Trends In Fish Production And Marketing

D. Y. Aska, *Chief, Educational and Market Development Section, Branch of Commercial Fisheries, Fish and Wildlife Service.*

Like true love, the course of the commercial fisheries rarely runs smooth. After combating production, man power, and material problems previously inconceivable in nature, variety and magnitude during the war years, the fisheries temporarily enjoyed the luxury of a seller's market. Unfortunately, that condition no longer exists and the transition to a buyer's market has been practically completed.

Coincident with this change has come a very definite change in the food purchasing habits of the American consumer. We have witnessed already a great number of these changes, such as the definite trend toward increased concentration of populations in the cities at the expense of the rural areas, the increased income and spending potential within the country, the introduction of self service stores in the cities, the rapidly expanding use of frozen food cabinets in the stores, speedier and wider distribution facilities, rural frozen food locker plants, greater advertising activities in food lines, and the greater variety of foods that are available.

Competing food industries are actively and earnestly striving for this domestic market and it behooves the fishing industry to keep pace with these groups if it wishes to maintain or increase its sales.

We may as well accept the fact that today Mrs. American Housewife is the boss insofar as purchasing potency is concerned. Upon the attitude she has toward seafood products largely depends the future destinies of the commercial fisheries. More and more women are working, with the result that their time is becoming more important and they do not use their kitchens as much for the extensive preparation of food. The housewife expects more and more of these duties to be taken over by the various marketing agencies. Products which have been partly or wholly pre-processed help the housewife expedite her work in the kitchen. Many such products are now available, and although they may involve a higher cost per unit of nutritive value, the housewife is generally willing to pay this additional cost insofar as her kitchen time is saved.

The fisheries have no monopoly on the protein food market, but they have the advantage of being able to provide a greater variety of food items than other competing groups. But because of this variety they have a more difficult job of merchandising. There is a growing trend toward pre-packaging for self service markets. While original developments in meat pre-packaging have been done in the back of retail markets the trend now seems to be toward packaging at the packer level. The fishing industry in some of the large centers has been doing this for many years and in this regard is ahead of meats. Retail store packaging of fishery products has not or cannot be expected to develop to the degree that meats have, but nevertheless a trend of self service will require that more and more packaging be done by packers of fishery products, particularly in those areas where most fish are now sold either as they come from the water, or very little further processed, in order to maintain or develop a place in markets.

Direct contact with the consumer is being lost as the trend towards self service grows. In this form of marketing it is important to realize that the housewife herself makes the final decision. The industry can play an important part in her decision through advertising and sales promotion, particularly at the point of sale. Every day scores of people buy their groceries and go without purchases of fish because there is nothing informative or suggestive to stimulate buying.

With pre-packaging, the type of package becomes increasingly important. Today's shopper doesn't like to play "hide and seek." The product that quickly shows its value at the point of sale appeals to today's efficient shopper. In addition to reminding her what she wants to know about size, color, quality, and price, it often reminds her of a need or suggests a use. Alert retailers throughout the country are realizing more and more the sales power of visibility and are prone to give better packaged products the preferred display spots, for where the product is displayed plays an important part in its sales turnover.

Proof of the value of a neat, attractive appearance comes in a report concerning the packaging of rice, dry beans, and peas which was made by the Production and Marketing Administration of the Agriculture Department in 30 key cities. Here is what they found: Grocery dealers increasingly prefer packages of transparent film. The solid carton and craft packages seems to be losing popularity to the window front or all cellophane types. One reason for merchant preference for "see through" packages is the appeal to the consumer. It helps sales to let the shopper see the product since she does a lot of buying on impulse. Incidentally, the trend is to package much higher quality in the transparent packages for reasons that are obvious.

The fruit and vegetable industries, whose problems of marketing closely parallel those of the fishing industry, have made effective use of dealer service in promoting sales. Manufacturers of other products have also applied this practice for many years. Increased sales and more satisfactory relationships have been accomplished through dealer service. The importance of promoting new and more efficient marketing techniques at the retail level to make clear to retailers themselves the critical nature of their vital part in the marketing channel is widely realized by agricultural interests. In order to maintain their competitive position, fishery industries will also have to enter this field of retail and merchandising education. However, they will have the advantage of experience gained by various agricultural interests.

Actually, the fishing industry has opportunities which, if properly nurtured, can assure it of markets of sufficient magnitude as to guarantee it greater security. These are not, however, markets which can be obtained just by the asking. They will require development, and because of their very nature, results will only be in relation to the efforts expended toward their development. What are these markets? Where do they exist? And what processes must be taken to cultivate them?

During 1950 more than one billion school lunches will be served under the National School Lunch Program for which more than two hundred million dollars worth of foods will be required. As of November, 1948, nearly eight million children in 48,000 schools in the United States and its territories have benefited from the Federally supervised school lunch program. If fish constituted one-fifth of these billion lunches, the school program alone would have required fifty million pounds (round weight) of fishery products during 1949. The importance of this field becomes even more apparent when one realizes that if a desire for fishery products can be instilled in these children during their formative years their purchasing plans will naturally include these items when they mature and develop into the homemakers of this country.

