

## \$30 Crabmeat? \$30 Lobster Meat? The New Normal?

We are eight years into an economic recovery after one of the most severe recessions our country has ever seen. I, along with everyone else, watched in amazement as most seafood proteins broke price barriers we never in our wildest dreams thought possible. The seafood business is a classic example of the law of supply and demand, and so I thought that surely these prices would be temporary. However, a careful analysis of the world's protein supply might lead you to a different conclusion.

### Here are a couple of facts:

- The world protein supply is broken down by category, with 57 percent being cereal grains and vegetables, 18 percent meat, 10 percent dairy, and only six percent fish and shellfish. [Boland,2013]
- The world population is expected to double to 9.5 billion people by 2050. [Boland,2013]

### This means that demand...

...for all seafood will double in the next 30 years. Sixty dollars per pound for lobster meat? Maybe. In general, economies around the world are rebounding in a similar fashion to the that of the U.S., and it is a well-established fact (Bennett's Law) that the ratio of starchy foods in the diet falls as income rises. Low-income people eat grains and root crops. The wealthy eat more meat, fruit, vegetables, and seafood. China's exploding middle class and that country's love of all Canadian and Maine lobster products bolster the idea that prices that are double the historical norms can be maintained for years. I am totally befuddled as to how pasteurized jumbo lump (portunus pelagicus) has crested the \$30 mark, and incoming containers are being sold as fast as they hit our shores. One has to wonder when the music is going to stop.

### Our only choice

Our oceans are completely maxed out with regard to wild seafood production. We cannot expect anyone to find some previously undiscovered gigantic school of fish swimming in the ocean somewhere that is suddenly going to increase world seafood supplies. We are going to have to farm raise the majority of our seafood going forward — because that is our only choice. (We will discuss farmed seafood in future articles.)

### So, what is a restaurateur to do...

... when planning menus? Hope for an economic downturn to force commodities lower? That's not a smart strategy. How about selling "underutilized" species? These are fish populations that are healthy, abundant, and tasty, but which don't have the same recognition with your customer base as the staple species do, such as halibut, tuna, salmon, sword, etc. There are many species that fall into this category. One of my favorites is the silver hake, a groundfish caught in New England. The flesh is snow white and absolutely delicious. Yes, hake. Catchy name, eh? The less-than-attractive name is probably why it costs around \$7 a pound for fillets most of the year.

### Marketing the unfamiliar

But, rather than list a bunch of underutilized species here, I would rather go over the "process" of marketing underutilized fish. A typical phone conversation might go something like this:

Q: Hey, Tim, how much is red snapper? A: \$19.

Q: How about halibut? A: \$18.

Q: Oh, rock? A: \$17.

Q: Okay, what else do you have?

At which point I say: How about some hake?



What's for lunch? Hake fish! (Photo: Tim Sighrue)

Q: Huh? What's that?

I tell the chef that it is a delicious fish. It has beautiful, white flesh. It tastes outstanding. I personally eat it on a regular basis, AND it is only \$7. The chef thinks for a moment and says, "Send me 15 pounds." I think, great! I just created another hake customer! But the reality is this: the chef gets the fish, makes a great dish, but it doesn't sell that weekend. The only option then may be to discard some of it or serve it for family meals.

The problem is that restaurants are not accustomed to marketing fish species that their customers aren't familiar with. It requires effort on the part of the restaurant AND THE VENDOR. If it didn't require effort to market the hake to the general public — in other words if everyone knew what a hake is and how delicious it is — it wouldn't be \$7 a pound! It would be \$15!

### The solution to this problem...

...is easier than you think. Both parties, the customer and vendor, must be fully vested or committed to marketing a particular species. That means donating product for R&D to come up with a great dish. But the most important part in the equation

is the servers. We must convince them that this fish is fantastic because they are the ones who actually sell it. Several menu classes where they would get to taste the fish each time would be a good start. Having a seafood company representative there to tell the story and answer questions would also be a big help.

### In the end...

...by marketing underutilized species, you are taking pressure off of the most popular types of fish and lowering your food costs at the same time. A win-win for everyone!

Boland, M. (2013). Global Food Supply: The world's need for protein. [online] Riddet. ac.nz. Available at <http://www.riddet.ac.nz>. [Accessed 22 Aug. 2017.]

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