

A Letter From the President

by
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The current term of service for your board is expiring. In the beginning of our term two years ago, we strove to do two things. The first was to tone down the rhetoric. Over the years too many personal agendas were being aired to suit the board members. The issues revolved around the disparate needs of the consumer, distributor, exporter, retailer, e-commerce companies, and service-only organizations. This was especially true when it came to dealing with the catching, shipping, and handling of marine organisms and the impact of their capture on the coral reef environments. Criticisms of the trade in general involved virtually everyone in the marine hobby, starting with the catch procedures of the fishermen right down to the consumer. Everybody had an axe to grind and somebody's ox to gore. We needed to find a common ground. The consumer wants cheaper prices, better service, better fish, and no risk to his purchases. The retailer is caught in the middle, receiving picked-over livestock from a distributor that allows locals and e-commerce to pre-select before shipment via a very poor transportation system.

Acquiring live fish in the US has proven problematic. Fish have been poorly handled for decades at the point of origin, the foreign shipping facilities, and our domestic distributors alike. Each stop wants to handle them like "hot potatoes" so they die in our tanks and not theirs. Many fishermen want to use cyanide to trap fish because they think it makes their job easier. This is where the Marine Aquarium Council wanted to intervene, but even if the catch-problem is resolved, the shipping and handling issues will still remain. The guidelines adopted by the MAC would have virtually eliminated all exportation of animals into the US. The MAC, of course, claimed otherwise. Your AMDA board suggested they change the guidelines but that fell on deaf ears. We were told nothing would change. There seems to be some stirrings in the right direction at this point in time, but to resolve the catch procedures without solving the handling problems to the retailers makes the whole process meaningless in the long run.

The live animal distributor wants to control importation avenues for their own obvious purposes. Because of this and the knowledge that fish are picked over by locals and e-commerce before the hinterland gets their fish, transshipping is getting more popular. I have tried this on numerous occasions and the losses are no worse than dealing with distributors and the selection of fish many times is better. Local distributors are getting fewer and fewer because of large chain stores that carry only the bread and butter fish that they get through central purchasing. Gone are the days of having a number of really professional aquarists and distributors with a passion for the hobby running stores and shipping facilities. Livestock distributors have become just another middleman and most do very little to support the needs of the stores ordering fish to be shipped to the hinterland and in many instances really don't

provide a lot of service. In the end independent stores buying from far away distributors remains a “buyer beware” situation.

The American Marinelife Dealers Association was created to promote and improve the hobby through education and conservation awareness. These are all good intentions as long as retailers have a common ground to work from and are constantly bickering about who’s fish is best in order to get what they can from each customer. The ethics of the business as eroded over the years. Independent retailers struggle every day. Your board wanted to find a way to bring them together. In order to do that people needed to be involved constructively. Neighborhood brick-and-mortar retailers primarily financed AMDA, but service organizations and distributors ran it for years. The common mission for AMDA was to decrease fish mortalities by improving catching practices and shipping techniques. We wanted people to be more educated about the ways of the marine world. We also wanted, if possible, the wild-caught fish brought to the retail side of business to have a neutral impact on the wild fish population.

The obvious result of improving capture and shipping techniques is that fewer fish would need to be caught. That is a good result, but there would be fallout at all levels of the business. Fewer fishermen would be needed. There would also have to be barriers to entry into ornamental fishing, which heretofore has been open to anyone wanting to gather fish to make a living. Fishermen and their kin dependent on the sea for a living would not find this to be a welcome change. But all too often these traditional ways ultimately wipe themselves out by over harvesting their livelihood. We would also need airlines to cooperate with the needs of shipping live animals, and that may be the Achilles heel of the whole problem.

If we are successful in teaching our customers how to keep fish alive longer, stores would need to sell fewer marine fish but charge more to keep a good selection with fewer fish sold. The education program would improve the longevity of our fish; therefore, hobbyists would buy fewer fish. All of these changes would produce ripples across the entire business from fishermen to retailers. Changes will have to be made when improvements in the hobby are made.

Around the time AMDA was formed, so too was the Marine Aquarium Council. Join the MAC was the mantra of the day. Hostile arguments ensued between members regarding the value of the program. The conversations on Reef.org also became more venomous. None of this solved the problems we faced as retailers. E-commerce and mass merchants were picking off all the profitable parts of the business. Retailers were antagonistic toward each other and, for the most part, could not find common ground. The MAC never openly recognized indigent fishermen to be the backbone of the hobby; the system the MAC wanted to implement involved tons of paperwork rather than constant procedural inspection. It is also our feeling that without airline cooperation none of the procedures that could or would be implemented would amount to much in the way of keeping animals alive.

