2007 LOUISIANA SHRIMP MARKETING SURVEY REPORT

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by

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2007 Louisiana Shrimp Marketing Survey Report

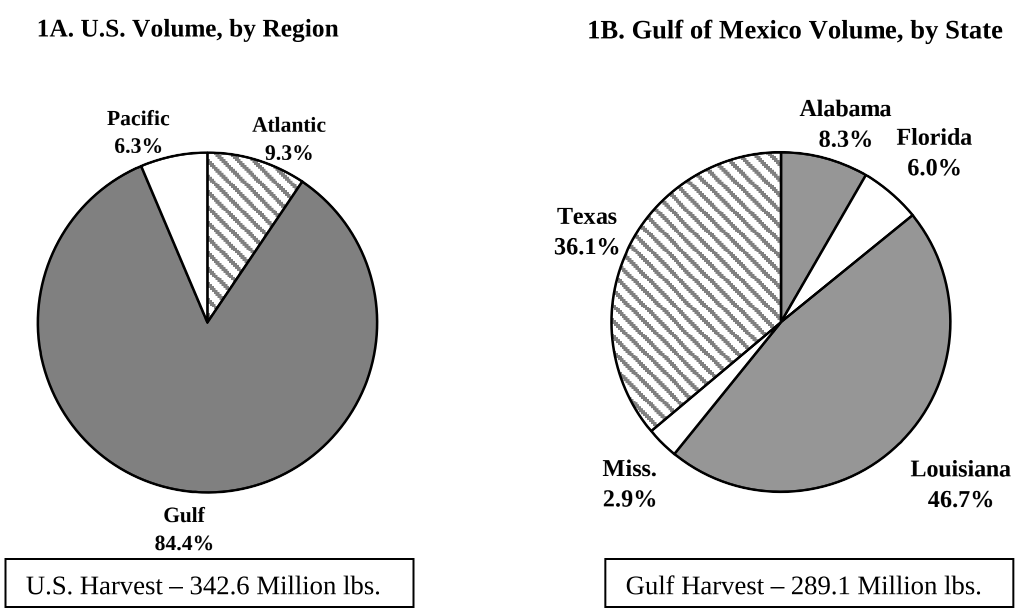
Introduction

The Louisiana shrimp fishery is a major part of the Gulf of Mexico commercial fishing industry[1] and one of the major sources of fresh, wild shrimp in the U.S. The Louisiana shrimp fishery contributes a popular seafood product to consumers and provides significant revenue to hundreds of people in the seafood supply chain from harvesters to dealers to final retailers.

The Gulf of Mexico (Alabama, western Florida, Louisiana, Mississippi, and Texas) was the source of 84.4 percent of the volume (Figure 1A) and 86.7 percent of the dockside value (Figure 2A) of all shrimp harvested in the U.S in 2006. Among Gulf of Mexico states, Louisiana was first in terms of volume (Figure 1B) and second in terms of dockside value (Figure 2B): $120.0 million in constant dollars, behind Texas with $143.4 in dockside value (base year =2000).

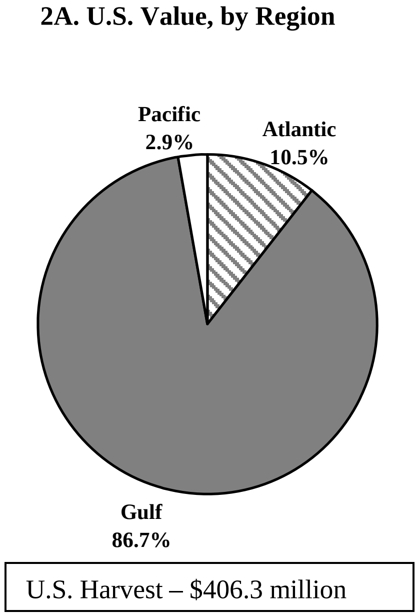
Like much of the U.S. shrimp industry, the Louisiana shrimp fishery is going through a difficult transition due to declining dockside prices, at the local, regional, and national levels (Figure 3).

Figure 1. Volume of Shrimp Harvested in U.S. and in Gulf of Mexico, 2006



[1] The dockside value of all seafood products harvested in the Gulf of Mexico in 2006, according to the National Marine Fisheries Service was $685,550,304 in current dollars ($587,663,238 in constant dollars (base year = 2000)).

Figure 2. Dockside Value of Shrimp Harvested in U.S. and in Gulf of Mexico, 2006 (Constant 2000 Dollars)



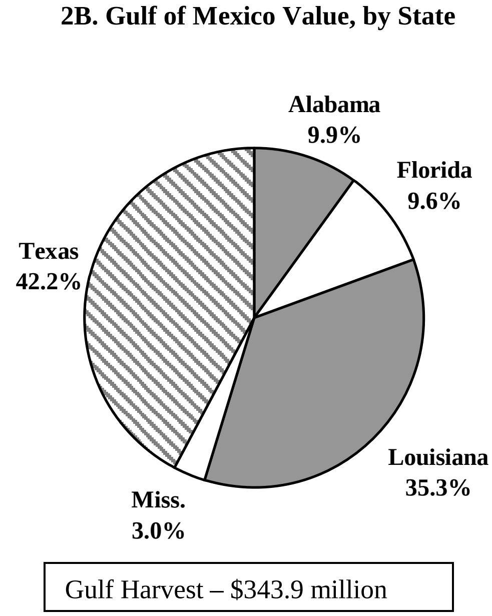
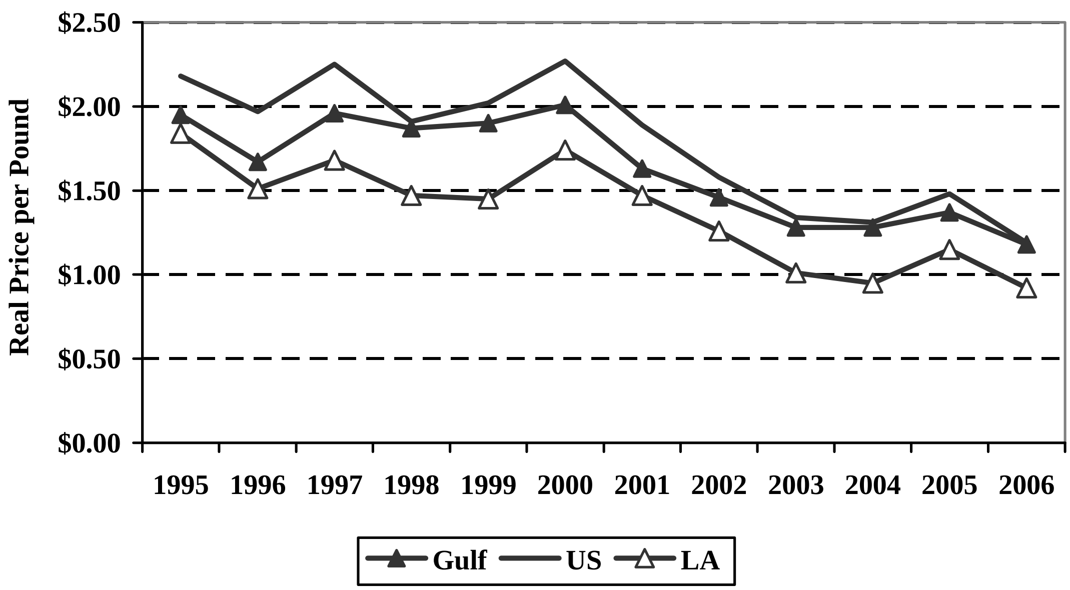
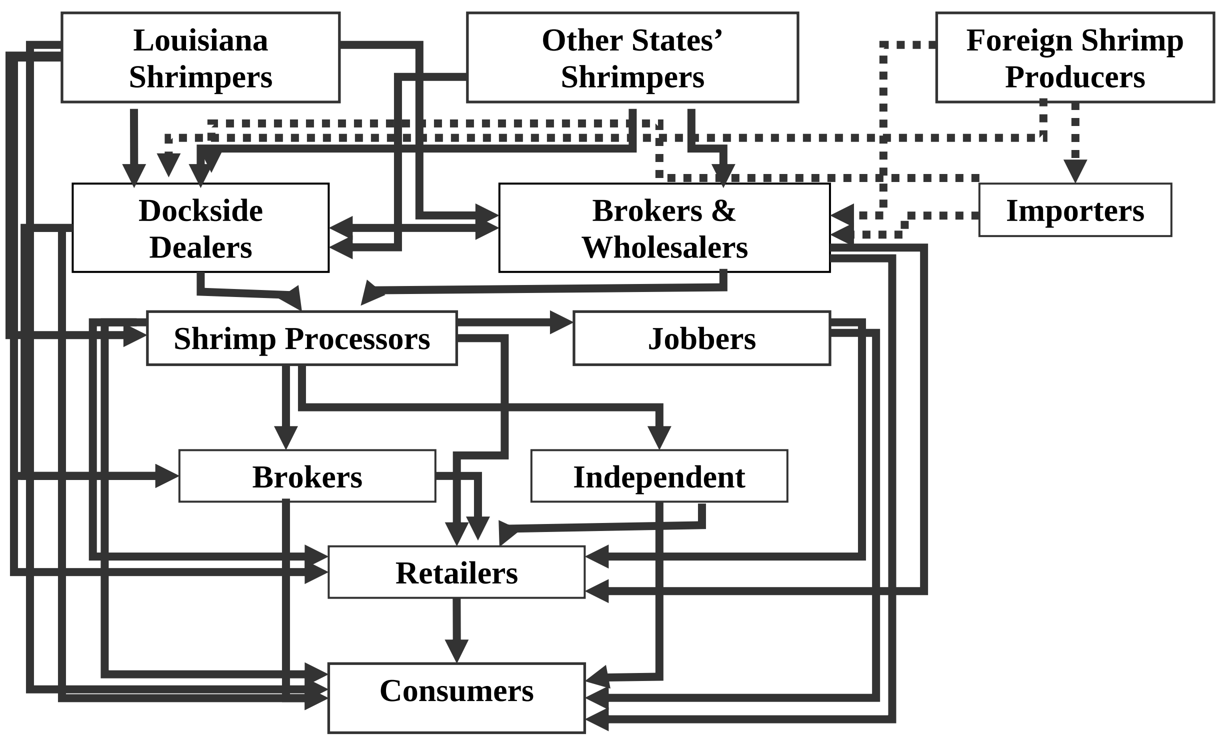


Figure 3. Real Dockside Price of Shrimp at Local, Regional, and National Levels: 1995 - 2006



Due to this decline in shrimp prices, there has been a renewed interest in a better understanding of the Louisiana shrimp market. Figure 4 illustrates the various entities involved in the entire process of harvesting wild shrimp from Gulf of Mexico waters and delivering it to consumers in distant markets. Participants are identified by the function they perform. A single entity may specialize in performing one function (*e.g.*, a shrimper who catches shrimp but does not process or sell at retail) or multiple functions (*e.g.*, a business that catches shrimp, processes it, and sells it directly to the public).

Figure 4. Louisiana Shrimp Marketing Chain



Adapted from: Diop, H. *Impact of Shrimp Imports on the United States' Southeastern Shrimp Processing Industry and Processed Shrimp Market*. Unpublished Ph.D. Dissertation. Louisiana State Univerity Department of Agricultural Economics and Agribusiness. August, 1999.

This report examines the role of dockside dealers in the marketing chain. Dockside dealers (or "dealers") are defined as entities who purchase shrimp directly from shrimpers (harvesters who physically capture wild shrimp for delivery and sale for commercial purposes) and sell it to other entities[2], such as distributors, seafood processors, retailers, restaurateurs, or consumers. Dealers perform two primary functions: documenting and quantifying dockside seafood species and measuring the quantities and values thereof.

This report is designed to complement existing surveys and databases that collect information related to other elements of the marketing chain. The National Marine Fisheries Service (N.M.F.S.), together with state agencies, collects information regarding commercial seafood production from coastal states, measuring quantities and values of seafood species sold at the point of initial contact with the marketing chain. In Louisiana, anybody purchasing seafood species directly from fishers, shrimpers, or other harvesters for commercial purposes, is required to complete a "trip ticket" detailing species, volume (in pounds), and payment (dockside value) of products exchanged between harvesters and purchasers. (Other states have instituted similar policies and programs.) These data, published in the N.M.F.S. Commercial Fishery Harvest Statistics, provide a measure of activity between Louisiana shrimpers and dockside dealers.

The National Marine Fisheries Service Fisheries Statistics Division also conducts an annual survey of seafood processors. In this survey, processors voluntarily report the quantities and value of each seafood species they have processed and sold, often by form (*e.g.*, whole or headless) and condition (*e.g.*, fresh or frozen). This provides a measure of the outflow from processor to other elements in the marketing chain.

This report examines existing data sources providing information about the Louisiana shrimp marketing chain to demonstrate trends in regional shrimp production and identify segments in the marketing chain needing immediate attention.

Annual Shrimp Landings in the Gulf of Mexico[3]

The volume of shrimp landings in the Gulf of Mexico during 1995 to 2006 has ranged between 213 million pounds and 289 pounds (Figure 5). Landings declined from

[2] This definition of "dealer" includes any firm that performs only this single marketing function as well as firms that perform multiple marketing functions.
[3] Data source: National Marine Fisheries Service Statistics website: http://www.st.nmfs.noaa.gov/st1/.

288.6 million pounds in 2000 to 216.6 million pounds in 2005, the year Hurricanes Katrina and Rita landed in Louisiana. In 2006, the last year for which data are available, shrimp landings in the Gulf of Mexico reached 289.0 million pounds.

Of all states in the Gulf of Mexico (Figure 6), Louisiana has produced the largest volume of shrimp landings for every year between 1995 and 2006. Louisiana landings climbed from 90.6 million in 1996 and peaked at 145.4 million pounds in 2000. Since 2000, Louisiana landings reached a low of 102.6 million pounds in 2005 and rose to 135.0 million pounds in 2006.

During the 1995 to 2006 period, Texas has had the second highest quantity of shrimp landings, following a production trend similar to that of neighboring Louisiana. In 2006, Texas shrimp landings amounted to 104.4 million pounds.

Figure 5. Volume of Shrimp Landings, Gulf of Mexico Region: 1995 - 2006

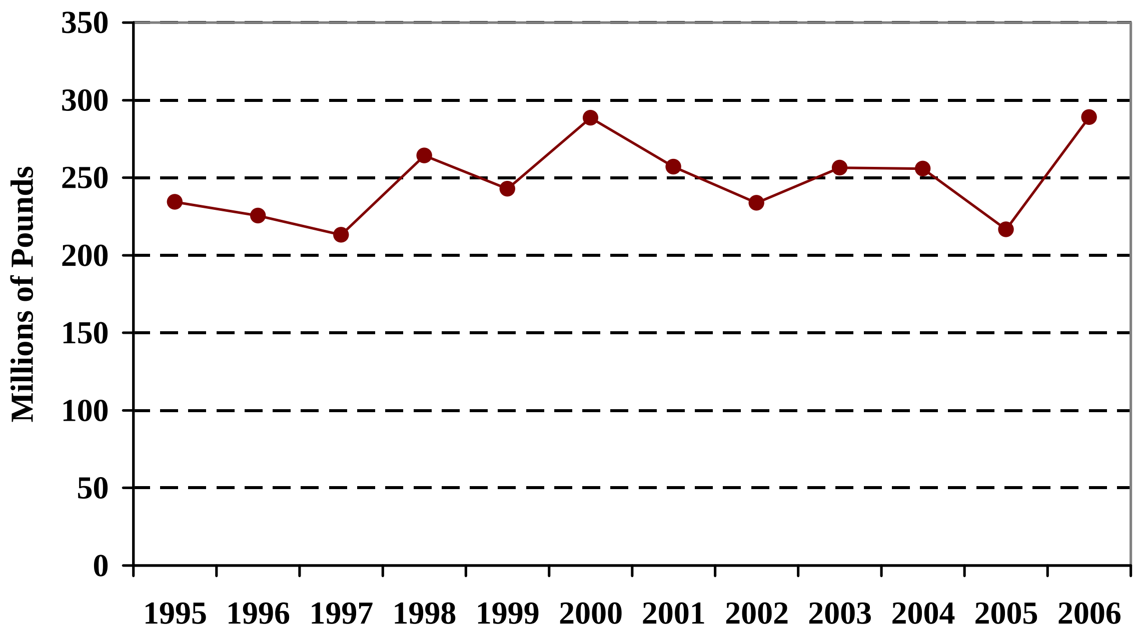
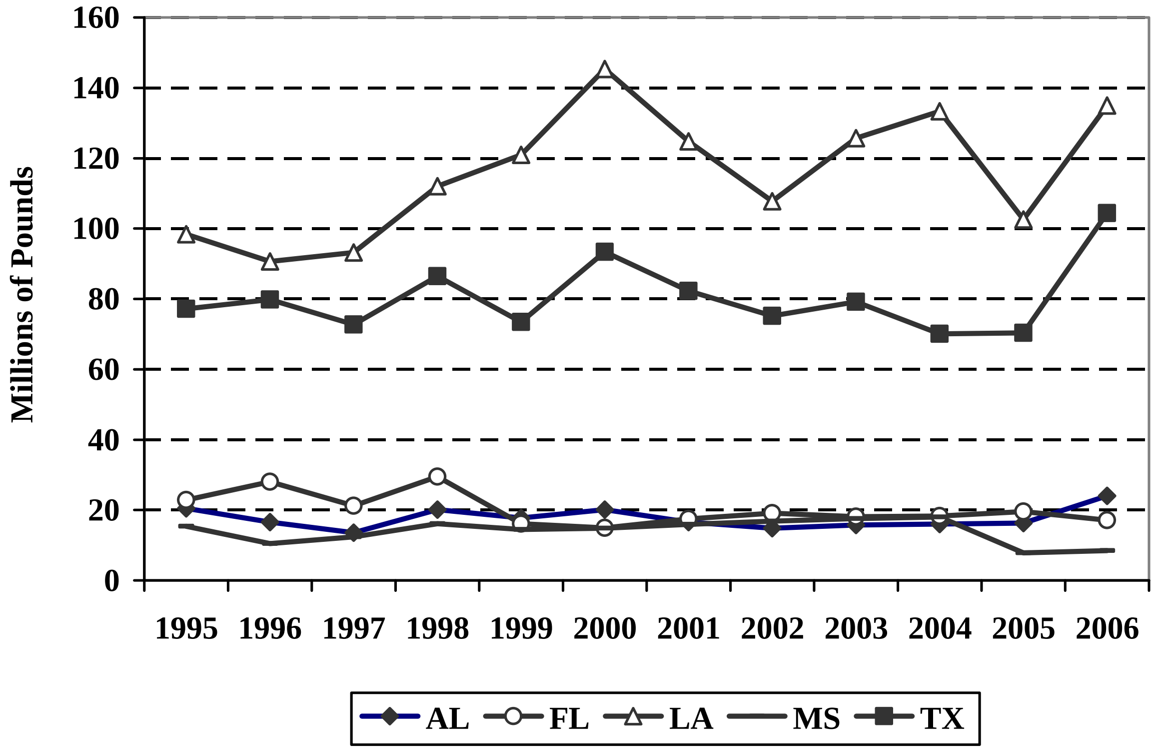


Figure 6. Volume of Shrimp Landings, Gulf of Mexico Region, by State: 1995 - 2006



According to the National Marine Fisheries Service, there are several different species of marine shrimp landed in the Gulf of Mexico: brown shrimp, pink shrimp, rock shrimp, royal red shrimp, roughneck shrimp, seabob, white shrimp, as well as some species of freshwater shrimp.

From 1995 to 2006, annual landings of brown shrimp have been larger than those of any other species for all but one year (Figure 7), 2005, when the volume of brown shrimp landings dipped beneath the volume of white shrimp. The volume of white shrimp landings has been generally increasing from 75.9 million pounds in 1995 to 131.1 million pounds in 2006. The volume of brown shrimp followed something of a downward trend from 156.0 million pounds in 2000 to 94.4 million pounds in 2005 and then rose to 140.0 million pounds in 2006.

Pink shrimp, primarily harvested in the eastern portion of the Gulf of Mexico, is the third most commonly landed species of shrimp with average landings (1995 – 2006) of 17.8 million pounds. Seabob, a species of little historical importance in Louisiana, have average 6.5 million pounds during this period. The landings of all other species (rock shrimp, royal red shrimp, roughneck shrimp, other marine species, and freshwater shrimp) have collectively averaged 7.9 million pounds between 1995 and 2006.

In Louisiana, brown shrimp and white shrimp are the two most commonly landed species (Figure 8). White shrimp landings have followed an upward trend from 47.2 million pounds in 2002 to 87.9 million pounds in 2006. Brown shrimp landings declined from 63.3 million pounds in 2001 to 38.9 pounds in 2005. Brown shrimp landings then rose to 47.0 million pounds in 2006.

Figure 7. Volume of Shrimp Landings, Gulf of Mexico Region, by Species: 1995 - 2006

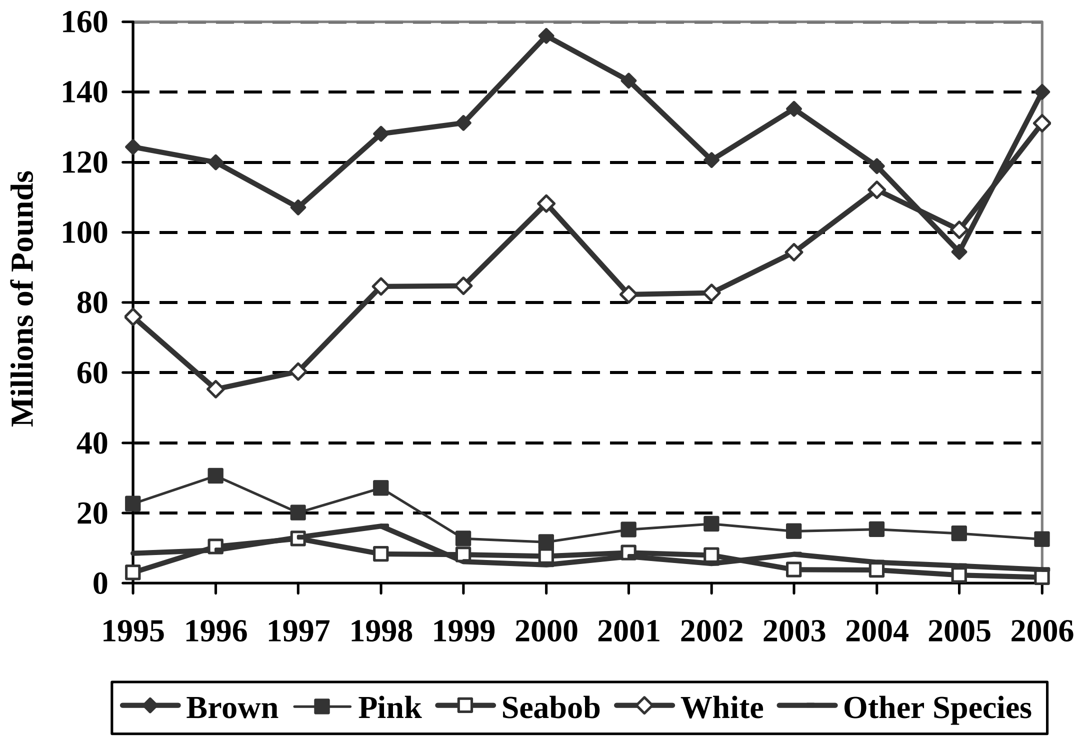
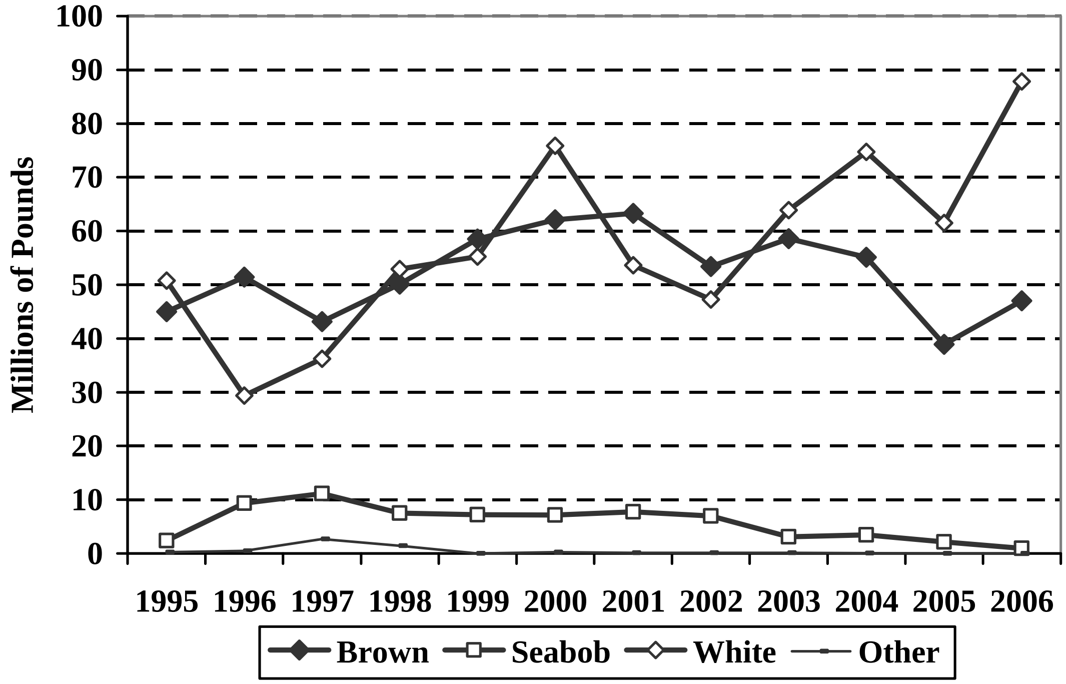


Figure 8. Volume of Shrimp Landings, Louisiana, by Species: 1995 - 2006



The real dockside value of shrimp landings in the Gulf of Mexico (Figure 9), using 2000 as a base year, has declined from $661.6 million in 2000 to $343.3 million in 2006. The decline in dockside values has followed the downward trend for dockside prices illustrated in Figure 3.

The trend within individual states, especially Louisiana and Texas, the largest producers, has followed the Gulf-wide downward trend since 2000 (Figure 10). Texas, which has most often been second in the Gulf of Mexico in terms of the volume of landings, has most frequently been the leading state in terms of the dockside vaule of landings.

