



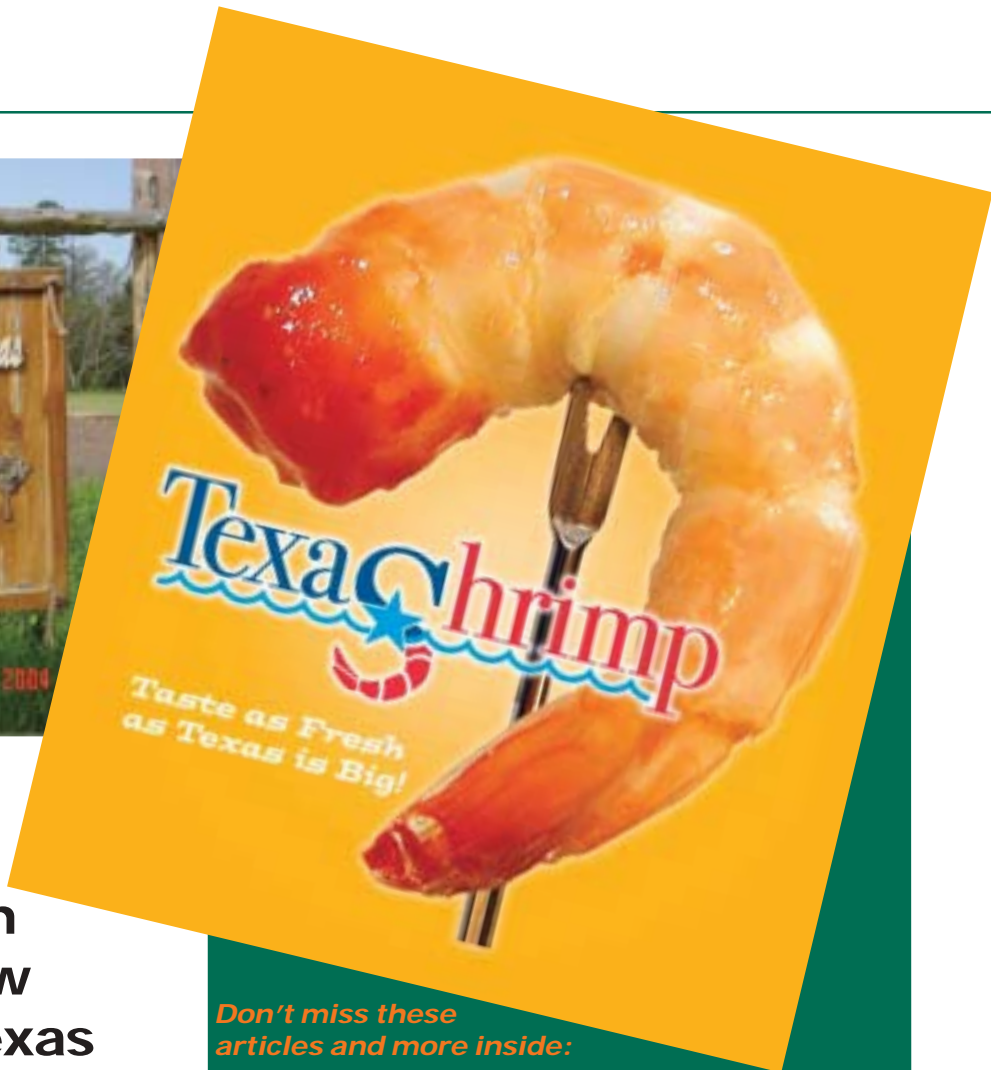
# INDUSTRY BRIEFS

THE US MARINE SHRIMP FARMING PROGRAM

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The US Marine Shrimp Farming Program is a congressional initiative administered by the USDA/CSREES. It is an integral part of their aquaculture development effort and is executed by the US Marine Shrimp Farming Consortium.



