



UNIVERSITY OF NORTH CAROLINA SEA GRANT PROGRAM NEWSLETTER

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From sea to plate

The boat's been out a day, maybe two, maybe more. It pulls up to the fish house dock. Workmen begin unloading the fish—some iced, some not—shovel-full by shovel-full.

Fish glide up a conveyor belt, passing through a line of people who are culling—eliminating under-sized, unwanted fish. Those which pass are loaded into 50- to 100-pound cartons with ice.

This is where seafood marketing begins in earnest. But where North Carolina seafood goes after the fish house—how it is marketed—is much less clear cut.

From the fish house, the cartons may go to larger dealers and then on to New York or other northern markets. Or, the boxes may move inland to retail markets. Or, maybe they'll go to a processor who heads, guts, and fillets the fish before sending them on to a restaurant or institutional markets such as hospitals or the military. Sometimes the fish return to North Carolina in the form of fish cakes and sticks manufactured elsewhere and shipped back.

(See "Marketing," page 5)

Marketing is affected by supply . . .

So, the problems with marketing are there. But, as Paul Allsbrook—one of several state officials charged with promoting seafood sales—says, “There’s nothing you can put your hand on.”

There are, however, certain words that pop up in conversation after conversation: supply, quality, processing, labor, distribution channels and outlets. And, in general, federal and state agencies working to boost seafood marketing are trying to do something with the problems that stand behind those words.

Allsbrook is convinced that the solution to the supply problem is processing. “North Carolina does not have a sophisticated seafood industry. Our big problem is our industry is not process-oriented. . . . Let’s harvest all these fish (when there’s a glut), freeze them, and sell them later.”

Processing, he adds, would also appeal more in today’s market. “The industry is not meeting the market’s demand in the way of preparation of the product. . . . It’s just a matter of convenience that people are buying frozen.”

At Sea Safari in Belhaven, Mae Reinhardt and her associates decided to give processing a try. They converted an old oil warehouse into a fish processing and freezing plant and went into business.

Getting buyers to accept a frozen, filleted piece of fish was a problem, as was getting the popular fish. While the going was slow at first, Mrs. Rein-

In this crab house, workers pick meat and pack it in plastic containers which are then weighed



In this newly-converted plant, finfish are filleted by workers at individual stalls before being frozen

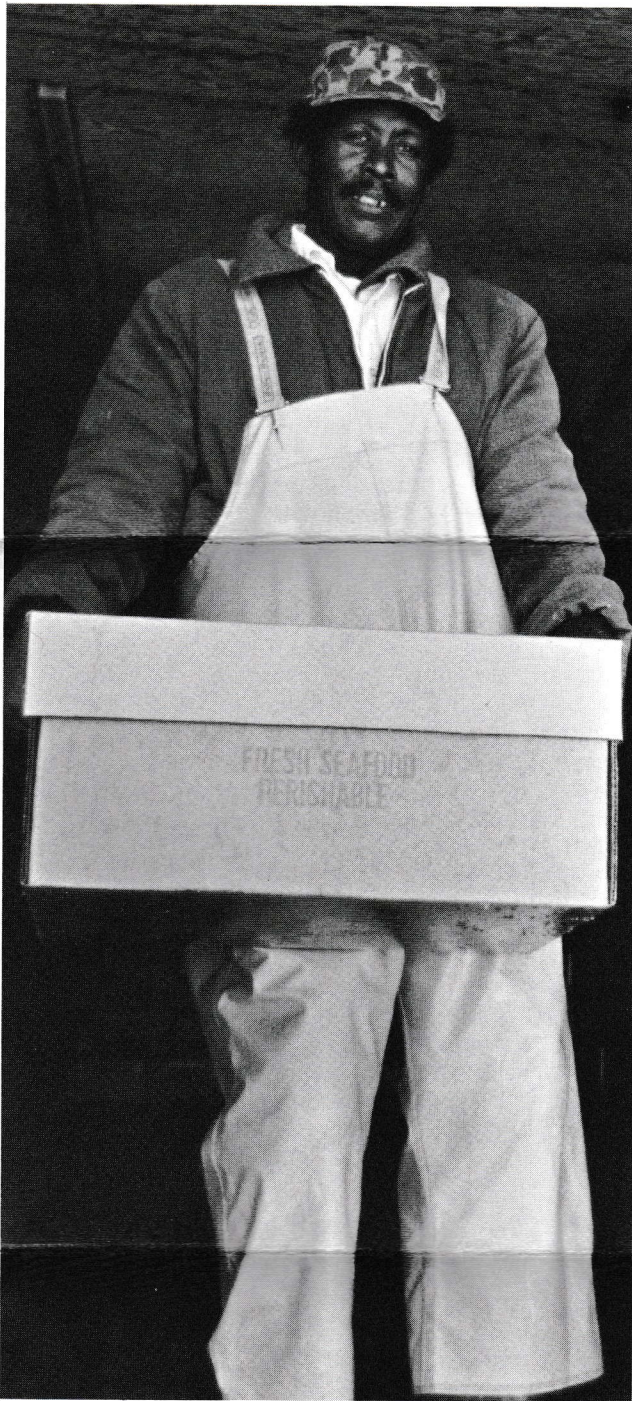
hardt says larger restaurants are beginning to buy from Sea Safari, and “the local restaurants are beginning to accept it more,” too.