Figure 9. Real Dockside Value of Shrimp Landings (in Constant Dollars), Gulf of Mexico Region: 1995 - 2006

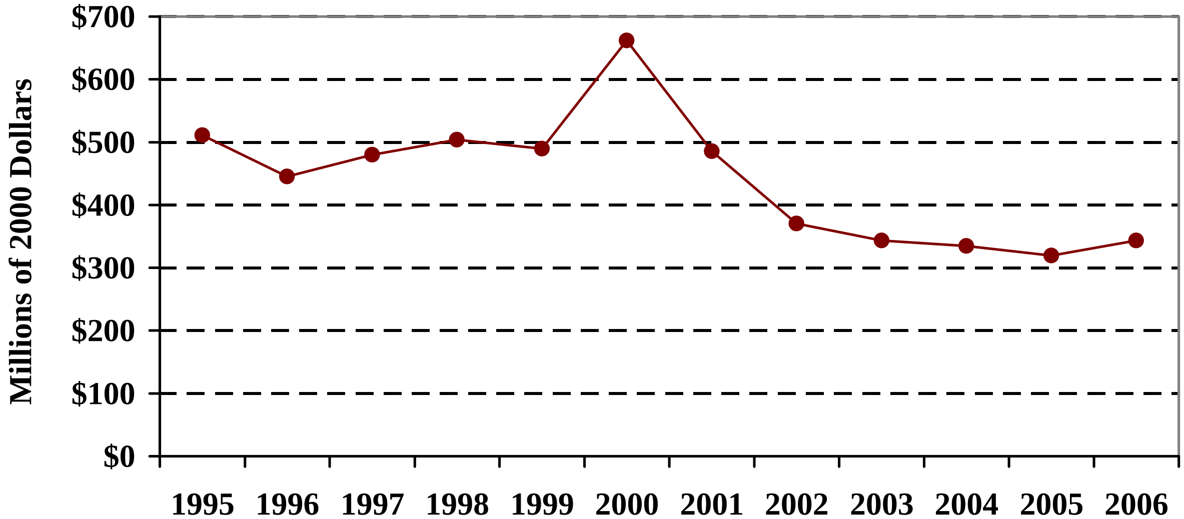
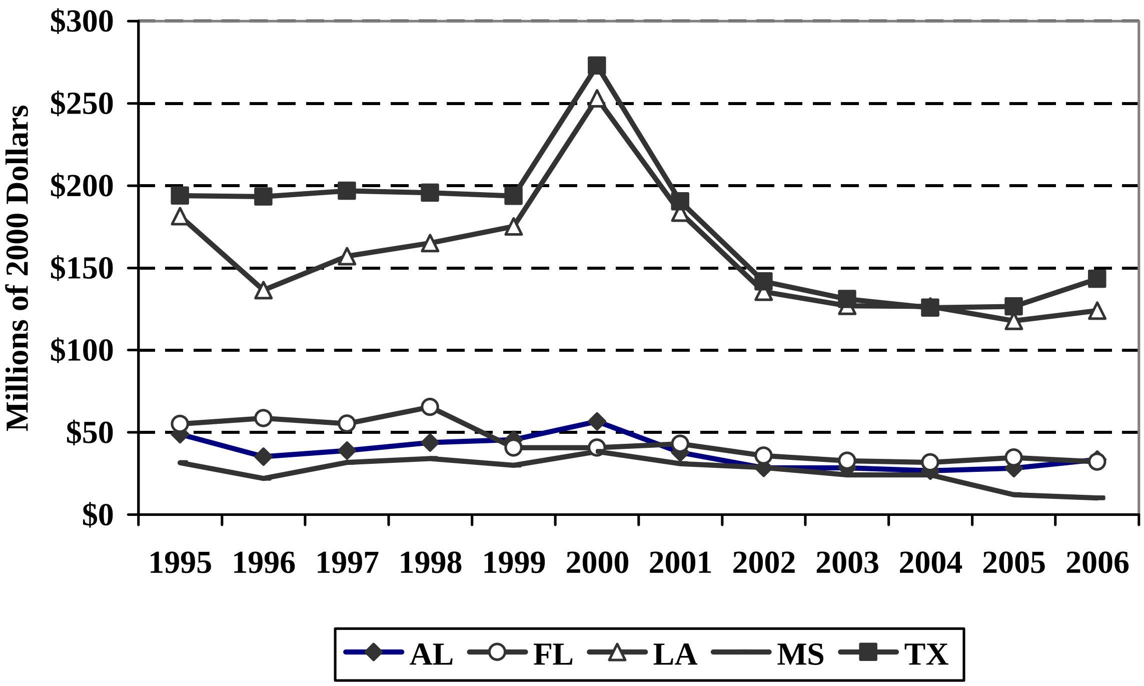


Figure 10. Real Dockside Value of Shrimp Landings, Gulf of Mexico Region, by State: 1995 - 2006

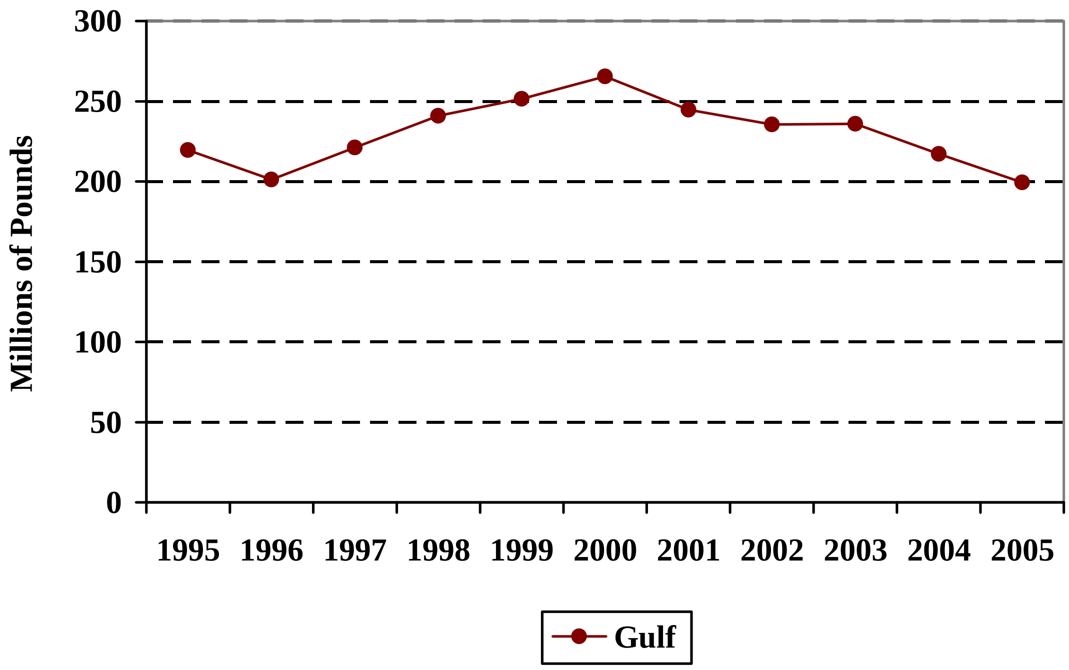


Annual Shrimp Processing in the Gulf of Mexico[4]

According to the NMFS annual survey of seafood processors, the reported volume of shrimp products processed in the Gulf of Mexico declined from 265.4 million pounds of processed output in 2000 to 199.4 million pounds in 2005, the latest year for which data are available (Figure 11). (The recent downward trend reversed the upward trend observed between 1996 to 2000.)

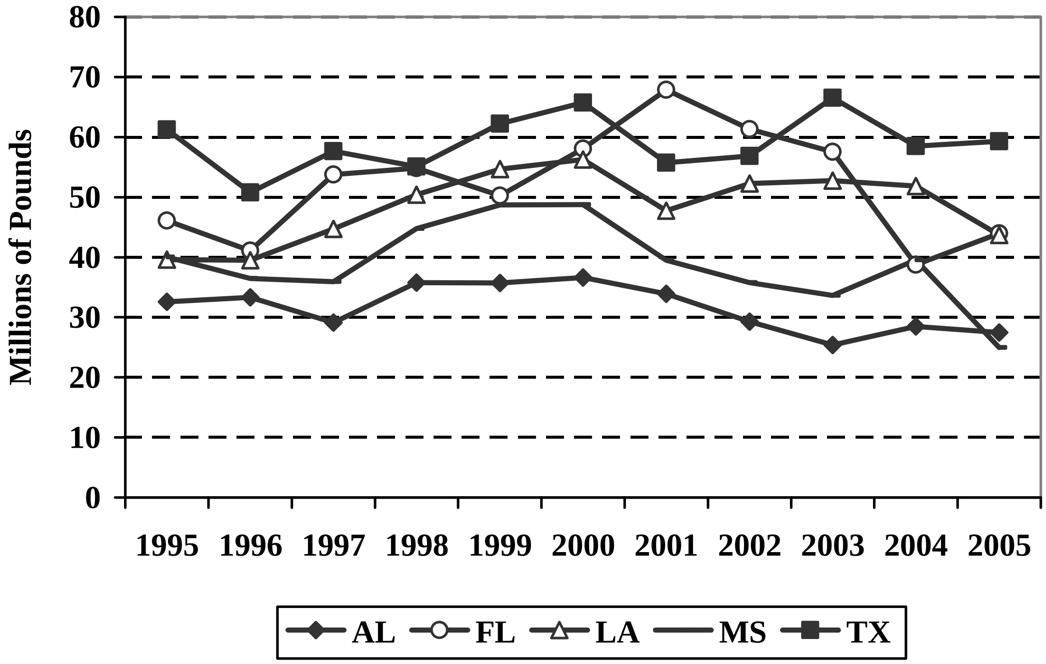
In 2005, Texas had the largest volume of processed shrimp output (59.3 million pounds) (Figure 12). Florida and Louisiana followed with 43.9 million pounds and 43.7 million pounds, respectively, of processed shrimp products. In 2000, when Gulf-wide shrimp processing reached its ten-year peak, shrimp processing equaled 65.7 million pounds in Texas, 58.1 million pounds in Florida, and 56.2 million pounds in Louisiana.

Figure 11. Volume of Shrimp Processing, Gulf of Mexico Region: 1995 - 2005



[4] Data source: National Marine Fisheries Service, Fisheries Statistics Division, Annual Processed Products Survey.

Figure 12. Volume of Processed Shrimp (Million Pounds), Gulf of Mexico Region, by State: 1995 - 2005



The real value of processed shrimp product output in the Gulf of Mexico (Figure 13) followed a trend very similar to the trend for shrimp product volume, rising from $767.4 million in 1996 to $974.5 million in 2000 and declining markedly to $487.2 million in 2005. For each of the individual states in the Gulf of Mexico (Figure 14), the real value of processed shrimp products has generally declined since 2001. In Louisiana, the real value of processed shrimp output fell from $242.7 million in 2001 to $118.3 million in 2005.

Figure 13. Real Value of Processed Shrimp, Gulf of Mexico Region: 1995 - 2005

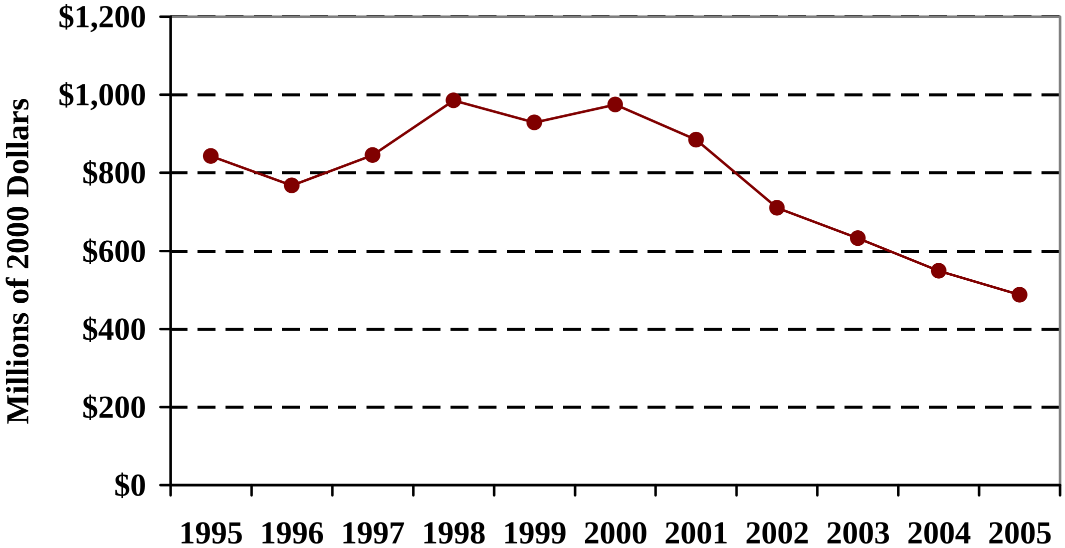
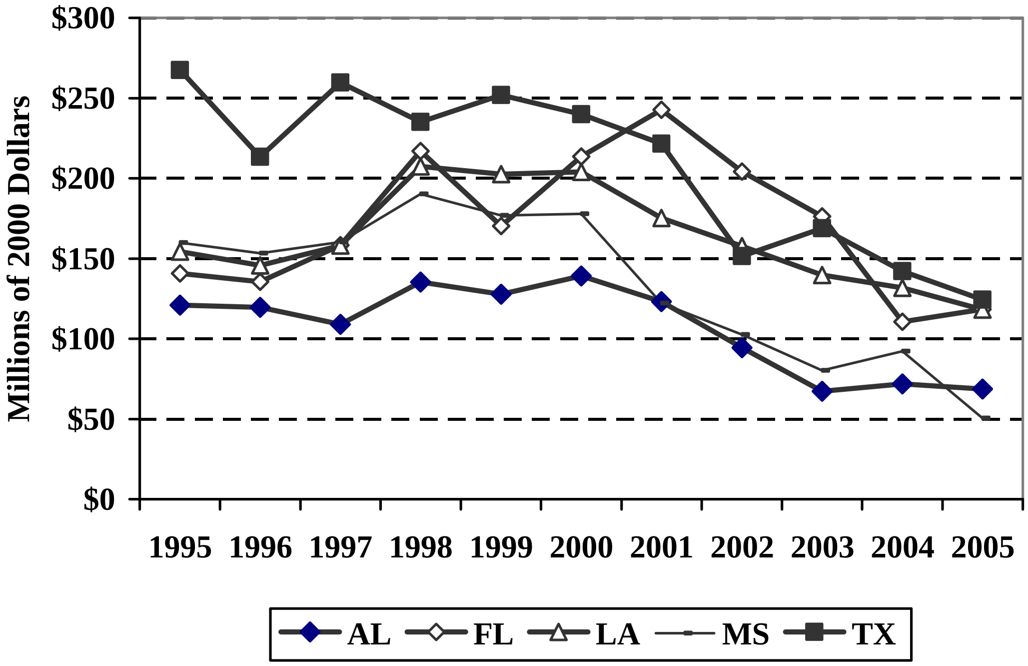


Figure 14. Real Value of Processed Shrimp, Gulf of Mexico Region, by State: 1995 - 2005



Shrimp Products Produced in the Gulf of Mexico in 2005 [4]

In 2005, the latest year for which data are available, the seafood processors in the Gulf of Mexico produced several different shrimp products. The most common shrimp product, by volume (Figure 15), was (raw) peeled shrimp meat (approximately 67.3 million pounds). There were 27 firms producing peeled shrimp meat: three in Alabama, 10 in Mississippi, 11 in Louisiana, and three in Texas. Most of the peeled shrimp meat was frozen. Only two firms reports producing fresh peeled shrimp meat.

The shrimp product with the largest total value (sales) in 2005 was heads-off shrimp (also called “headless” or “tails”): $163.9 million (in 2000 dollars). Thirty-nine (39) firms reported producing shrimp in this product category: eight in Alabama, five in Florida, 14 in Louisiana, five in Mississippi, and seven in Texas. Most of the headless shrimp produced in the Gulf of Mexico in 2005 was frozen. Only three forms reported sales of fresh heads-off shrimp.

The majority of breaded shrimp, by sales and by volume, were produced in Florida. Florida is home to half of the eight firms that produced this product in the Gulf of Mexico. One was in Alabama; one in Louisiana; and two in Texas.

Figure 15. Volume of Shrimp Products Produced in Gulf of Mexico, by Product: 2005

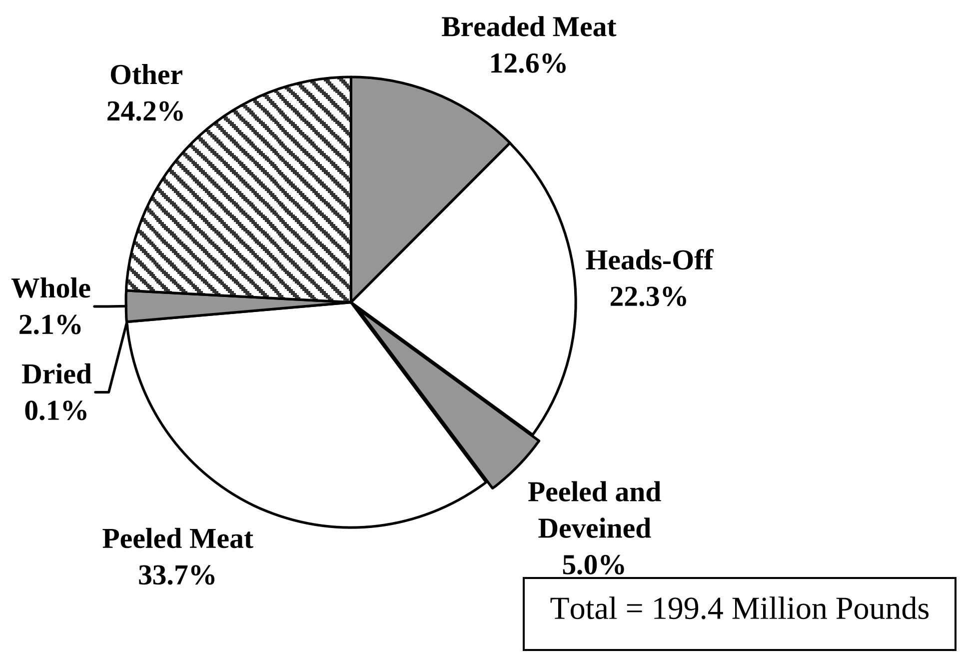
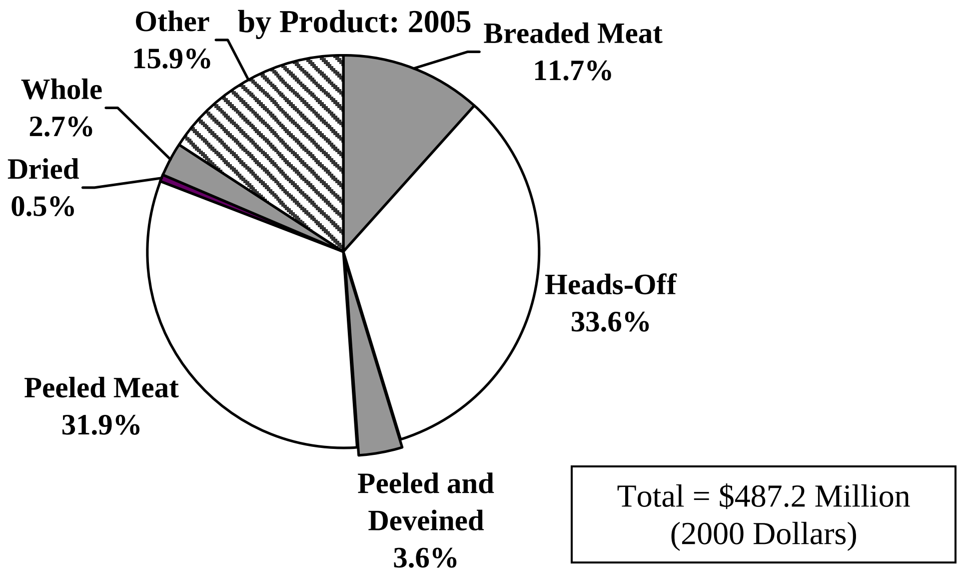


Figure 16. Value of Shrimp Products Produced in Gulf of Mexico, by Product: 2005



Most of the peeled and deveined (P&D) shrimp produced in the Gulf of Mexico (by sales and by volume) was processed by two firms in Alabama. Two firms in Florida and two in Texas also produced peeled and deveined shrimp.

Most of the whole shrimp (by sales and by volume) produced in the Gulf of Mexico was processed in Florida. Florida was home to four firms in this product category. Another two were in Alabama.

All of the six shrimp producing dried shrimp were located in Louisiana.

Other shrimp products produced by Gulf of Mexico firms in 2005 were canned shrimp, frozen batter dipped shrimp, stuffed breaded shrimp, marinated shrimp, shrimp meal, and peeled cooked shrimp meat. In all, 13 firms reported producing at least one of these products. (Since none of these other shrimp products individually had five or more firms reporting output statistics, the sales and volume statistics for these items are presented collectively to protect the reporting firms' privacy.)

Shrimp Products Produced in Louisiana in 2005 [4]

In Louisiana in 2005, peeled shrimp meat had the largest volume (Figure 17) and sales (Figure 18). Heads-off shrimp ("tails") were the second in terms of volume and sales. A small fraction of sales and volume were made up by dried shrimp and other shrimp products, including shrimp meal, breaded shrimp meat, and peeled cooked shrimp meat.

Figure 17. Volume of Shrimp Products Produced in Louisiana, by Product: 2005

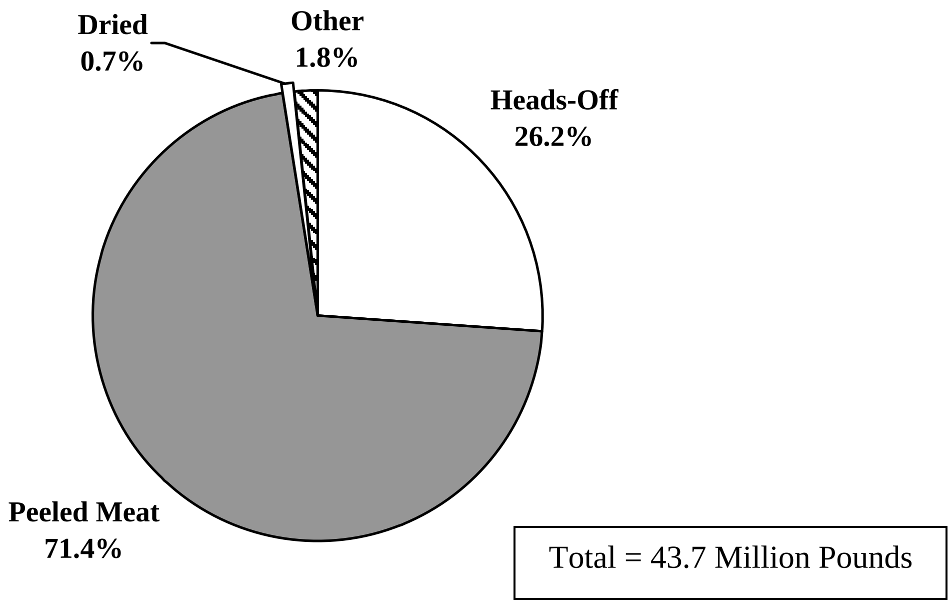
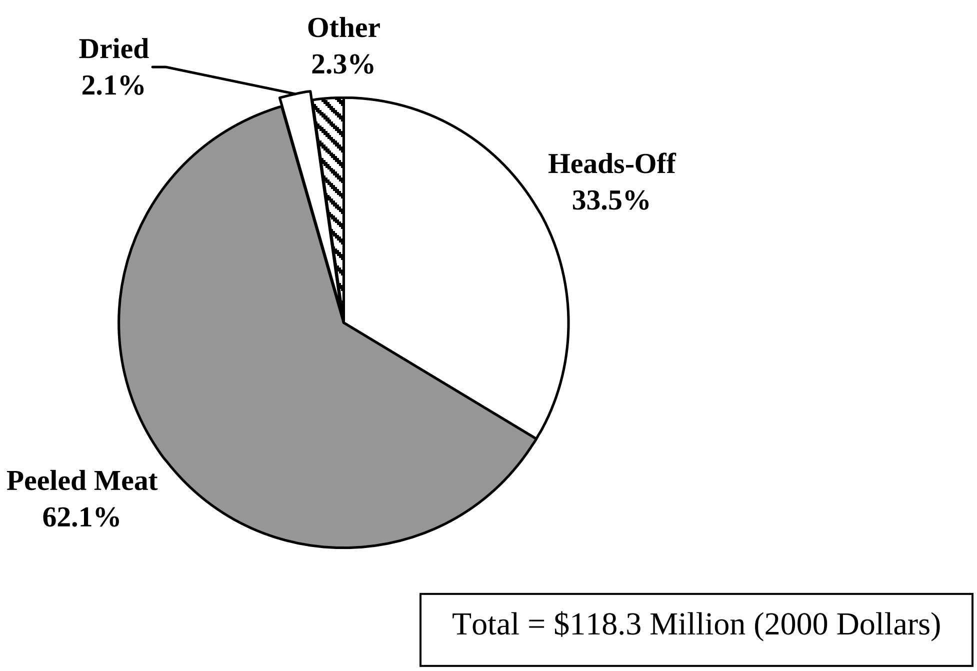


Figure 18. Value of Shrimp Products Produced in Louisiana, by Product: 2005



Shrimp Dealer License Survey

In December 2006, a sample of wholesale/retail dealers and fresh product license holders were drawn from the population of resident seafood license holders who reported one or more shrimp transaction(s) on a trip ticket form between January and November, 2006. The Louisiana Department of Wildlife and Fisheries requires any resident who purchases seafood products from commercial harvesters to have a Class 53 (a business license) or Class 54 (a vehicle license) wholesale/retail dealer license and must report each purchased transaction on a trip ticket. In addition, resident commercial harvesters who wish to sell their catch directly to the public must have a Class H7 fresh products license and must report their sales on a trip ticket form. The population of resident shrimp dealers in Louisiana, who reported shrimp purchases and sales on a trip ticket between January and November, 2006, was 465 dealers.

Reported purchases of shrimp within this population are heavily skewed. In other words, the population contains a large number of license holders who purchase small quantities of shrimp and a small number of license holders who purchase a large quantity of shrimp. More than half of the total quantity of shrimp (51.2 percent) was purchased by the thirteen largest dealers.

Dealers in this population were divided into three classes based on their reported purchases: large dealers (those who reported purchases more than one million pounds of shrimp); intermediate dealers (those who reported purchases between 100,000 pounds and one million pounds of shrimp); and small dealers (those who reported purchases less than 100,000 pounds of shrimp). The thirty-seven dealers in the large dealer category collectively purchased 86.8 percent of the reported shrimp purchases in 2006. The 28 dealers in the intermediate dealer category collectively accounted for 11.2 percent of the reported shrimp purchases. The remaining 399 dealers (in the small dealer category) reported purchases amounting to two percent of all the shrimp purchased by the population of shrimp dealers in 2006.

To account for the diversity of shrimp dealers and still discern the disposition of the majority of shrimp handled by shrimp dealers, a sample was drawn from the three classes of dealers: 37 from the large dealer category, 19 from the intermediate dealer category, and 19 from the small dealer category. The researchers intended to contact and interview at least 50 dealers.

Researchers in the Louisiana Department of Wildlife and Fisheries Socioeconomic Research and Development Section and marine Fisheries Division developed a questionnaire to learn what forms of shrimp dealers purchased, when and where they purchased it, and what forms of shrimp they sold and when and to whom they sold it. The questionnaire also contained a number of questions designed to obtain dealers' awareness of and perspective on various marketing and development efforts of the Louisiana Seafood Promotion and Marketing Board, the Wild American Shrimp Incorporated organization, and other entities.

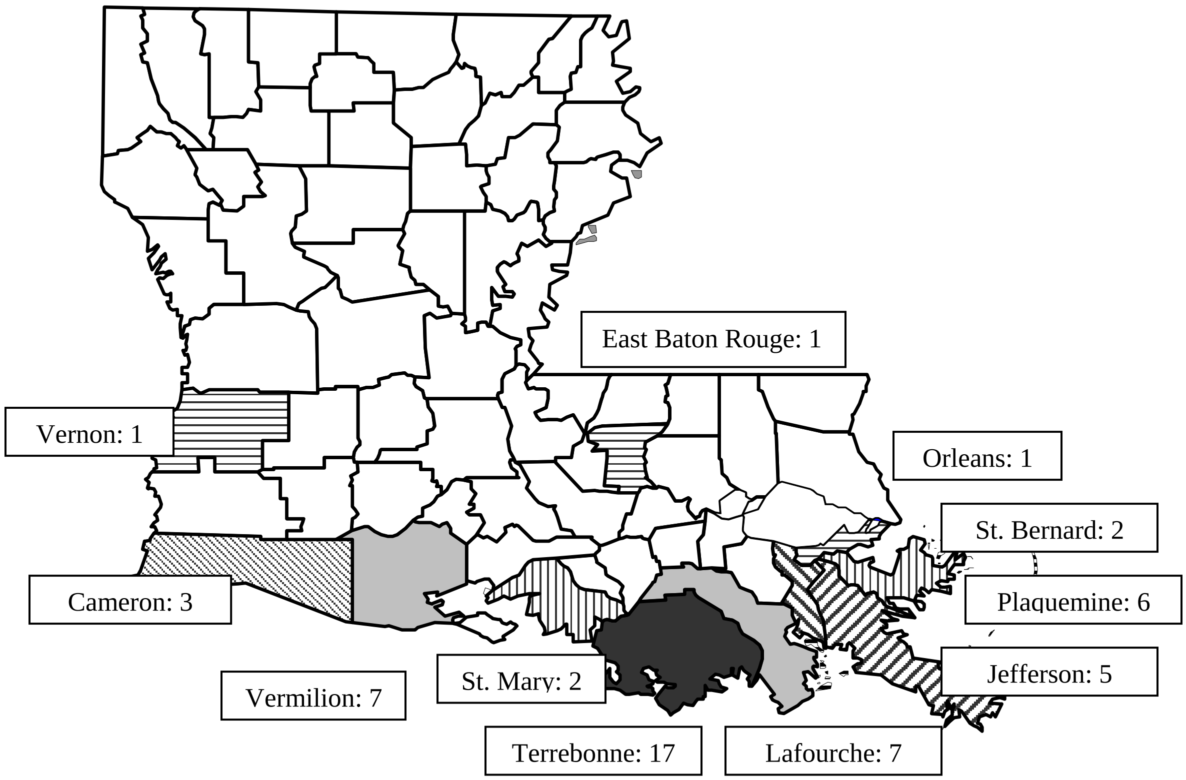
A representative from the Louisiana Department of Wildlife and Fisheries visited willing participants and spend approximately one hour interviewing each subject. Survey participants were offered a $200 stipend in compensation for the time they dedicated to the survey.