## Texas Launches Marketing Campaign Designed to Net New Opportunities for Texas Shrimp Producers

by *D'Anne Stites*

Coordinator, Texas Shrimp Marketing Program,  
Texas Department of Agriculture

Marketing is always critical to raise awareness and boost sales and, in tough times, it is absolutely essential. As anyone in the shrimp industry knows, times are definitely tough. Imported shrimp and other market factors have created instability within the domestic shrimp industry. As the nation's leader in farm-raised shrimp and a leading producer of wild-caught shrimp, Texas has plenty to lose. However, rather than sit back and let outside forces dictate the future, the Texas shrimp in-

*Don't miss these articles and more inside:*

Marketing a truly domestic shrimp industry - P2

Shrimp Marketing in the United States - P3

South Carolina develops a "locally harvested" campaign - P7

dustry came together to support state legislation in 2003 launching a comprehensive Texas shrimp marketing campaign within the Texas Department of Agriculture (TDA).

Under the new program, TDA is charged to promote and market Texas-produced shrimp, both farm-raised and wild-caught, and to educate the public about the Texas shrimp industry. The marketing effort is funded by surcharges on aquaculture licenses issued by TDA

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*Anthony C. Ostrowski, Ph.D.,  
USMSFP Consortium Director*

entirely by the domestic harvest industry, which can supply only about 10% of the US market. There also appears to be implied support of this concept based on comments made by Eddie Gordon, President of the SSA, at the Annual Shrimp Forum held at the Boston Seafood Show last March (see *IB* April 2004 issue). Some marketing programs have done a good job at promoting the virtues of domestic farmed and wild-caught shrimp, but there is a tendency to bias the wild catch as might be expected from the perspective of the suit. Individual farmers and shrimp farming associations should be encouraged to contact these programs to ensure the farming industry remains profiled in their marketing efforts as well.

In this issue of Industry Briefs, we explore three current marketing campaigns for shrimp in the US. Our feature article by D'Anne Stites of the Texas program is the most aggressive in promoting both domestic wild-harvested and

## Marketing a truly domestic shrimp industry

One early result of the antidumping suit forwarded by the Southern Shrimp Alliance (SSA) was the funding of state marketing programs to promote the quality of domestically harvested shrimp. While the funding was targeted out of concerns for the wild catch industry, some of these programs have recognized the importance of also supporting the domestic shrimp farming industry. Clearly, US consumer demands for shrimp cannot be met



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- Oceanic Institute**  
Waimanalo, HI
- Gulf Coast Research Laboratory**  
University of Southern Mississippi  
Ocean Springs, MS
- Tufts University**  
School of Veterinary Medicine  
North Grafton, MA
- Waddell Mariculture Center**  
Department of Natural Resources  
Bluffton, SC
- Texas Agricultural Experiment Station**  
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Port Aransas, TX
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Department of Veterinary Science  
Tucson, AZ
- Nicholls State University**  
Department of Biological Science  
Thibodaux, LA



Above is a good example of a promotional poster supporting the entire domestic industry in the state of Florida. However, this campaign has as its slogan "wild and wonderful." Let Florida state marketing representatives know that "locally produced" or "Florida Shrimp" labeling would benefit all shrimp producers in the state.

**Go to: <http://www.wildfloridashrimp.com/> and let them know that Florida farmed-shrimp producers should be included in any state marketing plan. Send email to: [seaweb@doacs.state.fl.us](mailto:seaweb@doacs.state.fl.us)**

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farmed shrimp. In Florida, the "Wild & Wonderful" campaign focuses on the wild catch, but it is not inconceivable that this effort can easily incorporate domestically farmed shrimp as wonderful also. South Carolina has begun a study testing the feasibility of integrating locally harvested shrimp into a major tourism campaign. Truly, the issue must be to encourage the support of a domestic shrimp industry for either to survive in such a competitive market.



