your suggestions as to how you think it should be done. . . .”

That man is a statesman, and also a “state’s man.” And for what a state can do for its shrimp industry, particularly in the promotion and pushing of the product, let us turn now to a brilliant plan being evolved by the Southeastern Fisheries Association.

Florida has a “Citrus Code” for its quarter-billion citrus industry. It came about upon the suggestion of the citrus industry itself. It became state law. The citrus industry is run by a board or commission composed of producers and processors who best know their own problems. The most important features of the plan are:

- (1) Standards and inspection, guaranteeing a good, uniform product.
- (2) Regulation by industry itself, in effect.
- (3) Large appropriations for advertising and promotion.
- (4) No cost to the state—expenses borne by industry, but *everybody* in industry—no free-loaders.

Why not, asks Southeastern, a “Seafood Code” on the same general pattern? The potential for advertising is in the hundreds of thousands of dollars. TV, radio and newspaper advertising cost money. Here is a source for a well-planned market promotion program which will increase the demand for the product, guarantee the consumer a standard of quality and grading, and in turn assure a more stable market for the producer and processor. What Florida and California have done for the orange and grapefruit can be done for shrimp and seafood.

I commend this plan to the governor-elect of Mississippi, and to Texas and Louisiana and North Carolina and Georgia and other shrimp-producing states. No legislature should hesitate to help an industry help *itself*. I commend a study of this plan by the Gulf States Marine Fisheries Commission and the Atlantic States Marine Fisheries Commission. These inter-state compact groups are ideal media to work out model legislation and to coordinate their respective member states in the passage of similar state legislation.

Imagine the impact of such joint effort, resulting in uniform standards of the product, with ample funds to spend in the promotion and advertising of shrimp and seafood!

But this program is not available today. It is in the blueprint stage. Some legislatures, as in Florida, will not meet until 1961. But it is a goal to be attained, and makes for a brighter future.

Meanwhile, though the hour be dark, and times are troubled, let us realize firmly that the problem is our own, regardless of Government or other sympathy or help. Through our trade associations we can make our joint efforts count mightily and we can work as one undivided and powerful entity to resolve these problems, with the ingenuity of American genius and the resolution and perseverance of our pioneer ancestors. Thus may we come to educate our fellow Americans to the truths of the values of shrimp as a food, and in so doing create an expanded market for our product.