

Road worries

Dream on.

Just getting the fish from the grounds to the sales point is a complex, expensive endeavor.

To kick-start your thinking, we assembled some tips you might find pertinent. But if you think this constitutes all you'll need to know, you're dreaming again.

We're only getting you started.

Barge: One of the cheapest routes to get stuff to and from Alaska is by barge.

But it's not simple.

Talk to an estimator, and the first question isn't the weight or dimensions of your stuff. They want to know what it is. They have different rates for different things.

For example, if you're shipping tricycles to Alaska in a 40-foot container, it'll cost you about \$4,000. Same for cigars. But if you're shipping broken-down boxes for your direct marketing enterprise, it'll be \$3,200.

You can claim the entire shipment as "personal effects," but if there's a problem, you may not have adequate insurance coverage.

Containers come in 20-, 40-, and 53-foot lengths, although there are relatively few 20-footers in the Alaska trade.

If you plan to ship a partial container, you'll take it in the shorts because transportation companies have to fuss with the shipment.

Truck: We checked with a trucking company about rates to and from Alaska. Primarily, we were interested in relatively small shipments that would require less than a full container.

The company included a fuel surcharge if it decided to route the shipment on a barge.

For shipping 10,000 pounds of assorted fish-processing products (waxed boxes, tables, staplers, etc.) to Alaska on the road, the transportation company would charge \$1,529, plus a 23.5 percent fuel surcharge, for

a total of \$1,888.

For a break-bulk shipment of only 4,000 pounds of frozen fish, the cost would be \$2,116, plus a fuel surcharge of 23.5 percent for \$497.26. Amortized, this shipping method will add 65 cents a pound to your product.

Packaging: If you're just starting out in direct marketing, one of the first steps is to figure what you'll use to get your fish to the market.

Namely, boxes.

They come in all sizes and forms — straight corrugated cardboard, plastic foam,

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or waxed cardboard. Your marketing and shipping challenges will dictate the nature of your shipping container.

For example, frozen product can ride in a non-waxed box. You'll want waxed corrugated for fresh product. Foam probably will be out of the question, unless you're shipping to a low-volume, high-end user who will see the box as another statement of your high standards.

Aside from cost — foam is significantly costlier than cardboard — you'll have to figure out a way to get boxes to where you'll need them. Fully formed foam boxes are bulky.

Weight is not the only cost consideration made by ship, barge, and trucking companies. They charge by dimen-

A few transportation tips for direct marketers

Most fishermen think the mere act of catching some fish and selling those fish constitute direct marketing.

sion of the shipment, and foam has huge dimensions.

Some container companies sell half-inch foam panels designed to slip into standard waxed boxes. These offer some element of thermal insulation, but certainly not to the degree of full foam boxes. With the panels, you're increasing your per-parcel cost, plus reducing the area for fish. You'll have to determine if your market will pay for the extra expense.

Shipping companies require some form of moisture block, such as plastic bags, inside the shipping box. This is understandable, especially for air shipments. No one wants fish gurry sloshing around the cargo deck of a jetliner 35,000 feet up.

You'll pay about 50 cents for each 4-mil bag for a 50-pound waxed box. Bags for frozen product will be thicker — and about twice as expensive — because frozen fish have more jagged edges.

Waxed or unwaxed cardboard boxes are shipped flat. You have to fold and staple each. You'll need a foot-operated carton stapler. They cost about \$500 new.

When it comes to box prices, be prepared to be beat by the big processors. Your price for a 50-pound box will be about \$5 if you buy 100. The processors — buying 20,000 boxes, for example — will pay 10 percent less per box.

How much to charge: That's up to you and the market.

However, you shouldn't forget to amortize your shipping expenses to arrive at a comprehensive cost of transport. Getting the number is especially critical for fresh product, because packing and transportation rates are significantly higher than for frozen.

(We'll assume you're going to treat larger expenses — buildings, equipment, furnishings — as capital investments, which will be

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paid out of profit. But you certainly could amortize such costs over expected poundage for a three-, or more, year period.)

First, get a good estimate of the amount of fresh product a single box will hold. Most likely, this will be significantly lower than the rated capacity of the box. Most fish do not fit neatly and snugly in a shipping box.

Say you bought a 50-pound box for \$5. Add costs of strapping, staples, gel packs, and transportation to where you need it. The box would eventually cost you \$10.

But the box may hold only 30 pounds of fish. Box costs for 30 pounds of fish will add 30 cents a pound to your salmon. That's before adding the air cargo or truck shipping costs.

Gel ice: A majority of air shippers out of Alaska use gel ice packs in boxes of fresh fish. But some don't.

If it's July 4 and you're shipping salmon to Tampa, use gel ice. If you're shipping to Seattle in October, you may not need the packs.

Also, temperature and length of journey will determine the number of packs used. A typical load for a 50-pound box of salmon would be six, half-pound bags.

Be sure your product is thoroughly chilled before it goes into the box.

Prices of gel packs vary, but here's one example: A case of 36 half-pound packs would be \$20 for a single case or \$18 each for more than one case. So, for your operation, you'd probably spend about 50 cents per pack.