## United States International Trade Commission

### Duties are only part of the answer

**By Anthony C. Ostrowski.** The July 6, 2004 decision by the Department of Commerce to prescribe preliminary duties on shrimp imports from China and Vietnam have heightened expectations that similar decisions will be made on other countries named in the antidumping suit, and that the final determinations and recommendations back to the international Trade Commission targeted for November 24 may become a reality. As this issue of *Industry Briefs* goes to press, the (July 28) decision on whether to impose tariffs on shrimp from Thailand, Ecuador, Brazil, and India will have been made. The duties, if finally imposed, promise to make domestically produced shrimp more price competitive, although the decision will likely have little effect on the total volume of shrimp imported into the U.S., the largest shrimp market in the world. While duties could have a positive influence on the state of our industry now, farmers must not lose sight that efforts to differentiate the quality of domestically produced shrimp need to be pursued to remain competitive in the future. Already, countries such as Vietnam are pursuing organic farming cooperatives that are realizing a farm-gate price 20% above that received for non-organic shrimp. Ocean Garden Products,

Inc., has, for several years, been marketing the quality of Mexico's farmed shrimp and is obtaining slightly better than average price for a similar product. This, together with the possibility that prices may not be affected at all, puts our farming industry on notice that duties are only part of the answer. The onus is still on the industry to compete on quality. Recent identifications of TSV in Texas and WSSV in Hawaii notwithstanding, the US shrimp farming industry is the world leader in environmentally sustainable and biosecure farming. We produce the freshest farmed product available to the U.S. shrimp market, under the strictest environmental regulations in the world. The farming community must promote their product and leverage all the advantages and tools that exist to convey the message.

The virtues of being produced in the USA are clear whether shrimp are farmed or harvested. It may appear a very dark period for US shrimp farmers now, but it is usually darkest before the dawn. Impending duties, nationwide marketing campaigns, and continued commitment from the USMSFP will allow a bright, new future for the US shrimp farming industry.

### Shrimp Marketing in the United States

**By Granvil Treece.** US consumers have been eating and paying more for shrimp in recent years. According to a recent study conducted by Food Beat, Inc., despite the glut of low priced shrimp imports, prices of shrimp at the retail level have increased since 2000. Even though retail prices have increased, the farm gate prices for shrimp have decreased, and shrimp farmers have few options to offset this farm gate price decline. There are mainly two options for improving profitability: reduce costs or increase revenue (or a little of both). Reducing costs often involves increasing the efficiency of production. Increasing revenue may also involve improve efficiency. For example, reducing shrimp mortality or increasing pounds of shrimp marketed from the same pond acreage would increase revenue. Growing a larger shrimp might increase revenue. In recent years, there has been more competition in the hatchery trade and this has resulted in lower postlarval prices for the farmers; however, those savings have been offset with increases in feed costs. Efforts to increase revenue often involve making changes in marketing strategies. 'Value-added' has been used in shrimp processing to describe efforts by producers to capture more of the consumer's dollar. Capturing more of the final value of a product is a goal for some successful shrimp producers. A proper understanding of the marketing channels and the roles of different individuals and firms in it will be



**Photo 1: D&T Shrimp Farm sales tent sits directly on the pond bank at the farm.**

helpful to anyone considering value-added marketing strategies. Many efforts by shrimp producers to add value actually consist of trying to capture the difference between the farm price of a raw shrimp and the retail price of a finished product. Examples of this concept would be: Dale Schmidt selling his product fresh on the pond bank at D&T Shrimp Farm in Imperial (Photo 1); Robert Smiley selling two ponds of 40 gram *vannamei* directly to customers at the pond bank in San Perlita; Bart Reid selling his organically raised product at the

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## Texas Launches Marketing Campaign Designed to Net New Opportunities for Texas Shrimp Producers



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and on bay and gulf shrimp boat licenses issued by the Texas Parks and Wildlife Department. Federal disaster assistance dollars also provide funding. Input on program activities is provided by the Texas Shrimp Marketing Program Advisory Committee, a panel representing all sectors of the Texas shrimp industry.