But supply is still a problem, despite the processing. Though Sea Safari buys most of its fish in North Carolina, it sometimes has to buy from New York and elsewhere to get the popular species. “There’s been weeks we couldn’t work because we couldn’t get anything to sell.” What they can sell, what restaurants mostly want, are flounder, blue fish and trout.

Mrs. Reinhardt stands by the decision to go into freezing and filleting. “That’s the direction,” she says, “the fish will be fresher.” And, as the company grows, she hopes they’ll be able to build up a large enough backlog of frozen seafood to smooth out the highs and lows of supply.

Meanwhile, a Sea Grant research project this summer will begin taking a look at finfish processing. Dr. James Easley, NCSU School of Economics and Business, says he hopes to begin to answer the question, “Will processing pay?” Easley will examine returns, how sensitive the return is to the number of months a plant operates, and prices.

Sea Grant advisory agents are working on more efficient gear for fishermen. And researchers at the UNC Sea Grant Seafood Laboratory in Morehead City are trying to come up with more and better uses for fish—both popular and not so popular.



Fish are packed in ice and loaded onto trucks for the journey to market

... By quality ...

Fish change hands a number of times on the way to the table and each time proper care must be taken of the highly perishable stuff. Sometimes people fall down. It takes a long time to win a customer back.

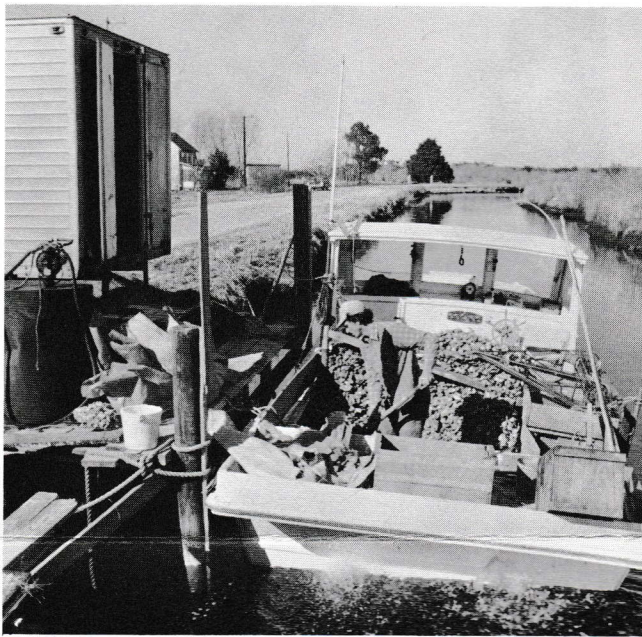
"No doubt it's a problem," Allsbrook says, "in some areas, fishermen do not take care of the product." Then, too, sanitary conditions in seafood plants may soon come under fire. Allsbrook says "You're going to see some big changes in the next four or five years. . . Food and Drug (the federal Food and Drug Administration) is really tearing into those people."

