

Seafood



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Healthy sales just ahead

By Steven Hedlund

The federal government is expected in early 2005 to advise Americans to eat fish twice a week, an unprecedented move that would force public institutions such as schools and the military to buy more seafood.

The advice, if adopted by the departments of Agriculture and Health and Human Services as part of the 2005 dietary guidelines, would also provide seafood marketers with the sales pitch of a lifetime.

Updated every five years since 1980, the dietary guidelines are the foundation of the food pyramid. The current pyramid lumps seafood with the other proteins, urging consumers to eat two to three servings daily of beef, poultry, dry beans, eggs, nuts and fish.

But on Aug. 19, a federal panel of 13 nutritionists recommended that the new dietary guidelines urge Americans to eat two servings (or about 8 ounces) weekly of fish, particularly species rich in omega-3 fatty acids, to reduce the risk of heart disease. Never have the guidelines specified the amount of seafood consumers should eat.

The panel, called the Dietary Guidelines Advisory Committee, released its final report detailing 10 messages. The advice on seafood was included under the message, "Choose fats wisely for good health."

The panel supported the heart-protective



Seafood is the only protein for which a federal panel specifies a weekly amount to eat.

effects of the omega-3 fatty acids EPA (eicosapentaenoic acid) and DHA (docosahexaenoic acid), which are found in most fish, including salmon, rainbow trout, herring and tuna.

(The panel also warned expectant and nursing mothers and young children to avoid fish high in methylmercury, mirroring the Food and Drug Administration's advisory.)

Moreover, seafood was the only protein for which the panel specified how much to eat.

Some marketers see the advice as an opportunity to sell more seafood to schools,

the military and other public institutions required to base food-purchasing decisions on the dietary guidelines. The government spent \$16.4 billion to operate its food-assistance programs in 2004.

Others view the advice as a marketing tool, endorsing what they've promoted for years — that seafood is an integral part of a healthy diet.

"Seafood has always been an optional food in consumers' minds," says Pat Shanahan, president of Shanahan Strategic Planning & Communications in Seattle. "This makes seafood a necessity."

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MARKETING

NFI votes to raise its communications budget for 2005

The National Fisheries Institute will have more money to spend on delivering media messages to consumers next year. The seafood-trade group's board of directors approved a seven- to eight-fold increase in NFI's 2005 communications budget at its 59th annual meeting in Long Beach, Calif., on Oct. 31.

"We need to further inform the public about the positives of seafood," said NFI President John Connelly in an interview following the board meeting. "But we also need to be more aggressive about defending the industry from unwarranted attacks."

He pointed to two recent announcements from the federal government that present the seafood industry with oppor-

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INDUSTRY SURVEY

Menus drive sales for seafood industry

With most Americans still more comfortable ordering seafood from a waiter than cooking it at home, restaurant menus are the workhorses of the seafood market. In our 2004 *SeaFood Business* Foodservice Survey, we asked operators to tell us how their menus reflect consumer attitudes about such matters as health, rising food costs and environmental concerns. For complete survey results and coverage, turn to page 34.

Species

FOCUS

Tilapia

Tilapia's rising star leads to rising prices as producers worldwide struggle to keep pace with market demand. **Page 40**





A lot of labeling, a little time

Not all retailers and seafood products are subject to country-of-origin labeling

By Steven Hedlund

On April 4, 2005, the U.S. Department of Agriculture will begin enforcing country of origin labeling, the law requiring retailers to label seafood products as to their country of origin and whether they're wild or farmed. Although COOL was part of the 2002 Farm Bill, the rules governing it weren't unveiled until Sept. 30, 2004, leaving retailers and suppliers only six months in which to comply. Here's what they need to know in order to abide by the law.

Q. Are all retailers subject to COOL?

No. Only retailers who sell more than \$230,000 of produce annually, as defined by the 1930 Perishables Agricultural Commodities Act, are required to label seafood products as to their country of origin and method of production, says Justin LeBlanc, VP of government relations for the National Fisheries Institute in McLean, Va.

Supermarkets and box stores like Wal-Mart are subject to COOL, but independent seafood markets and specialty food stores are not.

