

U.S. warming to 'superfrozen' tuna

Long the norm in Japan's high-end tuna market, superfrozen tuna is now showing up in some of America's leading retail and foodservice outlets.

BY DREW CHERRY
REPORTS FROM SEATTLE, USA

Over the last 18 months, two Canadian companies have been quietly preparing for a market launch that they believe will revolutionize the tuna market in the North America.

In anticipation of this tuna revolution, Stavros Tripis, founder of Tuna Temple Inc., invested in a state-of-the-art facility in Montreal, Canada to store and process "superfrozen" tuna. "We took no shortcuts," Tripis says of the plant, which can store up to 300 metric tons of the product. "We built to the highest specifications of Japanese engineering – we have such a firm belief that this is the way to go."

Like the name implies, superfrozen tuna – mainly bigeye, yellowfin and bluefin – is quickly taken down to temperatures well below freezing and kept at those low levels during the entire transportation and processing until display or preparation.

The product, long the norm for tuna sold on the Japanese market, is caught by longline vessels, dressed and immediately frozen on-board and held below minus 60 Celsius. An estimated 80 percent of product sold in Japan is superfrozen.

In the United States, though, the growing tuna import market – worth an estimated \$815 million in 2003 – is overwhelmingly serviced with fresh, frozen and refreshed tuna. With tuna imports slated to top \$1 billion in the next few years, why mess with a good thing?

"I was very aware of the pitfalls of fresh and where the industry was going," Tripis said. "The quality of tuna that the majority of people receive is really not that great." Tripis said that "fresh" tuna is often caught on 12-15 day boating trips. Add in a few days for transport, and the journey from sea to plate can border on three weeks.

Blair Calkins, vice president of Calkins & Burke, a partner

with Tuna Temple in the superfrozen tuna venture, said that the freezing process – in which the fish are bled, gutted and gilled immediately – preserves the product's freshness, but without compromising its quality, a common complaint made of regular frozen tuna.

"What it does is protect cells from breaking down, to create a product that is virtually the same frozen as it was when it's thawed out," Calkins says of the superfrozen process.

Ken Kawauchi, manager of the superfrozen tuna program at New Jersey-based True World Foods, the only other major North American supplier of the product, has been slowly developing the superfrozen tuna market in the United States.

Kawauchi, originally from Tokyo, has been familiar with the product for decades, and was baffled that U.S. seafood suppliers knew barely anything about it. "In Japan, they started superfrozen tuna almost 30 years ago," Kawauchi says.

When Kawauchi first began bringing superfrozen tuna into the United States three years ago, he says, it was a constant process of education; many buyers didn't believe his claims about quality and color. As a result, sales were low that first year – only around 5,000 pounds. But the more buyers sampled the product, and the more Kawauchi talked with them, the more they bought. Now True World sells around 70,000 pounds per year.

Calkins and Tripis have had the same struggle. "This is not an easy task," Tripis said of introducing superfrozen tuna to the North American market. "It requires a lot of dedication and hard work."

Superfrozen fits new demand for natural foods

Some of that hard work is beginning to pay off, though. The growing sales for Tuna Temple and True World Foods may reflect a changing seafood market – one that demands higher quality, more consistent supply, and a return to more natural ingredients. Calkins said that while fresh tuna will never go away, superfrozen is going to set a higher bar for the fresh and re-freshed tuna markets.

"Typically, when you freeze tuna, cells break down and the color doesn't retain," Calkins said. "[Superfrozen tuna] is red,

clean, and there are no additives – it's all natural." In that sense, superfrozen tuna also has advantages over "tasteless smoke" or CO-treated tuna as well. The selling points of CO-treated tuna tend to be that it retains its bright red color and minimizes bacterial growth. Not only can superfrozen deliver both those benefits, but the quality of the fish tends to be higher as well, says Tripis.

"[Superfrozen] is a little pricier than smoked, but it's from a much nicer raw material," Tripis says. In addition, the massive CO-treated market may not be around forever. Already, Japan, Canada and the European Union have banned or heavily restricted CO-treated seafoods. While the U.S. Food and Drug Administration currently allows the sale of so-called gassed tuna, many believe it's a matter of time before the agency cracks down on the product.