Others fault some retailers for selling "fresh" fish that's actually been frozen in the round and thawed (and may not have been so fresh even when it was frozen). That gives fish a bad reputation, they say. Some say the often poor locations, odor and general atmosphere of some retail stores inland don't help sell North Carolina seafood, either.

"Seafood in the past has been a dirty thing," says Ralph Jarvis, president of the North Carolina Fisheries Association and a seafood dealer himself. "It's changed a lot in the last few years. We've come a long ways, but there's still a whole lot that can be done with keeping fish fresh. . . But on the average, most of the larger fish dealers are doing a good job."

To help improve seafood quality from water to table, Sea Grant researchers and advisory agents have been working with fishermen and handlers on boat insulation, proper icing and freezing methods, plant design, and packaging.

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These oysters were loaded onto a small truck which carried them to the larger truck at right which in turn carried them to a northern soup company

... By channels of distribution

But that's only half the battle. Says Jarvis, "There's definitely a lot lacking in our marketing of the finfish. There's a need for new market outlets for finfish, that's our weakest thing." It's an area the Fisheries Association has agreed to work on.

At East Carolina University's Business School, Dr. John Summey has been taking a look at the distribution channels for the state's seafood. His Sea Grant-supported work has revealed a real "hodge podge affair" with "undefined channels of distribution."

If he can find a common thread, if there is one, Summey hopes the industry will be able to use the information to better serve the public.

"I don't have anything solid . . . there seem to be a number of different ways fish move," depending on the size of the dealer, how big the catch is, the demand in the North, and the difficulty in (and resistance to) inland delivery in North Carolina.

It's a basic supply and demand situation, Summey says, the product moves where the price is best and the hassle is least. And that's often in large shipments moving North, rather than smaller mixed shipments moving inland.

In part, Summey thinks the problems of getting seafood inland in North Carolina are "a real communications, awareness problem. A lot of it is that these people (buyers inland) don't know who on the coast is shipping inland."

The state, along with the Coastal Plains Regional Commission, has tried to give distribution

channels a boost by sponsoring trips to the Midwest to promote North Carolina seafood. Last year, a trip to Chicago was arranged for dealers.

Allsbrook, who arranged the trip, says the buyers "want the product either headed and gutted or filleted." And, they want it in small orders.

"The difficulty we have had is in getting our industry to respond to these small orders . . . we've had some success, the biggest problem has been transportation."

In Washington, N.C., Milton Evans, who sends three or four loaded trucks North each day, says "the people in Virginia have got us whipped" on the Midwest trade. They can put a small shipment on a truck that's going that way anyway, he says. But no trucks from here have similar routes, so a whole truck-load would have to be made up to go West.

One thing that Jarvis thinks will help is the port facility planned for Wanchese harbor. "That's going to be a big help, it'll be a big supply area, it would attract a lot of attention."

And Alvah Ward, another of the state's seafood promoters, agrees, "our greatest need in North Carolina now is to develop centers of distribution . . . we are fast approaching the time for centralization." Wanchese Harbor fits the bill, "The total concept is to have at one central point an area from which both fresh and frozen product can move." Ward thinks construction can begin this fall at Wanchese.

N.C. seafood marketing—

- 600 documented companies
- over 200 retail stores
- countless new restaurants
- worth over \$20 million to fishermen
- worth \$80 million at the retail level



Marketing: growing pains aplenty

(Continued from page 1)

That thing called “marketing” is inextricably tied to the state of the seafood industry which in North Carolina is variously described as being: unsophisticated, unresponsive to consumer needs, fragmented and chaotic; or, profitable, efficient enough and getting along fine, thank you.

