

Fishery Resource Grant Final Report

L.D. Amory & Co. Inc

“Market Development for Value-Added Product from Cow Nose Ray”

April 30, 2011

Overview

Interest and sales of Chesapeake ray continue to increase due to increased media coverage and continued marketing efforts. Sales of fresh ray fillets has shown the most growth and promise. Sales of the value-added Chesapeake Stingers remain flat. Marketing efforts continue as we hope to continue growing the fresh sales and expanding the value-added product line.

Discussion

Going back several years, initial efforts to market Chesapeake Ray targeted white tablecloth restaurants with fresh product. Although interest was peaked, nothing sustainable was developed so we shifted our focus to lower cost, value-added product development. We experimented with soups, burgers, barbeque, smoked product and jerky, but the two flavors of battered and breaded strips, Chesapeake Strips and Chesapeake Stingers, are the most promising product thus far. The strips have been well received at food shows and functions where we have featured them and the buffalo flavored Chesapeake Stingers have been picked up by Sysco Hampton Roads in Suffolk, Performance Food Group in Richmond, and Sam Rust in Hampton. Capital Food Brokers LLC was hired to market the ray to restaurants with availability through the food brokers listed above. The efforts of Capital Food brokers was disappointing with sales of under 25 cases of Stingers generated by them from June 2010 through January 2011. Their comment was that ray was a hard sell because most people can't get past

the stigma of the stingray. This is not a surprise and the main obstacle in developing a market for ray. We explained early on that our most successful efforts to sell ray use the environmental story of the effect the ray population has on the Chesapeake Bay and its shellfish. Our customers have confirmed that their best sales come with the story not just the product. With the surge in green consumerism, the ray story is the way to go to market this product. We've also found that when people are unaware of the type of "fish" they are eating the response is much more favorable. Many are pleasantly surprised to find that they've just eaten ray, and admit that they would not have tried it had they known what it was beforehand.

The value-added Chesapeake Stingers are not selling as well as we'd like and we feel they are lost in the catalogs of Sysco, PFG, and Sam Rust. We are trying different sales incentives with these companies this summer to encourage more sales of the frozen strips.

Interest in the fresh ray fillets has increased with exposure from stories on NPR, CNN, and in several magazines and newspapers. The most promising sales and markets are those using the story of the ray, its damaging effects on the Bay's oyster and clam populations, grass beds, etc. and the potential of an untapped fishery that will provide income for struggling Chesapeake Bay watermen, to promote the product. Also emphasized in this type of marketing is the intent to develop the fishery responsibly, including assessment and management of the stock. This is the most successful approach to market the ray. We even have one restaurant customer featuring the ray and Chesapeake Bay aquaculture oysters plated side-by-side with their story on the menu.

During the 2010 season we developed a relationship with a large regional grocery store chain that featured fresh ray cooking demonstrations and tastings in the stores to promote the product. We provided whole rays for display and personnel were on hand at several different locations on different occasions to answer questions, sample the strips, and introduce and promote the product. Sales were very encouraging and continue to grow each week. These purchases were for fresh product only. Additionally, we had several customers in California interested in the fresh product. After several sample shipments for product tastings and test cooking, we began regular sales and air shipments at the tailend

of the season. We anticipate to continue these sales with the start of the 2011 season and to continue to increase sales each week to these customers.

As we developed several standing weekly orders for fresh ray fillets we encountered the typical fresh seafood dilemma, producing a steady supply of product throughout the season. On several occasions we did not have product to ship, to the dismay of our customers. Outside of the usual issues with the weather and the distribution of the species within the Bay, we did have trouble getting fishermen to target ray. It is still a by-catch and not seen as a worthwhile target for local fishermen. Therefore if any other species were available, particularly croaker, our source fishermen would forgo the ray for the higher paying catch. Our price to fishermen right now is \$.15-.20. Increasing that price to entice fishermen to target the species is a reasonable assumption, however we are trying to keep costs as low as possible in order to establish the market. Due to the low yield and labor costs to unload and cut, we are at a sale price of \$2.00/lb on the fresh fillet. Our initial efforts years ago priced the fillets at \$4.00/lb and the high price for an unknown product was cited as one of the reasons sales were so poor. Improved processing techniques developed through this grant over the years have greatly reduced the processing costs and allowed us to provide a much more reasonable price point on the product. We think the current price point along with the novelty and the back-story are what has spurred the growing interest in the product. Our hope and goal is to develop enough demand that we can raise the price and pass the increase on to fishermen. We purchased 127,906 pounds of ray during the 2010 season, from May through early Sept.

Efforts to create demand throughout the year rest on frozen fillets and the frozen Chesapeake Stingers. Although the freezing process does not affect the taste or texture of the fillets, it does affect the color and appearance. The fillets lose their bright red color and turn a grey-brown that is not visually appealing and therefore not well suited for raw display. They cook up fine however, with no discernable change in flavor or texture. The challenge is moving away from the fresh season when the fillets display so beautifully, and carrying that interest through the off-season.

Summary

We seem to have come full circle in our efforts to develop a market for Cow Nose or “Chesapeake” Ray having focused on fresh product initially, then moving toward value added with the development of the battered and breaded strips, and now back to fresh, as this is where the most promising demand is. The \$2.00/lb price point achieved through improved processing techniques developed over the years with this grant along with increased marketing efforts has created a growing demand in the marketplace for fresh product in season. We need to continue to develop this demand and also push value-added products and frozen fillets during the off-season.

We have made great strides in developing a market for this product and efforts must continue to establish a market and create the demand in order to succeed in developing a viable, sustainable fishery for an underutilized and destructive species. This will help control the ray population, improve oyster restoration efforts, reduce habitat destruction, and provide a new revenue source for fishermen and processors.