Cost presents an advantage as well. Fresh tuna prices can shift significantly – anywhere from \$8 - \$15 on average. "The end consumer doesn't want to see that kind of fluctuation," Tripis says. "They can't deal with that."

And if consumers can't deal, neither can retailers. As with all seafood, retail chains want continuity of supply and consistency of quality, Tripis notes. "They are looking to rid themselves of the pitfalls of the fresh market. Right now you're held hostage by consistency of supply."

While Number 1 sashimi grade ahi sells for around \$13 - \$14 per pound for restaurant buyers, Kawauchi says superfrozen tuna sells for around 20 percent less. Still, Calkins believes that regardless of the advantages, superfrozen tuna won't eat away at retail shares of fresh or refreshed tuna.

"This superfrozen product is going to find a niche to expand sales in the tuna market overall," he says. "We're going to see rapid expansion on this product."

Infrastructure is a challenge

The challenge for superfrozen distribution in the United States has been infrastructure. While Japan has had a good decade to get facilities built-up across the nation, the United States doesn't boast a network of superfrozen cold stores. But that could change soon.

"Many Japanese tuna companies are looking to come into the States to sell superfrozen tuna," Kawauchi claims. "We've been approached by many biggies."

First, though, a market has to be developed. Kawauchi says that the majority of his clients are small, high-end sushi restaurants, though he does count a few major retailers, like Whole Foods, among his client list.

Calkins and Tripis are more circumspect about their clients, particularly since many of them are in the early stages of development. They did say, however, that some East Coast Costco Wholesale locations are currently testing the product.

With those kinds of lines in the water, there's nothing to do but wait.

"I don't know when, but I think superfrozen tuna will be a big item in the very near future," Kawauchi predicts. "I would say it's a matter of time."

Calkins and Tripis are expecting even bigger things. They believe their business will grow to 3,000 metric tons (over 6 million pounds) sold in 2004-2005. And Tripis has no doubt about the coming impact on the U.S. market.

"Superfrozen will be [successful] in North America and will change the way we see the fresh tuna business," he said.

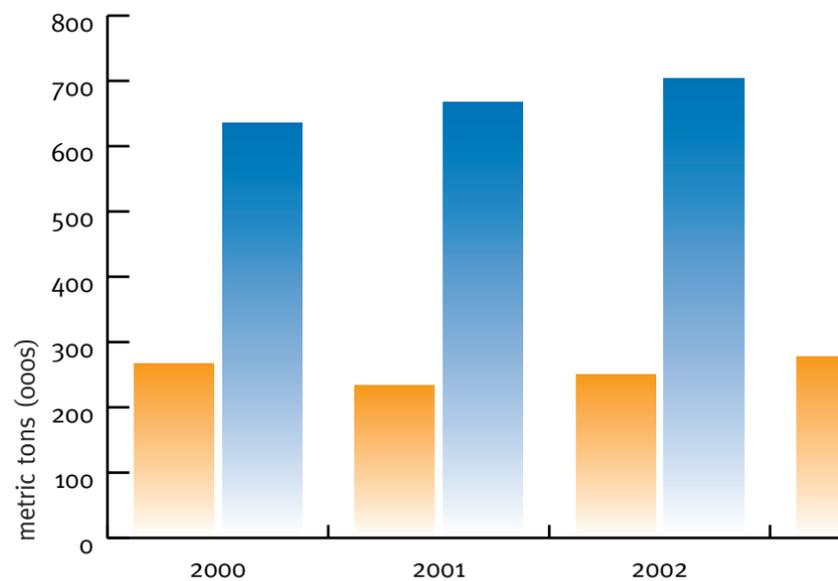
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THE FOUNDER. Tuna Temple founder Stavros Tripis

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US tuna imports 2000 - 2003 (thousand metric tons and million



*through November 2003
Source: National Marine Fisheries Service