Complaints about the state of seafood marketing seem to dominate:

Ralph Jarvis, president of the North Carolina Fisheries Association and a processor himself, says the market can’t absorb the occasional gluts of a particular species. Of late, he’s seen croaker thrown away because prices got so bad.

Fish dealer Willie Etheridge III in Wanchese says business, with so many small dealers trying to sell fish, is highly competitive.

Seafood distributor Bob Fergus in Wilmington says he can’t always get enough seafood from dealers to fill his orders.

Retailer Bill Butler in Charlotte says the market is so fragmented he is sometimes forced to buy from as many as 10 different distributors to get the variety he wants. And, he has to take delivery whenever he can get it—even if it’s after church on a Sunday afternoon as a truck passes through on its way to New York from Alabama.

It sounds pretty contradictory, but maybe it isn’t. The glut Jarvis talks about is a trick of nature, and, since about 60% of the state’s seafood is marketed fresh, only a limited amount can be used at any given time.

The competition to sell fish reflects the ups and downs of supply, too. But also, fragmentation—and smallness of most operations—imply that most dealers can’t command a price.

Likewise, the scarceness of popular fish out of season (again, because most are handled fresh), that Butler and Fergus talk about has forced them to buy out of state to maintain a variety for their customers. As distributor Milton Evans in Washington, N.C., explains, “the better variety you’ve got, the more fish you’ll sell.”

The crazy quilt-work pattern of distribution leads one observer to call seafood marketing in North Carolina a real “hodge podge.” Despite that, marketing continues to expand. There are now 600 documented seafood companies, over 200 retail stores, and countless new seafood restaurants in the state.

Ex-vessel prices, those paid to the fishermen, have more than doubled since 1968. Seafood is now a \$20-million industry for fishermen and an \$80-million industry by the time the product reaches the consumer.

In 1975, there were nine new coastal seafood plants or major expansions for a total of almost \$2.5 million in capital investments. As a result, 320 new employees were hired. Three more houses began “cutting fish”—processing by heading, gutting, filleting—last year, too.

Seafood marketing seems to be suffering some growing pains. It’s long been a highly individualized enterprise. But sheer miles to ever-more distant markets to the final consumer, volume to be handled, and fragmentation have created problems.

So who would buy the fish?

But what about demand? Do people really want more fish? Paul Allsbrook, a state-employed seafood promoter, says yes. Allsbrook sees more and more new seafood restaurants and retail markets. For example, he says, at least eight restaurants have opened in Raleigh in the past five years.

"There's more and more interest in seafoods, we have more calls. . . People are eating more and more seafood out, there's no doubt about that. . . Everybody has different conceptions of how to market. My basic concern is to gear their facilities to produce products in a manner in which the consumer wants it."

Down at East Carolina University's Business School, Sea Grant researcher John Summey also thinks more attention should be paid to the consumer. Efficiency can be increased readily enough, he says, new products can be created, and so on.

But "the only thing we haven't done anything on is selling fish. . . It's a lot easier to sell something the consumer wants." So, next year, Summey proposes a research project which would take a look at consumers; who they are; how they use fish;

what their hang-ups about fish are; and whether or not the retailer effectively reaches them.

Summey raises the question, for example, of why so many people eat seafood in restaurants where cooking has been reduced to a science, rather than at home.

Judging from national figures, there should be plenty of people to sell fish to if Summey can figure out why they aren't buying now. In 1975, the annual per capita consumption of beef was 119.5 pounds, pork 55 pounds, poultry 48.5 pounds. Though the figures aren't out yet, fish will probably come in at around 12 pounds per person, to be followed only by veal, and lamb or mutton, at 4 and 2 pounds respectively.

Because the low seafood consumption is a national phenomenon, a recent national Sea Grant conference on marketing agreed to examine the problem. Among other questions, researchers would like to answer: what the demand characteristics for seafood are; and why so much (78.2% of domestic sales) fish is sold through institutional channels (hospitals, the military, etc.) rather than retail markets.

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