Case Study: Coastal Fish

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Case Study "Coastal Fish"

The "Coastal Fish" case study is part of SUCCESS funded by the EU. The following partners are involved in this case study:

- IFREMER (France)
- UBO (France)
- Fish Pass (France)
- Wemake (France)
- NISEA (Italy)
- UNIPA (Italy)
- Fishor (United Kingdom)
- U Cantabria (Spain
- Ateith (Greece)

European Commission

Coastal fish supplies concern a large diversity of species (not only fish, demersal or pelagic, but also crustaceans and shellfish). Average prices are generally high for "high fresh quality" landings dedicated to the market of fresh seafood for direct consumption (specifically whole fresh market for fish). The markets are often local or "niche". In a sense, "Coastal Fish" is the opposite of the "Whitefish" case study where average ex-vessel prices are rather low for landings dedicated to large scale landings, the processing industry and large markets.

"Coastal fish" landings come from a large diversity of fishing vessels (mainly small size vessels but not only) using different techniques (mainly passive gears but not only) with a common denominator: short trip duration given proximity of fishing to port (actually around 24 hours).

The coastal fleet segment is significant in all European countries, particularly in southern ones (Greece, Spain, Portugal, Italy or even France). As a subset of the Coastal fleet segment, the European Small Scale Fleet (defined by the EU regulation as vessels less than 12 meters using static or passive gears) represents already 55% of the total number of vessels, 41% of the total FTE employment and around 15% of the total landings in value[1] in 2011 at European level (STECF, AER 2014).

[1] This last value is generally considered as largely underestimated because of misreporting's from small vessels

Main topic

The "Coastal Fish" case study (CFCS) concerns different types of vessels (fishing units) at a European level. For most of them, vessels are of small size using passive gears (nets, pots, lines…) and belong to the so called small-scale fisheries (SSF) segment. The SSF definition is sometimes too restrictive so it is important to enhance "Coastal Fish" segment to vessels catching non quota species and competing in national waters or vessels catching sedentary stocks like scallops or clams.

Despite some differences in size, fishing techniques, and/or targeted species, vessels often belong to localities where fishing has cultural importance.

Challenges

European "Coastal Fish" face several challenges influencing the competitiveness and the sustainability of the sector. The main issues are stated below:

I. According to the STECF Annual Economic report 2014, "*the development trend of the SSF economic performance (percentage change from 2012 to average over the years 2008-2011) suggests that a) GVA decreased 19%; b) gross profit 34% and c) net profit 80%".* Degradation of economic results generally creates difficulties in attracting young people and increasing the risk of not maintaining traditions at local level.

II. Competition on stocks, leading to overcapacity and overexploitation, is common to several fisheries at European level. These situations may lead to reinforcement of management measures which can affect strongly coastal fleet segments even though their impact on fishing mortality is generally lower than other fleet segments.

III. Competition for space and use-conflicts with other coastal activities (other fishing gears, i.e. large trawlers, recreational fishing, marine transportation…)

IV. Market issues in terms of competition with other products and imports, substitution with other products/species in the market place or economic crisis affecting southern EU countries consumers of whole fresh species;

V. Recent changes in society's demand for product freshness, traceability, quality labels and attractiveness of sustainable production may represent a strong opportunity of market valorisations for the coastal fleet segment but also reveals some weaknesses in current marketing strategies;

Case study proposal

According to the large diversity of vessels, fleets or species belonging to the Coastal Fish CS at national and hence European levels, the Coastal fish case study will not provide an exhaustive representation of that picture but will focus on fleet segments which illustrate the issues and challenges presented above:

1) The Brittany coastal liners targeting Sea bass (France, Ifremer - UBO) is a group of hundred small vessels (less than 12m) facing a competition a) on fresh whole fish market due to lower prices of Sea bass from French trawlers and Aquaculture (challenges IV) and b) on stocks from trawlers and recreational fishermen (challenge II).

2) The Netters of the Gulf of Salerno targeting Common cuttlefish (Italy, Nisea) aiming to fit a high local demand with specific consumers' expectations (challenges IV and V). The aim of the specific case is to investigate the role of the direct sales in the fishing area in terms of benefits generated not only for the fishermen but also for the territory. Direct sales could have a role in maintaining primary activities in the territory or in the promotion of the profession and its know-how.

3) The Fasolari Fishery - Dredgers from Northern Adriatic targeting smooth clams (Italy, Nisea) is a well organised group of vessels (12 to 18 meters). This fishery is a good example of co-management and of integration between the management (consortia) and the marketing (PO Fasolari) side. The sub-case will contribute to better understand the mechanism of price formation and will also focus on the promotion of products through market valorisation strategies (challenges IV and V).

4) The English Channel scallop fishery (France - UBO and United Kingdom – Fishor) both French and UK fleets confronting stock and economic performance issues (main challenges I and II, and sub-challenges III, IV and V). King scallops are a high value non-quota species targeted mostly by dredgers. Vessels are regulated with both technical and spatial operating measures (e.g. marine protected areas, closed seasons). Competition from imported scallops that are generally cheaper and inferior to English Channel king scallops makes product differentiation particularly important. Add to that the perception that dredging is not an environmentally friendly catching method makes this a challenging trade-off.