Interviewers contacted and interviewed 52 of the 75 dealers in the sample. Of those people who did not participate in the survey process, only five explicitly refused to participate. (Two of those who refused to participate indicated that they had recently left that sector of the seafood industry.) The remaining dealers in the sample who did not participate could not to be contacted because of incorrect telephone numbers, disconnected telephones, and other factors.

Interviews were conducted with shrimp dealer license holders in eleven parishes throughout southern Louisiana. Figure 19 displays the parishes in which survey respondents were contacted and interviewed. Terrebonne Parish contained more survey participants (17) than any other single parish.

Most of the survey respondents reported having only one shrimp-handling facility, a permanent or semi-permanent structure intended for or used in the handling of shrimp or shrimp products. Four reported owning two facilities and two reported having three facilities. Three of the six respondents who owned multiple shrimp-handling facilities had all of their facilities located in one parish. Two owned facilities in two separate parishes. One respondent owned a shrimp-handling facility in Mississippi in addition to one located in Louisiana.

Figure 19. Parishes in Which Survey Participants Were Interviewed



Value and Volume of Dockside Purchases

Total dockside seafood product purchases from fishermen by survey respondents amounted to 122.5 million pounds in 2006 with a total value of $135.3 million ($121.5 million in 2000 dollars). The average annual volume of all seafood products purchased by survey respondents was 2.4 million pounds per respondent. The median volume was 1.5 million pounds. The average and median value of all seafood products purchased by respondents in 2006 was $2.65 million per respondent ($2.38 million in 2000 dollars) and $1.38 million per respondent ($1.24 million in 2000 dollars), respectively.

Total dockside purchases of shrimp from shrimpers by survey respondents in 2006 equaled 114.3 million pounds with a total value of $123.9 million ($111.3 in 2000 dollars). The average volume of dockside shrimp purchases 2.24 million pounds and the median volume was 1.33 million pounds. The average value of dockside shrimp purchases was $2.43 million per respondent ($2.18 million in 2000 dollars). The median value was $1.18 million per respondent ($1.06 in 2000 dollars).

Physical Plant and Facility Value

To assess the relative value of the shrimp dealers' physical plant or facilities, respondents were asked to identify the approximate replacement value of businesses. Forty-nine respondents were able to provide an estimate in response to this question. Replacement values ranged from a low of $3,000 to a high of $15,000,000. Omitting two respondents who included the value of land in their calculations, the average replacement value of the shrimp-handling facilities was $1.48 million; the estimated median replacement value was $600 thousand.

Years in Business

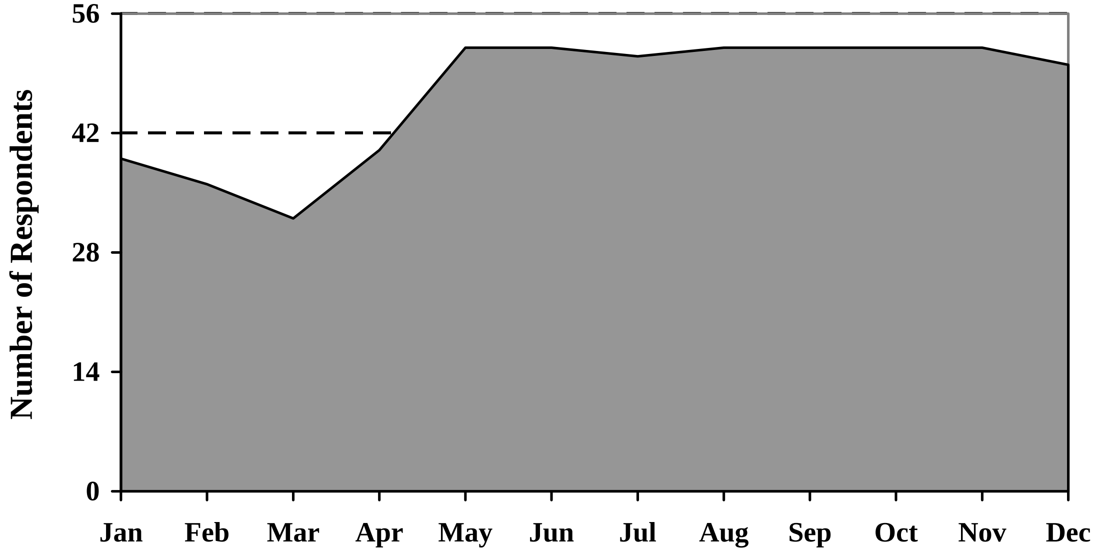
Survey respondents were asked how many years their current business had been involved in the Louisiana shrimp industry. The average longevity among the businesses examined in this survey was 24.8 years. The median longevity was 20.5 years.

Months of Operation

Thirty-two respondents operated their shrimp business twelve months per year. Three others operated their businesses for eleven months, each closing during March. Others operated their shrimp businesses from April or May through November or December. All respondents reported that their shrimp-handling enterprises were open in May, June, and August through November (Figure 20). All, except one or two, were open in July and December. The number of respondents who operated during the off-season months dropped to 39 in January, 36 in February, and 32 in March. The number open in April, the month proceeding the usual expected May shrimp season opening, reached 40.

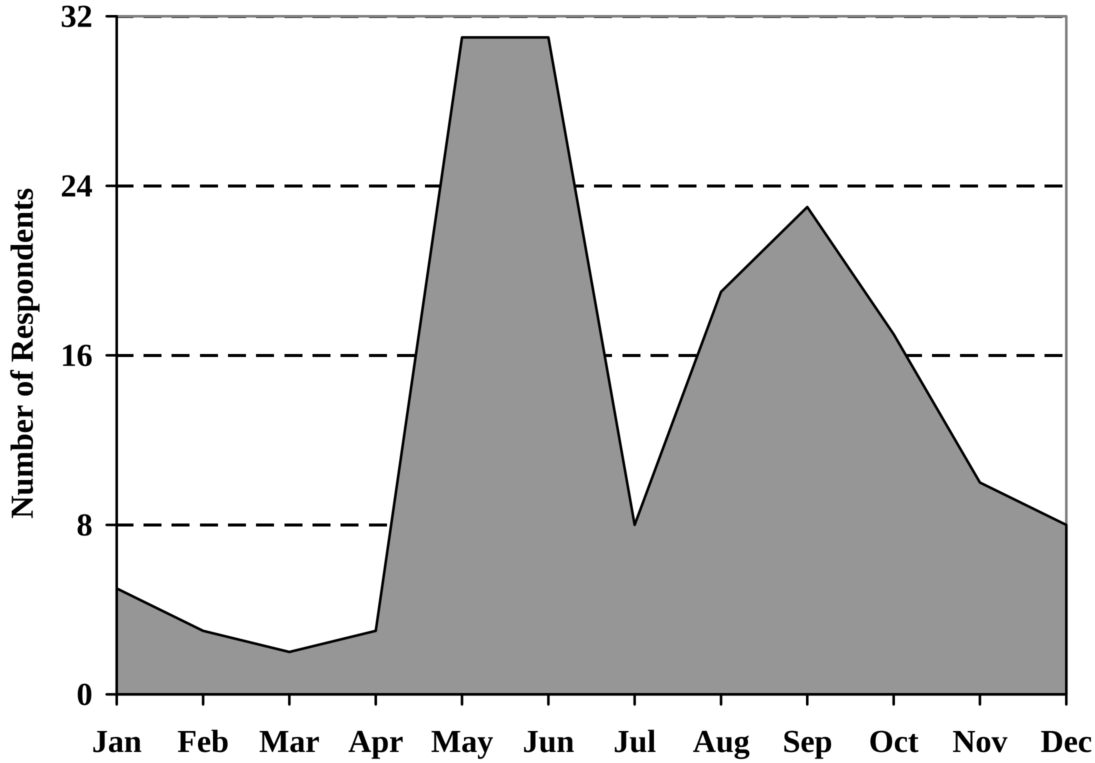
Dealers were asked in what month their businesses experienced their highest or "peak" shrimp sales. Fifty-one of the fifty-two respondents provided some kind of an answer in response to this question, but only twelve provided a single month as requested. Three respondents said their shrimp sales were at their highest in June. Four said they peaked in June; two in September; and one each in January, September, and October. Many respondents (23) identified pairs of months in which their shrimp sales peaked: December and January (11 respondents); May and June (7 respondents); June and July (2 respondents); May and August (2 respondents); and October and November (1 respondent).

Figure 20. Months in Which Respondents' Shrimp-Handling Enterprises Operate



The peak sales periods report by the remaining respondents ranged in length from three to five months. To examine the timing of peak sales among survey respondents, the authors of this study counted the number of times each month was identified as being the month of peak sales or within the period of peak sales for those who mentioned more than one month (Figure 21). (For one respondent who said shrimp sales peaked in "Lent", peak months were identified as February, March, and April. For the respondent whose shrimp sales peaked in "winter", peak months were coded as December, January, and February.) The most common months for peak shrimp sales among respondents occurred in May and June (31 respondents each), the period usually coinciding with in-shore brown shrimp season. The second most common month for peak sales is September (23 respondents), which falls in the in-shore white shrimp season.

Figure 21. Months in Which Respondents' Shrimp Sales Peaked

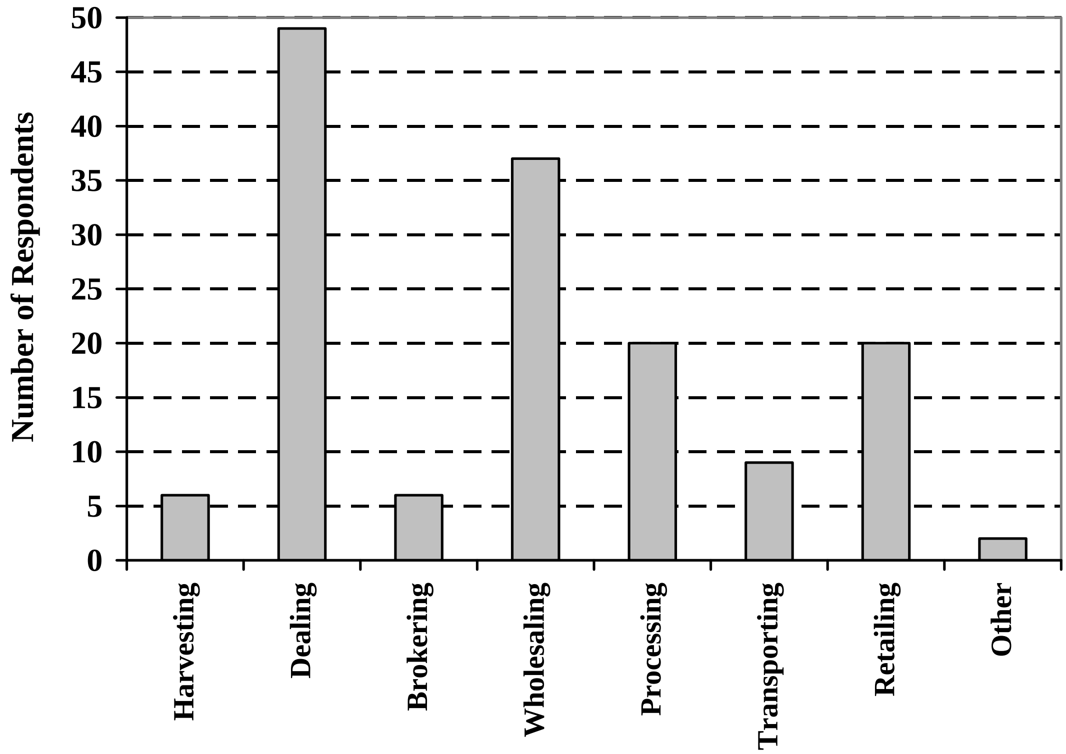


Dealers' Marketing and Production Activities

The Louisiana shrimp industry consists of businesses involved in a diverse array of marketing and production activities, from physically harvesting shrimp on boats to selling the shrimp to retail customers in shops and restaurants. The population from which this sample was drawn, businesses and individuals holding shrimp dealer's licenses, contains some firms and individuals that may perform marketing functions beyond buying and dealing shrimp from shrimpers. Thus, respondents were asked to identify the types of marketing and production activities they performed (Figure 22).

Forty-nine considered themselves to be dealers and 37 identified themselves as wholesalers. Thirty-five considered themselves both dealers and wholesalers, two roles that, for many respondents, may not have been clearly distinguished.

Figure 22. Respondents' Shrimp-Handling Activities



Less than half of the respondents were found to be involved in the processing of shrimp. Six respondents were directly involved in shrimp harvesting. Six identified themselves as brokers. Two respondents claimed to perform "other" activities. (One of these was a distributorship. The other claimed that one of his business' activities was "selling ice.")

Twenty respondents sold shrimp directly to the public ("retailing"). A large number of these respondents, however, reported that their retail sales were only a small portion of their total business. Some of these commented that their businesses were not set up to deal with large numbers of people buying small amounts of retail shrimp. They sold shrimp incidentally to friends, family members, or occasional passers-by.

Most respondents identified more than one shrimp-related activity in which their business participated. The average number of marketing-related activities per respondent was 2.81 different tasks or marketing and production related activities.

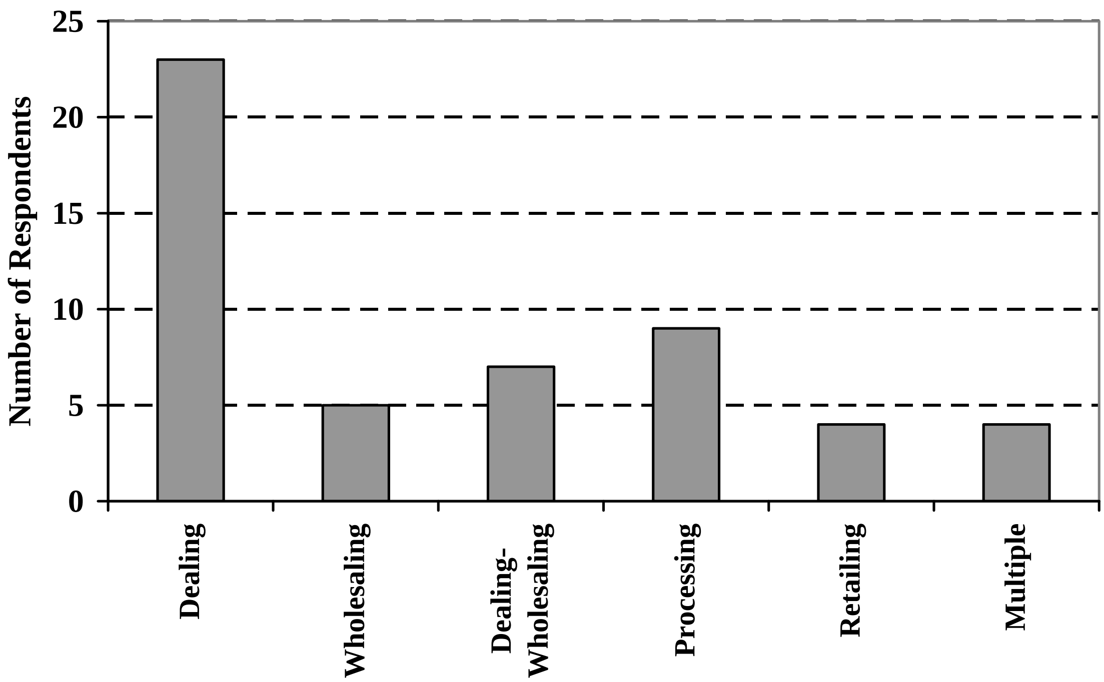
Respondents were asked to identify their firm's main activity in the shrimp industry (Figure 23). Twenty-three said the main activity was solely that of a buyer or dealer. Five said their main activity was being a wholesaler and seven said their main activity was a combination of dealer-wholesaler. Nine respondents identified their main activity as being a processor. Four claimed their main activity was retailing.

Four respondents could not isolate a single task but identified their business' main activity as a combination of two or more activities: dealer-retailer; dealer-wholesaler-retailer; dealer-wholesaler-transporter-processor; and harvester-dealer-wholesaler-processor-retailer.

Number of Employees

The 52 shrimp handling enterprises that took part in this survey employ a total of 856 employees (including the respondents themselves) during the shrimp season. The largest employer among respondents hired 125 people during the season. (The three smallest employers each had only one employee, the respondents themselves, during the season.) The average number of in-season employees among respondents was 16.5; the median number was seven employees.

Figure 23. Respondents' Self-Identified Main Activities



During the off-season, respondents employed a total of 374 people. The largest employer hired 48 people during the off-season. Ten respondents had only one employee (themselves) when not in the shrimp season. The average number of off-season employees among respondents was 7.2; the median number was 4 employees.

Species of Shrimp Purchased

Respondents were asked to identify which species of shrimp they purchased in 2006 (brown shrimp, white shrimp, seabob, pink, roughneck, and royal reds) (Figure 24) and the percentage of total shrimp purchases each species comprised. All 52 respondents reported buying both brown and white shrimp. Figure 25 displays the portion of shrimp purchases of brown, white, and "other" shrimp (placed in order by the percentage of white shrimp each firm purchased). For the average respondent, white shrimp comprised 60.5 percent of total shrimp purchases and brown shrimp 39.8 percent.

Ten respondents reported handling seabob. Eight of the ten said seabob accounted for less than one percent of their total shrimp purchases. One respondent claimed the species totaled three percent and another said it accounted for five percent of total shrimp purchases.

Figure 24. Species of Shrimp Bought by Respondents: 2006

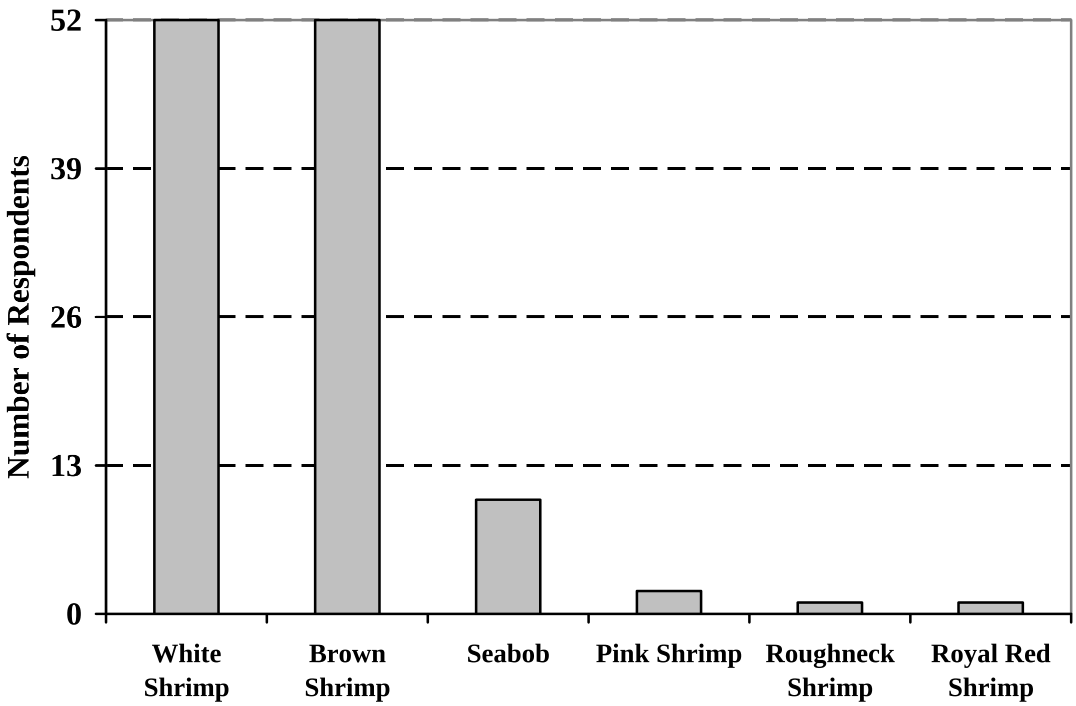
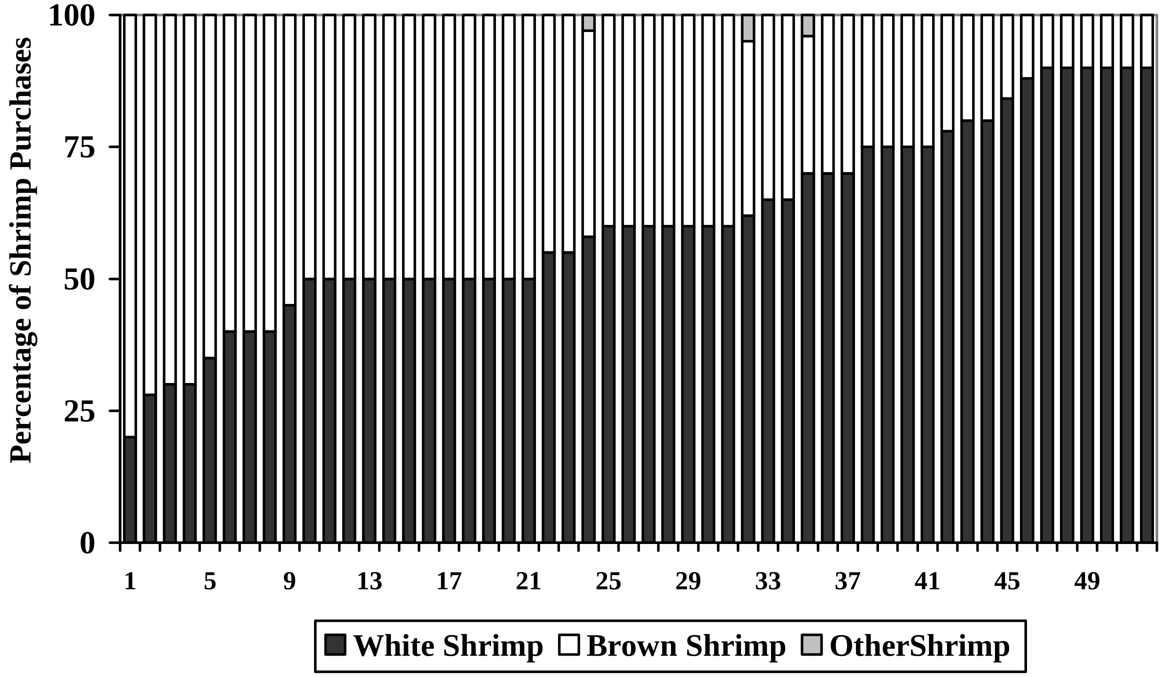


Figure 25. Percentage of Respondents' Shrimp Purchases by Species



One respondent reported handling a small quantity of pink shrimp. One claimed to have handled a small portion of roughneck shrimp. The majority of respondents (28) handled other seafood products in addition to shrimp (Figure 26). Of these, most (23) handled some species of finfish. Relatively small numbers of respondents reported handling other seafood, including oysters (9), crabs (10), and crawfish (6). Four reported selling “other” seafood products identified as basa filets, frogs, gumbos and other consumer products, and cooking supplies (flour, oil, seasoning, *etc*.). Figure 27 shows the percentage of total seafood sales comprised by non-shrimp seafood products, ordered from the lowest to the highest, among the 28 respondents who reported handling a seafood product other than shrimp. For these respondents, non-shrimp seafood species comprised, on average, 23.7 percent of their total sales.

Shrimp dealers have different sources from which to obtain shrimp: directly from shrimpers, from other wholesalers or dealers, from brokers, and from other sources (Figure 28). Fifty respondents reported acquiring shrimp directly from shrimpers. Twenty-three said they obtained at least some of their shrimp from wholesalers or dealers.

Figure 26. Additional Seafood Species Handled by Respondents

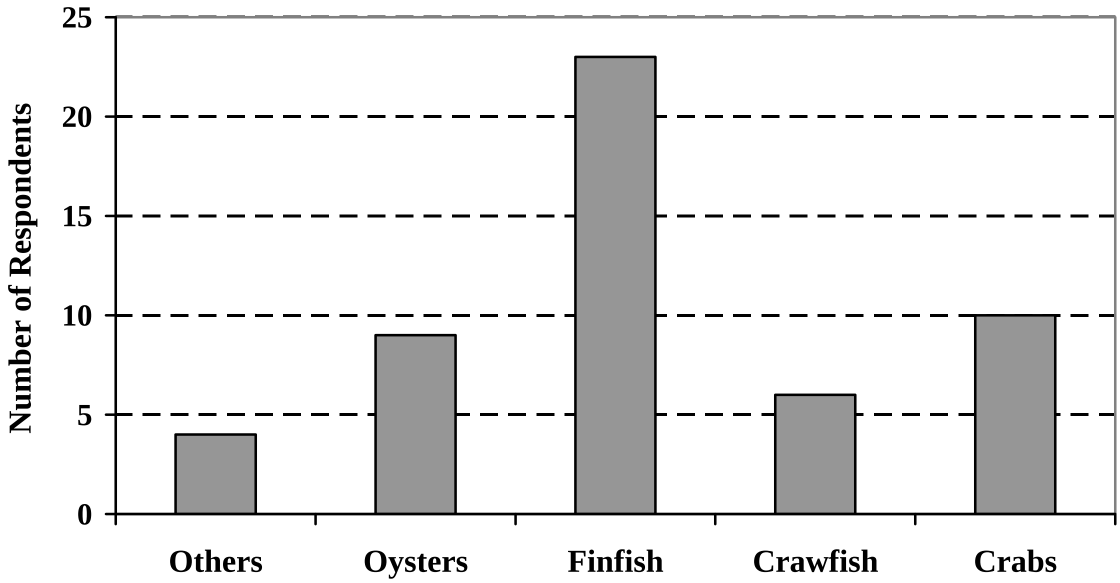
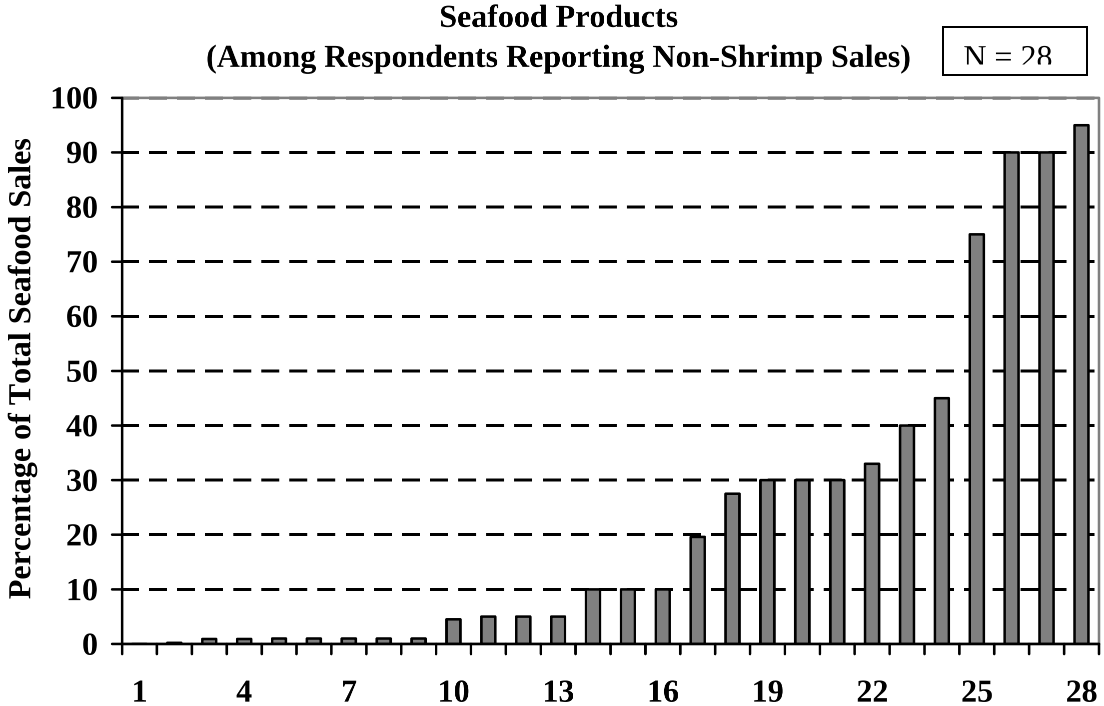


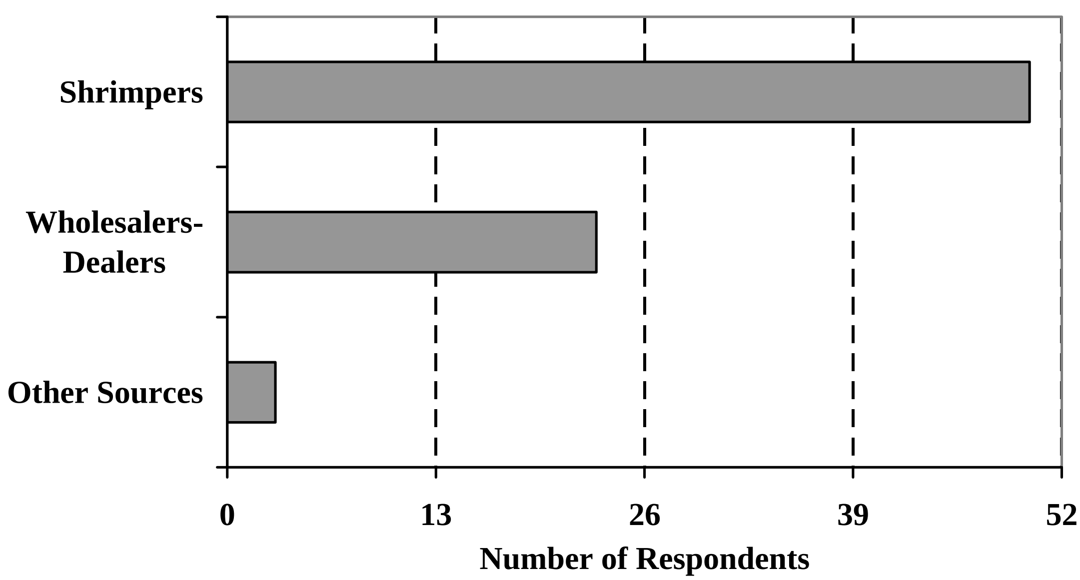
Figure 27. Percentage of Total Seafood Sales from Non-Shrimp Seafood Products (Among Respondents Reporting Non-Shrimp Sales)



Three respondents reported acquiring shrimp from “other sources”, such as buying shrimp from processors or catching it themselves. No respondents to this survey reported acquiring shrimp from brokers.

