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**Michigan Sea Grant College Program**  
Michigan Sea Grant is a cooperative program of the University of Michigan (UM) and Michigan State University (MSU). Funding: NOAA-National Sea Grant, UM and MSU. UM and MSU are equal opportunity/affirmative action employers.

UNIVERSITY OF MICHIGAN

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## MICHIGAN COMMERCIAL FISHERIES MARKETING AND PRODUCT DEVELOPMENT

The Great Lakes commercial fishery in Michigan is complex and has been affected by ecological changes in fish species; political and legal battles for harvesting rights; and economic concerns. The industry is at a crossroads and must address several challenges and opportunities in a coordinated, proactive manner in order to avoid an operational crisis and to be sustainable for the long term.

### The Present Fishery

Michigan's commercial fishery today has two major components: state-licensed operations and Native American tribe-licensed operations. The State of Michigan licenses approximately 45 commercial fishing enterprises. The five tribes managed by the Chippewa-Ottawa Resource Authority (CORA) and the three tribes belonging to the Great Lakes Indian Fish and Wildlife Commission (GLIFWC) support almost 150 commercial fishing operations. Approximately 50 percent of the Great Lakes commercial catch in Michigan waters is currently harvested by tribe-licensed fishing operations.

Great Lakes lake whitefish (*Coregonus clupeaformis*) is the prime commercial species of the upper Great Lakes fishery, because this delicately flavored fresh fish has high local consumer acceptance. An average of 11 million pounds was harvested from the Great Lakes annually from 1981-1999. Although the harvest has declined from 9.5 to 8 million pounds in recent years, prices have not increased. Instead, the price for Great Lakes lake whitefish, which once reached as high as \$1.04/lb., currently averages \$.75/lb. and has dropped to as low as \$.40/lb during periods of high production.

The combination of poor market prices and increased production costs (e.g., fuel, labor, nets, and equipment) will almost certainly result in the displacement of many commercial fishermen. Commercial operations face a number of challenges that must be addressed.

### Reliance on Traditional Markets

The industry's continued reliance on its traditional Midwest and ethnic markets has not been conducive to innovation or developing new approaches to marketing its fish. Nationally, there is little awareness of Great Lakes whitefish among today's consumers, chefs, restaurant associations, and retail stores, and therefore little effort to purchase or promote this product.

### Variability in Product Flow

Seasonal variability in product flow creates another industry challenge. Large influxes of Great Lakes lake whitefish flood Michigan fish processors during a few weeks every spring and fall. A seasonally large supply of lake whitefish for a limited market puts tremendous downward pressure on prices for fresh fillets. To stabilize product flow and prevent price drops, processors need to employ appropriate freezing and packaging techniques to supply high quality frozen fish year round.

### Lack of Product Diversity

Yet another marketing challenge involves a lack of product diversity. The presently robust population of lake whitefish has resulted in a population structure that favors 17-19 inch fish that result in a less desirable fillet that is less than 8 ounces. Larger lake whitefish provide the standard 8-10 ounce fillet size preferred by restaurants and retail markets. The smaller whitefish appear to be contributing to the downward pressure on whitefish fillet prices.

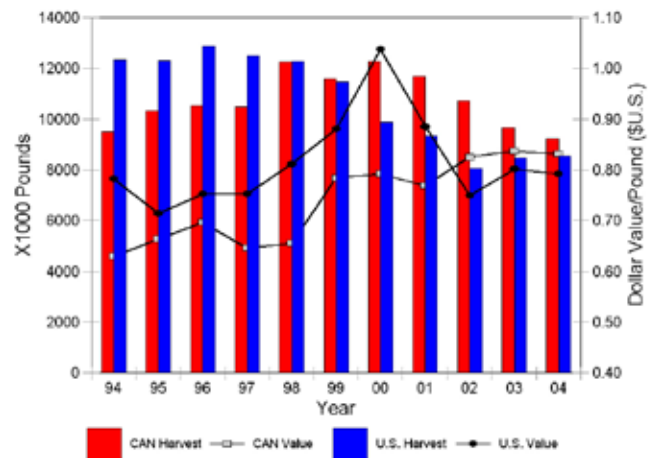
The smaller fish, though less desirable to processors, may appeal to consumer preferences for easily prepared or "ready to eat" food products, and could include filleted, smoked and vacuum-packed whitefish products. However, only a few Michigan processors have the technical assistance necessary to take advantage of the demand for convenience seafood products and the opportunity to increase product diversity.

### Product Competition

Recent developments beyond the control of fish producers are also affecting Michigan's commercial fishing industry. Of late, inland lake whitefish from western Canada has appeared on the market in increasing quantities and at a significantly lower price. Although these western Canadian fish are biologically the same species, consumer preference tests have shown that these imported fillets lack the color, texture and taste of Great Lakes lake whitefish and are not comparable in quality.

In fact, Canadian Great Lakes fishermen are also competing with this product, since consumers and retail buyers do not differentiate this product from higher quality Great Lakes lake whitefish. First time buyers of whitefish are being introduced to an inferior product, which has a negative effect on potential repeat customers.

**Great Lakes Lake Whitefish Commercial Harvest and Value**



### Ensuring Industry Sustainability

For the commercial fishing and fish processing industry to survive, it is critical to develop a marketing strategy that capitalizes on the freshness and wholesomeness of the Great Lakes lake whitefish product. Strategic elements include product positioning followed by development of distribution channels to move this product to consumers. Industry leaders increasingly recognize that their future viability depends as much on improving product quality, developing new products, cultivating new markets, and marketing value-added products as it does on the amount of fish its operations are permitted to catch. They are beginning to understand the need for holistic product development.

### Sea Grant Initiatives

With funding from NOAA National Sea Grant, Michigan Sea Grant is supporting the development of a marketing strategy that enhances the demand for lake whitefish and ensures the sustainability of this important freshwater fishery. Key objectives include the following:

- Increase product identification and consumer awareness
- Improve quality control and product consistency
- Expand value-added product development
- Minimize impacts from low-cost imports

In an effort to stabilize product flow and help increase the market value of whitefish, Michigan Sea Grant and others are examining freezer storage techniques, such as vacuum packaging. Appropriate freezer storage practices will preserve freshness by helping to prevent oxidation and freezer burn.

In conjunction with Michigan State University's Product Center for Agriculture and Natural Resources, Sea Grant has worked with four fishing operations to form a product marketing cooperative that will market high quality frozen whitefish fillets to high-end restaurants and markets. A set of quality assurance practices has been developed and agreed to by the fishermen. Packaging and labeling is also in place for the new *Legends of the Lake* brand of whitefish.

Additional objectives involve developing a comprehensive marketing plan for Great Lakes whitefish in collaboration with industry and government partners (state, tribal, federal), and making the transition toward diversifying use of the lake whitefish harvest.

More information about Michigan's Great Lakes whitefish and The Legends of the Lakes brand is available at [www.greatlakeswhitefish.com](http://www.greatlakeswhitefish.com)