

VIRGINIA COMMERCIAL MARINE FISHING IMPROVEMENT FUND SUMMARY PROJECT APPLICATION*

NAME AND ADDRESS OF APPLICANT: Virginia Marine Products Board 554 Denbigh Blvd., Suite B Newport News, VA 23608	PROJECT LEADER (name, phone, e-mail): Mike Hutt - <i>Mike Hutt</i> 757-874-3474 mhutt@vaseafood.org								
PRIORITY AREA OF CONCERN: Marketing Research	PROJECT LOCATION: Newport News, VA								
DESCRIPTIVE TITLE OF PROJECT: Proposal to continue to develop a market for Chesapeake (cow nose) Ray.									
PROJECT SUMMARY: This year we will continue to market value-added ray strips, fillets, wings and bait. We will also continue to try and develop new ray products to be introduced into the market place.									
EXPECTED BENEFITS: Work with Virginia seafood processors and watermen to expand the introduction of Chesapeake ray in major markets in the United States with new value added products. Assist Virginia seafood exporters to test market ray with importers where a market currently exists for dark meat ray. Provide hands on sales support, direct mailings and sales materials to ray processors, harvesters, distributors, importers and restaurants to successfully introduce ray to current seafood customers. Return a significant number of trade leads of domestic and international buyers who are presold on Chesapeake ray to this new industry.									
COSTS: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 70%; padding: 5px;">VMRC Funding:</td> <td style="width: 30%; text-align: right; padding: 5px;">\$55,900.00</td> </tr> <tr> <td style="padding: 5px;">Recipient Funding:</td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Other Funding Sources (please list) :</td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Total Costs: Southern United States Trade Association-S. Korea Trade Show, Canada buyers mission and Asian Seafood Exposition & Reverse Trade Missions. Can only be used to support export marketing.</td> <td style="text-align: right; padding: 5px;">\$112,000.00</td> </tr> </table>		VMRC Funding:	\$55,900.00	Recipient Funding:		Other Funding Sources (please list) :		Total Costs: Southern United States Trade Association-S. Korea Trade Show, Canada buyers mission and Asian Seafood Exposition & Reverse Trade Missions. Can only be used to support export marketing.	\$112,000.00
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Detailed budget must be included with proposal.									

Updated 4/27/06

**Proposal for Continuing to Test Market Chesapeake (Cow nose) Ray
Virginia Marine Products Board FY 2010/2011**

The continuation of test market program to introduce Chesapeake Ray, a totally new and different seafood item, will expand on what the industry has learned and exploit marketing successes. The proposal and related budget is designed to provide marketing and sales support to the Virginia seafood industry to find a market for ray with current and potential customers. This plan will include processors, harvesters, seafood wholesalers, broad line distributors, domestic food service industry as well as cooperative programs to address the export ray market.

FY 2010/2011 Budget

Product cost for continuing to develop the fresh and frozen market, including the ray strips, fillets and wings both domestically and internationally including processor compensation for ray fillet, and wing samples and packaging materials (primary and bulk materials).

\$4,000

Packing and shipping samples of ray domestically and internationally that will include shipping charges, health inspection, customs clearance, and freight forwarder.

\$20,000

Contractual services for chef consultants.

\$ 7,000

Travel for chefs, marine scientists and VMPB staff, to specific test market areas identified by ray processors. Travel to trade shows, major seafood distribution markets, American Culinary Federation programs and broadline distributor shows to educate distributors, food service buyers and chefs.

\$9,000

Sales Support: Design, produce and distribute direct marketing materials to potential wholesale distributors, food service buyers, retail markets and restaurants to introduce ray. Exhibit and sample ray in cooperation with the Virginia Seafood booth at the International Boston Seafood Show. Produce professional photography to help in marketing the ray.

\$15,900

Total Marketing Request from Virginia Marine Resources Commission/Virginia Commercial Fishing Advisory Board

Total: \$55,900

The Southern United States Trade Association will provide cooperative funds for international seafood trade shows, reverse trade missions and international sales materials.

**Virginia Marine Resources Commission
Commercial Fishing Advisory Board
Proposal to Continue to Develop a Market for Chesapeake (Cow nose) Ray
FY 2010/2011
From Virginia Marine Products Board**

Situation

The Virginia Marine Products Board is in its fourth year working with Chesapeake ray processors to explore the market potential for cow nose ray. Funds from the Commercial Marine Fishing Improvement Fund are used to develop a domestic market and grants from the Southern United State Trade Association are used for international market development. On the domestic side, ray has been introduced as a fillet, wings, value added strips, a soup and as bait and is a totally new and different seafood product and will require a long range plan to develop a successful market. New value added ray products such as ray strips have been introduced into the market. The international market in Korea, China and Japan show potential because similar ray and skate are a part of their traditional cuisine. The board has been successful over the past three seasons by extending the awareness of ray as a new seafood. Like any new product introduction, more time and funds are needed for long term success.