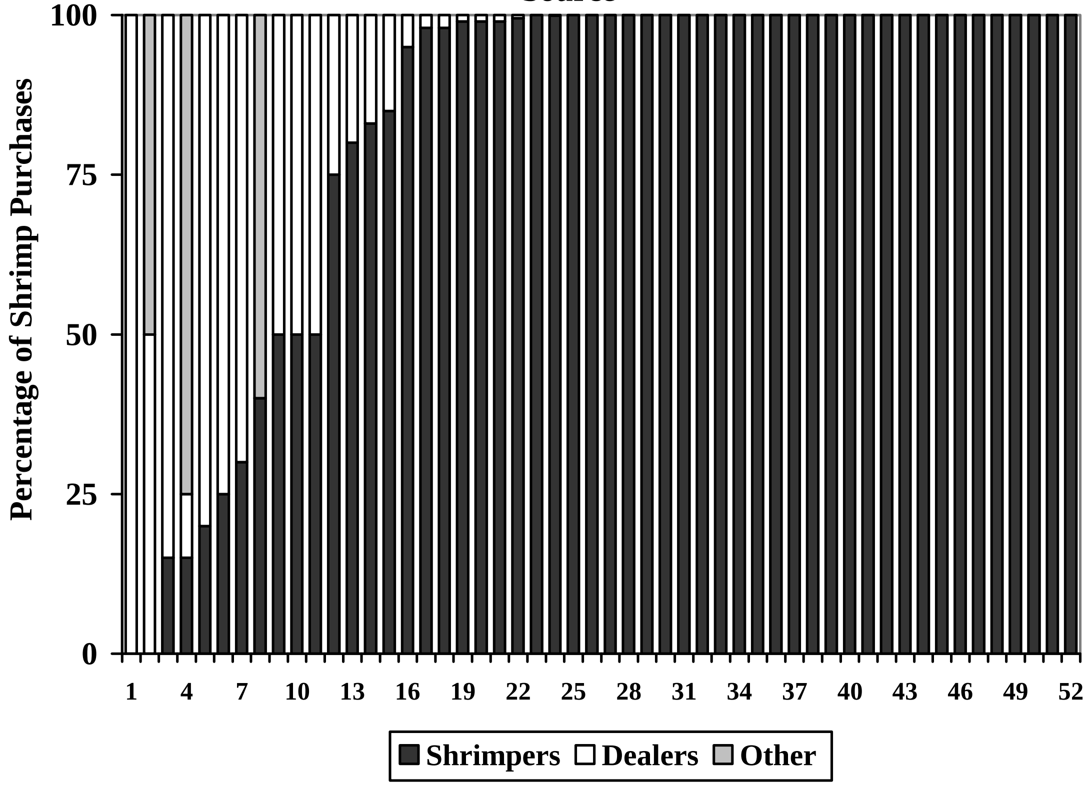
Respondents were also asked to identify which portion of their shrimp (by value) was acquired from each of the various sources (Figure 29)[5]. Those who obtained shrimp directly from shrimpers indicated that this source accounted for an average of 84.3 percent of the value of the shrimp they purchased. Twenty-eight said that all of their shrimp (100%) came from shrimpers. Another said that 95 to 99.9 percent of all their shrimp came directly from shrimpers.

Figure 28. Sources of Shrimp Utilized by Respondents



[5] The percentages of shrimp acquired from “other sources” will not be discussed in detail in this report since there are only three respondents within this category. The authors prefer to withhold details of activities for any category or group with fewer than five respondents.

Figure 29. Percentage of Repondents' Shrimp Purchases by Source

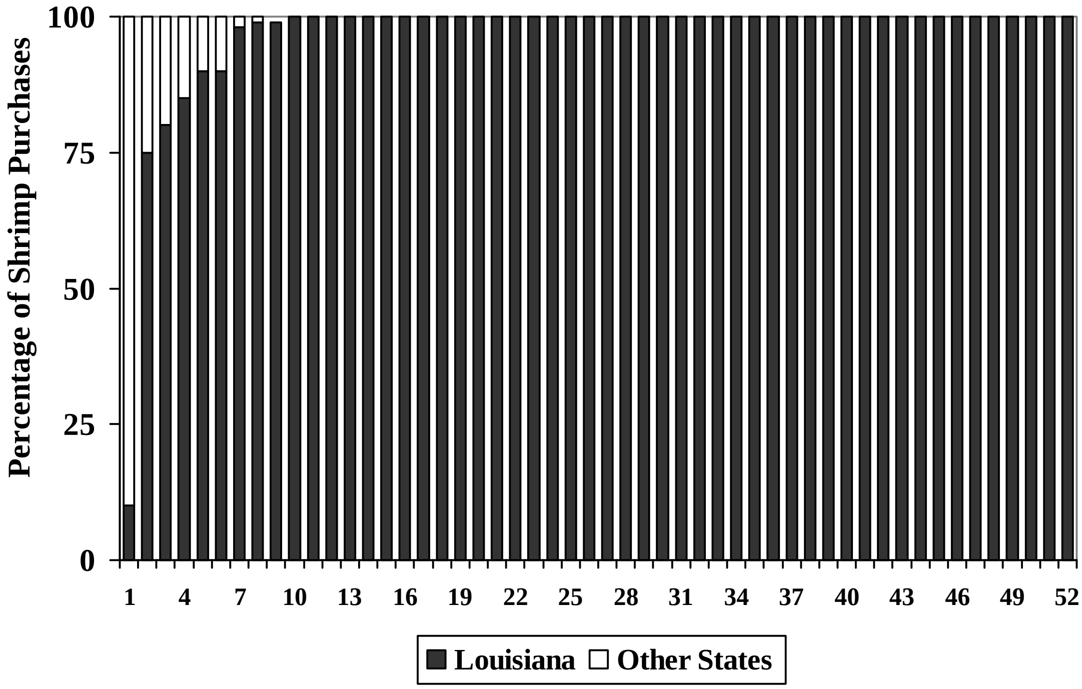


Twenty-three (23) respondents obtained at least some of their shrimp from wholesalers or dealers. The average portion of their total shrimp acquisitions that they obtained from dealers was 30.9 percent. Nine of these 23 obtained only small portions of their shrimp from dealers (0.1% to 5%), often only to fill occasional shortfalls in orders or for some other purpose.

The vast majority of the respondents obtained all or most of their shrimp (an average of 96.7 percent) from Louisiana sources although it is possible that some of the shrimp were harvested by Louisiana shrimpers in waters of other states (Figure 30). Forty-three of the 52 respondents acquired 100 percent of their shrimp from Louisiana sources.

Eight reported buying shrimp from states other than Louisiana: Alabama (5), Mississippi (2), Georgia (1), and Texas (4). Of these eight, the average portion of total shrimp purchases that came from sources in other states was 21.6 percent, with a low of one percent (1%) and a high of ninety percent (90%). Only one respondent reported importing shrimp from outside the United States. (This was a relatively small portion.)

Figure 30. Percentage of Respondents' Shrimp Purchases from Louisiana and Other States



The most common shrimp forms purchased by survey respondents (Figure 31) were "fresh iced heads-on shrimp" and "fresh iced heads-off shrimp (tails)." Fifty purchased fresh iced heads-on shrimp and 43 purchased fresh-iced tails. Thirty respondents bought individually quick-frozen (IQF) shrimp. Eleven bought shrimp in brine-frozen bags. Four bought tails frozen in blocks and seven bought peeled shrimp frozen in blocks. Five purchased shrimp in shatter packs.

Relatively few (6) bought "value-added" shrimp products[6]. Three respondents (two processors and one retailer) bought peeled-and-deveined (P-and-D) shrimp. Three (one retailer, one processor, and one processor-distributor) bought peeled shrimp with tails on. Three (one retailer, one processor, and one dealer) bought butterflied shrimp. Two bought peeled shrimp (not deveined). One bought dried shrimp and one bought cooked shrimp. With only one exception, those who bought some form of value-added

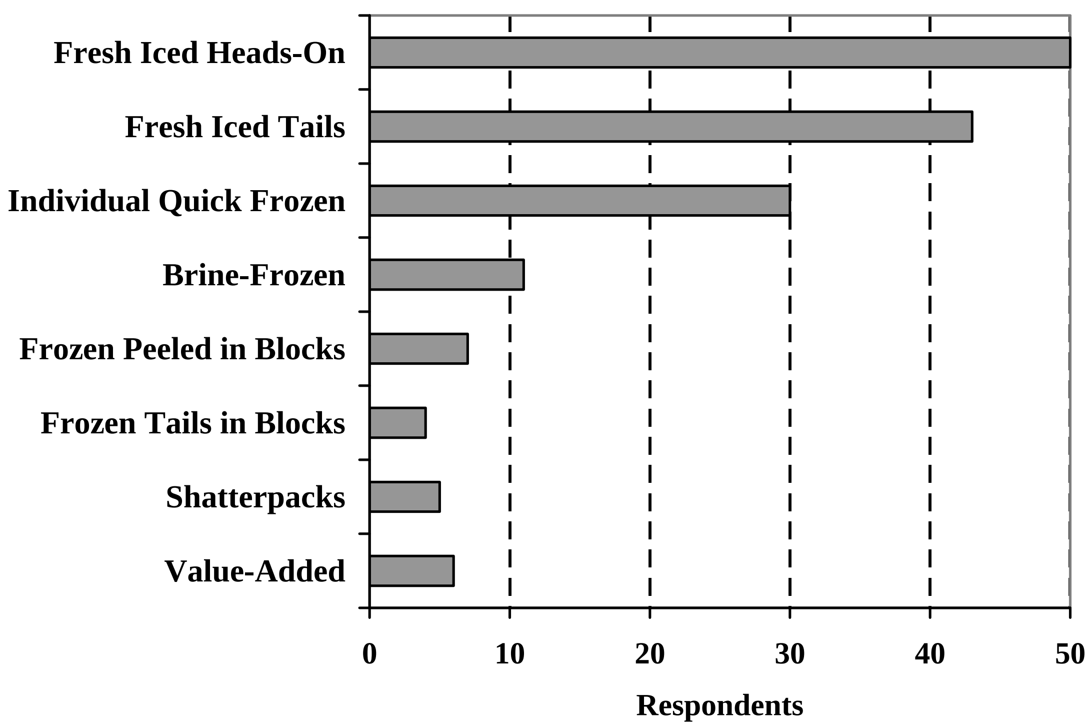
[6] "Value-added" shrimp products are generally those that have been transformed (often by relatively sophisticated processing techniques) into some form that is considered more convenient or attractive to consumers

shrimp identified their main marketing activity as something other than a dealer or wholesaler, *i.e.*, a processors, retailer, or distributor.

The respondents were asked how much shrimp they could handle in a typical month. The majority of respondents (29) were unable to provide an answer because they did not know the limit or did not believe that there was a practical limit to the amount they could handle. Twenty-three respondents did provide estimates for the maximum amount of shrimp that they could handle in a month, ranging from three thousand to 14 million pounds. Among these, the average amount they could handle in a month was 2.38 million pounds; the median was 1.44 million pounds.

In an open-ended question, respondents were asked to identify what, if anything, limits the quantity of shrimp their enterprises could handle. These qualitative responses were placed in nine subjective categories: freezing capacity, ice availability, storage capacity, drying equipment capacity, unspecified machinery availability, labor availability, factory orders or customer demand, financial limitations, and time limitations (Box 1).

Figure 31. Types of Shrimp Products Respondents Purchased



Box 1. Factors that Limit the Amount of Shrimp Respondents Can Handle

FREEZING CAPACITY

- Blast freezer limitations; labor; line of credit; profitability
- Freezing capacity
- Freezing capacity and truck transportation taking frozen product to [processing facilities]
- Freezing capacity (“Freezers can’t keep up.”)
- Capital and equipment, especially freezing capacity

ICE AVAILABILITY

- He needs an ice blower.
- Ice is a limitation. They need two more ice machines in Cameron and one in Hackberry.
- Ice was a big factor

STORAGE CAPACITY

- Storage space ([Quantity withheld] lbs. at a time)
- Storage limitations
- Storage space (Has to store product off-site at processors’.)
- Limit on space
- Space
- Unloading limits = storage, truck space.

DRYING EQUIPMENT CAPACITY

- Can dry [Quantity withheld] lb. shrimp per day (=[Quantity withheld]lb. of dried shrimp)
- Limit for drying shrimp = drying equipment … about [Quantity withheld] lb. per day

UNSPECIFIED MACHINERY LIMITATIONS

- Machinery limitations
- Machinery
- Machinery
- Machinery
- Physical capacity. “Physically it’s all we can do with 2 conveyers and 2 suction machines.
- Equipment
- Equipment
- Technology used to handle shrimp

LABOR AVAILABILITY

- Limit on labor.
- Labor
- Labor
- Labor
- Labor
- Labor
- Processing capacity, but he can hire more people if he has to.

Box 1. Factors that Limit the Amount of Shrimp Respondents Can Handle (Continued)

FACTORY ORDERS OR CUSTOMER DEMAND

- Factories needs for shrimp limit the amount of shrimp this dealer can handle.
- Factories' purchases limit how much this dealer can handle. (Factories were affected by labor shortages after the storm.)
- Factories' needs limit how much he can handle
- Sometimes processors' demands
- The only limit is the customers' demand.
- Processors' demand
- Sometimes the factories

FINANCIAL LIMITATIONS

- Sales & money
- Money

TIME LIMITATIONS

- Hours in a day
- Number of days in a week

Thirty-five (35) of the survey respondents reported having sold some form of supplies to shrimpers (Figure 32), most commonly ice and salt. By selling supplies, many dealers believe they are providing a convenient service to busy shrimpers and perhaps attracting them to their docks for future sales.

The most common form of payment for these supplies was a credit or “advance” in which shrimpers do not pay cash for supplies but have the value of supplies deducted from their payment when they bring their shrimp harvests to the dealers at the end of their trips (Figure 33). Twenty-three (23) respondents receive payment for supplies exclusively through “advances.” Another nine (9) take a combination of “advances” and cash payments. Only three (3) receive cash payments exclusively.

Figure 32. Supplies Sold by Respondents to Shrimpers

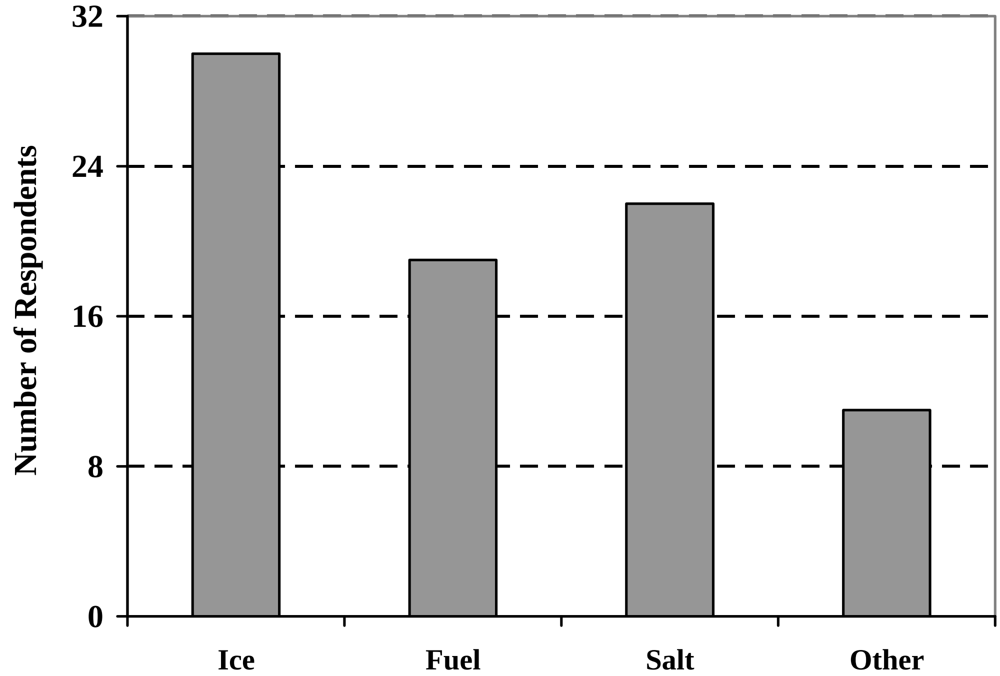
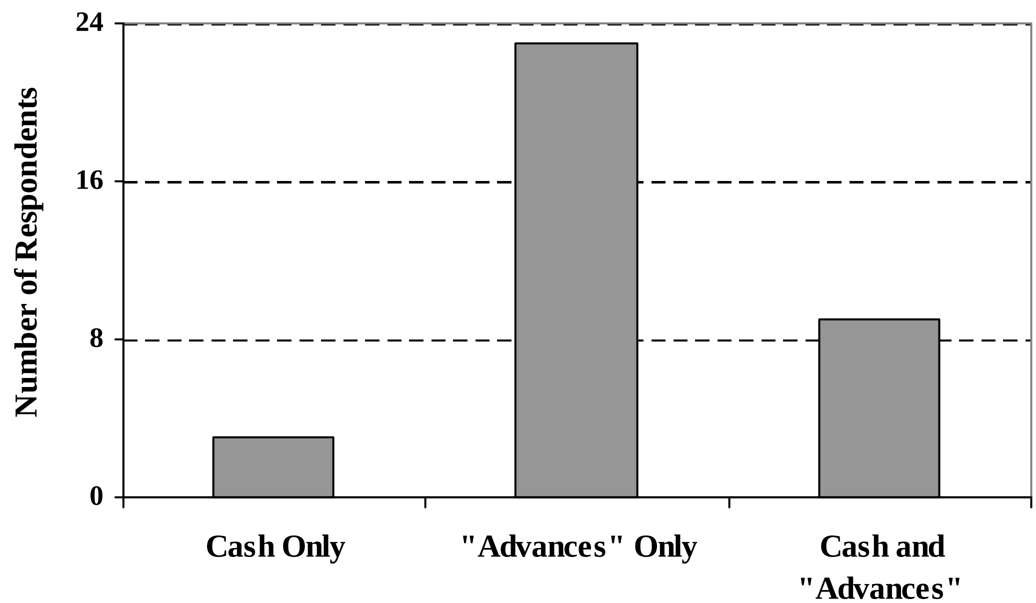


Figure 33. Method of Payment Accepted by Respondents for Supplies Sold to Shrimpers

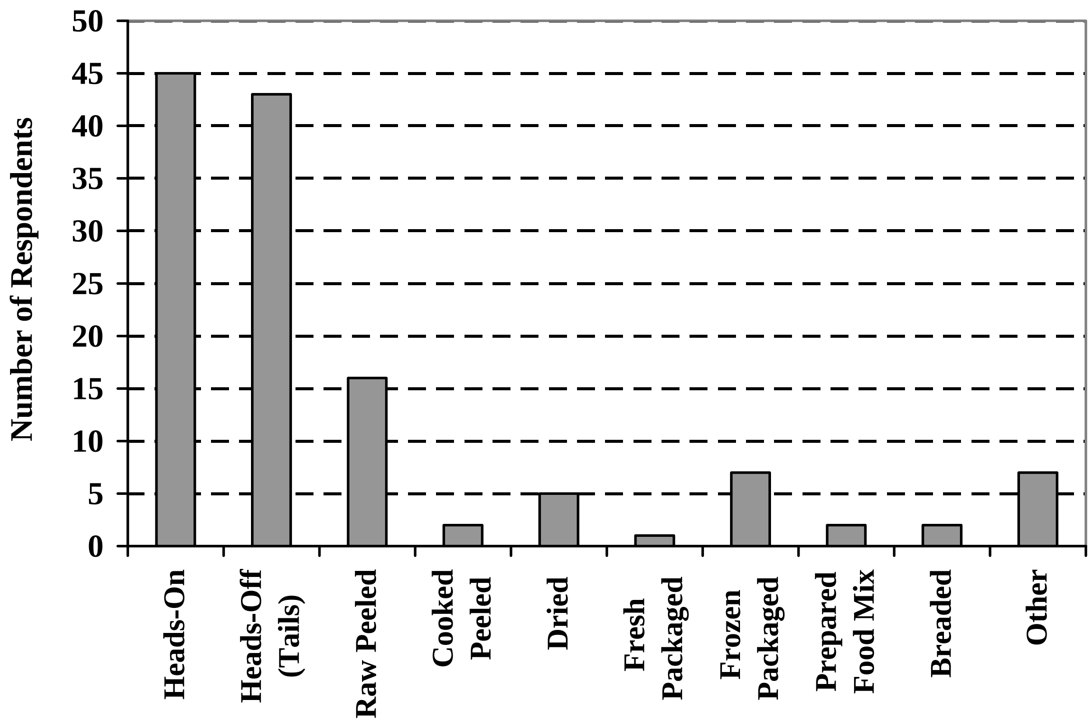


Sales of Shrimp Products

Respondents were asked which shrimp products they sold in the previous year: heads-on; heads-off shrimp (tails); raw peeled shrimp, cooked peeled shrimp, dried shrimp, fresh or frozen packaged shrimp, shrimp in a prepared food mix, breaded shrimp, or "other" shrimp products (Figure 34). Respondents who sold shrimp in a particular form were also asked what portion they sold at the wholesale or retail level; what portions they sold inside or outside Louisiana; and how they packaged and transported it.

The vast majority of respondents reported selling heads-on shrimp (45) or heads-off shrimp (shrimp tails) (43). Thirty-seven reported selling both heads-on shrimp and shrimp tails. Less than one-third of the respondents (16) sold raw, peeled shrimp. Two sold cooked peeled shrimp. Five sold dried shrimp. One sold fresh packaged shrimp (shrimp in bags or boxes appropriate for direct sales to consumers) and seven sold frozen packaged shrimp. Two sold shrimp in a prepared food mix and two sold breaded shrimp. (Seven respondents sold "other shrimp products", specifying "IQF shrimp.")

Figure 34. Shrimp Products Sold by Respondents



Heads-On Shrimp

Most of the respondents who sold heads-on shrimp sold eighty percent (80%) or more of their shrimp to businesses, primarily processors but also distributors, processors, retailers, or restaurants (Figure 35). Thirty-one sold one hundred percent (100%) of their heads-on shrimp to businesses.

Three sold one hundred percent of their heads-on shrimp directly to the public. One respondent, a retailer, sold ten percent (10%) of their heads-on shrimp to businesses and ninety percent (90%) directly to the public.

Of the respondents who reported selling heads-on shrimp, most (32) sold eighty percent (80%) or more of their heads-on shrimp to firms and individuals located within Louisiana (Figure 36).[7] Twenty-one of these sold one hundred percent (100%) of their heads-on shrimp to Louisiana-based entities. Three sold sixty to sixty-five percent (60% - 65%) of their heads-on shrimp within Louisiana. Two sold fifty percent (50%) of their heads-on shrimp inside the state. Five respondents sold one hundred percent (100%) of their heads-on shrimp to firms or individuals outside Louisiana. One sold ninety-nine percent (99%) of its heads-on shrimp to entities outside the state. None sold heads-on shrimp to sources in foreign countries. One respondent did not identify the geographic distribution of its heads-on shrimp sales.

Heads-on shrimp sold to other businesses were packaged in a variety of forms (Figure 37). The most common form of packaging for heads-on shrimp sold to businesses – used by 24 respondents - was large plastic vats that could hold 500, 600, 700, or 800 pounds of shrimp. The second most common forms of packaging for heads-on shrimp (each used by nine respondents) were 100-pound lugs or totes and large cardboard boxes (or “tall vats”) that can hold 1,100 to 1,400 pounds of shrimp. Other forms used by individual respondents included ice chests, frozen slabs, shatter packs, eight-ounce bags, and seventy-pound sacks. All of the respondents who sold shrimp directly to the public sold it by the pound and placed it in bags or customers’ ice chests.

Transportation arrangements for heads-on shrimp are summarized in Figure 38. Thirteen respondents delivered the heads-on shrimp to their customers. Ten shipped their

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[7] The average respondent who sold heads-on shrimp sold 76.9 percent of his head-on shrimp to firms and individuals in Louisiana.

