

Convenience Will be the Future – of the Well-Known Fish Species¹⁾

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Scientists from countries catching and delivering cod like Norway, Iceland, Denmark and the Faroese met in Copenhagen with international marketing experts from UK, France, Denmark and Germany to discuss the future of a well-known fish: cod. Herby Neubacher gave a speech about optimizing the value of cod in the future by giving the fish a new image and more convenience.

Human mankind seems to honour resources only when they become scarce. First when we have to watch what we have left of something we formerly enjoyed in abundance, we think about how to use the leftovers more carefully. If things are available in abundance, we don't care so much. Pure water, beautiful surroundings, clean air, the Arctic sea and its fish-catches seemed to be such a resource in abundance to enjoy. Nowadays we learned that we have to be more careful with this paradise and its resources. The sea still gives a creature to the fisherman on the Lofoten Islands at the Arctic border – that is expected by them every year with the same impatience when winter comes. The name of the creature is in Latin *Gadus morhua*, the Norwegians call him *Torsk* or *Skrei* and the rest of Europe *Cod*, *Cabillaud*, *Bacalao*, *Kabeljau* or *Dorsch*. A wonderful looking fellow with a streamlined body, a wild face – a hunter by nature.

A fine catch

Cod hunts the capelin or herring in the Barents Sea but once a year it becomes hunted by the fishermen of the Lofoten when the cod migrates to their coast to spawn during winter. Then the small fishing communities round the rugged coast of these wild islands decorated with the most beautiful mountains become the real centre of the Norwegian cod catch. Part of this catch is salted or dried and part is sold in bulk fresh or frozen to the European markets.

Cod in nature can become up to 1,50 metres long and reach 40 kilos of weight. It is distributed in the cold waters of the Northern hemisphere, coldness that gives him the most fine and firm white meat. Thousands of years of overcoming in the wilderness have been connected to the catch of cod. Wars had been fought for the right to fish it – even in later history. Hunger occurred, as in Germany after the last war – when the cod was missing or, hunger has been avoided when enough cod was available.

A great and fine catch, the cod, a friend we have to experience anew. We remember – things available in abundance don't seem to us valued. But cod is nowadays declining.

Even if still more than 961,000 metric tons of cod had been used in Europe (EU-area) in 1993 after the latest study of the European Fish Processors A.I.P.C.E.E. cod catches go back steadily. Mostly third countries (non EU-members) serve the community with cod. Only 191,000 metric tons of cod have been caught by EU-fishermen themselves, 770,000 metric tons had to be served by non EU-countries like Norway, Iceland, Faroese and even Argentina. The biggest share of import came from Norway (1st) and Iceland.

The latest white-fish study (a copy is included) of the fish processors show clearly, that the market for filleted cod (like for most other white-fish) is increasing. The amount of namely IQF (Individually Quick Frozen) fillets of cod had been more than doubled within the last years. A clear sign is that further-processed products are on the way to replace the former bulk-selling of catches. But still, this fish, that needs 8-12

years to get ready to mature and reproduce the first time, is handled badly and sold without care too often.

A lot of the value is given away by doing so. The Nordic fishermen are mostly not benefiting of the cod's full value up to now, not even the exporting company. The value is added inside the EU, asking for cheap catches to gain as much profit as possible with it. No one should think that the situation will change dramatically to more value at firsthand unless efforts are taken to change the general attitude against cod in the catching countries who land the fish.

In spite of that, everybody knows that freshness is always highest at the landing place. This has to be used for the future processing and marketing in the countries of the North.

Cod is no salmon

Cod has one fundamental problem; it is no salmon. If the cod were a salmon, he would be handled with far more respect. For the salmon, even the farmed, is looked upon as a worthy fish. Everybody believes in its value and tries to make the best out of it. Cod is too normal – nobody really care about it. But cod could be requested as salmon. As wanted, as valued, as profitable – if some salmon marketing experiences had been transferred to it.

Cod is a white fish species. So called for the white meat of fish. White meat is even more requested by nowadays consumer than red-meat. Think of the success of the poultry industry, who sell white meat to the consumer in thousands of different forms today. From white chicken breast to leg – poultry is a value-added product. Cod could be, like chicken, like salmon. The start is thinking in fillets, no more in bulk. The times of round-fish are finally over. Nobody wants to trade this anymore.

Filleting is today the basic first step to add value to fish. Bone-free is the second step, skinless is the third and to loin into different cuts is the even more sophisticated way to deliver a white piece of meat to the modern demanding consumer market.

No bones, no smell, no problems!

Let's think about today's consumer. The only real king in fish business in Europe. What does he mostly request?

