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Marketing the tilapia

Aquaculture Department, Southeast Asian Fisheries Development Center

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Marketing the tilapia

... in the USA

The red tilapia created the "white-tablecloth" tilapia market in the USA that paid an average of \$5.95/lb of skin-on fillet. It is marketed under the name cherry snapper. The grey *Oreochromis niloticus* and the silver *O. aureus* are gaining acceptance, too.

Three grades

Tilapia is marketed under three categories of quality:

- Category A includes farmed tilapia fed good quality feeds and purged to improve flavor. Products are either fresh on ice or frozen.

- Category B includes farmed tilapia fed good quality feeds or agricultural by-products but not purged prior to marketing. They are sold live in specialty markets but at relatively low prices due to inconsistent flavor and texture.

- Category C includes wild-caught tilapia. Flavor and texture depend on water quality of the body of water from where they are harvested.

The A-quality tilapia are marketed in white-tablecloth or premium restaurants that place high value on consistency and freshness, and pay prices equal to or exceeding those of premium fish like grouper, snapper, and swordfish. Category A tilapia can also be sold as a substitute for whitefish such as haddock or cod. The entire market -- including supermarkets, fast-food chains like MacDonald's, government and school programmes -- could exceed several billion pounds annually.

The key to market expansion appears to be the know-how for producing tilapia at very low cost (under US\$0.25/lb of whole fish) and absolute quality control in purging and processing.

B-quality tilapia has a large market as an affordable alternative to other species even though there may be large variation in the day-to-day flavor of the fish. For consumers who value fish in their diet but cannot afford the high cost of premium fish, B-quality tilapia provides a very nutritious selection, and when cooked with various seasonings has proved to be very acceptable to a growing number of consumers.

It is, however, doubtful that B-quality tilapia can ever command the same large sales volume as A-quality tilapia. For the same price, most American housewives would opt for meats such as other fish or chicken rather than accept the muddy flavor. B-quality tilapia are currently being landed in Miami, reaching supermarket distributors at \$3/lb for skinless, boneless fillets in the 4-6 oz/piece size range.

C-quality tilapia are marketed primarily among the Asian communities, which have strong preference for live or freshly frozen whole tilapia. At present, the price is very good, about \$1-1.50/fish at the pond bank. Buyers, however, tend to buy A-quality tilapia whenever it is available.

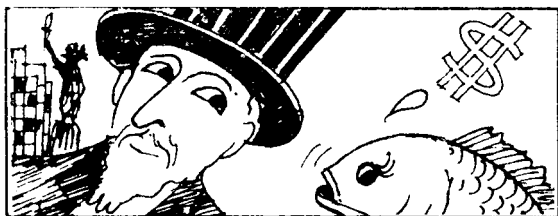
Health benefits

The American public is constantly being re-educated to eat more fish and chicken. Some studies have shown a direct correlation between the amount of fish consumed and the lifespan of people. In Okinawa (Japan) where fish is the main source of protein, average lifespan is 83 years. For Americans, it is 76 years.

Average fish consumption in the USA is about 16 lb/person-year. A 5-lb increase in this rate, if provided by tilapia, require billion pounds of whole tilapia per year. The current annual aquaculture production in the USA is just over 500 million pounds. To reach the theoretical increase in consumption, more than ten times the current production capacity would be needed to meet demand.

Low-cost protein

The production of low-cost high-quality fish is a universal problem. Tilapia culture can potentially bring more return for less input com-



pared to almost any other known protein crop. This is possible because of tilapia's ability to consume agricultural waste products and detritus and to filter out algae. Low-cost fish that can be produced in large quantities on less land and water could lower overall pressure on the environment. Tilapia culture could mean:

- less land for aquaculture, more forests
- less fuel consumed
- less feeds (which also demand land use)
- less water for each pound of tilapia produced than for any other protein product including protein plants

For each pound of extra beef produced in Brazil or Colombia for example, it is estimated that over 4000 ft² of rainforest must be burned to make new pasture. Thus, for each pound of beef replaced by good quality fish, 4000 ft² of cattle pasture can be replanted into forest.

More importantly, cheap but good quality fish means better nutrition, healthier populations, and good returns for fish sold domestically in each country.

Very few countries in the world produce more fish than they import. Therefore, a properly designed and managed tilapia farm can be a real asset both to earn income and to reduce imports.

Producing more tilapia will not, in our lifetime, reverse the destructive agricultural practices now prevalent. But it could slow down the trend enough to allow more time with which to solve the major problems of our children's future.

Source: M Sipe. *Tilapia marketing in the USA*.

... in Canada

INFOFISH International 3/92.

Tilapia has been test-marketed in a white-tablecloth restaurant in Ontario in an effort to determine consumer attitude toward this product, and to correlate specific product characteristics with consumer acceptance. Most respondents found fresh tilapia to be as good, or better, than the fish they most frequently eat. It appears that a restaurant market exists for tilapia, as 85% of respondents indicated that they would be likely to purchase tilapia again.

Source: D Stechey and C Okechuku. 1988. *Restaurant test marketing of tilapia in Ontario*, p. 61. In: **Proceedings of the International Aquaculture Congress and Exposition**; Vancouver, Canada, 6-9 Sept. 1988.

PHILIPPINES 2000

Support the Medium-Term Agricultural Development Plan

The Agriculture and Fishery sector must be modernized if it is to provide the base for industrialization and propel the economy forward ...

The Key Production Area or KPA development approach we are adopting is a blueprint for such modernization ... The KPA approach encourages farmers and fisherfolk to produce specific products only in those areas of the country where the land, water resources, and climate are suitable for those products, and where ready markets are available. It is in these areas that government will concentrate its infrastructure investments, post-harvest and marketing assistance, credit support, and research and extension services ...

In this way, farmers and fisherfolk would get the best returns on their investments and government would make efficient and cost-effective use of scarce resources.

Department of Agriculture