

Federal-State Improvement Program

Identifying and Assessing Potential Direct Markets for Farm-raised Shrimp Grown on Small Farms

Final Report Summary/Florida 1999

The shrimp farming industry has been expanding rapidly in Florida and other coastal states. The demand for shrimp far exceeds what U.S. commercial fisherman can produce. The U.S. farm-raised shrimp suppliers have not been able to compete effectively with imports in fresh/frozen shrimp commodity markets for the most popular size ranges. The most feasible alternative for U.S. shrimp farmers is to market their products directly to restaurants, retailers, and consumers. However, potential direct food markets for live and fresh, head-on farm-raised shrimp were unknown. There was a lack of reliable market research information available to small farmers. Market research was needed to identify and characterize the most attractive direct markets for fresh, farm-raised shrimp.

For this purpose, the United States Department of Agriculture provided a grant to the Florida Department of Agriculture and Consumer Services (FDACS), Bureau of Seafood and Aquaculture Marketing (bureau), the University of Florida's Institute of Food and Science (IFAS) Aquatic Food Lab, and the University of Florida Indian River Research and Education Center. The Objectives of this research were to:

- Investigate and quantify the market dynamics of fresh versus frozen shrimp products in the U.S. markets.
- Identify and quantify fresh shrimp direct niche markets.
- Develop value, demand and product characteristics for each niche market.
- Test consumer and buyer attitudes and acceptance of marine shrimp grown in fresh water versus domestically wild- harvested or imported farm-raised products, relative to sensory attributes and yield.
- Prove the shelf life and product quality/safety parameters for farm direct sales of whole, fresh shrimp.

The grant cooperators were instrumental in achieving these objectives.

The University of Florida, IFAS was responsible for: performing consumer sensory evaluations and acceptance trials comparing fresh farm- raised shrimp grown in freshwater versus frozen, wild harvested saltwater shrimp, and South American farm-raised shrimp; performing farm-raised shrimp shelf life and product quality/safety studies; and drafting the most appropriate Hazard Analysis and critical Control Point (HACCP) and sanitation Standard Operating Procedures (SSOP) models to direct and monitor necessary processing.

The University of Florida, Indian River Research and Education Center, was responsible for: carrying out a comprehensive market analysis of the U.S. shrimp market based on literature reviews from academic journals, published market research reports, and trade association sources; assist in conducting a series of focus groups; and develop and administer mail surveys to a random sample of U.S. consumers and shrimp buyers (Wholesalers, retailers, supermarkets, and restaurants) in order to evaluate preferences and attitudes toward farm-raised shrimp.

The Bureau of Seafood and Aquaculture Marketing, Florida Department of Agriculture and Consumer Services, was responsible for : grant coordination; identifying key shrimp direct marketing issues through the use of three Florida consumer focus groups and personal in-depth

interviews performed with seafood buyers throughout Florida and at the Boston International Seafood Show; sponsoring an audience interactive workshop; and, making the market research results available to interested shrimp farmers in Florida and other states as a printed report and through the Bureau's website www.fl-aquaculture.com.