There Is a Market for Everything

But

First You Have to Find It
Production versus Marketing Orientation

- Production orientation = Field of Dreams syndrome
  “if you build it, they will come”

- Marketing orientation =
  determining consumer wants/needs
  delivering the products desired
  determining “what is the consumer willing to pay”
Marketing

4 Ps
- Product
- Price
- Place
- Promotion

To satisfy customers needs
Marketing

- STP
  - Segmenting
  - Targeting
  - Positioning

- To differentiate yourself from the competition.
Product Form

- Live market
- Fresh whole and gutted
- Fresh boneless fillets
- Frozen whole and gutted
- Individual Quick Frozen (IQF) fillet
- Value added
  - Seasoned
  - Dried dressed
  - Smoked dressed
## Fillet yield and portion size

<table>
<thead>
<tr>
<th></th>
<th>US units</th>
<th>Metric units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole fish</td>
<td>2 lbs</td>
<td>900 g</td>
</tr>
<tr>
<td>Fillet</td>
<td>2 x 5 oz</td>
<td>2 x 150 g</td>
</tr>
<tr>
<td>USDA Portion size</td>
<td>6 oz</td>
<td>170 g</td>
</tr>
</tbody>
</table>
The Competition

- IQF fillets

- Seasoned "value added"
The Competition
Product characteristics

- Farm-raised
  - not wild caught
- Tilapia
  - not African Perch
- Skin color
  - Red, black, skinless
- Fillet size
  - 3-5, 5-7, 7-9 oz.
- Nutrition information
Tilapia prices

Source: US Dept of Commerce, Bureau of the Census
Market Characteristics - Price

- Growers are price-getters, not price-setters
- Price received for product is related to the distribution channel used.
- Increased foreign competition and flat demand determine prices.
Processing value

$1.00 to produce

- Scaled and gutted @ 80%
  - $1.25 to cover costs

- Fillet @ 33%
  - $3.03 to cover costs
Place

- Distribution channels
  - Live market
    - direct sales
  - Fresh and frozen fillets
    - importers, wholesalers and distributors
      - retail grocers and independent restaurants.
Promotion

- **Generic**
  - American Tilapia Association
  - Tilapia Marketing Institute

- **Private brand**
  - Catch phrase – "St. Croix's Fresh Fish"
    - Local focus
    - Not much interest away from St. Croix
  - Contact information
    - Local phone number
Market Characteristics - Promotion

- Popular promotion vehicles include tradeshows and chef events.
  - Sample fish tasting
    - Fish Speak – Hawaii & Pacific Islands Seafood
    - Training fish counter/wait staff the language of fish

- “locally-grown”/“homegrown” promotion is popular with growers.
  - State promotions with Dept of Ag.
    - Virgin Fresh
Tilapia advertising

- Targeted to wholesale and institutional buyers
  - *Seafood Business*
    - monthly magazine
    - [http://seafoodbusiness.com/](http://seafoodbusiness.com/)
  - *Seafood Source News*
    - daily email
    - [http://www.seafoodsource.com](http://www.seafoodsource.com)

- Wholesalers sell to retail grocers or single-unit independent restaurants
Point of Purchase

BLACKENED TILAPIA from Rainforest Tilapia – Costa Rica

INGREDIENTS:

4-6 Rain Forest Tilapia
2 Tbls. Paprika
2 tsp salt
2 tsp lemon pepper
1.5 tsp garlic powder
1.5 tsp ground red pepper
1.5 tsp dried, crushed basil
1 tsp. onion powder
1 tsp. dried thyme
1 c. unsalted butter, melted

INSTRUCTIONS:

Heat iron skillet on high 5 minutes. Mix all seasonings in a bowl. Dip fillets in melted butter and coat with seasonings. Place fillets in hot skillet and cook 2 minutes on each side.
Opportunities

- Identify appropriate niche markets and branch out into additional species for those markets
- Investigate the utility of cultural branding
- Reduce the number of middlemen in the distribution network and try to reach the end-user
- Sell direct to consumers at green markets
- Diversify distribution as a cushion against market shifts
Processing

- Federal regulations require that fish be processed by SSOP and HACCP methods
  - Standard Sanitary Operating Procedures
  - Hazard Analysis and Critical Control Points
Among the 243 outbreaks attributed to a single commodity, the most outbreaks were attributed to fish (47 outbreaks), poultry (35 outbreaks), and beef (25 outbreaks), and the most cases were attributed to poultry (1,355 cases), leafy vegetables (1,081 cases), and fruits/nuts (1,021 cases)....

Source: Center for Disease Control
HACCP

- Hazard
- Analysis and
- Critical
- Control
- Point

A management tool used to protect the food supply against biological, chemical and physical hazards.
Seven principles of HACCP

1. Conduct hazard analysis and identify preventive measures.
2. Identify critical control points (CCP).
3. Establish critical limits.
4. Monitor each CCP.
5. Establish corrective action to be taken when a critical limit deviation occurs.
6. Establish a record-keeping system.
7. Establish verification procedures.
Example CCP

- Receiving report
  - Prior chemical use
  - Fish have been treated with 17-α Methyltestosterone and not sold as food prior to 120 day withdrawal.
  - CCP – check farmer documentation on date of MT use
    - Yes – meets withdrawal period
    - No – does not meet withdrawal period
      - Return fish to farmer
  - Record
  - Verify – audit
Example CCP

- Metal in processed fish
- Knife blades can break during cleaning
- Use metal detector to scan product before packaging
  - No metal – package
  - Yes – metal
    - Inspect by hand and remove metal
    - Rescan product
    - Package

- Record
- Verify
Chill Kill Fish

- Calculate the quantity of ice needed to reduce fish temperature to 5°C.

\[(M_i) = \frac{(M_f)(C_{pf})(t_s-t_c)}{(L_i)}\]

Where
- \(M_i\) = mass of ice which melts (kg)
- \(M_f\) = mass of fish (kg)
- \(C_{pf}\) = specific heat of fish (kcal/kg°C)
- \(t_s\) = initial temperature of fish (°C)
- \(t_c\) = final temperature of fish (°C)
- \(L_i\) = latent heat of fusion of ice (80 kcal/kg)
Chill Kill Fish

Example:

\[ M_i = (M_f)(C_{pf})(t_{s-tc}) \]

\[ (L_i) \]

\[ M_i = (100 \text{ kg})(0.8 \text{ kcal/kg})(28 \degree \text{C} - 3 \degree \text{C}) \]

\[ 80 \text{ kcal/kg}\degree \text{C} \]

\[ M_i = 25 \text{ kg ice required} \]
Who’s covered

- Domestic processors
- Distributors
  - packers, repackers, wholesalers, warehouses
- Importers
  - foreign processors shipping to the U.S.
Marketing Vegetables

- Direct sales
  - farmers market
  - delivery to restaurants and retailers

- Wholesale
  - local
  - regional

- Institutional
  - hospitals and prisons
  - cruise lines
Direct sales

- Receive the highest price
- Time consuming
- Frequent contact with customers
  - understanding of their product needs
  - opportunity to develop new products
Wholesale

- Require
  - quality
  - consistency

- Rate farm fresh quality tops
Institutional

- Volume sales
- Contract opportunity for regular sales
- Lowest price received
Branding

Cruzan Green
The Lettuce with Island Roots