This past summer ray sales were not as strong as the previous year. Some of the information that the Virginia Marine Products Board has received from communications has indicated that because of the economic downturn, restaurants are not interested in taking a chance on a new seafood entrée. Some have indicated that for a new fish to be introduced into the market, it needs to be less expensive. With the new value added products introduced into the market at a less expensive price, it is more competitive with other seafood items. Ray fillet, which was selling in the upper \$4.00 - \$5.00 range has been reduced to the \$2.00 range per pound and is getting more movement and interest.

Results: Domestic Market Development

All marketing leads from the International Boston Seafood Show this year that were interested in ray, were alienated with ray processors.

We have continued to promote ray to the food distributors to develop a domestic market for ray. At this point we have met with distributors and culinary schools, promoting ray in the forms of soup, fillet, sushi, and ray strips. Two full distributors are selling ray fillet and ray strips at this time.

Reports from the bait industry showed that the ray is not a good bait source for the conch industry and that commercial fishermen still preferred other baits. The ray for chum bait markets has not been successful again this season. We will continue to seek market development in this industry.

To date, VMPB staff has conducted forty-six training seminars for seafood and broad line distributors in New York, New Jersey, North Carolina, Maryland, Virginia, Washington, DC and Georgia. Seminars for buyers and sales staff are about forty five minutes long and cover species facts, sales techniques, cooking demonstration by ACF chef consultant, plate presentation, menu ideas and ray tasting. All of those who sampled ray liked the taste. Ray samples are still being shipped as requested by distributors, restaurants and retail stores.

Having more culinary schools participate in the education and training is a growing need. We have introduced ray products to ten culinary schools.

The ray was used at the Mid-Atlantic Seafood value-added workshop with the Norfolk Culinary Institute developing new ray value-added products.

We continue to use marketing materials in our promotions to help make people aware of this unique fish as a new seafood dish, and also the benefits of its high levels of proteins.

New equipment to reduce labor and to increase yields to process the ray has been put in place, which allowed for the new reduced prices on fillet and strips.

Results: International Market Development

South Korea, China and Japan continue to be the best international markets for Chesapeake ray. Because it is somewhat different from ray currently in the marketplace, it is being introduced as a new product. The decline of the value of the U.S. currency has greatly affected the International markets.

As a test, whole ray, wings, strips and fillets have been displayed and sampled at the Busan International Seafood Expo in Busan, Korea, International Boston Seafood Show and the European Seafood Expo in Brussels, Belgium. Buyers in Canada, China, Mexico, and Japan, as well as Korea have expressed some interest.

Goals for 2010/2011

Continue to work with Virginia seafood processors and watermen to expand the introduction of Chesapeake ray in major markets in the US. This year the Virginia Marine Products Board will be introducing value-added ray strips, fillet, and wings. We are encouraged about the ray strips items that can be used as an appetizer, as well as center of the plate, and competitively priced to compete in the market place.

Assist Virginia seafood exporters to test market ray with importers, restaurants, chefs and retail markets.

Provide hands on sales support, direct mailings and sales materials to ray processors, harvesters, distributors and restaurants to successfully introduce ray into the market.

Return a significant number of trade leads of domestic and international buyers who are interested in the ray products.

Program for 2010/2011

The Virginia Marine Products Board staff, in conjunction with ray producers, will continue to conduct marketing programs to determine the acceptance of Chesapeake (cow nose) ray in the marketplace. All elements of this program are designed to support Virginia ray processors, harvesters and exporters and provide multi-year continuity to introduce this new and potentially valuable product. Based on past experience, training seminars will expand as a key element of the plan and budget. A sampling program to pre-qualified buyers will continue both domestically and internationally. Fresh, frozen, value added products, bait and other commercial uses will be exploited. Ray will be displayed and sampled at all major seafood trade shows. Trade leads, feedback, market and product research will be distributed to ray suppliers for follow up. A direct mail marketing program will be sent out to potential buyers in the foodservice, restaurants, distributors and retail operations to make them aware of the new season. This will include product fact sheets on the ray products.