The shrimp marketing program was modeled on two other successful TDA campaigns for Texas oysters and Texas wines. Both included a multifaceted marketing plan targeting consumers, wholesalers, food service professionals and retailers. Impact figures for the wine program showed a 900 percent return on investment through increased sales of Texas wines in 2002. Results for the oyster campaign show Texas oyster sales increased by \$6 million annually during the time TDA conducted its oyster marketing efforts.

To spotlight Texas shrimp, TDA developed a strong and focused marketing plan to establish goals for shrimp marketing. The plan includes educating the public on the importance and value of buying Texas shrimp and directly linking sellers with buyers through online resources, promotional materials and outreach. The goal of the program is not only to raise awareness about Texas shrimp, but also to encourage buyers to ask for and seek out shrimp from Texas for flavor and freshness.

With funding in place by November 2003, the first step was to create a high-profile and distin-

guishable Texas shrimp logo to offer a brand identity. Next, TDA created several different marketing slogans to accompany the logo. "Celebrate the Catch of Texas" was selected as the primary tagline to further distinguish Texas shrimp from its competitors and spotlight a Texas-proud message.

TDA established a toll-free number, (877) TX-CATCH, for interested buyers to call for information on purchasing Texas shrimp. A Texas shrimp Web site was launched at [www.txshrimp.org](http://www.txshrimp.org). The Web site includes recipes, selection and handling information, links to Texas shrimp wholesalers, a chef's corner and other features.

Promotional materials include a series of Texas shrimp recipe cards from original recipes submitted by top Texas chefs, a Texas shrimp wholesaler brochure, an introductory one-page point-of-sale information card, keychains, shrimp deveiners and other eye-catching items. High-profile visual displays and a trade show exhibition booth were also created to add appeal at marketing functions.

Similar to its other successful marketing programs, TDA's marketing approach for spreading the message includes targeting a wide array of buyers, including retailers, foodservice professionals and direct consumers. TDA works to reach these audiences through participation in activities such as trade shows, festivals, food fairs, press events, retail promotions, cooking classes and cooking demonstrations. Print advertising is also used to spread the word. All of TDA's advertisements include a call to action to measure success. For instance,



a series of advertisements in *Texas Monthly* magazine touted the Texas shrimp recipe cards and led to requests from across the state and the country.

TDA partners with Texas chefs, restaurants and grocery chains to market and promote Texas shrimp in addition to participating in trade shows and specialty food events. In January 2004, TDA worked with Chef Randy Evans of Brennan's restaurant in Houston at the Texas Restaurant Association's Cantina show to sample Shrimp Remoulade and Creole Barbecue Shrimp. TDA also exhibited at the well-attended International Boston Seafood Show. In Boston, Chef David Garrido of Jeffrey's restaurant in Austin treated crowds to delectable Texas shrimp recipes, including a featured dish made from farm-raised Texas shrimp. Chef Kevin Williamson also promoted Texas shrimp at the Fancy Food Show in New York. This summer, TDA will participate in the Texas Restaurant Association Southwest Foodservice Expo and the Louisiana Restaurant Association Show, where TDA will compete in the Great American Seafood Cookoff with Chef Connie Swearingen, executive chef for Texas Governor Rick Perry.

TDA also established new ties with Texas grocery chains including H-E-B Grocery Company, H-E-B's upscale Central Market, Brookshire's, Whole Foods, Sun Harvest and Fiesta Mart. Each store promotes shrimp with pricing specials, sampling, cooking classes and other marketing opportunities.

Educational efforts include working with culinary schools and programs to promote Texas shrimp to budding chefs. This spring, Chef David Bull of the Driskill Grill in Austin joined with TDA for Culinary Boot Camp, an opportunity to showcase Texas shrimp in a classroom kitchen setting for culinary students. Texas shrimp also received top billing as TDA sponsored the 19th Annual Saveur Texas Hill Country Wine and Food Festival, the second largest food festival of its kind in the United States. Texas shrimp was featured in several recipe demonstrations and sampling opportunities.

