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FISH MARKETING IN COLORADO AND THE DEVELOPMENT OF GREATER MARKETS^{1/}

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INTRODUCTION

The fishery industries, in planning their future, might well look at fish marketing in the Rocky Mountain Region. There, with frozen fishery products displayed in almost every grocery outlet, fish is often more generally available to homemakers than in many producing areas.

Because fish are marketed frozen almost exclusively, stores are able to handle small lines of seafoods with very little spoilage and food merchants are not averse to the handling of fish. With few exceptions, the only "butchering" done consists of the slicing of halibut and salmon steaks, and many stores avoid even that operation by buying fish already sliced.

WHOLESALE

Seven wholesalers--four in Denver, one in Colorado Springs, one in Pueblo, and one in Grand Junction--receive most of the fresh and frozen fish and shellfish sold in Colorado. Although Denver, the largest city, contains some 333,000 persons, most of the trade is in the many small towns of this State of 1,250,000 people.

There are also a number of brokers, mainly in Denver, who supply canned, bottled, dried, kippered, smoked, pickled, and salted fishery products to the retailers of the State.

Colorado's wholesalers, who also supply a considerable part of the market in Wyoming, are assisted by sales agents at central points in and outside of the State. The main plants have well-chosen locations, are neat and modern, with ample packing and storage space.

Wholesalers obtain their products from all fish-producing areas of the United States, but particularly from the Pacific Northwest and New England. Halibut and

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^{1/}This report is based largely on interviews with wholesalers in Denver, Pueblo, and Grand Junction and some 40 or more retailers in Denver, Boulder, Colorado Springs, Pueblo, Steamboat Springs, and Grand Junction during the course of a Market Development Survey in October 1947.



salmon arrive mostly by truck from the Pacific Northwest, while many railway car-loads and truck-loads of frozen fillets from New England are received. Commercial insulated shipping containers are used in shipping smaller frozen fish shipments by railway express, particularly during summer months. Fresh salmon, shrimp from the Gulf of Mexico, East Coast oysters, fresh-water fish from the Great Lakes, and fillets from the Pacific Northwest and the Gulf of Mexico arrive chiefly by express, iced, in wooden boxes.

Wholesalers pack and ship any size of order desired. Most retailers prefer to order salmon and halibut whole, but wholesalers often provide these fish sliced, ready for the display case. Orders are taken a week in advance. As few retailers have much reserve storage space, orders are usually restricted to supplies for two or three days, and usually two shipments are received each week--on Monday or Tuesday and on Wednesday or Thursday.

Almost all distribution from the wholesaler's plant is by truck, although a few points are supplied by rail. Through much of eastern and northern Colorado, many deliveries are made by the wholesaler's own trucks. Commercial truck lines, operating over most of the State's 12,000 odd miles of highways, give reliable door-to-door service on large and small shipments, even during the winter months. Losses during shipment are slight.