A recent survey conducted by the Bureau of Human Nutrition and Home Economics should also be of keen interest to all members of the fishing industry. This survey, conducted in 68 cities selected at random throughout the United States, indicated that only 56.6 per cent of the families contacted used fishery products in their household menus . If we assume that the present per capita consumption of seafood in the United States is 11.5 pounds per year (edible weight) the potential consumption rate, based on this survey, can be increased by 43 per cent. This could result in an additional market for over 2.5 billion pounds of fish (round weight) per year. This not only exceeds the present productive capacity of this country, but would also enable us to absorb imports from foreign countries far beyond their present capabilities.

In addition, according to the Census Bureau, the population of this country is increasing at the rate of one million persons every five months. Also, the Census Bureau reports there were twelve million marriages in this country between 1940 and 1946 and it is estimated that by 1950 an additional 6.7 million marriages will have taken place. By that date, 1950, better than 45 per cent of all marriages in this country will date from the period between 1940 and 1950. Most of these new homemakers have had little or no training in the preparation of fish and shellfish and are constantly seeking ways to serve tasty foods to their families. An effective consumer educational program could well result in these new homemakers constituting additional purchasers of fishery products.

To the credit of the industry much is being done. The current growth of such items as the breaded and veined fantail shrimp, devilled crabs, and ready to fry fish are good examples of what the future holds. The almost complete change to frozen packaged shrimp is another. As a matter of fact, only one shipment of fresh shrimp was reported as arriving in Chicago last year, and of this two-thirds were later frozen. Crab meat dated prominently on the can gives the consumer the feeling of quality security she needs. This same dating feature also applies to fresh shucked oysters. She is also attracted toward specialty items such as smoked shrimp, shrimp cocktails, etc., and it is probable that the consumer will expect her shrimp to be deveined in the future since she recognizes the advantages of deveining but doesn't want to be put to the inconvenience of doing it herself.

Unfortunately, few of the southern fish take well to filleting. For that reason it appears improbable that any large scale developments will take place in this field. True, there will always be a market for the quality fresh and frozen southern fish since the bulk of this catch is made at a time when the northern fisheries are stagnated because of climatic conditions. However, this advantage is slowly disappearing since freezer stocks of northern fish insure an almost year around supply. Furthermore, as the consumer finds pre-processed foods are available, she will be less inclined to buy the generally more expensive southern whole fish. Actually, even the old standby and reliable southern markets are handling and selling increased amounts of northern fillets at the expense of southern fresh fish.

With this in mind then it appears only logical that fishery items pre-processed and pre-packaged on the producer level constitute the future bright star of the fisheries. With this transition, certain other economic conditions would probably result. New plants, sanitary in operation, would be producing laboratory tested products. Plant employment could be more regular since raw stocks could be frozen and held to fit the production line requirements. Prices for raw stock could be better stabilized since over-production during high seasons could be frozen and held. Definite trends along these lines are already apparent. Improvements in the esthetic appeal of fishery products and manufacturing plants and localities in which they are situated, as well as the characteristics of the products themselves, are being made but slowly.

As competition increases and the producer's margin is reduced, the industry will probably find itself being forced to adopt more economical production practices. Taking advantage of everything that is known about preventing waste in processing plants can pay big dividends. Spoilage and waste can well be given a greater share of the southern producer's attention. Scrap fish, caught in connection with the vast shrimp trawling operations, offer potential sources of raw material for reduction into fish meals and the recovery and condensation of solubles. In so doing, fishermen's incomes would be supplemented, while processors could probably reduce costs of major profit items by utilization of these present waste products. Among the products which might be profitably extracted from the wastes are animal foods, protein hydrolysates for convalescent feeding, amino acids, adhesives, chemicals, drying oils, and chemical products. Research in governmental and private laboratories is proceeding along these lines and the time may not be too far distant before such wastes will have many uses.

Truly the fisheries are at the merchandising crossroads. The fishing industry has rarely been characterized by initiating outstanding advances in processing and merchandising. Now, however, it is a matter for the fishing industry to adjust itself to modern consumer demands and efficient operating practices or find itself out-priced, out-packaged, out-retailed, and out-itemed from the food market.

Packaging And Marketing Airborne Seafoods

SPENCER A. LARSEN

Professor, Business Administration and Director, Air Cargo Research, Wayne University, Detroit

Consumption of Fresh Seafoods

AIR CARGO STUDIES at Wayne University indicate that people in this country would like to consume an additional one-half billion pounds of strictly fresh fish. A goodly portion of this 62 per cent increase above present consumption could be achieved if improved methods of producing, cooling, packaging, transporting and merchandising were employed to bring to market in prime condition the products of the sea.

The United States can hardly be called a nation of fish eaters when per capita consumption of fresh fish—as distinguished from processed fish—amounts to only 6.9 pounds annually. Even with the inclusion of canned, smoked, and salt fish and the sportsman's catch thrown in for good measure, our annual per capita consumption of 14.8 pounds is not impressive. In comparison with fish consumption in other countries the United States ranks fourteenth among the nations although in production it is exceeded only by Japan. Furthermore, this low national average consumption is by no means evenly distributed. Fish is eaten most nearest its sources of supply. Residents of tide water states eat fresh fish well above the national average. The states of Massachusetts and New York, for example, eat an average of approximately 13 pounds per capita.

As the distance between the consumer and the source of supply increases, consumption drops off until we find seven West North Central states averaging