Figure 35. Percentage of Heads-On Shrimp Sales to Other Businesses or Directly to the Public

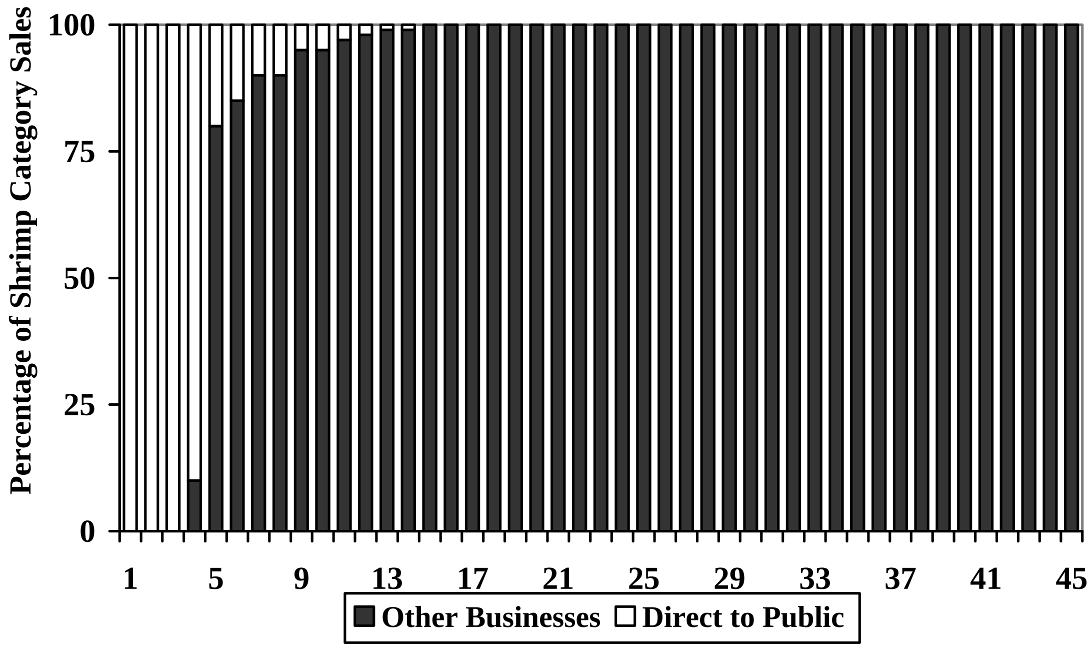


Figure 36. Percentage of Heads-On Shrimp Sales to Entities in Louisiana and Other States

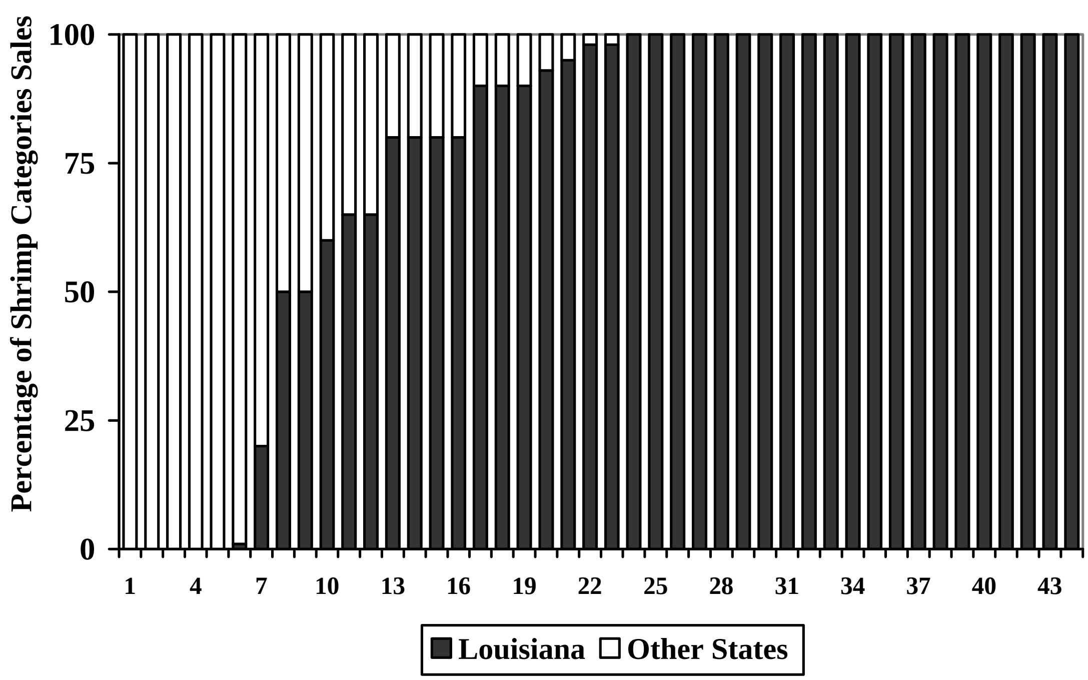


Figure 37. Forms of Packaging Used for Heads-On Shrimp Sold to Businesses

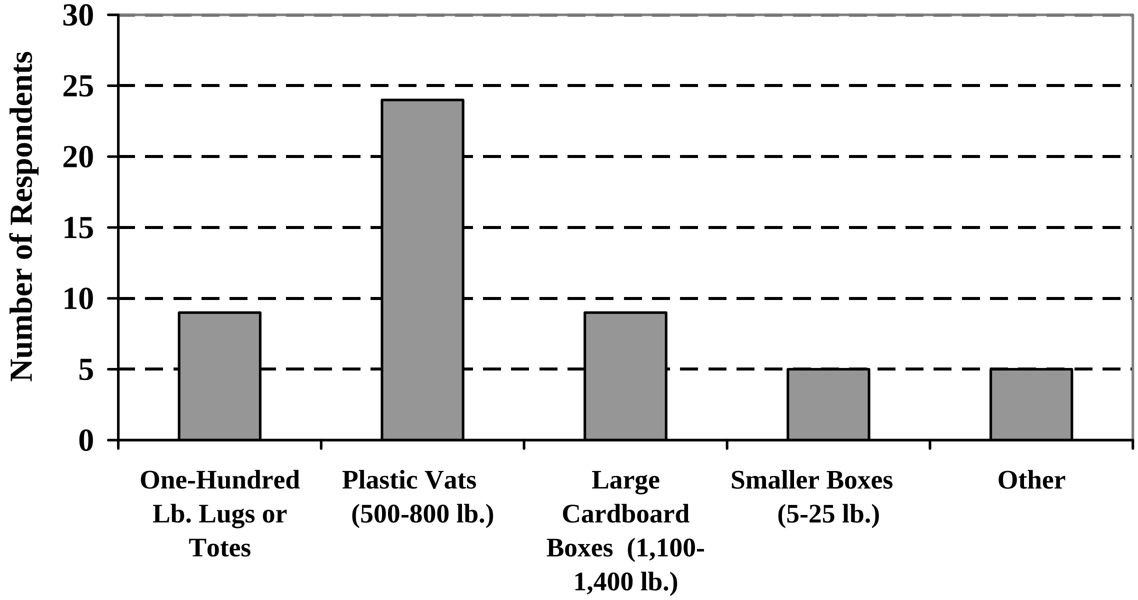
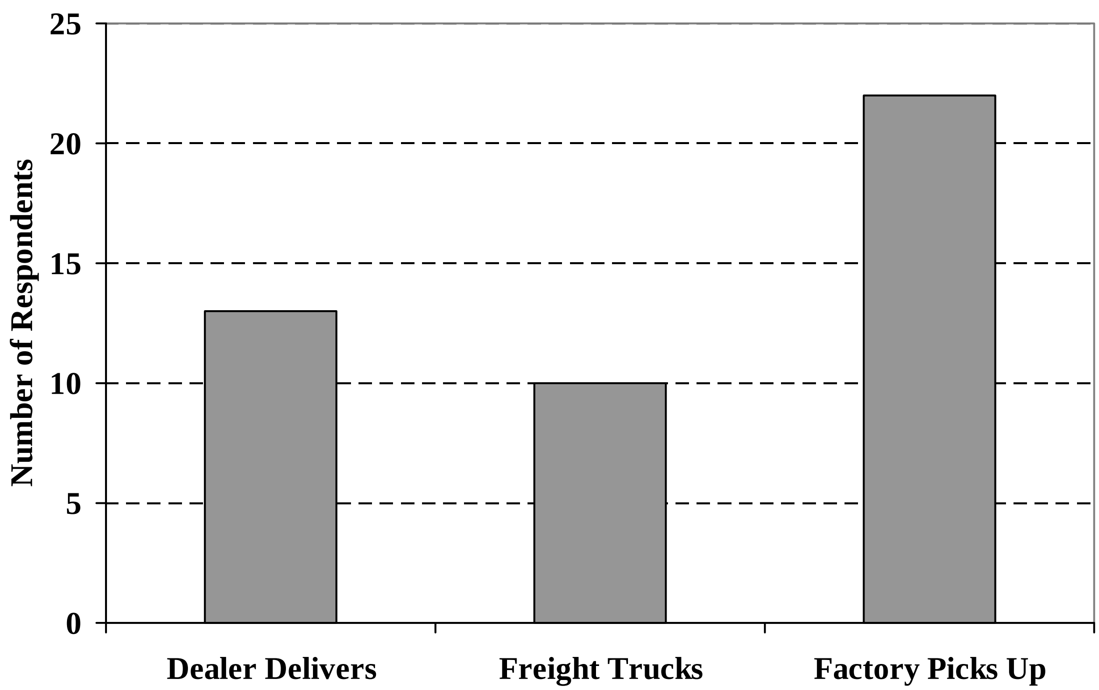


Figure 38. Transportation Arrangements for Heads-On Shrimp Sold to Businesses



heads-on shrimp to the purchaser using hired freight trucks. The purchasers (processors) picked up heads-on shrimp from 22 respondents.

Heads-Off Shrimp (Shrimp Tails)

Most (40) of the 43 respondents who sold heads-off shrimp (or shrimp tails) sold eighty percent (80%) or more of their product to other businesses (Figure 39). Thirty-two sold one hundred percent (100%) of their shrimp tails to businesses. Three sold ninety-nine percent (99%) and two sold ninety-eight percent (98%) of their shrimp tails to businesses.

Three respondents sold one hundred percent (100%) of their shrimp tails directly to the public.

The average survey respondent sold 61.9 percent of its shrimp tails to firms and individuals in Louisiana (Figure 40). Twenty-seven (27) sold fifty percent (50%) or more of their shrimp tails to Louisiana customers. Eighteen (18) sold one-hundred percent (100%) of their shrimp tails to entities in Louisiana.

One quarter of all respondents sold more than three-quarters of their shrimp tails to entities outside Louisiana. Seven (7) sold all of their shrimp tails to firms and individuals in states other than Louisiana.

As with heads-on shrimp, the most common form of packaging for shrimp tails sold to businesses (used by 25 respondents) was the large plastic (500- to 800-pound) vat (Figure 41). The second most common forms of packaging for shrimp tails were five-pound boxes (used by eight respondents) and large cardboard 1,100- to 1,400-pound boxes (used by seven). Five respondents used 100-pound lugs or totes to ship shrimp tails to other businesses. Other forms used to transport shrimp tails to business customers included eight-ounce bags, fifty-pound boxes, frozen blocks, and shatter packs. All of the respondents who sold shrimp tails directly to the public sold it by the pound and placed it bags or ice chests provided by the customer.

Transportation arrangements for shrimp tails are summarized in Figure 42. Fourteen respondents delivered the shrimp tails themselves. Ten shipped it to the purchaser using hired freight trucks. The purchasers (processors) picked up the shrimp tails from 22 respondents.

Figure 39. Percentage of Heads-Off Shrimp (Shrimp Tails) Sales to Businesses or Directly to the Public

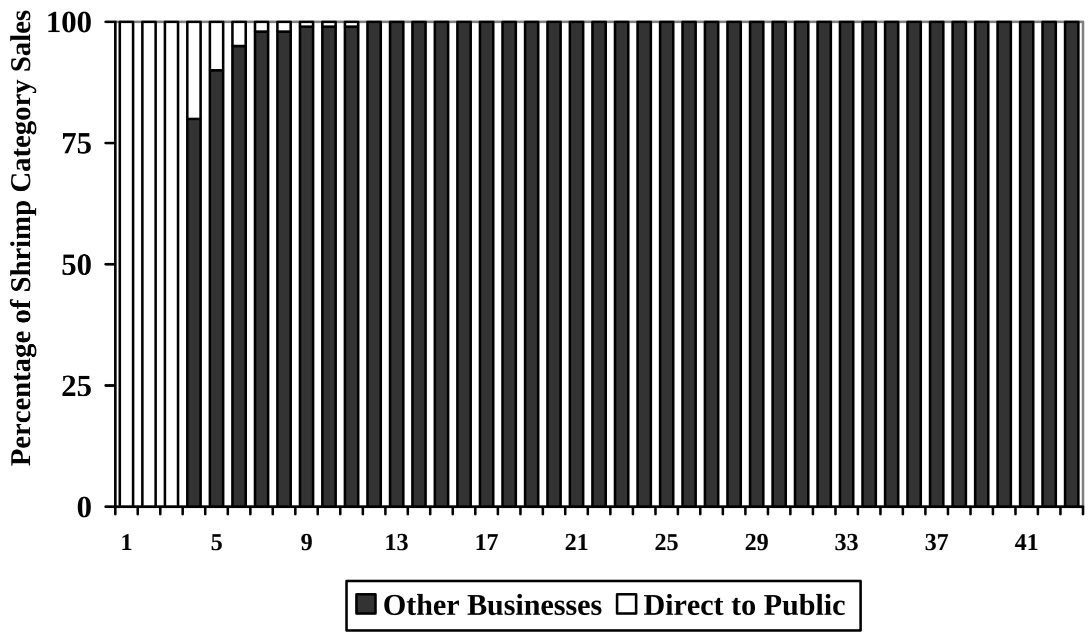


Figure 40. Portion of Heads-Off Shrimp (Shrimp Tails) Sales to Entities in Louisiana and Other States

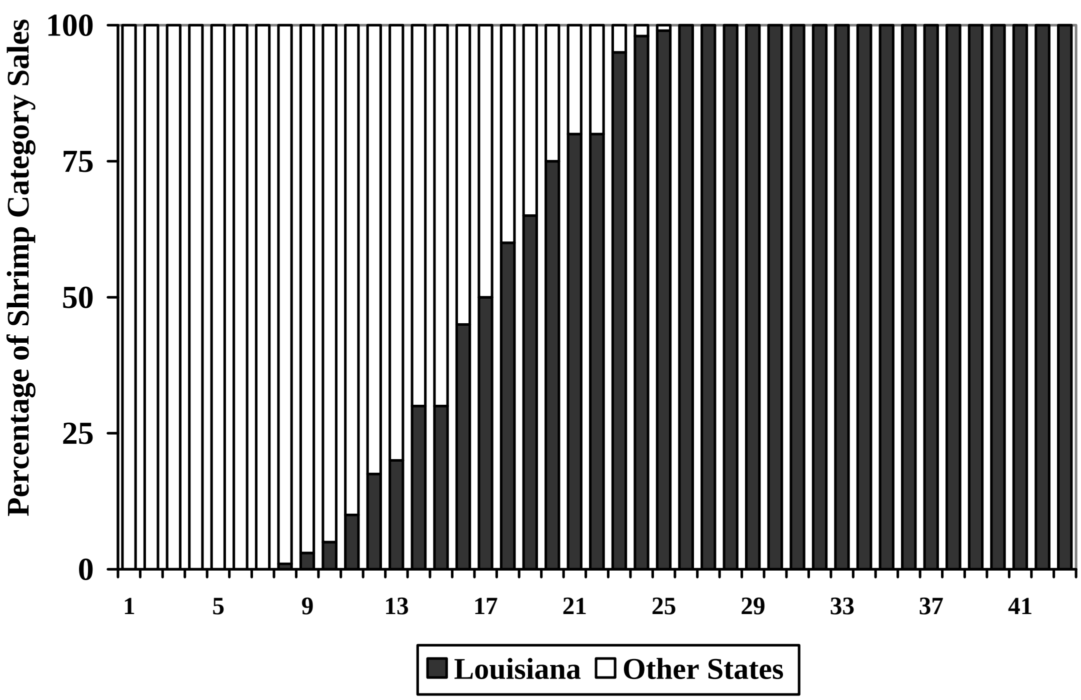


Figure 41. Forms of Packaging Used for Heads-off Shrimp (Shrimp Tails) Sold to Businesses

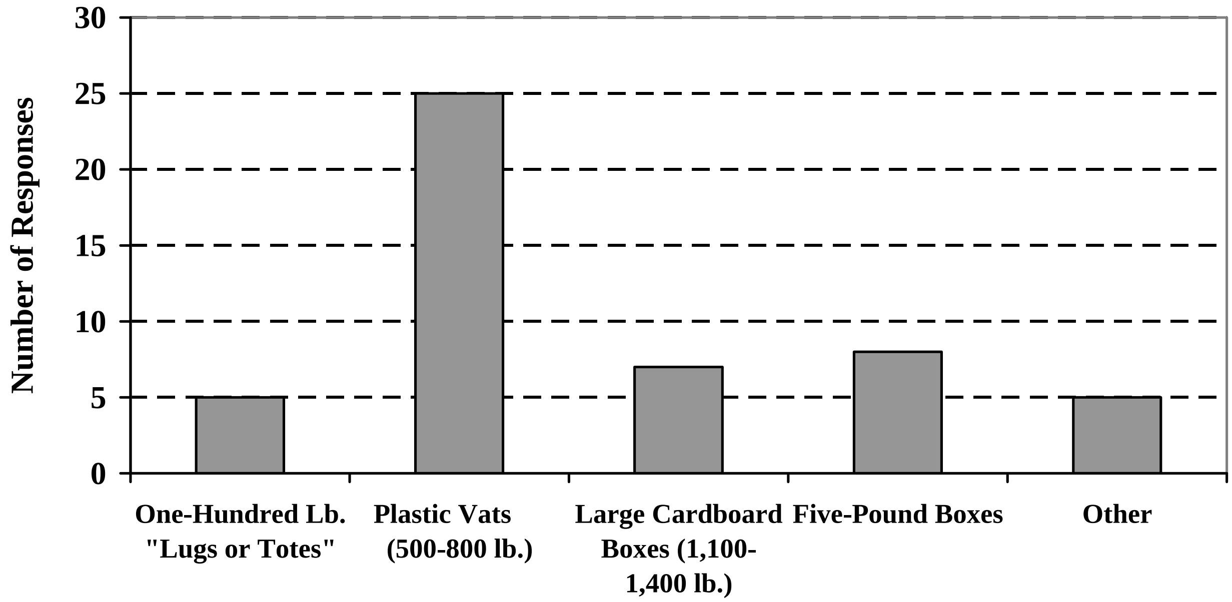
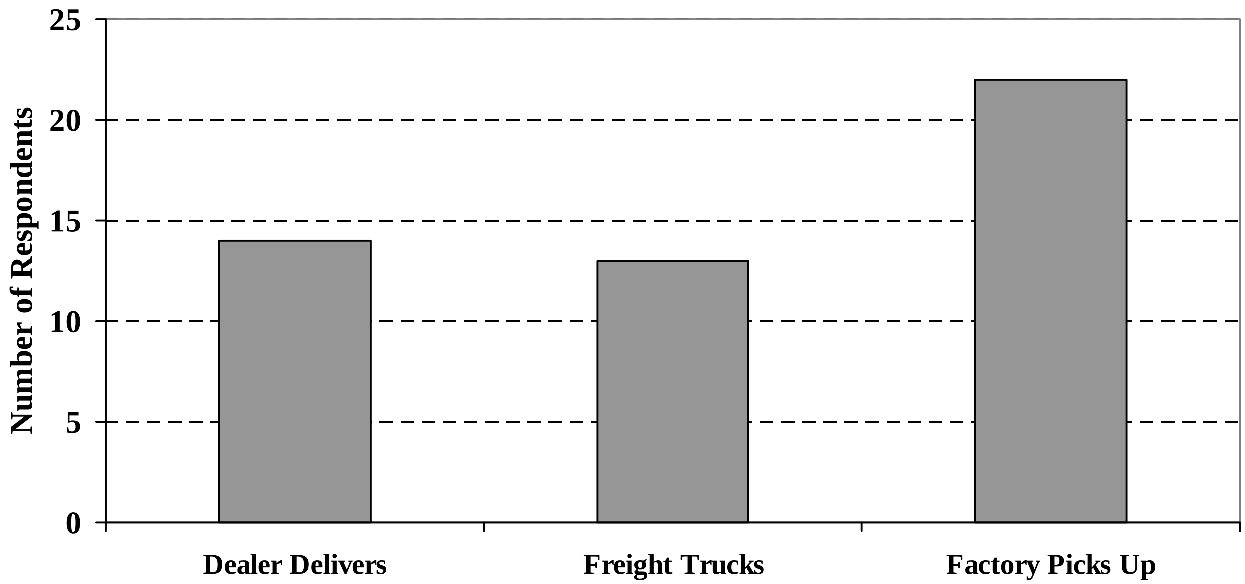


Figure 42. Transportation Arrangements for Heads-Off Shrimp (Shrimp Tails) Sold to Businesses



Raw Peeled Shrimp

There were sixteen respondents who reported selling raw peeled shrimp. Ten sold one hundred percent (100%) to businesses and four sold one hundred percent (100%) directly to the public (Figure 43). One respondent sold ninety-nine percent (99%) of their raw peeled shrimp to businesses (and thus one percent to the public) and one sold ninety-five percent (95%) to other businesses (and five percent to the public.)

Six of the 16 respondents who sold raw peeled shrimp sold one hundred percent (100%) of their raw peeled shrimp to firms and individuals within Louisiana (Figure 44). Two sold one hundred percent (100%) of their raw peeled shrimp to entities outside Louisiana: in Alabama, Florida, Georgia, Mississippi, and Texas. Five sold a majority of their shrimp, but less than one hundred percent (100%), to sources in other states. Locations in which respondent sold raw peeled shrimp included the "West coast", "central to eastern states", "the Midwest", "the eastern third of the United States", "the Northeast, mostly New York, a lot to Chinatown", Illinois, New York, Mississippi, the Florida panhandle south of Interstate 10, Texas, Alabama, Missouri, Georgia, California, Minnesota, Virginia, New Jersey, Maine, and Maryland. Two sold raw peeled shrimp to buyers in Canada.

Ten respondents who sold raw peeled shrimp directly to the public sold it in five-pound boxes. One respondent used shatter packs. One respondent used 700- to 800-pound vats. One used two-kilogram packs, and one 20-pound or 50-pound cases. One sold it in a variety of packages ranging from eight-ounce bags to 50-pound boxes (Figure 45).

The respondents who sold raw peeled shrimp directly to the public sold it in one-pound bags (3) or five-pound boxes (1). Others sold it loose or in sealable bags.

Seven shipped their raw peeled shrimp in freight trucks. Five shipped it in their own trucks (Figure 46). One respondent sold peeled shrimp at trade shows. Eight dealers paid for transportation themselves. Two said the buyer paid for transportation. Others had a mixed arrangement; in some cases, the respondent paid for transportation while, in other cases, their buyers paid for transportation.

Figure 43. Percentage of Raw Peeled Shrimp Sales to Businesses or Directly to the Public

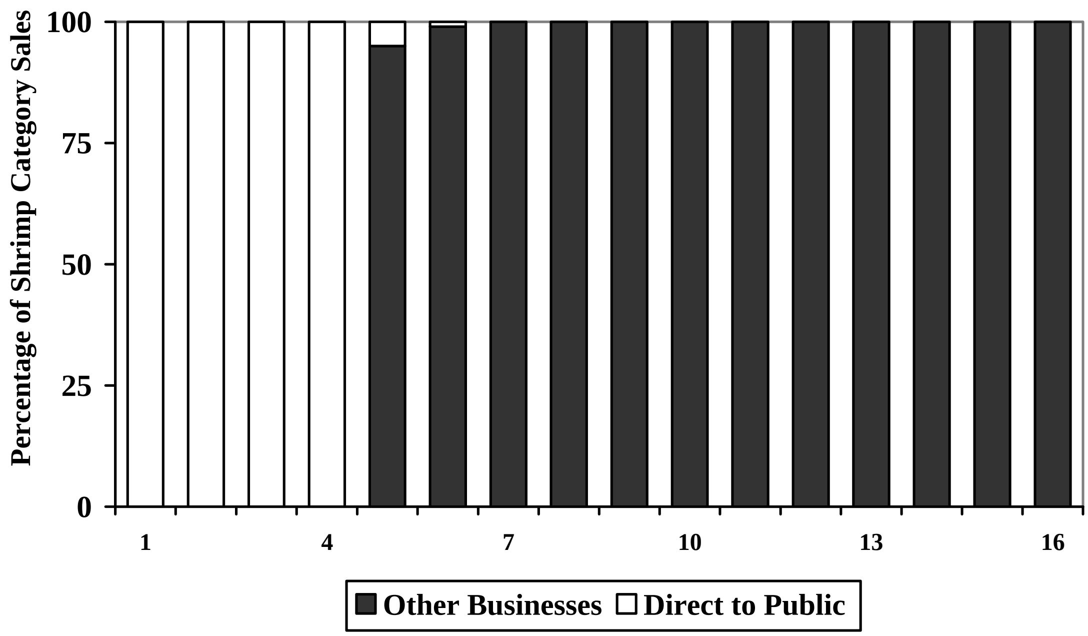


Figure 44. Percentage of Raw Peeled Shrimp Sales to Entities in Louisiana and Out of State Locations

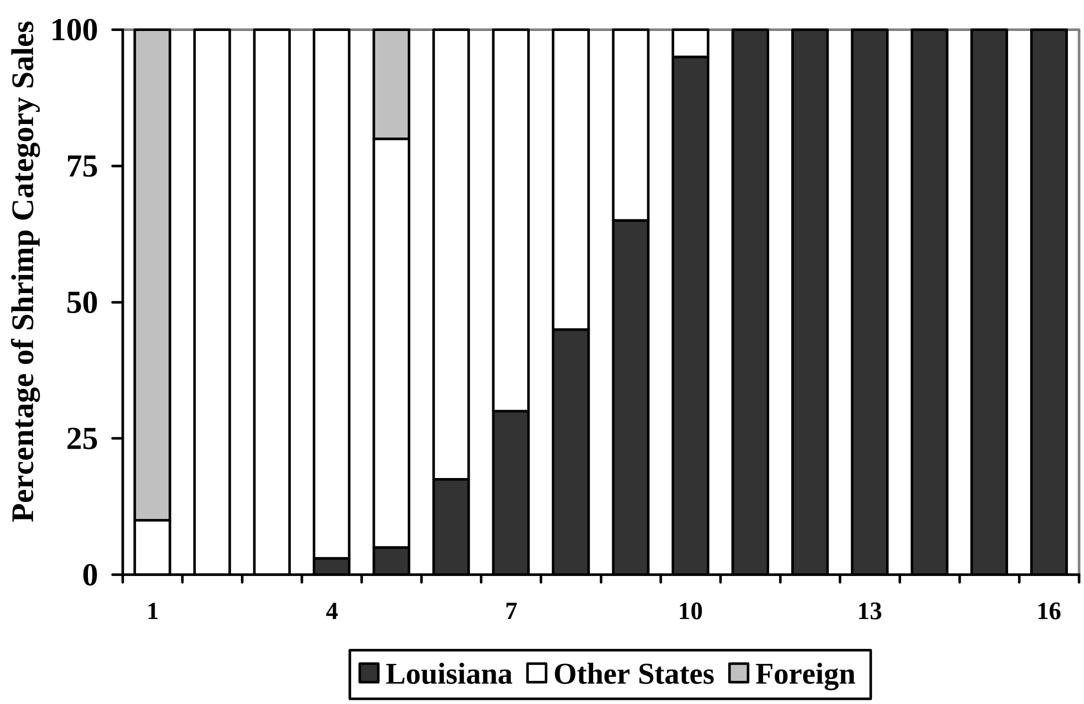


Figure 45. Forms of Packaging Used for Raw Peeled Shrimp Sold to Businesses

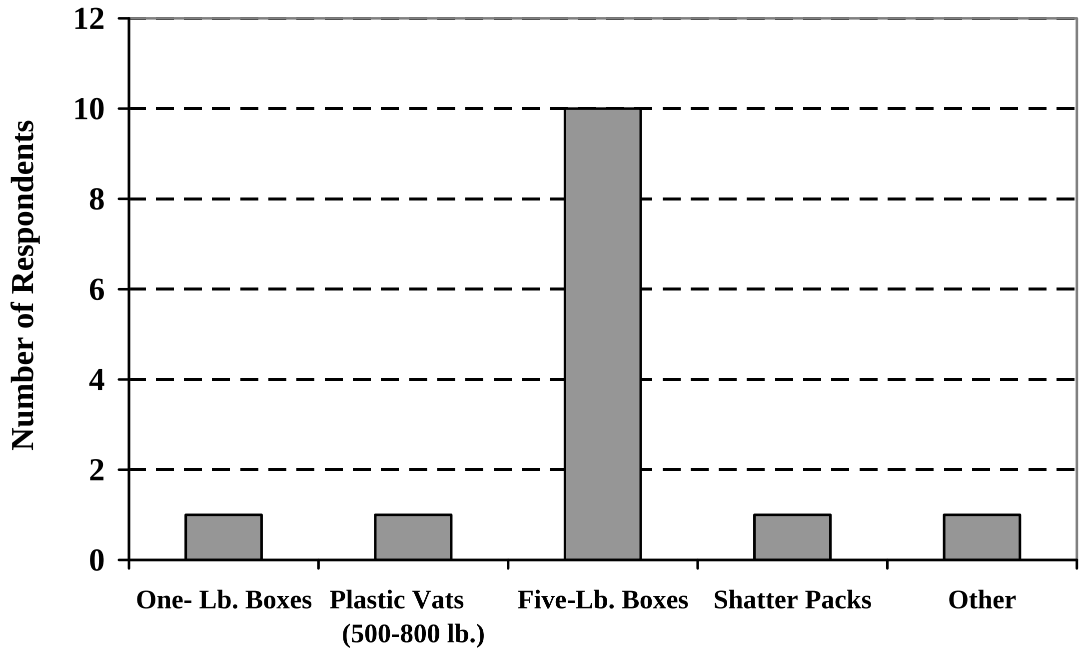
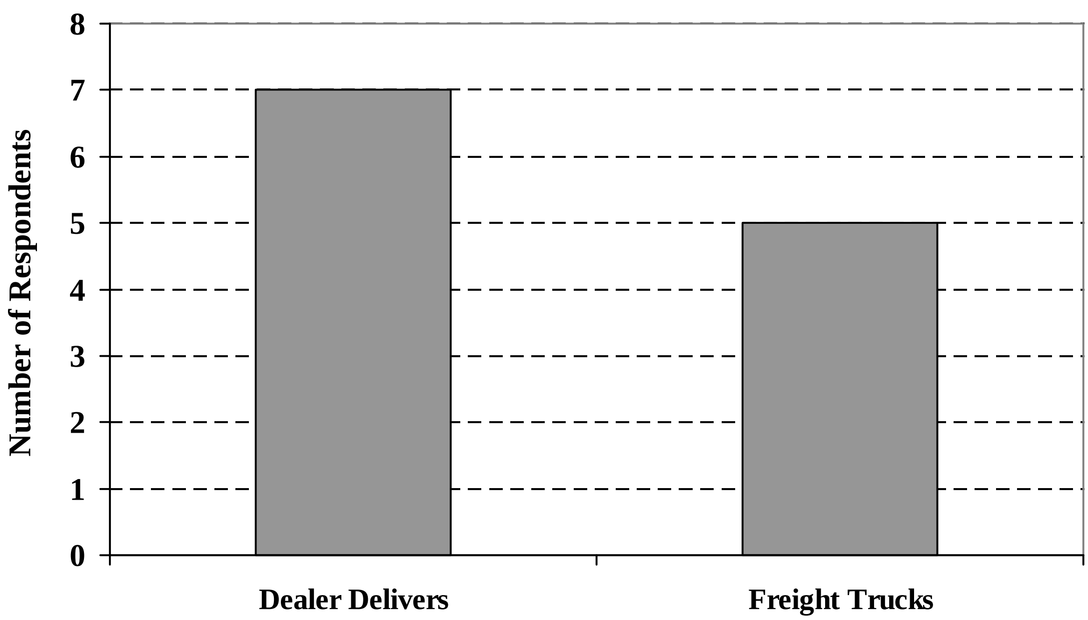


Figure 46. Transportation Arrangements for Raw Peeled Shrimp Sold to Businesses



Dried Shrimp

Five respondents reported producing dried shrimp. Three of these sold one hundred percent (100%) of their dried shrimp to Louisiana businesses in Jefferson and Terrebonne Parishes. One other sold seventy percent (70%) of its dried shrimp to businesses (and thirty percent (30%) direct to the public). The one remaining dried shrimp producer sold one hundred percent (100%) of its product directly to the public.