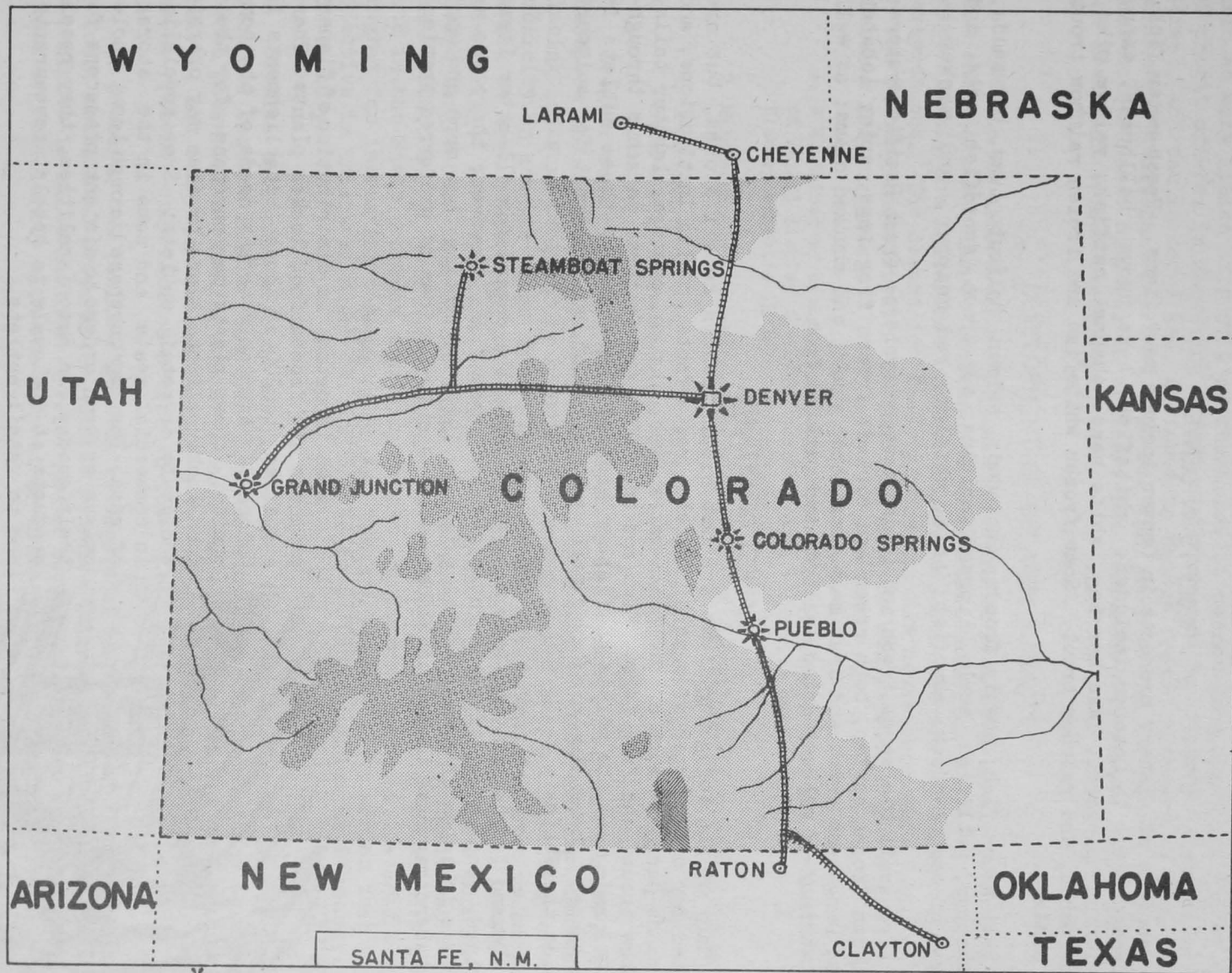
RETAIL

Nearly every retail food store in Colorado that operates a meat counter devotes a section of that counter to fish and shellfish. The bulk of the retail grocery business is handled through chain stores, and these, almost without exception, carry fish. Many stores display fish throughout the week though all have the bulk of their sales on Thursdays and Fridays. Clerks reported that little additional demand was evident on Tuesdays when meatless Tuesdays were instituted. Sales of 200 to 500 pounds per week are normal for chain store units that maintain orderly displays. Sales drop during the summer and reach their peak in the winter months.

Some retailers appear to restrict their sales by short-sighted pricing. Although many outlets obviously use a reasonably low and uniform percentage mark-up on all items, others seemingly raise prices to the point where they are out of proportion to the prices of competitive foods.

In general, retail displays are well-cared-for and attractive. One clerk, particularly proud of his fish display, stated that his sales are directly proportionate to the attractiveness of the articles and their arrangement in the showcase. The direct relationship of sales to the attractiveness of the display is emphasized by the experiences of other retailers and is substantiated by the neatness of successful display cases.

Retail food stores, in general, display in their meat counters salmon and halibut steaks, whiting, and wrapped groundfish fillets. Most displays include also one or more of the following items: sablefish steaks, bullheads, smelt, shucked oysters, and green or cooked shrimp. In addition, packaged products are sold from frozen food cabinets. Packaged items usually seen include groundfish fillets; i.e., haddock, cod, and rosefish, and precooked creamed tuna and salmon. Wrapped fillets in meat display cases have much heavier sale than packaged fillets in frozen food dispensers.



* WHOLESALE SUPPLY CENTERS

⊙ SUPPLIED BY COLORADO WHOLESALERS

Several retail stores specialize in fishery products, carrying a variety of fresh and frozen fish and shellfish, and in addition, smoked, salted, and pickled items. Three of these stores, located in public markets in Denver, also carry fresh poultry.

RECEIPTS IN DENVER

Receipts of fishery products in Denver include many items. Fresh-water fish, not frozen, seen in October included: whitefish, lake trout, bullheads, carp, buffalofish, pickerel, lake herring, white bass, channel catfish, yellow pike, yellow perch, and rainbow trout. Some frozen whitefish and frozen rainbow trout were handled.

Salt-water fish, mostly frozen, included: salmon, halibut, tuna, barracuda, red snapper, sablefish, smelt, lingcod, whiting, sea trout, swordfish, eels, and fillets of cod, haddock, rosefish, sole, whiting, red snapper, and mackerel.

Also available were: fresh and frozen eastern oysters; fresh Pacific oysters; fresh and frozen shrimp, both green and cooked; frozen frog legs, spiny lobster tails, Dungeness crabs and crab meat, scallops, squid, and shucked clams; as well as a variety of smoked, dried, salted, and pickled fish.

MARKET CONDITIONS

Many of the foregoing items are not often seen in retail stores, but are handled for other types of buyers. Hotels, restaurants, public institutions, and railroads purchase much of the fresh-water fish, shrimp, oysters, lobster tails, rainbow trout, and frog legs. Fish and shellfish are featured on menus throughout Colorado, and the volume of fishery products consumed by these outlets is very large. There also are large mail-order sales of rainbow trout for shipment outside the State.