5) The multispecies Coastal fisheries in the province of Trapani (Italy – UNIPA) is dealing with issues mainly related to market (challenge VI) that have profoundly affected its economic performance and its existence (challenge I). The tendency to standardized consumption on the most common species (imported or farmed) has adversely affected the activity of traditional coastal fishing (challenge IV), reducing the commercial interest for and the earnings on non-quota under-exploited species. The lack of economic sustainability has decreased the attractiveness of the sector, reducing the process of generational change and increasing the risk of losing irreplaceable knowledge and local traditions (challenge I). In response to these challenges, the coastal fisheries in the province of Trapani, thanks to its association, have fostered a strategy of promotion of their fresh products that centred around traceability, direct management of the sales channel, the lengthening of the cold-chain of local products (including processed ones) in order to reach new market opportunities (challenge V).

6) The Netters multispecies fishery of Ile Yeu (France, Fish-Pass): Five fishermen show that it is possible to design a value chain leading to a better distribution of value added for the upstream stages of the chain (challenge V).

7) The coastal fisheries in Galicia (Spain, UC Cantabria) operates along about 100 fishing harbours which support a fleet of 3,968 artisanal vessels that are catching mostly non-UE quota species and competing in national waters. This sector consists of vessels which belong in general to localities where fishing has a cultural importance and made of small businesses (family) that generally own one vessel (Challenge I). All the fish landed is marketed every day in a first step through the auctions using Dutch auctions, that is, the product is offered at a starting price which is lowered until a participant is willing to accept the auctioneer's price. In most of these auction markets, the intermediaries hold a "monopsony position” in such a way that they force prices down for their profit (Challenge I). In recent years, introducing product brands together with other marketing activities have been the most common innovations in order to improve the economic results (Challenge I). Some initiatives have to do with the government initiative to promote a brand for Galician coastal fisheries. Moreover many fishermen associations participated in the establishment of companies for the commercialization of fish, some of them using internet platforms (Challenges IV and V)

Links between CS and WPs

Given the challenges listed above, the CFCS partners will try to answer to the following broad questions by their implications within WPs:

- What are the sources of vulnerability of Coastal fisheries? Compared to other CS? (WP3, WP4)
- What is the link with consumer expectations and Coastal Fish products? (WP2)
- Is there any potential for new products and new marketing strategies? (WP2, WP3); How can producers differentiate their main products both locally and nationally? (WP2, WP4)

- Is there a potential for new outlets (national market, exports) instead of local/ Niche market? (WP4)
- What are the dominant forms of management system in Coastal fisheries? How far does this management system combine stock conservation and marketing strategies at European level? (WP3)
- What is the "replicability" and potential extension of such initiatives at European level: which conditions? (all)

The CFCS will directly contribute to WPs in the following ways:

WP 1: *Effects of global drivers, policies and regulations on growth, jobs and innovation in European fisheries and aquaculture sectors.*
There is no direct link (a priori) between WP1 and the Coastal Fish CS but the existing of specific protection from international trade need to be checked (by partners interested in CS on scallop particularly)

WP 2: *Consumer preferences, market acceptance and social awareness towards seafood.*
The CS will contribute by providing insights on:
- Consumers' expectations on Coastal, high fresh quality products?
    - Investigation on local/regional market (Nisea-Italy)
    - Interviews with distributors (market, supermarkets..) and restaurants (Ifremer-France)
    - Consumers' expectations behind AMAP experiment (FishPass, France)
- Potentiality for new products and new conditioning (Unipa-Italy)

The CS will benefit directly from the online survey undertaken at European level by specific questions on local, high fresh and eco-friendly products (task 2.3) and will contribute to task 2.4a by conducing focus group in several countries (France, Italy and UK)

WP3: *Competitiveness and sustainability of European fisheries and aquaculture sectors*
Task 3.1: The CS will give an overview of governance and regulation systems influencing competitiveness and sustainability of the European Coastal Fish sector
- Description of Coastal Fisheries regulation systems under the CFP is provided for France (Ifremer, UBO); Italy (Nisea), Spain (UC) and UK (Fishor).
- Specific attention will be given on the implementation of co-management systems in Coastal fisheries e.g. for Italy attention will be paid to the co-management system currently in place for clam fisheries in Northern Adriatic, representing a good example of a progressive decentralisation of the decision level, involving the Central Administration and the local operators (organized in Consortia) and ending up with a co-management regime.

Task 3.2: the CS will give an overview of CF production systems at European level including first hand sales organisations
Where initiatives to improve competitiveness and sustainability were undertaken, a preliminary description of production systems (Fleet structure, Cost and revenue structure, Sales organization, Outlets…) is made for the following subcases: Brittany coastal liners targeting Sea bass (Ifremer), France and UK Scallop fisheries of English Channel (UBO ans Fishor), Netters of Ile Yeu (FishPass), Smooth clam fisheries in Northern Adriatic (Nisea), Common cuttlefish in the Gulf of Salern (Nisea), The Trapani small scale fleet (Unipa) and the Galician Coastal Fleet (UC).