Most of the dried shrimp produced by survey respondents was sold within the state. Four of the five reported selling all their shrimp to Louisiana firms and individuals. The one remaining dried shrimp producer sold fifty percent of its dried shrimp within Louisiana and fifty percent to entities outside the state (mainly New York and California.)

Firms sold dried shrimp in a variety of packages. Packaging for one respondent ranged from one-pound to fifty-pound bags. Two prepared shrimp in half-pound bags for sales to the public. For sales to businesses, dried shrimp were sold in fifty-pound boxes and eighty to one hundred-pound sacks. The dealer delivered typically the dried shrimp himself or herself and paid the transportation expenses.

Other Shrimp Products

Based on the researcher's observations, IQF shrimp is usually packaged in the seventy-pound to one hundred-pound bags in which it is frozen on board the harvesting vessel. These bags may be stacked on pallets, enveloped in plastic wrap, and placed on freezer trucks for transportation.

No details regarding the packaging, transportation, or customer geographic distribution of cooked shrimp, fresh or frozen packaged shrimp, shrimp sold in prepared food mixes, or breaded shrimp can be discussed in this report because too few firms (fewer than five) reported selling these forms of shrimp.

Only two respondents sold any shrimp by-products, such as heads, shells, pieces, or other refuse. Few respondents reported any processing activities, such as removing heads or shells, which might usually produce by-products.

Respondents' Advertising Efforts

The respondents, by and large, did not engage in extensive advertising of their own. Many thought it unnecessary or not conducive to the achievement of their business goals. Many respondents had established contacts with potential buyers (processors or other businesses) who may not be typically responsive to advertising. Indeed, since many respondents are not able to deal with large numbers of individual consumers buying small amounts of shrimp, they are reluctant to advertise lest it attract large numbers of customers who would largely distract from the business' primary function of collecting large quantities of shrimp for delivery to seafood processors or other businesses.

Seven advertised only with a sign on the road, building, or business vehicles. Five ran advertisements in the local telephone directory. Four produced t-shirts, caps, or day planners to distribute to shrimpers or other business contacts.

Four advertised on the internet. Two respondents attended food shows. These two individual firms also engaged in some form of corporate branding connected to Louisiana's cultural heritage.

One advertised with the local tourism bureau. One advertised in the trade magazine, *Seafood Business*. One advertised with a grocery store in the Midwestern Untied States. One respondent released an infomercial in another state in the Southeastern United States. One advertised on the radio and credited great results from connections to the Wild American Shrimp Incorporated (WASI) national sales campaign. One respondent obtained "free advertising" by serving as the subject of a magazine story.

Most Valuable or Desirable Shrimp Products

Respondents were asked to identify which shrimp products had the highest growth potential for their businesses. The question may not have suited the business plan for the majority of survey participants. Thirty-four of the fifty-two gave no reply or said the question was not applicable. Eighteen provided answers. Four mentioned heads-on shrimp, two-mentioned heads-off shrimp (shrimp tails), and two mentioned peeled shrimp. Two believed that larger shrimp had high growth potential. (One defined larger shrimp as those in the "40 to 50 shrimp per pound and larger" range.)

Three respondents believed individually quick frozen shrimp had the highest growth potential for their businesses. Two respondents thought they would experience growth with dried shrimp. One saw growth potential in soft-shelled shrimp, shrimp harvested during molting, which are hard to freeze but may be considered delicious by many who eat them. Another respondent did not name a particular product but said that market efforts that distinguish wild caught shrimp from farm-raised shrimp would benefit the Louisiana shrimp industry.

What Distinguishes Louisiana Shrimp

Respondents were asked to identify what, in their opinion, set Louisiana shrimp apart from shrimp harvested or produced somewhere else. These comments are summarized and categorized in Box 2. (Some individual responses that mentioned multiple elements were divided into more than one comment category.)

In the views of the survey respondents, the most commonly cited element that distinguished Louisiana shrimp was their taste. This quality was mentioned by thirty-seven (37) respondents. Some of these conceded that many imported shrimp may look better than Louisiana shrimp, but lack the quality flavor of Louisiana's product.

Five believed that freshness set Louisiana shrimp apart from shrimp harvested elsewhere and another five singled out the texture of Louisiana shrimp. Seven respondents believed that all of Louisiana's shrimp are harvested from the Gulf of Mexico and thus lack certain chemicals that may be added to some farm-raised shrimp. Four respondents thought that shrimp harvested from Louisiana bear a link to an appealing Louisiana culture. Five respondents expressed concerns about Louisiana's shrimp, ranging from the consistency of Louisiana's shrimp to perceived problems associated with the processing of Louisiana's shrimp products.

Box 2. What Distinguishes Louisiana Shrimp

TASTE

- (1) Taste (2) Quality
- Because of the water bottoms, the areas they come from, they have a different taste. (Off-shore Texas browns are high in iodine.)
- Better tasting. Quality is very good. The Mississippi River makes the shrimp good.
- "Better tasting shrimp than anybody else." (Off-shore shrimp may have an iodine flavor, a "Texas flavor.")
- Flavor. Hard to match quality (appearance?) of the competition but Louisiana's flavor is good.
- Flavor.
- Flavor. Taste. They hold up well.
- Freshness, taste, and texture
- Good taste. Fresh product.
- Imported shrimp does not taste as good. Louisiana shrimp tastes good. Imports look nice, but when you taste it, it is nothing.

Box 2. What Distinguishes Louisiana Shrimp (Continued)

TASTE (Continued)

- Louisiana shrimp has a unique taste. Georgia shrimp has a similar taste. Texas off-shore shrimp has flavor of a weed. Pond-raised shrimp have no flavor and they're tough.
- Louisiana shrimp is a good-tasting product. Imports look good.
- Louisiana shrimp is tastier. (It does not have the strong iodine smell like Texas off-shore shrimp.)
- Louisiana shrimp tastes very good. Brown shrimp taste better than whites. (Emeril is helping Louisiana.)
- Louisiana-harvested shrimp (and most Gulf of Mexico shrimp) taste better. Imports look good but don't taste good.
- Louisiana's shrimp is the best tasting shrimp, especially that on the east side of the river.
- Maybe the taste. It's hard to tell for sure. Imports are pretty good-looking.
- "Muddy water" gives them extra flavor.
- Quality - better tasting. Brackish water seems to make a sweeter shrimp. (Grey shrimp - this dealer's term - from the bayous are sweet as appealing for dim sum.)
- Shrimp from off-shore Texas has a high-iodine smell and goes bad quickly. Louisiana shrimp does not have this problem.
- Taste and quality. More and more people are asking for Louisiana shrimp. Farm-raised shrimp is hard to peel and has little flavor.
- Taste better.
- Taste is different.
- Taste is different. Day-boats use less shrimp powder. [Imports have a pretty appearance but no flavor.]
- Taste is very good. [Deep-water Texas shrimp doesn't taste right - too much iodine.]
- Taste of Louisiana shrimp is better. Imported vannamei shrimp is so consistent in appearance. It always looks the same.
- Taste of the shrimp. It's a better shrimp.
- Taste.
- Taste. A lot of people say they like Louisiana shrimp better than imported shrimp.
- Taste. White shrimp which are popular.
- Taste. (Believes the best shrimp come from Grand Caillou to Cameron.)
- Taste. Fresh inside shrimp is tasty.
- Tastes better. Looks better. [Texas off-shore shrimp and other off-shore shrimp contain a lot of iodine.)
- Tasty shrimp. Most shrimp from these waters taste good. [Texas off-shore shrimp are high in iodine. Strong smell during processing.]
- The flavor is so much better.
- The taste.
- Taste.

FRESHNESS

- Fresh, good-quality merchandise. Abundance and availability.
- Louisiana shrimp is fresh. It still has some "blue" in it.
- Its freshness. Imports are frozen, not fresh.
- Inshore, locally caught, high quality, especially shrimp from day-boat shrimpers
- Off-shore shrimp is not as fresh and not as good.

Box 2. What Distinguishes Louisiana Shrimp (Continued)

TEXTURE

- Better texture.
- Louisiana shrimp are tastier than imports and have a better texture.
- Texture
- Trawling makes a tender product.
- Stay more uniform, nicer.
- [Because of] the estuaries, [Louisiana produces] a clean shrimp with no sand so they do not need to be de-veined.
- Wild caught shrimp have a different texture and flavor.

LACK OF ADDED CHEMICALS

- Chemical-free, hormone-free, steroid-free. (Good) taste & flavor.
- Not as many chemicals or antibiotics as imported farm-raised shrimp. Louisiana shrimp have only sodium bisulfate. Processors may add some tri-poly.
- Farm-raised shrimp are appealing but they are loaded with anti-biotics and the like.
- Imports look fake. They contain a lot of chemicals that make them look fresh but they are not fresh.
- The food the shrimp eat is richest in nutrients. Temperatures make them grow and the estuaries boost productivity. Less pollution. Fewer chemicals.
- Louisiana shrimp is free of chemicals that imported shrimp have. Pond-raised shrimp are full of chemicals.
- Louisiana shrimp does not have so many chemicals as foreign shrimp.

LOUISIANA HARVESTING HERITAGE

- Quality of the shrimp: Shrimpers from Louisiana have a set of practices built from years of experience that bring in vast quantities of good quality shrimp.
- Louisiana is the largest producer.
- People recognize Louisiana as the seafood capital.
- When people think of shrimp, they think of Louisiana and its culture.

PART OF THE GULF OF MEXICO SHRIMP-FISHERY

- Louisiana shrimp is the same as northern Gulf shrimp (Alabama and Mississippi). The only difference is Texas off-shore shrimp which are "deep shrimp", high in iodine.

CONCERNS

- Standard packing procedures are problematic for quality of shrimp. Large volume plants may have a lower quality product compared to imports - mainly because of labor costs which prohibit labor-intensive efforts: bits, off-color, *etc.*)
- In this dealer's opinion - much of Louisiana's processed shrimp contain too many chemicals and lack taste.
- Best shrimp in the world (but you can't go to the bank with it.
- Imports are consistent in taste. Domestic shrimp are inconsistent.
- Problem: Processing often washes the flavor out of the shrimp.

NO OPINION

- Not sure.
- No opinion.
- This dealer does not really know for sure - just sends it off to the factory. This dealer has found that "inside shrimp" (from brackish waters) are very popular.

Consumers' Most Preferred or Desired Shrimp Products

Because they have years of experience with shrimp markets, respondents were asked to give their opinions of what consumers prefer, or what types of shrimp products are most valuable or desirable to consumers (Box 3). Eight mentioned a specific species; white shrimp. Eighteen mentioned a specific form of shrimp: heads-on, peeled, or headless. Another eighteen identified a certain size category. One dozen claimed consumers are looking for freshness and quality. Four thought consumers prefer shrimp from Louisiana or elsewhere in the Gulf of Mexico. Nine said consumers are looking for shrimp in a convenient form. Seven believe consumers are interested primarily in the price of shrimp.

Box 3. Most Desirable Shrimp Products

WHITE SHRIMP

- White shrimp. Peeled and headless (convenience)
- People like white shrimp more than brown.
- White shrimp.
- In Louisiana, white, Gulf-caught shrimp.
- For his customers, the most desirable shrimp are 21-25 heads-on whites.
- 16-20; 21-25 heads-on white shrimp are the "money makers."
- 21-25 white, head-on
- White shrimp: 21-25, 26-30.

HEADS-ON

- Louisianans like heads-on shrimp. Others do not.
- For his customers, the most desirable shrimp are 21-25 heads-on whites.
- 16-20; 21-25 heads-on white shrimp are the "money makers."
- 21-25 white, head-on
- Big shrimp (26-30). Head-on shrimp.
- Large size. Fresh head-on shrimp.

PEELED SHRIMP

- Fresh peeled shrimp.
- Headless and peeled
- Peeled medium (70-90) shrimp.
- Peeled meat.
- Peeled shrimp.
- Big, big shrimp. High quality. Tasty and pretty. (Fresh peeled shrimp.)
- Peeled and headless (convenience)
- Peeled and deveined shrimp are most desirable but this dealer lacks the equipment and space (especially height) to handle it. Individually frozen shrimp would be more convenient.
- Peeled - headless - cooked (U12-deheaded shrimp)

Box 3. Most Desirable Shrimp Products (Continued)

HEADLESS

- Headless shrimp.
- People like to buy white tails.
- Headless and peeled

SIZE

- U12-deheaded shrimp
- 16-20;21-25 heads-on white shrimp are the "money makers."
- Big shrimp (21-25). Many smaller shrimp are used in egg rolls. Egg rolls may be the largest single-use of shrimp in U.S.A.
- For his customers, the most desirable shrimp are 21-25 heads-on whites.
- 21-25 white, head-on
- White shrimp: 21-25, 26-30. The storms hurt the retail market. Fewer people are coming to camps (in central coastal Louisiana). High fuel prices keep people from driving to the coast so there are fewer customers buying shrimp down here.
- Large shrimp (21-25; 26-30). Could be a demand for 16-20 shrimp if he could find them.
- Big shrimp (26-30). Head-on shrimp.
- 36-40 to 10-15 shrimp
- <u>Beginning of season</u>: 10-15; 15-20 <u>Two weeks into Season</u>: 36-40
- 16-20's in North Louisiana; 20-28's in South Louisiana.
- Peeled medium (70-90) shrimp.
- Big, big shrimp. High quality. Tasty and pretty.
- Larger sized shrimp. Freshness.
- Decent-sized, fresh Gulf shrimp - but not what they are finding in the Gulf right now (June, 2007).
- Large shrimp are popular. Consumers pay a lot of attention to price, though.
- Large size. Fresh head-on shrimp.
- Quality; freshness; larger shrimp (Smaller shrimp are for restaurants and the like.)

FRESHNESS AND QUALITY

- Consumers are looking for quality of freshness, the way it looks. Consumers enhance their own taste.
- High quality. Tasty and pretty. (Fresh peeled shrimp.)
- To many people in stores, shrimp is shrimp. Price is an important consideration but not the only one. Freshness and attractiveness are important, too. [Black shrimp is a turn-off.] Size preferences vary.
- People are looking for taste and quality
- Quality is better at retail markets than at groceries.
- They want taste and fresh shrimp.
- "All of it." Dried, fresh, *etc.* They are looking for a good fresh product.
- A good, fresh product. (But in Wal-Mart, shrimp are often black, mishandled IQF shrimp.) Shrimp are often not attractively displayed.
- A lot of people focus only on price but some focus on color and size. [Lafitte shrimp has a good grey color. The color "keeps". It is [Firm's Name Withheld]'s top-of-the-line shrimp. Venice shrimp is white and sandy and it changes color quickly. The heads turn orange.]
- People want a good-looking shrimp
- Much of shrimp in shops is not handled well. It is black, left out too long.
- Shrimp without iodine.

Box 3. Most Desirable Shrimp Products (Continued)

ORIGIN

- In Louisiana, a lot of people buy directly from the shrimper, a little bit to eat.
- Some consumers, especially Louisianans, look to see where the shrimp comes from. Others just look at price.
- People always stop to buy "fresh Gulf shrimp."
- In Louisiana, white, Gulf-caught shrimp.

CONVENIENCE

- Convenience and visually appealing.
- Convenient shrimp; peeled - headless - cooked (U12-deheaded shrimp)
- Convenience. Shrimp that do not require de-veining. Shrimp that are already spiced up.
- People are looking for a finished product like boiled shrimp or sandwiches.
- They want a finished product. Easy. "Convenience sells." (Some people are grossed out by heads-on shrimp.)
- One-pound packs are more consumer-friendly. Some consumers like shrimp that are peeled and de-veined, but it can be expensive to produce in 1-pound blocks.
- IQF shrimp is more convenient for customers. Cooked and prepared shrimp, a good idea - like Whole Foods.
- Nice pretty one-pound or two-pound packs of shrimp. Not too expensive.
- Peeled and headless (convenience)

PRICE

- Consumers buy anything that is cheap. They pay attention to price.
- Consumers outside of Louisiana do not know much about shrimp. They buy cheap imports.
- Individual consumer doesn't know much about species of shrimp. Imports have little taste. The emphasis is on production and cost. Consumers care about aesthetics and price. Most people don't know they are eating imports.
- People are looking for cheap shrimp. They don't pay a whole lot of attention to quality. Imports are lowering price. [Importers should pay a premium on imported shrimp.]
- Outside Louisiana, people pay attention mostly to price.
- The problem is that most consumers do not know what is best. They focus on price. This is why imports are a problem.
- Some consumers, especially Louisianans, look to see where the shrimp comes from. Others just look at price.

NO OPINION

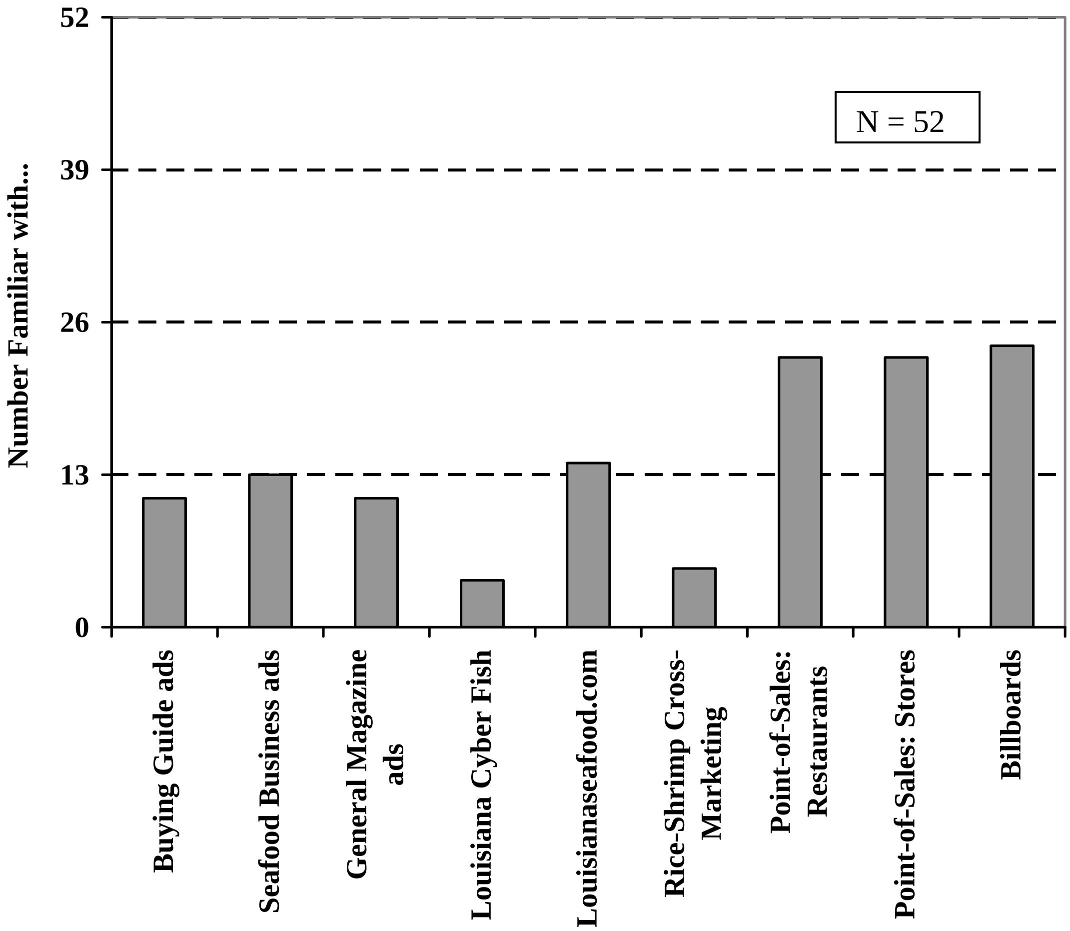
- No opinion.
- No opinion.
- No opinion.
- Everybody's different. It is hard to say.

Louisiana Seafood Promotion and Marketing Board Activities

The Louisiana Seafood Promotion and Marketing Board (Promotion Board) employs a variety of advertising techniques that promote the use and consumption of Louisiana shrimp and other seafood products. Respondents were asked if they were familiar with a number of the Promotion Board's promotional tools (Figure 47). The question was intended to gauge the respondents' familiarity with the Seafood Promotion and Marketing Board's use of physical advertising products [roadside billboards and "point-of-sales" promotions, like posters, placards, decals, and stickers placed in retail stores and restaurants] and print advertising campaigns (advertising placed in general magazines and two trade magazines, *Seafood Business* and *Buying Guide*.) It also sought to see measure respondents' familiarity with the Promotion Board's two electronic promotion and information dissemination tools: its website (Louisianaseafood.com) and its electronic newsletter, *Louisiana Cyber Fish*. The question asked if the respondents had heard of a cross-marketing campaign promoting Louisiana shrimp and rice, conducted by the Promotion Board and the Louisiana Department of Agriculture and Forestry.

The promotion and marketing methods most commonly recognized by respondents were billboards (familiar to 24 respondents) and point-of-sales advertising in restaurants (23 respondents) and retail stores (23 respondents). Thirteen (13) were familiar with the Board's advertising in the *Seafood Business* trade magazine. Eleven (11) were familiar with the Board's advertising in the *Buying Guide* trade magazine and eleven with its advertising in general magazines. Fourteen knew about the Board's web site but only four had heard of the *Cyber Fish* newsletter. Only five respondents were familiar with the Louisiana rice-and-shrimp cross-market promotion campaign. None of these methods was familiar to a majority of respondents. This is not necessarily a substantial indicator of the relative success or failure of these marketing efforts which are, after all, directed at consumers and not businesses involved in the handling, marketing, and processing of seafood.

Figure 47. Respondents Familar with Louisiana Seafood Promotion Efforts



Respondents were also asked if they were familiar with four more promotional efforts connected to the Louisiana Seafood Promotion and Marketing Board. Nearly two-thirds of the respondents (63.5%) were familiar with the Board's "Demand Louisiana Shrimp" slogan (Figure 48) that is featured on bumper stickers, billboards, advertisements, and posters and even printed on shipping material. More than half (55.8%) were familiar with the Great American Seafood Cook-Off (Figure 49), an annual competitive event featuring chefs from states around the country.[8] Less than a third (30.8%) were familiar with the "Bonne Crevette" campaign (Figure 50), a Louisiana advertising effort that promotes the consumption of fresh Louisiana shrimp during the brown shrimp and white shrimp harvesting seasons.

[8] The competition has been thrice held in Louisiana and has been featured on a cable television network.

Figure 48. Respondents' Familiarity with the "Demand Louisiana Shrimp" Slogan

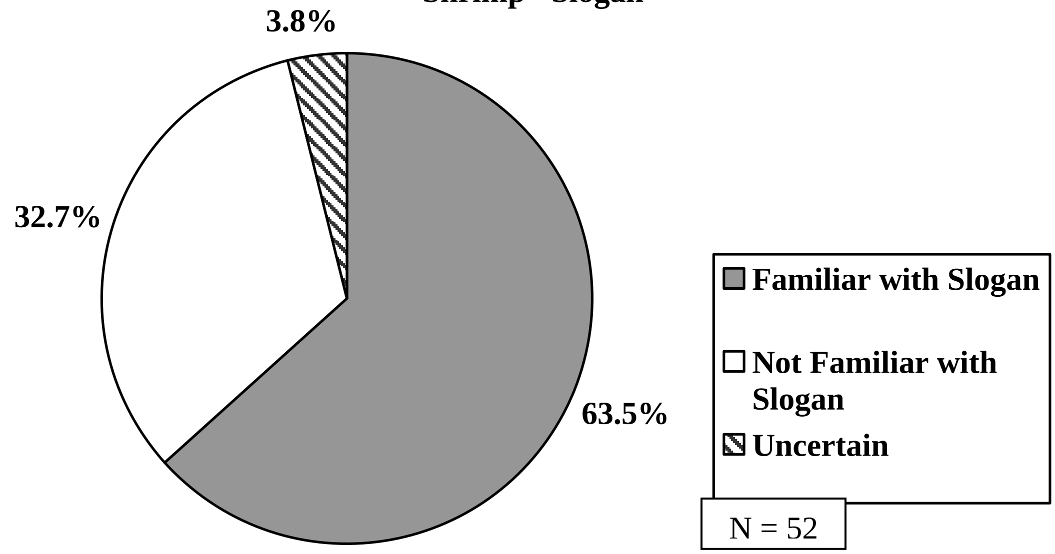


Figure 49. Respondents' Familiarity with the Great American Seafood Cook-Off

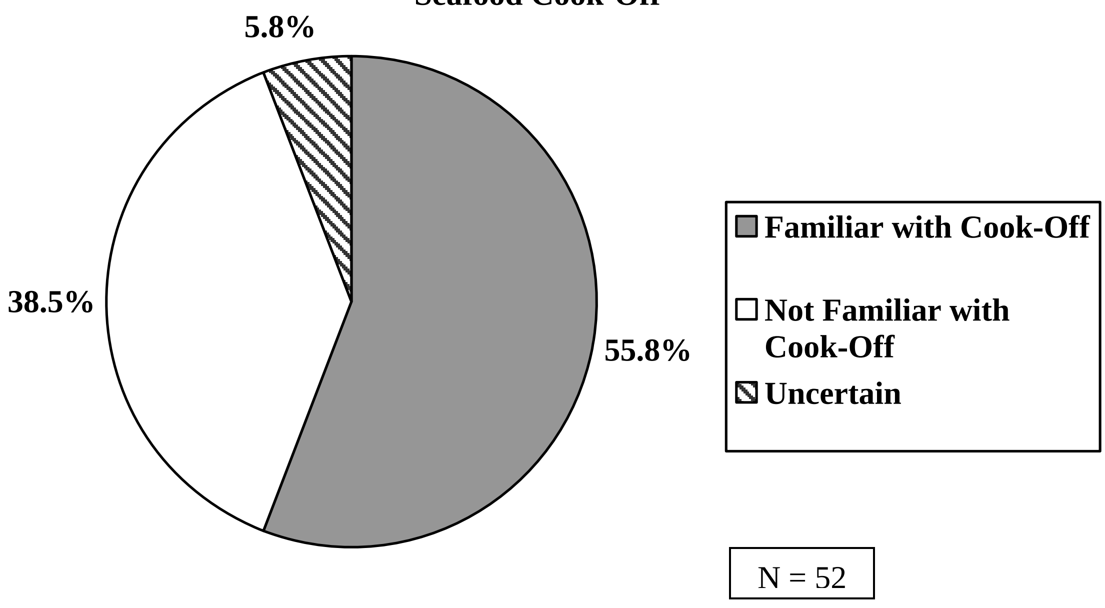
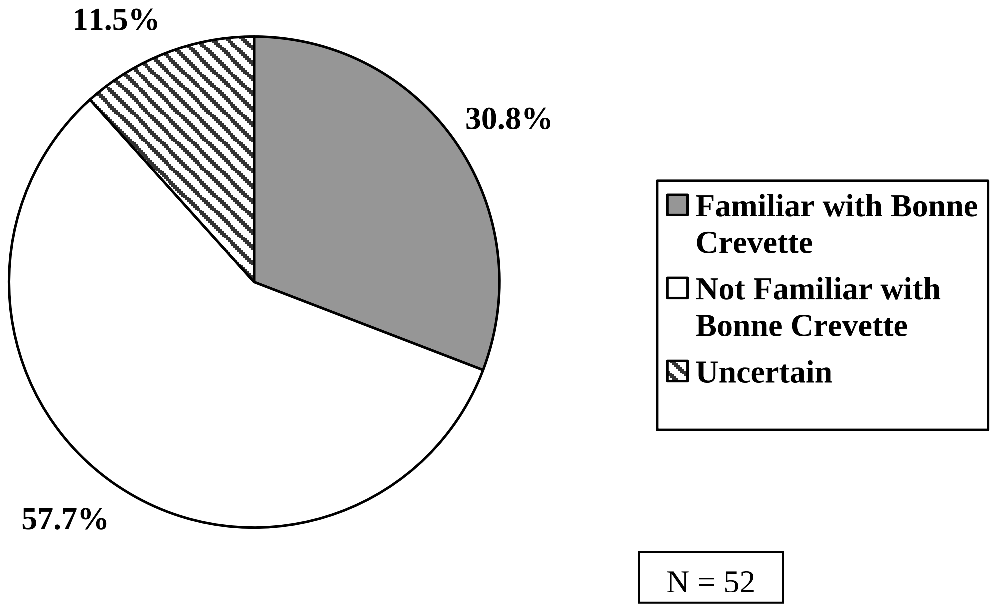


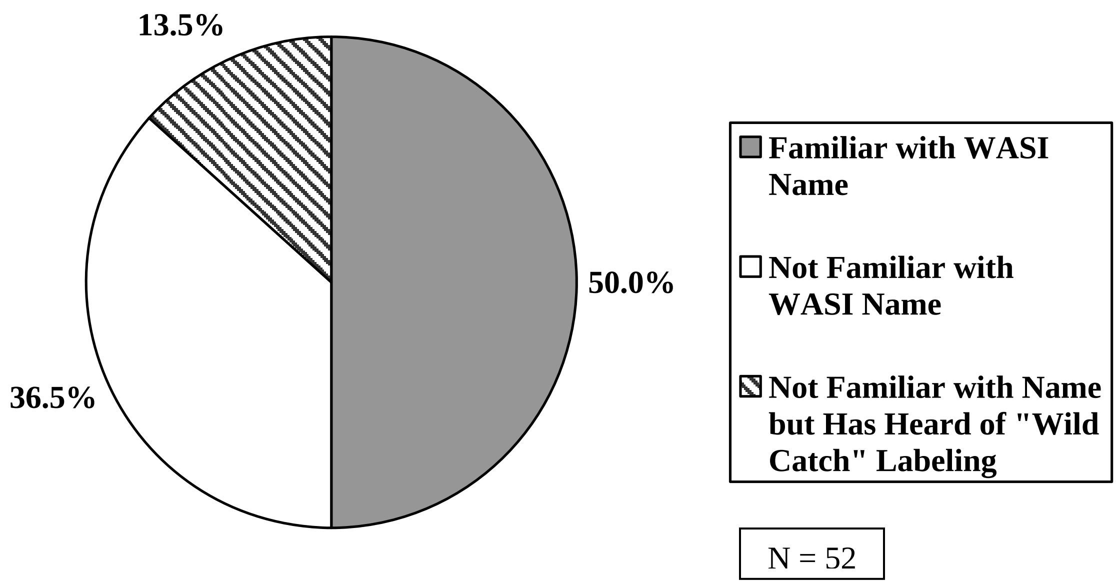
Figure 50. Respondents' Familiarity with Bonne Crevette Campaign



A fourth item is somewhat distinguished from these others as having perhaps a higher potential for involvement among entities in the shrimp marketing chain that do not have direct contact with consumers: the Wild American Shrimp, Incorporated (WASI) shrimp-labeling campaign. This is an effort to develop markets for domestic shrimp by labeling shrimp harvested from states along the Gulf of Mexico. Shrimp certified as being harvested from the Gulf and meeting standards for quality and handling are given a “Wild American Shrimp” label that promotes it origins to consumers. Half of the respondents had heard of the WASI campaign (Figure 51). Another 13.5 percent did not recognize the name but were familiar with the concept of labeling shrimp harvested from Louisiana or elsewhere in the Gulf as part of an effort to develop markets for domestic shrimp.