That means that the 50-pound box of salmon with a typical application of gel ice will increase the per-box price by \$3.

Remember, you're also reducing room for product, increasing the weight of the box, and paying to ship those extra pounds.

Speaking of weight: You're going to pay to ship the ice packs north. It's something you don't want to do on an airplane, so plan ahead for surface shipping.

Once the gel packs reach your location, you have to figure out how to freeze them. If you place full cases in a freezer, they'll take days to completely freeze, depending on temperature and total load in the freezer.

The packs will freeze faster if they're laid out individually on racks, but take care. These gel packs will be riding with your fish. If the packs are ridged and wrinkled bags when they go into the freezer, they'll be like ridged and wrinkled rocks when you pack them with your product.

So, you want to lay out the packs as smoothly as possible.

Smooth or not, having a good supply of

'If you're on good terms with a nearby big packer that sells fresh fish to a distant market, ask about buying gel packs from it.'

frozen gel packs is a major headache for many direct marketers.

Be nice: Here's one route you might take. If you're on good terms with a nearby big packer that sells fresh fish to a distant market, ask about buying gel packs from it.

Presumably, the company will have tens of thousands of gel packs, and it'll have facilities to freeze and hold them.

The company will charge more than the f.o.b. Seattle price, but the extra cost might be a bargain when compared with the headaches you'll encounter doing it all yourself.

Same goes for other supplies.

Getting stuff home: Barge: This is the most dangerous part — financially. You have a valuable, and extremely perishable, product on your hands.

If you fill a 40-foot freezer container with sockeye fillets, for example, that represents a season harvest of 78,000 pounds of fish in the round.

Some 20-foot freezer boxes are available, but you should reserve early.

One transportation company we spoke with quoted a price of eight cents a pound for 18,000 pounds in a 20-foot container. That's regardless if you have 18,000 pounds or less.

Also, there could be a fuel surcharge of about 15 percent, depending on the price of petroleum next summer.

Next month: We'll look at air shipment for fresh product

We need you: Have we covered everything you need to know to make direct marketing logistics work for you?

Not by a long shot!

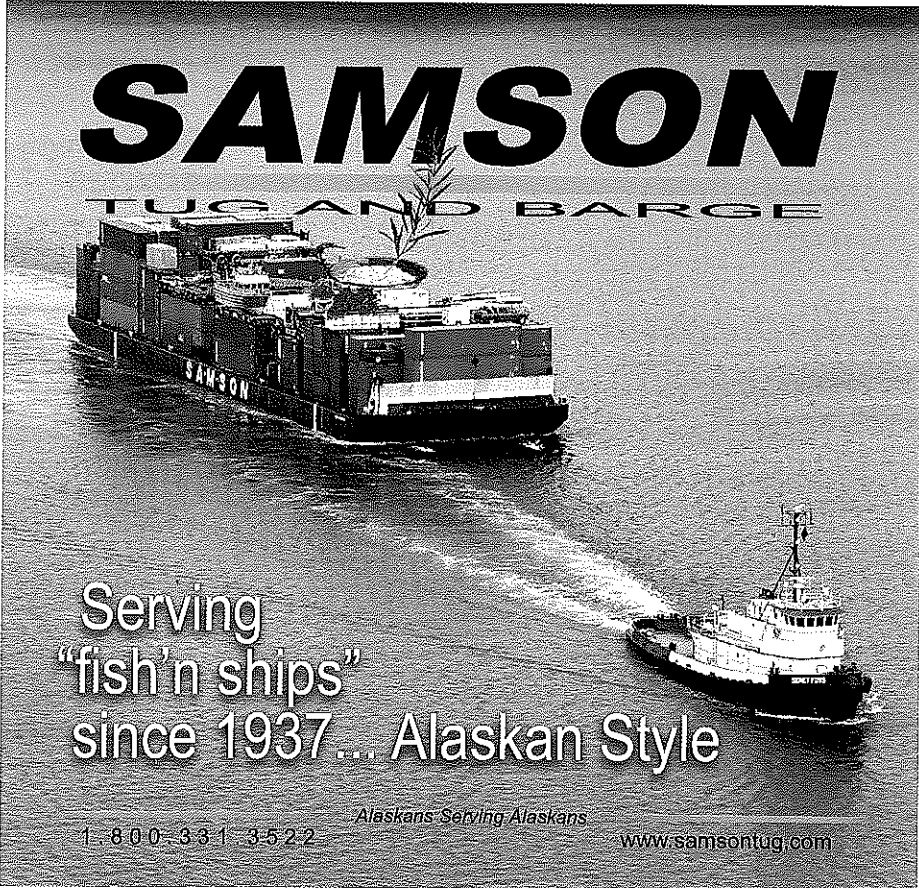
So, we want to continue this discussion, and we need your help.

If you have some advice or corrections, let us know. We're also interested in horror stories, because knowing what can go wrong is necessary to make everything go right.

If you are one of the first 10 folks to contribute a usable tip, you'll get a free, one-year subscription to *Pacific Fishing*. Also, we'll figure out a way to take you to dinner.

Next month: Air Cargo

Send your tip directly to donmcmannan@gmail.com.



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