Good Food. No problems. As simple as that. That means translated to fish: no bones, no smell, no trouble in the kitchen. Don't hope you could train the consumer on preferring complicated recipes or long and boring explanations about how to handle a fish. Probably bone it or – even worse – accept any parasites in it, for they are declared “natural”. Forget it! The consumer of today is not interested in the problems of fish-producers. He wants to be served with a trouble free enjoyable piece of white meat. No discussion – full stop. The magic word to be successful in today's consumer markets is

“CONVENIENCE”!

And this can easily be translated into not more or less than:

“SERVICE”.

As to cut the fellow from the sea into easy-to-use enjoyable pieces. With as much service as possible: bone-free, smell-free, perfectly fresh. Fresh means: delivered as soon as possible to the table. No delay in shipping fresh catch for days and days over the sea, to auction it first, to let it stay until it's filleted. Fish of 15 to 20 days is old fish. Bad serviced, ripe for the bin!

Statistics say that modern consumers, in my home country Germany for example, honour convenience, service and freshness by paying better prices. More than 50% of nowadays products offered in retail products. No wonder, as in these urban areas of Europe more than 50% of the households are made up of only one or two persons. Families where both partners have to earn their money – out of their homes all day with less and less off-time to spare. They have no time to prepare a dish. So make it easy on them.

The same story stands for the children. They like fishfingers. They are easy to be used with their beloved Ketchup and they

don't smell, they have no bones and they don't look like fish.

Have you ever thought about for what reason McDonald's are using cod for McFish-Burgers? By the way, one of the most successfully sold fish-products. More than 20% of the 600 Million DM turnover of McDonald's Germany belong to the success of McFish-Burgers. Not bad indeed! Cod is simply a good tasting fish – would you believe it! Again: Cod's new.

Cod in frozen fillets packed in folio-bags is another success story. Today, 25% of the German fish-market is frozen products. It came up more than 10% within the last five years. And cod should participate in it. And remember: If you sell your cod-catch in bulk, the profit is with the producers abroad. They saw the cod in portions, they freeze it IQF and pack it ready to be used – they make money, you deliver the product.

Why not cutting cod-steaks, boneless, skinless and freeze and pack it at the landing place? Like Norwegian companies already do with salmon. They sell two 130 gram cuts of salmon fillet in a box at 4.99 DM at *Aldi* discount-chain in Germany. One million packs a year. There is only a small step to be taken to use cod also this way. Technically there is no problem to cut the cod the same way as the salmon. These cod-cuts could be also used for the basis of added value products of the fish industry in Europe. Like in ready meals. Or as good buy for the catering- and restaurant-market.

Self-service-pack-Revolution

Let's talk about freshness. Cod can be really topping the bill in the fresh-market if the product is right. A Hamburg fishmonger, for example, who sells from 10 metres long mobile shops on five marketplaces in the city area, offers fresh cod-backs at a price of 40 DM (120 NOK) a kilo! Good value for a fish that is sold conveniently. Also cod cheeks at a price of 2,98 DM (about 9 NOK) for 100 grammes. So nobody should come up and say there is no profit in cod.

But the most interesting challenge for all of those who land fresh cod, is the rising demand for self service-packs in European –

namely German – retail. How did this come about?

Some years ago most of the leading retail chains and department stores (like for example in Germany “*Tengelmann*” and “*Rewe*”, “*Karstadt*” and “*Kaufhof*”) invested into shining fish-counters, sometimes more than 500.000 DM (1,5 Million NOK) per outlet. The reason was that these chains wanted to gain some competence in the fresh-sector, to get more profitable overall sales in their stores. The first idea of these fish-counters was not to be profitable themselves, but to get a more sophisticated buyer-clientele into the shop by gaining competence in selling fresh fish from the counter. So the method was simply selling washing-powder better by the image of fresh fish.

These days were over when the shops realized that they couldn't run fish-counters on a reliable basis. For once, sometimes they gathered more than 40 species to be offered just to sell what they always sold: fillets from saithe and redfish. In some outlets more than 80% of the turnover was related to these two basic products, the rest was expensive decoration to be thrown away.

Secondly, the chains had not enough skilled personnel to run these counters properly. So the conclusion must be to get the counters out again and find a new way in still selling fish. 40 of the 60 existing counters in one chain were closed down, but there is no real replacement for it, if the problem on self-service-fresh-fish is not solved. So the retail cried out for a solution on this.

Since the beginning of 1994 the discussion is on how to solve this in a reliable way has been going on. Some severe technical problems hinder at the moment the start of the expected self-service-pack-revolution. One manager at a German wholesale said: He who will solve this, will be a multimillionaire over night!