As with all of its marketing programs, TDA will closely monitor the impact of its promotional activities by measuring success and sales. A survey was sent to producers at the start of the program to assess benchmark figures and gather input on marketing approaches. TDA will survey producers again to gather impact data. The success of the program will be measured to determine the benefits for Texas shrimp producers, whose best interest lies at the heart of the program.

For the most recent updates on the program, check the Web site at [www.txshrimp.org](http://www.txshrimp.org) or call D'Anne Stites, TDA's coordinator for the Texas Shrimp Marketing Program, at (877)TX-CATCH.

# 6 SHRIMP FESTIVALS AND COOKOFFS

## **San Antonio, Texas - 15th Annual Shrimp Fest**

This is a family friendly event with something for everyone. Shrimp will be the main food item at the event, with 25 or more vendors. We will have Bull Riding on both days of the event, carnival, free children's activities, and a craft show. Helotes Festival Grounds. October 1-2, 2004. Website: <http://www.texasshrimpfest.com>

## **Beaufort, South Carolina - Shrimp Festival**

"Saluting rich Low country traditions." Savor shrimp treats from restaurants. Try your luck with raffles for 100 pounds of shrimp. Hosted by the Greater Beaufort Chamber of Commerce Beaufort, SC Waterfront Park Second weekend in October. For more information contact: **South Carolina Shrimpers Association, 843-525-1600.**

## **Gulf Shores, Alabama - Annual National Shrimp Festival**

Alabama: The Annual National Shrimp Festival, produced by the Alabama Gulf Coast Chamber of Commerce, is held every year during the second full weekend of October. 2004 will mark the 33rd year for the festival held this year on October 7-10. Website: <http://www.nationalshrimpfestival.com/>

## **Port Isabel, Texas 11th Annual Championship Shrimp Cook-Off**

Port Isabel Chamber of Commerce, 421 Queen Isabella Blvd., Port Isabel, TX 78578. November 6, 2004 more details: [info@portisabel.org](mailto:info@portisabel.org)



*A sunny day at the 2003 Gulf Shores Annual National Shrimp Festival brings out the crowds.*

## **Shrimp Marketing in the United States (continued from page 3)**



**Photo 2. Patsy Reid stays busy selling organically raised marine shrimp at the Permian Sea Shrimp Store in Imperial, Texas.**

Permian Sea Shrimp Store in Imperial (Photo 2); or Harold Bowers selling part of his farm raised shrimp in IQF plastic bags from his processing and cold storage plant in Palacios, Texas. The marketing margin is the total amount of money that is available to pay for all of the marketing services required to convert raw shrimp at the farm into a finished product in the final market place. Marketing is also advertising. Promoting a product is part of marketing. Marketing involves processing, storage, transportation, and a host of related activities necessary to produce a retail shrimp product. See Kohls, R.L. and J.N. Uhl, "Marketing of Agricultural Products", 6th Edition. MacMillan Publishing, New York: 1985 for more information on marketing food products.

### **Other Shrimp Marketing Publications and Programs**

- Florida Department of Agriculture and Consumer Services: [www.fl-aquaculture.com](http://www.fl-aquaculture.com). Marketing publications: <http://www.fl-aquaculture.com/shrimp.com/shrimp/>. Titles of publications are: "Assessing Potential Direct Consumer Markets for Farm-raised Shrimp" by Wirth and Davis, 2001. 39 pages. "Identifying and Assessing Potential Direct Markets for Farm-raised Shrimp Grown on Small Farms" by Florida Dept. of Agriculture, Bureau of Seafood and Aquaculture Marketing, and University of Florida.
- Texas Department of Agriculture's 'Go Texan' marketing program: <http://www.gotexan.org/>.
- Newsletter. Aquaculture Outlook, published twice a year since October 1989, examines changes in domestic aquaculture production and prices, and provides forecasts of production for the coming year. The report also examines changes in imports and exports of aquacultural products and closely related wild harvest seafood products: <http://www.ers.usda.gov>.