Task 3.3: The CS will prepare an inventory of initiatives implemented by Coastal fish producers for competitiveness improvement at the production stage (3.3a) and will focus on specific initiatives* (3.3b) like:
- Certification, labelling
- New Marketing strategies and sales organisation (Direct sales, AMAP, Fish codes)
- Local cooperation
- Co-management strategies

** See dedicates section on Room for improvements at the end of the document*

Task 3.4: The CS will contribute to the comparative analysis of production systems by providing required indicators.

WP 4: *Trade and Value Chain*

The CS will contribute by providing broad description of value chains for Coastal Fish "subcases" at EU level (4.1). Coastal fish, using the definition provided, are naturally competing mostly locally and nationally, although not only. As a result the value chain is less wide-ranging and is separate to the general European markets. The value chains will therefore be considered in this context as well as how they relate to the wider seafood market.

The case of the fish box scheme implemented by the Yeu netters in France raises several issues regarding the extent of its impact on the market. It is reported by stakeholders that since the box scheme operates, there has been a general increase in the prices as whether the traditional buyers were feeling nervous with this new type of competition; an impact is also reported on price volatility. A price analysis may be of interest to characterise the way the first hand sale market in the island has been affected.

WP9: Finally, the CFCS proposes the organisation of a Workshop with CF stakeholders aiming to discuss on Consumer expectations regarding CF products (WP2) and the way to implement several initiatives aiming to match these consumers preferences like for instance a "Coastal Fish" labelling/brand/certification at European level (WP3/WP4).

Room for improvement / Innovative approach / Opportunities (tasks 2.4, 3.3 and 4.4)

In each EU member state, there are several initiatives in response to the challenges listed above. Besides technical innovations aiming to reduce input costs (challenge I) investigated certainly by other case studies (e.g. Whitefish and Flatfish case studies), initiatives here are mostly focused on marketing strategies (new outlets, product differentiation through labels or certification, new sales organisation…) and aim to answer challenges IV and V. These are based on technical innovations (new products, new technologies) as well as organisational ones. But initiatives also appear on the side on resource management. There are some valuable changes in resource management systems (co-management systems for instance) to answer challenge II for example. Such changes sometimes include cooperation with bodies in charge of marketing strategies. These marketing strategies seek to expand the Coastal fish market (which is still local in many cases), or to integrate horizontally the whole locality through new forms of cooperation with other local industries, tourism for instance (challenge III).

The CFCS contribution will be based on initiatives undertaken (or in progress) at national level (but dedicated to Coastal Fleet mainly) or regionally on the fleet segments listed above:

- The implementation of a local certification/brand for the Brittany coastal liners' sea bass (Ligneurs de la Pointe de Bretagne http://pointe-de-bretagne.fr/) 20 years ago and its impact on sea bass prices and sustainability of the fleet segment (France, Ifremer-UBO);

- The testing of collective brand at national level dedicated to Artisanal fisheries in France (Ifremer) as well as the use of a fishcode to scan for getting a large range of information on the product and the producer along the supply chain till the consumer (France, Wemake).

- The marketing strategies undertaken in co-managed fisheries, like the "fasolari" fishery in Northern Adriatic (Italy, Nisea);

- Direct selling strategies more and more used by small scale fishermen for common cuttlefish in the Gulf of Salerno (Italy, Nisea);

- The implementation of several labelling schemes for scallops (France – UBO), with maybe the development of a join France/UK label to differentiate from imports

- The use of hatcheries for shellfish stocks enhancement (scallops – UBO France; queen scallops in Spain?)

- How to achieve economically sustainable fleet(s) operating in the case studies evaluated, supporting with the most helpful regulation and marketing initiatives (UBO - France, Fishor-UK)

- the implementation of a local charter directly linking fishermen and consumers in order to design a value chain allowing for a better distribution of value added for the upstream stages of the chain (France, Fish-Pass)

- An analyses of "PescadeRias", a certification developed by the regional government of Galicia that includes 129 species which are a representative sample of what the coastal fleet daily lands in Galician fishing harbours. Fish come from fishing techniques environmentally friendly, in order to develop sustainable fisheries. Today "PescadeRias" certifies the 42% of the fresh fish captured by the artisanal Galician fleet and marketed in the auctions of Galicia. This case study focuses on three species of different categories (fish, cephalopods and bivalves) selected by its relevance not only for the fishermen activity, but also for their relevance from a cultural perspective, and for the tourism activities (especially for gastronomy). (Spain, UC)

- Transfer of new protocol with minimal processing techniques (vacuum packing and modified atmosphere packaging, alone or combined with super chilling), able to maintain the overall aspects of fish products as much as natural is possible in order to realize new market opportunities. Technical innovation on traditional processing, such as smoking, coupled with natural antioxidants, in order to realize niche products with new marketing strategies increasing the value of underutilized fisheries species (picarel, bogue, dolphifish). New model for more effective management of direct selling (Italy, UNIPA)

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