Respondents were also asked their opinions of the effectiveness of these campaigns. Below are summaries of their opinion of the “Demand Louisiana Shrimp” campaign (Box 4), the “Bonne Crevette” Campaign (Box 5), the Great American Seafood Cook-off (Box 6) and the WASI campaign (Box 7).

Figure 51. Respondents' Familiarity with WASI



Box 4. View of the Effectiveness of the "Demand Louisiana Shrimp" Campaign

- All of these programs are effective. They need to be out there more.
- All of these programs are needed.
- Doesn't think it is effective.
- Has not thought about how effective it is. If you're selling "fresh Gulf shrimp" people will look for it to buy it.
- [The respondent] does not see where it's affected him personally yet. He does not know if it's a good idea for each state to promote its own shrimp versus promoting ALL U.S.-produced shrimp. Many customers, especially those outside Louisiana, may not care if it's from Louisiana but they may care if it's from the U.S.A.
- Hope it's effective.
- I don't know how effective it is now. People from outside the state are not aware of it. It could be effective once people gain an awareness of Louisiana quality.
- I don't know if it's effective.
- It could be effective.
- It could be effective. Doesn't know a whole lot about it. (One Enforcement agent insists on Louisiana shrimp at restaurants. Even if only a few people do this, it's a start.)
- It may help a little, but it won't make much of a difference.
- It may not be totally effective because of the way shrimp are processed. Do not market shrimp in the peeled form. Instead market Louisiana shrimp in the shell-on form because the shell-on Louisiana shrimp are tastier. An exception: promoting Louisiana hand-peeled shrimp. The peeling machine process in Louisiana strips the shrimp of its flavor. It ends up raggedy-looking. The sodium tri-poly solution may strip the flavor or alter the flavor.
- It should make a difference. It depends on how it's handled.

Box 4. View of the Effectiveness of the "Demand Louisiana Shrimp" Campaign (Continued)

- It's not effective yet. These things take time. (Black Angus beef took seven years.)
- It's not effective. People are losing confidence in the political system (of which the campaign is a part). People are getting fed up. Regulations on fishing are interfering with people's ability to shrimp.
- It's visual but it does nothing. Ninety percent of the people don't know where shrimp comes from.
- Likes the slogan "Start with the Main Ingredient."
- Louisiana needs to focus on quality, not image.
- Not too many people pay attention. People pay attention to price, not origin.
- [The respondent] does not know how effective it is. Some people look for it (Louisiana shrimp). Some people don't. Most people who ask for it are shrimpers.
- [The respondent] knows the campaign is there but does not know how successful it is because she does not know where it spends its efforts. She has never sold shrimp to anybody who mentioned it.
- The slogan is working. Continue to push it and push it a little bit harder.
- This one he likes.
- With the Seafood Promotion Board has, Ewell is doing as well as he can do with the money that is available. Whenever you promote shrimp, shrimp sales go up. It doesn't matter who or what kind of shrimp. All shrimpers sell more shrimp./When you promote shrimp, people don't pay attention to where it comes from. Once you get out of South Louisiana, shrimp is shrimp.
- Yes, I like it.

Box 5. View of the Effectiveness of the "Bonne Crevette" Campaign

- It has not been effective in raising prices.
- A good direction, but the wrong people (on Board). The NFI issue - There are conflicts in meetings regarding imports.
- Believes it's good. It brings sales to the state - but not to this company.
- Good shrimp. We need things like this to promote Louisiana shrimp. Industry recognition.
- He does not know how much it will help. People focus on price. You may get some extra business, but it won't turn things around.
- He does not see how it can help.
- He has not seen any results yet. "Prices haven't gotten better since it started."
- He thinks it's a good idea.
- I hope it's effective.
- In the bayou, people understand, but further north, people do not understand the French.
- It could be a good idea.
- It could be effective
- It could be effective
- It could be effective
- It helps. People think they're getting a bargain during the season. Of course, it should be promoted year-round, too.
- It's not effective. People do not even notice.
- People are more and more saying that they want better quality. This appeals to more educated consumers.
- They could have picked a better name. It does little for the industry. The food show is better.
- Thinks they did a good job.

Box 6. View of the Effectiveness of the Great American Seafood Cook-Off

- [The respondent] attended last year and plans to attend this year. It's a good idea.
- It could probably be effective.
- (SSA and WASI were part of it when it started.) Not effective. Few people in the industry know about it. Most people are not familiar with so-called celebrity chefs. Many participants did not use Louisiana seafood. Maybe it could be successful in reaching high-end markets.
- A good way to promote Louisiana seafood.
- Anything that draws attention is good.
- Believes it's effective.
- Could be effective. "Caught our attention." Goes all over the country.
- Does not know how effective it is. People on the retail end are more affected by this than dealers are.
- [The respondent] does not go but he would imagine that it is good because people come from all over to take part.
- [The respondent] was upset that the winner from Louisiana used no shrimp. He did not even use a commercial product.
- [The respondent] went several years ago on behalf his grandfather's place. He says the organizers bought shrimp from his place and that it took a long time for him to get his payment. The cook-off went to top chefs. It did not go amongst the people, only to special folks.
- [The respondent] would like to know more about cost and response to see "how much bang for the buck" the effort receives.
- I like it. It hits the TV airwaves.
- It could be … It depends…. Sometimes it works, some times it doesn't.
- It could be effective but it is surely tasty.
- It could be effective in making more chefs familiar with Louisiana shrimp.
- It could be effective. It helped New Orleans.
- It could help. It might entice more people to eat more shrimp.
- It does attract some people who appreciate quality shrimp.
- It is a good idea. They could make them compare imports and Louisiana shrimp.
- It is effective.
- Likes it. Wonders how much participation came from other states. Thought it could be effective.
- Never attended. Louisiana should promote more local seafood festivals to people from other areas. (They have given shrimp to local cook-offs.)
- She has participated. She believes it is a long event, though.
- She may have passed by it on the Food Channel. It is a good idea because everybody is hungry.
- The cook-off was nice but it was nothing like Boston. (He complains of the quality of Louisiana Seafood at the Boston Market.)
- Thinks it a good idea.
- We do not know if it's effective, but a lot of people watch it so it's good advertising.

Box 7. View of the Effectiveness of the WASI Campaign

- It could indicate better quality.
- It's being a little effective because it's alerting customers to an American product. (Problem: Are processors putting foreign product in mislabeled boxes?)
- Believes that it can be useful to let people know where shrimp comes from and hopes it helps the shrimpers.
- Believes that to many consumers, it's all about the price, so he does not know how much of a difference it will make.
- But efforts to promote American shrimp or Gulf shrimp could be effective, especially if you pressure Red Lobster and Olive Garden to buy more shrimp.
- Consumers won't respond. They pay attention to price above other things. But WASI at least gives consumers a choice.
- Doesn't know who they are. Thinks it's a good idea.
- Familiar- but this dealer will not join right now. This dealer-processor has his own labeling and branding according to quality.
- Fears that it may not be effective if it doesn't change its ways. That said, WASI has been ineffective in promoting sales, especially its advertisements on the Food Network. She believes WASI is "processor-dominated." Can it raise prices? She opines that there is a "base price". People will pay less for shrimp as quality declines but not more for shrimp as quality improves.
- Good idea.
- Gulf shrimp is too small a portion of the market to make a difference. Imports are too voluminous.
- He believes it has helped the overall industry somewhat. [Emeril's cooking show has helped a lot to raise awareness. Many consumers know little about it.]
- He does not know if it's going to make a big difference. It will make a difference to some but most people (customers) are price-driven. It is a good start to promote domestic shrimp.
- He does not think it's effective. Most people don't know where shrimp comes from and don't care. They just want it cheap.
- He does not think WASI would matter. If shrimp is no good, factories will not buy it.
- He has heard of "Wild Catch." It's good to label things so consumers can make a choice.
- He is not sure it will work. Shrimp sold locally [means a] sure payment. Shrimp that is shipped out [means a] less than sure payment.
- He looked into WASI but he found out that some WASI-approved processors may not have lived up to WASI standards.
- He supports the effort but factories and freezer boats need to improve quality.
- He thinks WASI would be a great idea.
- He understands WASI is supposed to be Gulf shrimp. It's a good idea but they are too strict. He is not sure that the promotion will earn them (dealers) more money. Most people are still going to be "price-motivated", looking for cheap shrimp. - WASI need to bring more shrimpers in for classes, not just processors.
- It is a good idea to promote the Gulf, not just Louisiana. We're the biggest producer, but we need the other states.
- It is not effective yet but it will be.
- It's a good deal. The only concern is that it's helping a section of the industry, like Tony Chachere's and such. WASI (benefits) have only gone to a certain group of people.
- It's a good idea. Keep price and value of American shrimp up. (Most people don't know where shrimp comes from, but we should let them know.)
- It's a joke. It's all been tried before. CONAGRA tried to promote domestic wild-caught shrimp. It didn't work. A select few may pay extra; most won't. It all comes down to price when it comes to the public.

Box 7. View of the Effectiveness of the WASI Campaign (Continued)

- Not familiar with the name but the idea sounds good. This dealer pays attention to labels to see where food comes from.
- Not much to say about WASI. Their insistence on the need for shore-side facilities (on land) is not great.
- Promoting U.S.A. shrimp is okay but she would prefer a campaign focused on Louisiana shrimp because Louisiana shrimp tastes better than shrimp from other areas of the Gulf.
- Thinks government wants to control imports for safety and quality. This should help fishermen.
- This could be effective. Some people just won't care but some will care.
- This dealer does not know how much it will help. People focus on price. You may get some extra business, but it won't turn things around.
- This dealer says we need WASI grades. The penalty system needs to be in place to punish people who are continuously short the standard and hurt reputation of the label. (Cites U.S.D.A. experience.)
- This dealer thinks WASI mostly benefits the plants.
- This processor did not want to get involved because he did not think it would work. Some shrimp on display at the Boston Seafood show were not up to his standard for quality.
- This respondent has concerns regarding the decision to send WASI shrimp to Mexico for processing and then sending them into U.S.A. again.
- This respondent pursued the idea of a shrimp promotion board but was buried. Now the board is pursuing (the establishment of a) shrimp promotion board because they are pursuing WASI money. WASI could be effective but they hired a fish man to do a shrimp promotion. Standards are too tough, too. [WASI standards are already too tough. They need grades like Black Angus.]
- Though familiar, he has not participated. No customers have asked if he was WASI-inspected. Personally he has some doubts about some WASI-inspected factories. It is a new program. It may yet make a difference in years to come.
- WASI may be effective if you let people know that it's domestic shrimp. But maybe they will look just at price. Maybe in the long-run, it could be successful if people eventually learn to appreciate Louisiana shrimp.
- WASI would not hurt. Make sure the label is big enough for people to see.
- Yes, thinks it's effective

Views of Certification and Quality Assurance Plans

Currently, several elements in the Louisiana shrimp industry, including the Promotion Board, Louisiana State University, Louisiana Sea Grant, are considering the creation and adoption of voluntary certification and quality assurance programs. These programs would identify best management practices for shrimpers, dealers, processors, and others designed to assure the delivery of high quality seafood products to consumers. The aim of these efforts is to improve consumers' awareness of high quality Louisiana shrimp and to enhance their confidence in its quality and freshness.

Respondents were asked their views and opinions of these efforts. Box 8 contains the respondents' qualitative responses, presented in categories. Some were optimistic. More were skeptical or pessimistic. A few were uncertain about what such efforts might entail. Some believed such programs would need to offer incentives to succeed. Some held doubts regarding the necessity of certification. Others did not address quality assurance programs as such but instead identified what in their opinions were problematic practices in the shrimp industry.

Box 8. View of Certification and Quality Assurance Programs

OPTIMISTIC

- Believes it would work if you certified shrimp the same way you certify sweet potatoes. "Certified" tells people it is safe.
- He is aware of the efforts and actively participates in the selection of standards to attain and promote quality shrimp.
- He thinks it would be helpful to an extent. The quality of the shrimp has increased "20 times" over the past 6-7 years in response to increased imports. (Emphasis on marketing.)
- It could be effective. If it would help out the industry, everybody would be for it.
- It could be effective. It could be worthwhile.
- It could work.
- It is great. There are so many variables in catching and packing shrimp. A set of standards would be helpful. If the state sets up the standards, it would seem more legitimate than if industry did it.
- It would be easier to process good quality shrimp. This is a good idea.
- That might be a good idea. It may not help prices but it would help customers out – and increases sales.
- This is a good idea and it is needed. (This dealer pays an extra 10 cents per pound for good quality shrimp. Some shrimpers complain, but this dealer continues doing it any way.)
- Thinks Louisiana brand is important.

SKEPTICAL

- A lot may not be practical. It would require education. Remember lots of people do not speak English well. (LSU is doing some of this (offering translations).)
- I would think so. Who's going to enforce it though?
- If industry changes and accepts it, he would jump on it. But U.S.D.A. inspection is expensive. He claims inspection for an order can cost $300.
- It could raise prices and sales, but a sticker is only as good as the man putting it there.
- It is a fine thing to pursue higher quality. It may get higher prices or it may not. Customers pay a lot of attention to price. "Price is everything."
- It would be okay for processors. It "might be a good idea" to find better ways to handle (shrimp) on boats, to keep it fresher, but only if timely and efficient.
- They could help to an extent. You have to get better processing. Processing has to be more effective. If processors could find a way to process "natural shrimp," no tri-poly, no additives, that would be the way to go.
- This is a good idea but it will be expensive. Many people cannot afford it. You need a definition of quality. The pastor's idea is good. (The pastor is a Mennonite preacher who spoke during a recent shrimp task force meeting about plans to help Plaquemines Parish shrimpers recover by promoting the sales of their shrimp.) He is moving some shrimp. It is a good idea to put a "name and face" on the shrimp, but this may backfire. Customers will want the same boat, same family, every year. This could get complicated.
- This is a great idea. You can't just say it. You have to show it.

Box 8. View of Certification and Quality Assurance Programs (Continued)

PESSIMISTIC

- "I don't think it would work." How much can they handle that way? There are too many steps, too many people along the way, for this to work with wild shrimp. The volume is too high, too many actors or participants, too many variables. Only pond-raised shrimp can guarantee uniformity like this.
- Certification is too much trouble, much too expensive. The customer will tell you what he wants.
- He does not think a quality insurance program would work. High quality shrimp is more valuable only if those shrimp are sold directly to retail markets. Factories won't pay extra for higher quality. Many factories actually prefer shrimp that is a few days old because they are easier to peel.
- He has heard a little bit about it. These programs tend to be really strict - too strict. They want us to be close to foreign-packed shrimp. The foreign-packed shrimp are pretty but they have low labor costs that we cannot match. In short, standards can be too strict to be operational.
- He has heard of it. He doesn't think it is a good idea. "We don't need them to tell shrimpers what to do. We should tell them." Less government is better government.
- He has not heard of it. These things are difficult to implement.
- He likes the idea but is afraid somebody will mess it up.
- It (Certification Program) will not work because people can't make money on shrimp. Shrimpers are just trying to earn a living. They don't want to change the ways they do things.
- It might help on sales but not on price because of all the competition.
- It might help on the retail side but it won't help the fishermen yet.
- It would not be effective. "Fresh is fresh. Bad is bad." It might make a difference but he does not know how it will be done. It might be nice. Cutting down operating time will kill them. Reducing trip time will make it worse.
- On a mass scale, it won't work. (Most) people shop for price. Some people are health-conscience and quality-conscience, but most people focus on price. The cost of living is high now. People would rather spend their money on something else.
- Quality assurance programs may not make much of a difference at the national level, though. Outside Louisiana people pay attention to price, not quality.
- This is a joke. Quality has improved because the number of boats is down. The boats that remained are not staying out so long. All of this has been tried. It is just not documented. Quality programs began in the 1970's when peeling machines came on line. They needed more volume to run through the machines. Before machinery everything was hand-peeled. Now it's Louisiana machine-peeled vs. imported hand-peeled. [Oddly, one way to improve the quality of Louisiana shrimp may be to go back - to a certain extent - to the old way of doing things, that is, hand-peeling.]
- This would require that shrimpers change the way they are doing things. They won't change. This involves too many rules and regulations. Lots of shrimp would have stamps on them that should not [false labeling] since nobody would want to sell a shrimp without a label on it.
- Who is going to teach the shrimpers how to apply ice? What you read in books doesn't always work. Experience is the best teacher. There are so many variables involved (like weather, the size of the box, *etc.*) that can not be taken into consideration during training.

Box 8. View of Certification and Quality Assurance Programs (Continued)

NEED FOR INCENTIVES

- Familiar with the program and knows Dr. Bell. It could work if there is a penalty involved for not being consistent with the standard. The standards need to be enforced.
- If (certain) people do not live up to standards, those people should lose the right to put the certification label on their product.
- If you want better quality, the price of shrimp needs to go up. Getting high quality shrimp is not worth the additional expense associated with high price of fuel. Shrimpers who bring in good quality shrimp are paid the same as the ones who don't. They are all sent off to the factories that peel them.
- It will be hard to monitor, but in the next couple of years there could be some incentives to reward better shrimp. An incentive program is needed but not everybody can accommodate it.
- There needs to be a reward to participants, not an extra 25 cents but an extra dollar.
- We could do that [implement certification standards] if we got higher prices.
- Yes, familiar with the efforts. Find him somebody who would be willing to pay more money for a better quality shrimp and he would be willing to do it. Yes, he believes, nobody is willing to pay extra for high quality shrimp. He is satisfied with the quality of his product (peeled shrimp).

DOUBTS REGARDING THE NECESSITY OF CERTIFICATION

- Anything that can improve the standard will be good. There is a difference in opinion about the mindset behind why this certification needs to be under a different umbrella than WASI. We can market by state but Louisiana does not need its own certification process [beyond the Gulf-wide certification process.]
- Anything to try to make it change, to make it better is good. But people have been working with shrimp their whole lives. They already know how to keep their shrimp good.
- Believes factories are putting in a quality program of their own. He notes that the factories in Dulac do not buy shrimp that are not good. They check for blackness and temperature.
- He already implements a quality control program of his own. If shrimp are over 7 days old, he will look at it, but he may not buy it. If they are black, dark, or red, he will not buy them.
- Lots of people are already doing this to a certain degree.
- Not sure. If you're fooling with shrimp, you know how to handle them. Just by visual and smell, you can make sure they're good. The [Certification Program might] follow a harsh or overly strict plan.
- Quality is the major concern. Before IQF boats, people used ice and the quality was bad. New IQF technology really improved quality.
- Shrimpers already have incentive to keep quality shrimp up. They can get higher prices. Lower quality shrimp goes to the processors
- Shrimpers already know how to handle their shrimp. They will resent the intrusion.
- The quality is already pretty good. As long as it is iced as it is caught, the quality should be good. Factories aim to buy quality shrimp. The plants take care of their own.
- There is too much government as it is, he says. He thinks this is an effort to get government money. The government should not use government money to get into private business.
- They have it under control right now. If the shrimp are not good quality, shrimpers can't sell them, dealer can't buy them. They are already incentives for good quality.
- This dealer expressed skepticism about such a program's success. He does implement his own quality standards. He will not buy low quality shrimp. The processor will not buy low quality shrimp from this dealer if he does offer it.

Box 8. View of Certification and Quality Assurance Programs (Continued)

UNCERTAIN

- Doesn't know about it.
- Heard of it. I don't know what programs are up to. Cannot say how effective it is until she knows more about the proposed programs.

PERCEIVED PROBLEMATIC PRACTICES IN THE SHRIMP INDUSTRY

- One problem: Some plants are putting out a bad product. Plants need to come up with rules about what they will buy. They need to decide not to buy bad shrimp. Bad stuff won't move on today's market.
- People need to use ice when harvesting shrimp. Quality shrimp starts right here on the boat, at the dock. From here on up, you can't miss a step.
- Processors use too much tri-poly. Shrimpers bring in some old shrimp. (Some have 30-day old shrimp.)
- Quality of shrimp could be a lot better if shrimpers could freeze shrimp within an hour of harvest. This dealer is trying to promote his own quality control program. He is trying to get 10 boats that will handle shrimp in a way consistent with the preferences of his customers.
- Quality starts on the boat by washing shrimp just when it comes out of the water. Dealers are the ones who have to emphasize the need to handle product correctly.
- Shrimpers need to use sodium bisulfate but some use so much that it affects the taste.
- Some people do not handle shrimp right. This hurts the quality and reputation of Gulf shrimp. When he first started selling shrimp, he could not get good information on how to handle it, how to keep it fresh, *etc*. (Few shrimpers would tell him anything.) Eventually he learned, no now he can judge freshness by touch, look, and smell.
- Some processors add tri-poly. This can add weight to shrimp and allow them to compete against imports. (Aside: Tri-poly loaded shrimp are clearer than fresh shrimp.) This affects the taste of shrimp 100 percent.
- SUPERMARKETS need training in how to handle shrimp. Train THEM.
- The way shrimp are packed can be a problem: shrimp on top, shrimp on the bottom, "hot spot in the middle." This can ruin shrimp. Add layers of ice frequently to keep shrimp fresh.
- We have to convince shrimpers not to drag for so long. Some shrimpers pack too many shrimp in a bag. The brine can't get through and quality suffers. They need to get rid of sulfites and use Everfresh. You need a set amount of tri-poly. It would put all dealers and processors on the same level ... and would reduce "cheating" or "size jumping." Need to develop a chemical-free shrimp.

MISCELLANEOUS

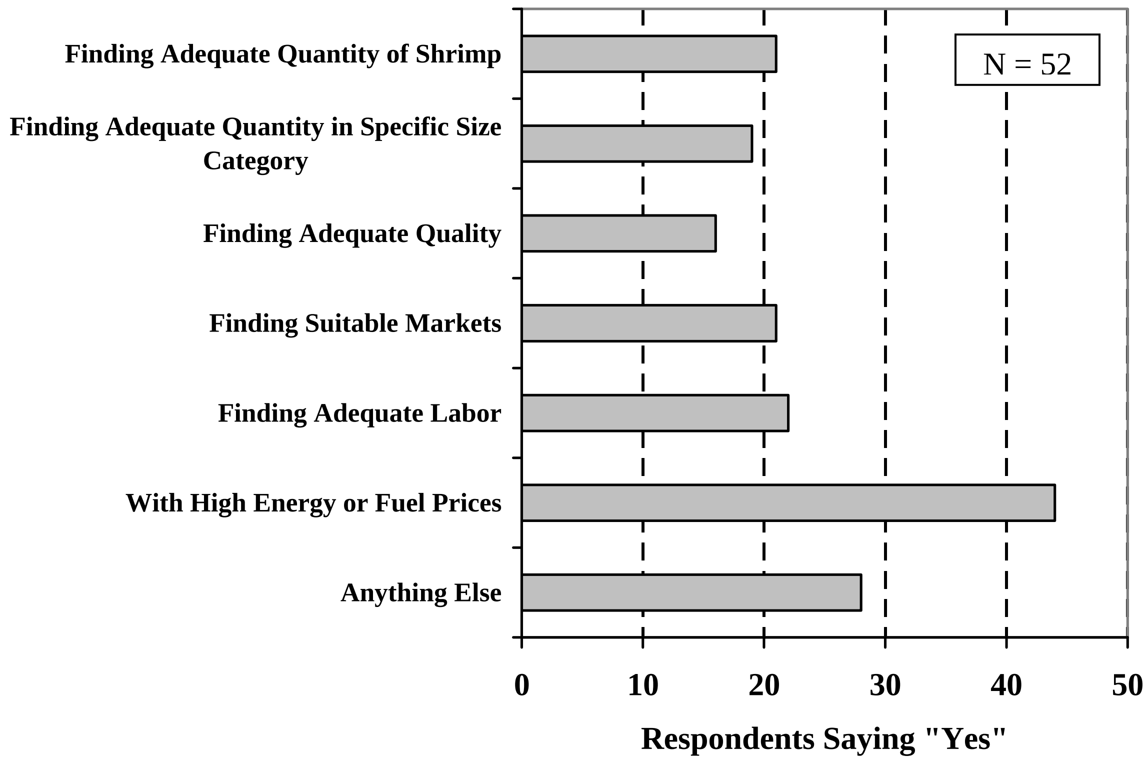
- Smaller boats will move to day-boat shrimping. Bigger boats will eventually move to IQF (which is not as good as fresh but is pretty close.) IQF shrimp are hard to peel.

Challenges Facing the Louisiana Shrimp Industry

The Louisiana shrimp industry has encountered a number of problems in recent years, including difficulties in finding adequate labor to operate their facilities, difficulties in finding suitable markets for their products, and increased expenses attributed to recent high energy prices. Some individuals have experienced difficulty in acquiring adequate supplies of shrimp or an adequate quality of shrimp.