**Granvil Treece, M.S. — Aquaculture specialist for the Texas Sea Grant College Program, has 26 years' experience in shrimp culture (three years as a commercial shrimp hatchery manager) and is on the board of the Texas Aquaculture Association.**

## South Carolina gets serious on marketing strategies for "locally harvested" shrimp

In July 2003, the South Carolina shrimping industry was the recipient of \$5.6 million in federal funds designed to mitigate the damage to an industry hit by foreign competition, high expenses, and low shrimp prices. Two million dollars in fiscal appropriations and \$3.6 million were distributed as South Carolina's portion of disaster assistance for the South Atlantic shrimp industry. This included producers in South and North Carolina, Georgia, and the east coast of Florida.

Let's take a look at the portions of this federal funding that will potentially benefit domestic shrimp farmers:

- \$103,320 for a comprehensive survey of the industry and market data
- \$80,000 for research on building the S.C. shrimp brand and sales options
- \$80,000 for research and development on processing and packaging
- \$80,000 for research and education improving shrimper business skills
- \$79,998 for research on shrimp quality and new product development
- \$64,000 for Clemson to partner with S.C. Sea Grant for a shared seafood Extension specialist to assist the industry with technical issues, governmental, partner and agency connections and related activities
- \$50,781 for research and recommendations linking shrimp with tourism

**South Carolina gets serious about marketing its "locally harvested" shrimp**



## SC develops a "locally harvested" SHRIMP CAMPAIGN



### Shrimp and Tourism in South Carolina

Dr. William C. Norman (Director, RTTI) & Laura W. Jodice (Research Associate, RTTI) are working in partnership with the South Carolina Shrimp Association, South Carolina Seafood Alliance, and the Southern Shrimp Alliance (SSA) to study shrimp and tourism in South Carolina. RTTI is working with an interdisciplinary team of Clemson researchers (lead by Clemson Public Service) cooperating with the South Carolina Shrimp industry to develop a marketing plan for shrimp harvested in South Carolina. This is an effort to differentiate domestic shrimp from imports and promote a stable market with fair prices for the shrimp industry in South Carolina. This marketing effort is part of a broader effort for the Southeast Region of the US. The work is funded by federal funds allocated by the US Congress through the NOAA National Marine Fisheries Service.



**SC shrimp becomes a focus in tourism and marketing with an emphasis on promoting a stable market with fair prices**

### South Carolina Sea Grant participates in strategic planning

The S.C. Sea Grant Consortium is working with other partners to assist the South Carolina shrimping industry to write a strategic plan for long-term sustainability in the state and region.

With guidance from Clemson University, the S.C. Department of Natural Resources, the S.C. Sea Grant Consortium, and other agencies, the South Carolina shrimping industry is developing a plan that highlights the following strategies:

- First, the local industry needs to improve marketing of its product to distinguish domestic shrimp from imports, and to enhance its value in the marketplace.
- Second, the industry should encourage improved risk-management tools, such as improved business planning.
- Third, the industry needs better techniques for quality assurance, so that consumers can easily distinguish between domestic shrimp and imports.
- Fourth, the domestic industry should organize to gain better government institutional support, such as aid in marketing domestic shrimp.

# Coming in the October 2004 Issue...

The USMSFP Technical Committee meeting will be held August 17-19, 2004. This meeting outlines the directions for research in the coming year.

The October issue of Industry Briefs will provide a summary of that meeting, including inputs from the Director's recent trip to South Carolina, and surveys of farmers' needs and concerns across the country.



Signs, festivals, local advertising - send in your farm's logo or photos and we will post them here!



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The US Marine Shrimp Farming Program

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