I will give a short overview taken from a lecture that the German veterinary, so called “fish-pope”, Dr Karl Ernst Krüger from the *Governmental Veterinary Service on Fish and Fishproducts* at Cuxhaven gave on the Annual Meeting of the *German Retailers Association* on June 12th 1994 at the *Bremen Fisch '94 Exhibition*.

To self-service-pack the fish like it is already done with meat and poultry, one request is a very fresh catch. Most of the catch landed at the home-ports of Bremerhaven, for example are far too old (sometimes 15 days) to be used for such purpose. The fish needs a so-called TVB-N figure (short form for: Total Volatile Basic Nitrogen) of less than 25 mg/100 to be suitable for SB-packing. This can be only guaranteed if the fish is landed, at the latest, two or three days after catch. Like fresh cod in the Arctic regions, for example.

Two prepacking methods are common at the moment: the Vacuum Skin packaging (VSP) and the Modified Atmosphere Packaging (MAP). At the VSP-method the fish is filled on a tray and sealed with shrink folio and vacuumized. At the MAP the fish is lying on a tray surrounded by a loose folio-pack where the atmosphere is changed to more CO₂ parts or O₂ or N₂ inside. These two methods have one in common – they need a sophisticated temperature management from the very first minute of the processing and up to the Point of Sale.

The processing plant must be at a constant temperature of no more than 0-2 degrees Celsius, the processing line must be at the highest standard of modern hygiene. Then, the product can't be allowed ever to cross the two degrees plus margin or one is at enormous health risks for the consumer. At the VSP the anaerobes (botulism) might occur, that is really dangerous, the same might happen with MAP if the temperature management is not right.

Secondly, these packs create a kind of masking of the product as the TVB-N (in gasiform) is crystallized in the pack. The consumer wouldn't be able to detect any product that has been far over its shelf-life by the smell, as the gas, which is causing the smell, has been crystallized. By heating the product, the smell comes up again and will ruin the consumers' preference for fish.

So one can see, that there is a good chance for the fresh landed cod to be used in such packing forms. Probably also in non-vacuumized or changed atmosphere packs,

but; just folio-wrapped on ice should be enough. There are enough existing logistical chains into Europe, namely from Norway, that could be easily used to transport – next to salmon, for example – self-service cod-packs into the European markets.

These products would, still after 36 hours of average transport from Norway, have a shelf-life from 4-6 days in the shops. A good margin and surely good value on the fish.

By the way: the company *Pieters* of Belgium/Netherlands is already selling self-service-packs to different chains in Europe and is also filleting live stored cod from Norway for this. The future chance offered by farmed cod that will be even caught and packed on the same day (hour) is apparent and enormous.

Tell the cod story

Nobody should say any more that service is not paying in the long run. In product terms cod is still brand new!

Nobody ever told the consumer the cod story. Nobody cared about the image of this fish that has been all the time and for centuries at the crossroads of human history. We have learned and we have to give on to the new age of consumers that cod is a fragile, scarce treasury to be handled and produced the best way modern technology allows.

Then we have to serve it like in first class restaurant: frozen loins, boneless, skinless, fresh self-service-packs easy to be used in our kitchens saving our precious time, fine cuts for the convenience products and ready meals on which the flourishing phantasm of international recipes had been used.

We speak today to the leading catching nations for cod in the Western World. It is up to you to use all your experience, science and creativity to make cod the success story of the century.

This fish has everything you need to create this success. Make it your success.

Feil! Bryterargument er ikke angitt.

Sources

The sources for this article are:

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Notes by the Editor

- 1) This article is written on special invitation from the Editor. An earlier version was published in *Quality and Marketing of Cod*, TemaNord, 1995:612.
- 2) Dr Herby Neubacher (46) is a journalist and seafood marketing consultant educated in Cologne and Düsseldorf. He has been working for several music companies (EM, CBS) as product manager and marketing/artist development; as journalist for different leading German public magazines (music, T, movies and celebrities). From 1986-1994 he was the c-editor and editor of *Fischmagazin*, the leading German magazine for the seafood business. Since leaving the *Fischmagazin* he has written as a freelance (Seafood International, London/Visaktuaia, Belgium) and worked as a Seafood Marketing Consultant (for different partners like the Norwegian Seafood Council, The Netherlands Visbureau, the Catfish Institute of America, Karstadt department stores and others). Dr Neubacher has taken particular interest in international aquaculture (he has been researching the salmon industry for 10 years), herring and other pelagic (he is the founder of the Tour d Mates German annual herring promotions). Furthermore, his interests and skills are focused towards marketing and new foods, resources and ecological stock management, wholesale and souring politics.