In order to discern the prevalence of such problems, respondents were asked whether of not they were having difficulties ("yes" or "no") regarding six (6) specific issues plus "anything else" or other difficulties they might specify (Figure 52). Difficulties with high energy and fuel prices were cited by more survey respondents (44) than any of the other issues. Other problems, specified in their responses for "anything else", included financial issues, marketing issues, and regulatory issues. Nine respondents specified problems with low prices of shrimp, including one who believed the cause was a recent increase in the quantity of imported shrimp. Others cited an increase in costs, specifically insurance (4) and parts and repairs (3). Three mentioned a decrease in the availability of credit or loanable funds. Three were concerned about the availability of ice in their areas. Three expressed a concern that the declining number of shrimpers would reduce the quantity of shrimp that they could acquire and, in turn, hurt their revenues. Two believed that there were not enough shrimp processing plants in the state. One person, a retailer, believed that too many people could sell shrimp wherever and whenever they wanted to sell them. Three opined that regulations, such as turtle excluder devices and red snapper limits, were too restrictive or confusing.

Figure 52. Problems Encountered by Respondents:
"Are You Having Difficulties …?"



Recommendations for the Seafood Promotion and Marketing Board

In addition to the problems mentioned above, the Louisiana shrimp industry is undergoing adjustments connected to declining prices for shrimp products. Though many of these adjustments depend on the actions and responses of individual agents within the industry, some adjustments may require some level of group of collective action.

Respondents were asked what they thought the Louisiana Seafood Promotion and Marketing Board might do to help develop markets and improve prices for Louisiana shrimp. Their qualitative responses are presented in Box 9. Many believed that the Promotion Board should promote shrimp in particular geographic areas (in-state or out-of-state). Other recommended particular media: television, the internet, and point-of-sales advertising. Others had broader recommendations, such as initiating place-of-origin labeling, promoting the products' quality, developing a customer base, or instituting alternative promotion strategies.

Box 9. What Can the Promotion Board Do?

OUT-OF-STATE MARKETING

- Concentrate marketing where there are large groups of people: Atlanta - 12 hours away; Memphis - 8 hours away.
- Concentrate on out-of-state advertising because people in Louisiana already know about it and people outside the state do not.
- Less advertising in Louisiana. A better booth [at food shows]. (Florida's booth is a lot better than Louisiana's.)
- Make commercials that go around the country because that's where the shrimp go. (He mentions New York and the Carolinas.) Everybody in Louisiana knows about shrimp already so commercials aren't needed around here.
- Mexican and other Latino markets love dried shrimp. Asian consumers also love dried shrimp, often crushing the shrimp to add as a powder to soups and other dishes.
- Most shrimp from Louisiana are sold to the east coast. There are potential markets in the western United States where there are some higher paying customers.
- National TV campaign would be good.
- North Texas - A potential market. California - but they want something pretty. New York City, Washington, D.C., and even Houston - could be good markets. Many people in these areas don't know much about shrimp.
- She has seen commercials locally. Maybe they should go nationwide.
- Their posters are beautiful. They need to get outside the state. They don't need to advertise in Louisiana. National TV campaign would be good. {Karl Turner helped this business a lot.}

IN-STATE MARKETING

- Concentrate marketing of fresh shrimp to central and north Louisiana.
- Some marketing should be done in Louisiana. Concentrate on developing links to specific restaurants and groceries and other businesses. [Casinos were supposed to buy Louisiana products but they never followed up on it.]

TELEVISION

- A "crawl" on the bottom of the local news weather report was a cost-effective way to promote his shrimp in the past, boosted this dealer's sales.
- Make commercials that go around the country because that's where the shrimp go. (He mentions New York and the Carolinas.) Everybody in Louisiana knows about shrimp already so commercials aren't needed around here.
- National TV campaign would be good.
- People watch a lot of television. Only young people go to e-mail; older people are too busy working. Go to where a lot of people can see: the Food Network, for example. Do not go to where only high-class people are. Go to where common people are.
- Promotion should be done nationally.
- Television - since everybody watches TV. Internet - since so many people are computer savvy. Recipes could be effective. Need to let people know the difference between imports and domestic. (U.S. needs foreign seafood but give people a choice to buy domestic products.)
- They need to focus more on television. That's where people are.

INTERNET

- The Louisiana seafood web site needs a "search by product" category. Needs to be more specific about which species and forms they handle, i.e., soft-shelled crabs, garfish, *etc.*
- There should be a place on the web site for people to buy directly from the shrimpers … with not so many tabs. It needs to get away from "processors alone."

Box 9. What Can the Promotion Board Do? (Continued)

POINT-OF-SALES ADVERTISING

- Get big markets to buy domestic shrimp: Wal-Mart, Red Lobster, Olive Garden.
- Need to promote wild-caught domestic product and let us get lumped into one big group. Shrimp could be advertised "chemical free" in Whole Foods, *etc.* [The Louisiana Restaurant Association fought a bill requiring Louisiana restaurants to say whether their shrimp came from Louisiana or not.]
- Suggested tag-lines: "Does your restaurant serve Louisiana shrimp? Why? Why not?" and "Our shrimp are from God's pond."
- They need to go more retail (groceries and stuff like that). Plaquards at seafood counters, not billboards on the side of the road. Can you get a restaurant to do something? Put a list of restaurants that use Louisiana shrimp on the web site or some other place. Need to educate people about the origins of shrimp. (How many people in restaurants ask, “Where does shrimp come from?”)

PLACE OF ORIGIN LABELING

- First, make sure they are marketing Louisiana-caught shrimp. A lot of shrimp are mislabeled as Louisiana shrimp when they are not caught here. Do shrimp need a country or state of origin label? Give the customers information and give them a choice.
- Have a program to force processors into having a Louisiana trademark.
- Maybe they can put a bigger stamp on foreign products.
- Promoting "eat Louisiana shrimp" is a good start. Whatever it takes to get people to buy more shrimp.
- Put a personal touch to the ads, like somebody working on a boat. Put a face on it. Let people know there's a man making a buck with this shrimp. "You're helping a man and his family out."
- They ought to focus on "Product of the U.S.A." and "Pride of Louisiana."

PROMOTE THE QUALITY OF LOUISIANA SHRIMP

- Focus on the quality of shrimp from Louisiana. Contrast Louisiana shrimp with foreign shrimp related to health concerns.
- Fresh shrimp always sells.
- He has seen them advertise. It assures people they are picking up a good product. (Some people do not eat seafood.)
- Say Louisiana shrimp is fresher and healthier, hormone-free.
- Shrimp could be advertised "chemical free" in Whole Foods, *etc.*
- There needs to be a focus on the quality of shrimp.
- Wild shrimp have no chemicals ("organic?") Shrimp raised in ponds are full of chemicals. They are fed steroids(?) and other chemicals to grow faster.

DEVELOP ACCESS TO CUSTOMERS

- Advertise for people to come buy from dealers, not the market. "Buy directly from the dealers and other producers." The dealers could give more money to shrimpers and all would be well.
- Maybe we could develop fresh seafood markets, a place like a farmers' market where you could go to buy good fresh seafood directly from shrimpers. Houma has or had something like this.
- Need help finding access to shrimp factories
- There should be a place on the web site for people to buy directly from the shrimpers … with not so many tabs. It needs to get away from "processors alone."

Box 9. What Can the Promotion Board Do? (Continued)

PRICE OF SHRIMP

- Maybe ask brokers to pass low shrimp prices along to consumers so consumers can buy more domestic shrimp. (The only place shrimp are cheap is at the dock.)
- Raise price of shrimp to fishermen. Shrimpers are not getting what they should for shrimp. Try to understand the mark-up in prices from the shrimpers to the retail market.
- Restaurants are very sensitive to price. If prices are too high, they drop the product off the menu
- The point is price. The only way to do this is to slow imports.

CHANGE IN PROMOTION BOARD'S STRATEGIES

- Perhaps there are concerns about what the Board is marketing. They should promote more shrimp.
- Board needs to have a diversity of views and should contain another seat for seafood dealers and distributors of seafood products.
- Right now the Board puts it message out to people who already know a lot about shrimp. Extend more outreach to the general public.
- The Board gets a lot of money from shrimp, especially small, peeled shrimp, but they tend to promote other products, like tail-on butterfly shrimp. "Promote what we produce." He backs boosting the severance tax from 15 cents per barrel to 50 cents per barrel and efforts focused on the East Coast.

MISCELLANEOUS

- Be careful when selling products to people who import shrimp. These people are bleeding the local shrimp industry dry.
- If he was getting a consistent quality and quantity of shrimp, he could concentrate on one area.
- Put shrimp or shrimp boats on lottery scratch-off tickets.
- Should be marketing Louisiana products. He cannot get enough seafood products except for oysters. If there is no supply, prices are high.
- Oysters are the most underutilized product in Louisiana. (Louisiana oysters sell for 10 cents each, 70 cents less than other oysters.)

NOTHING

- He can't think of anything.
- He doesn't have an opinion. He doesn't have to pay much attention.
- He has no suggestions other than to do what they are doing now. They've been doing a good job.
- He is not sure of what to do but suggests we ask retailers.
- I don't know.
- No reply.
- Not familiar
- Not really.
- Not sure.
- Not sure.
- Nothing comes to mind.
- Nothing. Factories will pay whatever they want. Fishermen will get what factories pay regardless of the quality of the shrimp.

Recommendations for the Louisiana Department of Wildlife and Fisheries

Respondents were also asked what the Louisiana Department of Wildlife and Fisheries (LDWF) might do to help the Louisiana shrimp industry. The LDWF is a state regulatory and oversight agency and has only a limited capacity to address many of the marketing problems experienced in the shrimp industry. Nevertheless, the respondents opinions, presented in Box 10, contain many observations for the Department's consideration.

Box 10. Challenges with Which LDWF Can Help

SEASON OPENING

- Make sure data - biological, ecological - are correct before making seasons. (How do they sample?)
- This dealer would like to see them have a little better hold on how they open the season, better monitoring opening and closings of seasons. Inferior equipment. Why not contract with shrimpers who have better equipment and better knowledge of where the shrimp are? The shrimp don't stick around. It's hard to guess when they'll be here. They come in waves. There are "crops of shrimp."
- Open seasons in all areas at the same time, not the way it's done now. When you close the season, close the season all over the Gulf. Lots of Louisiana shrimp are blown over to Mississippi and Alabama and are caught by people in other states.
- Open the season earlier, around May 1. It should be in time with the moon phases when shrimp are coming. (Department biologists may not know when the best time to open is. Listen to the people in the field.)
- The sampling procedures need to change with changing local environmental conditions. The season has opened at noon for the last two years. (He does not know why and thinks it may be attributed to safety considerations.) The season should instead start in the morning. This will help the fishermen.
- This dealer's only beef is the opening of the season. The dealer calls the data collection procedures "dinosaur stuff." They are still using old nets and old sites.
- Maybe the Department can keep an eye on how they start the shrimp season. They do a good job of closing the May season but not so good a job of deciding when to open the white season. Sometimes at the start of the white season, the shrimp are too big for the factories' standards. Seek input from fishermen regarding the size shrimp should be at the start of the season.
- People should leave small shrimp harvested in January and February alone.
- Give the Department power to close and open seasons. Listen to biologists and go by their recommendations rather than listening to people who have certain portions of the industry.
- LDWF can moderate more with the industry in trying to make seasons better. We may be able to manage seasons to fill in what imports are not providing. For example, if imports are small shrimp, manage for large shrimp. If imports are large shrimp, manage for small shrimp.

Box 10. Challenges with Which LDWF Can Help (Continued)

REGULATIONS AND ENFORCEMENT

- Federal regulations, like TED's and BRD's and stuff, are a problem. It would be easier to deal with regulations if the price of shrimp was higher.
- This dealer is an opponent of additional regulations. If you enforced the existing regulations, you would not need new ones. LDWF should understand that mistakes will be made. Forgive some errors on forms, paperwork, *etc.*
- Opening the season at 6:00 a.m.(?) is not a good idea. It would be better to open it at sunrise. There were a lot of complaints from shrimpers who prefer a sunrise opening time.
- They do a good job of watching for violations.
- LDWF should keep after "outlaw" shrimpers as they have been doing.
- There are a lot of rules and regulations. It is hard for fishermen who do not speak English well to understand the laws and follow them.
- Wishes the Department could send out a brochure listing new regulations for the year. Has heard Wildlife and Fisheries is regulating shrimpers more and more. This is making it harder for shrimpers to earn a living.
- Agents are more user-friendly now. There is a grey area in regulations. Laws are often uncertain or unclear.
- Check bays more often. Enforce daytime-only fishing and trawling laws among other regulations.
- Change the regulations on by-catch. Allow shrimpers - specifically mentioned Vietnamese shrimpers - to bring in finfish that they catch in their shrimp nets, rather than just throw them away. Many of these fish are already dead by the time the nets are raised. Furthermore, the fine for beheading fish is fairly high. (This dealer also wishes the government could find a way to help shrimpers. If they could give them a break on fuel, maybe a tax break, it could help.)
- The Department could help by not coming over here anymore. (Cites problems with Enforcement agents.)
- The Department might be a bit more flexible in some of its regulations.
- Better enforcement.
- Can you change the law to keep people from peddling shrimp on the side of the road? This is costing dealers a lot of money. (Furthermore, these peddlers do not have to follow HACCP regulations among other health regulations. Some peddlers sell a lot of water when they sell their shrimp.
- Put a season on wild crawfish, an opening day, a closing day would be good. Late in the season, quality declines. They get muddy, dirty, *etc.* It would make it easier for business places. You kill a lot of the crop for next year when they fish or harvest crawfish late in the season. Crab trap theft is a problem. People are breaking traps' labels. Get away from butterflies and skimmers. Go back to trawls only. This would keep the part-timers and weekend warriors and leave shrimping to real shrimpers. Go back to the old ways of crabbing. The technology is getting too easy.
- End of the month - The dealer needs to fill out a report to pay a tax, but boats do not have to.
- Close oyster harvesting in August -October when oysters are small. There should be legislation that holds dealers, distributors, and processors to a "truth in product" law (like a COOL law.) "Truth on menu" laws. Unethical dealers take advantage of uneducated consumers, restaurateurs, and even Wildlife agents.

Box 10. Challenges with Which LDWF Can Help (Continued)

LICENSING

- Lower out-of-state fishing licenses, same with hunting license. (We passed a gear tax.) A lot of boats do not sell their shrimp in Louisiana because of the cost of a Louisiana fishing license (gear license). Even if they don't fish in Louisiana, they could sell in Louisiana if they catch it in Alabama, Mississippi, or off-shore. (Find out what Alabama is doing.)
- Occupational licenses are too high. They went up too high too fast./Open up season between moons. If you open up right before the full moon, the market will be flooded with big shrimp at the beginning of the season./Give fishermen more than 72 hours notice when the season is about to open. They don't know when to make ice … and lose lots of ice trying to guess.
- Do something about the fresh product license to cut down on the number of people who sell shrimp wherever they want. (Comment from a seafood market.)
- Put a local office (in Lafourche Parish) or open up commercial license sales on the internet.
- The Department should let people know what licenses they need for particular purposes. A lot of folks don't know they have to get a license from Wildlife and Fisheries to sell seafood, for example. Get the word out.
- It is aggravating to go all the way to Baton Rouge to get your licenses. Can you set a computer up in Lake Charles? A lot of shrimpers and crabbers complain about this.
- Need to educate people who hold retail licenses. They need to teach people who hold retail licenses to whom they can sell and to whom they cannot sell. The retail license needs an instruction sheet.

TRIP TICKETS

- Trip tickets program has been hard on computers.
- The trip tickets are a challenge. It's so repetitive to fill out every day to pay the shrimpers every day. The top of the form is the hardest to fill out, especially vessel name, vessel number, and gear type. If tickets are issued to this dealer, why does the dealer have to fill out dealer ID number?

MISCELLANEOUS

- Distribute "tide" calendars to commercial fishermen.
- Against night trawling for white shrimp. It is the ruination of white shrimp.
- There are no commercial people on the commission. There should be a commercial rep. on commission. Bad law: 50% 100-count. If market doesn't demand a product, why produce it? They should produce what the market wants. (There is no demand for small shrimp.)
- Listen to shrimpers more. Don't be so hard-headed at meetings. Pay attention to us. (Commends the Department for listening to dealers and shrimpers this year.)
- Provide Vietnamese translations of the news, especially seasons' openings and closings.
- Increase the price of shrimp. In addition, can the LDWF help bring in Mexican workers? This dealer cannot meet the requirements to sponsor immigrants. Can LDWF help sponsor workers?
- Diversify into different products. Stop all in-fighting. Come together as one industry. Too many sectors fighting each other. If we could organize shrimp industry as well as the oyster industry, we would be in better shape. Shrimp industry needs better leadership.
- A lot of land on the coast was once estuaries for shrimp. Now a lot of private land owners have altered the resource. They put up weirs for the benefit of hunters. The shrimp are caught behind the weirs. This hurts the estuaries. It should be illegal. Banning this use of weirs would benefit shrimpers.
- There needs to be a balance between shrimp production management and water flow management for the protection of wetlands. Man created the problems of eroding marshes. Don't create a new problem solving another problem. "Need to lean more to fisheries than marshes. Need to find a balance." Consider (1) different grasses and (2) bringing in compost or soil or what-not to build marsh.

Box 10. Challenges with Which LDWF Can Help (Continued)

NO RESPONSE

- No problems. Enforcement comes and sees this dealer once a month. The dealer doesn't do anything illegal.
- No problems. If ever has any questions, he calls the Department.
- No response
- No suggestions
- No suggestions
- No suggestions
- Not at this time.
- Not really.
- Not really. This dealer doesn't need LDWF, period.
- Not really. To be honest with you, I'm on my way out.
- Nothing dramatic.
- Nothing in particular. From a management perspective, the Department is doing a heck of a job. There is more shrimp now than there was years ago.
- Nothing really. Most of the problems are on the price end.
- Nothing that she can think of.
- They don't deal too much with LDWF. If this dealer has problems with paperwork, this dealer calls them and they help out.
- Department has been helpful. They have a good relationship.
- He doesn't see anything they can do.
- This dealer does not know what they can do.
- LDWF does not give too much of a problem. Used to have a problem with juvenile crabs.

Recommendations for the Louisiana Shrimp Industry

Respondents were asked what the Louisiana shrimp industry should do in response to its current challenges in addition to, beyond, or alongside whatever actions the Seafood Promotion Board or the Louisiana Department of Wildlife and Fisheries might undertake. Their qualitative responses are presented in Box 11 and placed within categories: “develop new markets”, “educate consumers”, “labeling”, “be creative”, “quality”, “industry unity”, “government programs”, “imports”, “supply chain issues”, and “higher prices”. Many of the respondents’ recommendations seem similar to programs, efforts, or plans currently in place. Others resemble the views, controversial or not, of various elements in the seafood industry. Some recommendations refer to actions that might require alterations in national, or even, international policy.

Box 11. What the Louisiana Shrimp Industry Needs to Do

DEVELOP NEW MARKETS

- Aim at markets outside Louisiana and get them to switch to U.S.A. product. In California, the market is wide-open.
- Better marketing.
- Find better markets.
- Marketing is the next biggest thing - marketing nationally. "Sales is the only thing I lack."
- Short term: More effort on marketing. Need to push freshness, taste, chemical-free. Name recognition.
- Need to find new markets. Convince everybody that Louisiana shrimp is fresher and better.
- They need to pump Louisiana shrimp more than they do.
- Develop Louisiana markets. If we could get Louisiana restaurants to use Louisiana shrimp, they could buy up all the shrimp produced in the state. (But Louisiana restaurants do not buy Louisiana shrimp.) [A note on seabobs: Louisiana seabobs sold 100,000 pounds in Louisiana alone [three grocery stores' names withheld], *etc*. Now these groceries no longer buy Louisiana seabob.]
- Restaurants should demand domestic product. Louisiana should help support Louisiana. Focus on Louisiana quality.

EDUCATE CONSUMERS

- Getting the message out about quality.
- Keep the education efforts: teach people that Louisiana shrimp are safe and good.
- Make more people aware of the taste of Louisiana shrimp. Seventy-five percent of the people who consume shrimp in Louisiana have no idea what Louisiana shrimp should taste like.
- Educate consumers about the quality of Louisiana shrimp.
- Contrast quality of Louisiana shrimp with chemical-laden imports.
- Convince everybody that Louisiana shrimp is fresher and better.
- Youth education of wildlife and fisheries.
- Teach people the difference between Louisiana shrimp and other shrimp.
- People need to stress, especially to people outside Louisiana, how bad foreign shrimp are. (Foreign ponds allegedly harvest when shrimp start dying.) Their ponds are filthy, loaded with bacteriacides and other chemicals. In contrast, Louisiana shrimp are cleaner.
- Need to push freshness, taste, chemical-free. Name recognition.

LABELING

- Get some country-of-origin labeling.
- Support country-of-origin labeling.
- Enforce "truth in advertising" laws. Deceptive pictures - romantic images - are used by many restaurants and groceries to mislead customers about the origins and nature of their seafood offerings. (Example: Using "down the bayou" images to sell shrimp from Asia.
- Many people want to identify with a fisherman or shrimper. That person-to-person connection is something many (high-paying customers) want. They want to know the source. We are missing out on it. People are becoming concerned about where their food comes from. (Mentions Chinese food scare.)
- Need foreign seafood but give people a choice to buy domestic.

Box 11. What the Louisiana Shrimp Industry Needs to Do (Continued)

BE CREATIVE

- Smart people - wise people - are successful in this business. A lot of people in this business are not smart.
- You need to be innovative and change with the times. Many processors may not survive. Fishermen all stay in a bunch. When a few change, they are on their own at first. But when shrimpers see the innovators prospering, they will follow suit.
- Long term: Need to diversify. Need to change. Get away from producing just blocks of shrimp.
- The Louisiana Shrimping Association is building a peeling factory and also building connections with out-of-state consumers who want a one-pound package of peeled meat. Currently, most processors tend to produce five-pound packs.

QUALITY

- Long term: Quality assurance programs; more professionalism in industry, address shrimpers' drug and alcohol problems and image problems; Insurance carriers. Odd thoughts: We should have an incentive to market fresh product instead of frozen products or meat. Too much fresh quality shrimp goes through our hand. It could have been a value-added product.
- Improve quality, especially quality of appearance. Processors and off-shore shrimpers need to handle shrimp better.
- Near Term: "Sodium tri-poly" is a big issue. (It adds a lot of weight to the shrimp.) Long Term: We produce a massive amount of shrimp. We're still going to be around in years to come. In long-term, market Louisiana with hub of the Gulf, where your shrimp are and what form your best shrimp are in. Get the industry to stick to a consistent standard for quality processing. Size standards need to be consistent and need to be enforced.
- Need to specialize more. Change ways to bringing in quality shrimp.
- We need to secure a top quality product instead of spending a lot of money on advertising. We need to find a way to bring in products of high quality. The shrimp industry is down-sizing. We need to focus on good quality, quality, quality. About 10 percent of Louisiana's shrimp producers should be focused on producing a high quality product.
- The shells of foreign shrimp are better looking than Louisiana shrimp. But at these low prices nobody has the incentive to improve the quality of Louisiana shrimp.
- IQF. Cooking shrimp.
- Shrimpers should ice shrimp right away to keep them fresh. If you don't have a freezer boat, you should come in after seven days.
- There is a growing market for chemical-free shrimp: no sulphites, no tri-poly's. (Tri-poly's are needed for peeled shrimp but not for heads-on shrimp.)
- Focus on Louisiana quality.

INDUSTRY UNITY

- Short-term: Pool resources and push a domestic product. Individually a person can't do much. We need some organization, like the S.S.A., to keep information right, to get accurate data. If they cut back imports, such an organization would address lots of problems that need to be addressed, such as red snapper & turtle issues. Long term: WASI-like organization.
- The shrimp industry members fight among themselves too much. They should cooperate more.
- Industry needs to come together as one body. Need to get along.
- There is no cooperation in industry.
- Get the industry to stick to a consistent standard for quality processing. Size standards need to be consistent and need to be enforced.

Box 11. What the Louisiana Shrimp Industry Needs to Do (Continued)

GOVERNMENT PROGRAMS

- Government needs to check more shrimp for chemicals, antibiotics, *etc.*
- We need a Louisiana Department of Seafood like farmers have a Louisiana Department of Agriculture.
- More money for biology program.
- Shrimpers should be subsidized on fuel and other inputs, like farmers are. The cost of fuel is a major problem.
- Shrimpers should be given relief. Some sort of crop insurance, like agriculture people. How about fuel subsidies when fuel prices are up?
- Government needs to help shrimpers. The price of everything goes up except the price of shrimp (compared to 2000 levels). It is hard to stay in business.
- In the Vermilion area, they need more salt water. They need more barrier reefs in this area to make fresh water go further off-shore and lot more saltwater here.
- The processors receiving import tax funds have been a divisive issue. Shrimpers got nothing. They need it more than the processors do.

IMPORTS

- Everything fell apart after 9/11. Nothing we can do other than stop imports.
- The problem is imports. Imported shrimp should be used to supply markets the domestic shrimp cannot, but do not allow imports to flood the market. World Trade Agreement undercut domestic shrimpers.
- Regulating and keeping an eye on imports.
- Deal with imports.
- Fight imports.
- Raise prices. Stop imports and put more taxes on them to slow them down. (He cites the Chinese crawfish example.)
- Imports are hurting the shrimp industry.
- Do something about imports. Importers have several advantages over local shrimpers that need to be addressed: (1) Many importers just need to break even. They don't need to make a profit. They just want to get their money into the U.S. so they can invest it here. (2) Importers can select a particular size where local businesses have to take whatever comes out of the water. (3) Importers do not have to pay for the shrimp for 90 days. Local businesses have to pay within 30 days. (4) Pond-raised shrimp look better. They are put in freezers within 12 hours of being pulled out of the water. {Things won't get better until all of this changes.]
- Buy domestic before you start to buy imported shrimp.
- Right now, we fill basic market with imports and fill in with domestic shrimp. We need to fill the basic market with domestic shrimp and fill in with imports.

SUPPLY CHAIN ISSUES

- Try to get a factory nearby (says a dealer in St. Bernard parish). More processors would make the prices higher for dealers.
- Factories can pay shrimpers better to keep people in the business.
- Processors can buy big imported shrimp for cheap. They can use small shrimp from Louisiana to use as peelers. There is no local demand for small (shell-on) shrimp. Peeling plants are the ones who have a lot of control. Lots of dealers go to the same peeling plant. They have nowhere else to go. Now the number of peeling plants is diminished. They used to fight over shrimp. Not now. (Are peeling plants in cahoots? Colluding over who buys which shipment of shrimp?)
- Processors cannot earn money. Retailers earn money.
- Investigate the difference between low prices paid to shrimpers and high prices paid at retail.

Box 11. What the Louisiana Shrimp Industry Needs to Do (Continued)

HIGHER PRICES
- Pay a premium for shrimp, a reasonable price that will help shrimpers earn a living and put it in stores at prices people (consumers) can afford.
- Price of shrimp needs to go up. The price of everything has gone up, everything except shrimp. Fuel costs are too high for many shrimpers.
- Higher prices for shrimp; lower prices for fuel.
- Shrimp should equal out price to keep up with the price of fuel and supplies so can make money with it.
- Getting a higher price. But shrimp is too readily available.

NO ANSWER
- Next year there may not be as many shrimp dealers around.
- No response.
- Not sure.
- Not sure.
- Not sure.
- Not sure.
- Not sure.
- Nothing
- Nothing
- Nothing
- He does not know how to answer. If we have a future with high fuel price and global markets, I do not know if there is anything we can do.

Conclusion

This sample of shrimp dealers contains businesses that perform a variety of functions in the shrimp marketing chain. Most of them, however, specialize in one area, that of the shrimp dealer who collects the harvests of large number of individual shrimpers into large lots to be sold to processors, distributors, and other intermediates in the marketing chain.

Their business patterns resemble that of the shrimp harvesting resource around them. Purchases and sales of shrimp – and employment - peak during the brown shrimp and white shrimp in-shore harvesting seasons. The majority handle whole brown and white shrimp that other firms will process further. (Some purchase partially processed shrimp or process the shrimp themselves.)

Respondents to this survey are concerned about the impact of high fuel costs and low shrimp prices on their businesses and on the shrimp industry. Some are concerned about finding an adequate and dependable labor force.

Many respondents are not aware of some of the particular marketing and development efforts of the Louisiana Seafood Promotion and Marketing Board, Wild American Shrimp Incorporated, and other agencies. They are generally aware of their efforts, however, and appreciate of their attempts to develop new markets for their products.

This research product outlined the characteristics, practices, attitudes, and concerns of one segment of the shrimp marketing chain. Further investigation is warranted regarding other elements, notably the shrimp processing sector. Further work may also be conducted into retail marketing practices and consumers' preferences to discern ways to create new markets for Louisiana shrimp that will enhance seafood consumers' satisfaction and simultaneously bring higher returns to the shrimpers, dealers, and processors.