"If you're a seafood market," says LeBlanc, "you'd have to sell a lot of lemons to qualify."

Restaurants, including those located within retail outlets, are also exempt from COOL.

Q. Are all seafood products subject to COOL?

No. Seafood used as an ingredient in a processed food item is exempt from COOL.

Cooked-, canned-, cured- and smoked-seafood products such as fish sticks, breaded shrimp, pickled herring, surimi seafood, soups, stews, chowders and pâtés are exempt. So are marinated seafood and combinations such as seafood medleys and crab-stuffed fish fillets. Frozen seafood products harvested before Dec. 6, 2004, are also off the hook, allowing suppliers to move existing inventories without the proper labeling through the pipeline.

Questions about which products are subject to COOL may be e-mailed to cool@usda.gov.

Q. Where must the labels appear?

Retailers may use a label, stamp, placard, band or twist-tie on the package or in the display case holding the product to list country of origin and method of production.

The law does not specify the exact

placement or size of the country-of-origin and method-of-production labels, other than stating that they must appear separately from the product's name or ingredients list.

Q. How is country of origin determined?

Wild seafood labeled as "product of the United States" must be harvested in U.S. waters or by a U.S.-flagged vessel and processed in the United States or aboard a U.S.-flagged vessel. Farmed seafood must be hatched, raised, harvested and processed in the United States.

Seafood harvested in U.S. waters that has, as defined by U.S. Customs and Border Protection, undergone "substantial transformation" outside the United States may not be labeled as "product of the United States."

Imported product processed in the United States must be labeled "from [country], processed in the United States." When an imported product is blended or commingled, such as a bag of shrimp from a number of sources, each country must be listed alphabetically.

Abbreviations may be used to indicate the country of origin. For example, "US" and "USA" are acceptable for the United States, and "UK" is acceptable for the United Kingdom.

Q. What's the difference between wild and farmed seafood?

Wild refers to naturally or hatchery-born fish or shellfish harvested in uncontrolled waters or beds. For example, Alaska salmon are considered wild, even though the state's hatcheries in 2003 yielded nearly 2 billion eggs and released into the wild almost 1.5 billion fish.

Conversely, farmed refers to fish or shellfish harvested in a controlled environment. Sounds simple, but it's more complicated than it sounds. Shellfish



harvested on public property are considered wild, while shellfish harvested on private or leased property are considered farmed.

Shellfish are also considered farmed when production enhancements such as artificial structures, nutrients and protection from Mother Nature and predators are used. For example, rope-grown mussels must be labeled as farmed.

Only wild, wild-caught, farmed and farm-raised are acceptable terms for COOL compliance. Ocean caught, caught at sea, cultured, cultivated and ranching are not.

Q. Who's enforcing COOL?

Only the USDA has the authority to enforce the law. But the agency will partner with state agencies to administer COOL. Although state agencies are barred from seizing product that is not COOL compliant, they may ask retailers for records.

Q. How will the USDA enforce COOL?

The USDA must notify retailers of a potential violation and hold a hearing at their request. Retailers are not liable for the accuracy of the information suppliers provide.

If a violation is discovered, retailers have 30 days to remedy it. Retailers who willfully disregard COOL are sub-

Retailers must learn the complex rules for COOL compliance.

ject to civil penalties of up to \$10,000 per violation. Suppliers also have 30 days to comply and are subject to civil penalties, whether the violation was deliberate or unintentional.

On top of COOL penalties, retailers and suppliers may be subject to additional fines under the 1938 Food, Drug and Cosmetic Act, which prohibits false or misleading labeling.

For the USDA to trace violations, retailers must keep records that identify a product by lot number or other unique identifier for one year after the transaction. Suppliers must also maintain records identifying the source and recipient of a product for one year.

Q. Are the COOL rules final?

Not yet. The public has until Jan. 3 to comment on them one more time. Send comments by e-mail to cool@usda.gov, by fax to (202) 720-3499 or by mail to Country of Origin Labeling Program, Room 2092-S, Agriculture Marketing Service, USDA, STOP 0249, 1400 Independence Ave. SW, Washington, DC 20250-0249.

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