Consumer preferences are leaning towards healthy, ready-to-eat seafood which results in a strong market for value-added products. Food service outlets now seek products that reduce menu preparation time, increase kitchen efficiency and reduce expenses.

In 2000, Grand Bank Sea Treasures Inc., with funding from the Fisheries Diversification Program, began a three-year business development plan with an eventual goal of implementation of value-added processing in their Grand Bank operations.

**Background**

Grand Bank Sea Treasures Inc., a sister company of Grand Atlantic Seafood's Inc., located in Grand Bank, Newfoundland began operations in 1999. Market and new product development were essential in order to assess the feasibility of entry prior to production design and set-up. Considering the high capital investment needed in secondary processing, this was a critical step in reducing business risk and creating viable marketing links to customers.

**Introduction**

Production of value-added seafood offers great potential in terms of extending the processing season and providing additional employment in Newfoundland and Labrador. Traditionally, the focus has been on primary production, which does not maximize the value of raw material and economic benefits to the province.
Methodology

Several new products were developed with the cooperation of the Marine Institute’s Center for Aquaculture and Seafood Development. Tasks included product development, ingredient identification and recipe development, packaging requirements, sample preparation, equipment requirements, shelf-life evaluation and costing. Market research and development initiatives included preliminary market research through the services of a marketing consultant. The consultant focused on provision of samples to potential customers, brochure and website development, advertisements and analysis of food service and retail sectors.

Results

Product Development
Three new vacuum packed mussel products were developed as a result of this project. Special emphasis was placed on flavour, color and texture. The mussel products in sauce have an expected shelf-life of six to eight months at -26 degrees C. Ingredient costs were comparably higher than expected. It was determined that high-production volumes and cost-efficient production were required to produce these products feasibly. Samples were sent to the United States and European markets and were positively received. A HACCP (Hazard Analysis & Critical Control Point) plan was developed for mussel production. Raw material sources, as well as their yields and sizes, were identified.

Market Analysis
Marketing arrangements, including private label and co-packing options, were successfully secured, and recipes were identified for targeted niche markets. It was determined that servicing both food service and retail sectors was the optimal approach.

Conclusion

The market analysis and product development for value-added seafood products has been successful. This project completed the first phase of a three-year plan. Based on the success of this project, Grand Bank Sea Treasures Inc. is now in a position to begin deliberations aimed at completing Phase 2: Pre-commercialization and later commercialization of a value-added production facility in Grand Bank. The company is now focused on the requirements for start-up, training and targeted marketing promotions. This project has allowed the company to gain the insight and intelligence required to develop and prosecute an effective marketing strategy. Given resource depletion in certain groundfish sectors, this project was important in that success in commercializing the value-added production line will provide opportunities for significant job creation in the Grand Bank area in the near future.