Demand for halibut and salmon easily exceeds the demand for all other items combined, despite relatively high prices for these fish. However, there was an increase in sales of dressed whiting in late 1947, indicating that more and more purchasers may have become concerned over the rising prices of preferred species.

FROZEN FOOD LOCKER PLANTS



Also important in distribution of fishery products are frozen food locker plants. There are close to 200 of these establishments in Colorado. Adaptable to the needs of the community, these plants may purchase for their food locker clients alone or also may operate wholesale or retail outlets. Some specialize in commercial meats and some in the storage of game. They may purchase through local wholesalers or send orders to distant producers for their goods. In some localities, they resell products at wholesale to hotels, restaurants, and to retail outlets.

As the locker plant movement has developed, there has been a gradual increase in the num-

ber of services performed by the individual plant. Although comparatively few plants now handle fishery products, it can safely be predicted that, in a few years, many more plants will carry fish and shellfish. In the small farming communities of Colorado, where the locker plant is forced to diversify its operations into as many fields of profit as possible, it cannot long overlook the margins of profit offered in marketing of fish. The demand for fishery products is universal, and the locker plant, equipped to handle frozen fishery products with a minimum of additional care and expense, will soon be distributing fish and shellfish to thousands of rural inhabitants who heretofore have been inaccessible to the fresh and frozen fishery products.

DEVELOPMENT OF GREATER MARKETS

Despite the almost universal handling of frozen fish by Colorado's food stores, fish sales are not large. Homemakers now get stimulation to buy fish only by price appeal, the appearance of fish displays, and the influence of religious restrictions. The demand for fishery products has never been widely cultivated by the fishery industries. To stimulate greater consumption, the following activities are suggested:

1. A sustained advertising campaign of newspaper ads and publicity, distribution of retail display material, contacts with industrial users, and display of fishery exhibits in trade shows, schools, and other vantage points.
2. Maintenance by the wholesalers of a system of special services for the retailers.
3. Organization of a wholesale dealer's association to organize, manage, and finance a market development program.

Greater consumption of fishery products could easily be stimulated by a well-conceived and aggressively executed market expansion program. Because the entire fishing industry benefits by publicity campaigns, and because financing of such publicity on a scale large enough to create widespread response would be an undue burden on any one company, the entire fishing industry should join in such an undertaking. The population density in Colorado is low, and the total population, though larger than that of any other of the Mountain States, is considerably less than 2,000,000. However, the present low per capita consumption of fishery products in the State provides a situation that is, in some respects, favorable to a program for increasing consumption. Furthermore, methods of promotion that prove effective in this area might be applicable to market development elsewhere in the country.

Special publicity efforts should be made to reach the lower-income groups which now consume little fish. The Spanish-American population appears to present a good potential market for whiting, carp, buffalo, croaker, sea trout, groundfish fillets, and other low-priced items. A fair-sized colored population in Denver has, at present, only limited access to low-priced species.

At present, the public's general knowledge of the values of fishery products as food, methods of preparation, and the relative desirability of different species or products is quite limited. Preference of buyers for only two species indicates a lack of familiarity with the many other fishery products available.

Publicity material can be placed effectively before the homemaker in the newspapers, over the radio, in the retail store, and in school and community gatherings, while restaurants, hotels, hospitals, locker plants, and other industrial

users can be reached by exhibits at conventions, by personal contacts, and by contacts with associations. A wide assortment of factual material, recipes, etc., has been designed for these purposes by the U. S. Fish and Wildlife Service while other similar material can be obtained through certain national and local trade organizations.

Maintenance of a retailer contact system should be even more effective in stimulating demand for fish, particularly when bolstered with an intensified publicity campaign. Retailers can make their displays more attractive; instruct their clients in the use of products; call attention to good buys; and keep their stock in better condition. They can learn to order and price their products more effectively and to use recipe books, window streamers, display posters, and other materials in creating new demand and business.

The following trade-sponsored activities can be effective in aiding retailers to sell more fish:

1. Supplying and arranging posters and other promotional materials.
2. Advising and assisting in setting up attractive displays.
3. Obtaining local advertising and promotion through local papers, radio stations and demonstrations.
4. Advising and assisting retailers in reduction of waste and spoilage and methods of keeping products fresh and attractive.
5. Providing merchandising tips, recipe pamphlets and information on nutritive value of the product, to enable salesmen to more fully and adequately serve the customer.
6. Advising consumers as to good buys, abundant varieties, sizes, and characteristics of the product.
7. Introducing and furnishing publications, moving pictures, and other material containing merchandising suggestions to wholesalers, retailers, and other groups.
8. Pricing so as to keep retail margins at a profitable but not exorbitant level and properly related to wholesale prices.
9. Emphasizing the sale of good quality products, properly priced, and well displayed with attractive price tags.
10. Providing good quality products.