Two years ago the AMDA board decided to end the participation of the disparate businesses that were dragging down the group as a whole. I realize I am biased but the neighborhood retailer is still the backbone of this hobby. We have hopes that someday the independent retailer will find ways to cooperate rather than be adversarial. The independent retailer used to provide everything to the hobbyist. Now e-commerce just wants to sell profitable fish and equipment that is inexpensive to ship. This leaves the retailer with the burden of selling fish tanks, live and frozen food and start-up fish and keeping inventory that doesn’t move near as quickly as in the past. None of this is profitable enough to maintain businesses in areas where large chain stores continue to commandeer all the profitable items while leaving the professional pet stores only a few scraps with which to run a business. But to whom do they go to solve these problems? The local retailer still provides the bulk of the information and service that brings new people into the industry. The shelf-stocking, uneducated and passionless personnel in big box stores reap the profits once the local retailer puts in the time and effort to secure these new customers. Many times the e-commerce companies don’t even own the fish they sell; they pay once they are sold. It is an unfair environment. None of this bodes well for the future of the serious aquarium hobbyist or the professional pet store owner. The mass merchants turn products without inspiration to the hobbyist to do little more than buy Betta bowls.

It was this board’s decision to focus on the brick and mortar retailer. They were the ones supporting our

program. For \$50 they got a voice, but we need more than that. They should be the ones controlling the organization. They are the teachers. They are the ones that stock the emergency products needed for the hobby. For the most part it is the local retailer that provides knowledge for an aquarist to graduate from beginner to the next level, and in the case of some high-end retailers, they are the ones responsible for taking aquarists to the expert level. E-commerce and mass merchants have taken much of the novice's business. And without adequate knowledge about marine life care, most drop out because they gain little success in their endeavors. To survive we need to change the opinion of distributors and manufacturers that think we are expendable. Without a unified voice they will not pay attention.

This organization needs greater participation from independent retailers. The brick-and-mortars want a voice, but they also want to know exactly what they can get out of our membership. That is hard to quantify, because the benefits rely on the support and contributions of not just money but time from members. I'm not sure what it is they want for \$50. We need ideas and help at shows to improve the external perception of AMDA. No board, consisting of a handful of people, can do all the work without support from its membership. More support means more visibility, which means greater global impact on the aquarium and marine life industry, which means more value for your \$50.

There are distributors and e-commerce companies that want the AMDA name to add "concerned citizenry" to their resumes. They want to take over the organization for their own interests. Recently a large e-commerce owner that has just gone to selling at the retail level in a mass merchandise chain said they would not have gone to mass-merchant selling if AMDA had cooperated with his company. He said he would have brought in millions to the organization if we had just allowed them to be a member. That, quite frankly, is malarkey. This same guy said on reefs.org that it is impossible for the average retailer to get the best fish because e-commerce get first pick. Does this sound like somebody on the side of the retailer? Think what would have happened if we had turned our destiny over to him.

This board leaves AMDA in the best financial position ever. We participated in the Marine Ornamental Conference and gave a presentation on how the marine aquarium hobby can survive in the face of needed environmentalism as it pertains to the marine hobby. We pointed out that the impact of the marine hobby was important to consider, but without a total program to protect the world's reefs from erosion, destructive food fishing, harvesting of the reef backbone for building materials, etc. our efforts mean little. As a final act during this term I am writing an article for the National Oceanic and Atmospheric Agency on the same subject. During the next term, AMDA will need more membership to help defray the cost of having a voice. Solving our problems is not easy. Local retailers are disappearing by the hundreds. The quality of knowledge in the stores taking their place is causing the hobby to atrophy. The hobby will slowly die as a result of the greed of the mass merchant who has no passion for hobbies or hobbyists. It's about selling stuff to existing pet owners with as little input as possible. It is my belief that we need a public relations position to help our AMDA-branded stores into the public sector. Make people understand what it means to belong to AMDA. We need the local retailer to become more knowledgeable about merchandising and more aware of competitive pricing structures. \$50 does not buy you success, but with more and more organizations and businesses contributing, and a positive direction, \$50 is worth so much more.

The original mission of AMDA is stated very eloquently on AMDAreef.com. We need to promote professionalism in the hobby. We need to promote conservation of the reefs by demanding fish be handled properly. In order to accomplish these parts of the mission we need clout. We need to recognize that the free market system has to work, but we cannot even begin to make it work if we cannot set recognizable care standards. We cannot begin to function without more participation from brick-and-mortar retailers that are willing to spend time being constructive rather than carping on Reefs.org. We cannot ignore the plight of the reefs. We cannot ignore the fact that people are leaving the hobby to play on their computers. We cannot ignore the fact that manufacturers and distributors have taken the local brick-and-mortar retailer for granted and soaked them to the hilt with pricing structures that prevent competition. Distributors are getting fewer and farther away, and costs are escalating at a rapid rate as a result. If a mass pet store opens across the street they sell at a slightly lower price but make 20 points more profit in the process. These are serious problems to overcome. Manufacturers and distributors need to respond.

Over the next two years I would like to propose we have a centrally-located meeting of the independent retailers. I would hope that whoever is on the upcoming board would consider this suggestion. This will take some planning, but in order to make this a truly unified organization we need participation by independent retailers, manufacturers, and distributors (both livestock and hard goods). Everyone needs to be on the same page. I'm in hope that the money in the treasury will be used to organize this meeting. We are currently poised to do just that. The rest is up to the independent retailer to bury petty grievances and start acting together and find a common ground to protect themselves and the hobby.

In summary it has been a pleasure to serve on the AMDA board during the past four years. Because of my participation I have a much clearer view of the problems at hand. In the near future I hope we can realize some improvement in the independent retail sector and get the recognition we deserve as a cornerstone of the hobby.

American Marinelife Dealers Association
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