

North & West Association of Fish Producer Organisations

Relationships between the Producer and the Market

The Background

- Producer Organisations are an integral part of the management of the Common Fishery policy.
- Regulation 1379/2013 Common Organisation of the Markets.
- The previous CMO that dated from the turn of the 21st Century had been a more prescriptive top down document.
- In reality Member States adopted policies around PO's that best suited their Management circumstances.
- In the UK PO's administered the Digressive Compensation Scheme and became more directly involved with the Management of Quota through the sectoral allocation system.

The New Regulation and its opportunities

The important new policy drivers are contained in Article 7.

1. Fishery producer organisations shall pursue the following objectives:

(a) promoting the viable and sustainable fishing activities of their members

(b) avoiding and reducing as far as possible unwanted catches of commercial stocks and, where necessary, making the best use of such catches, without creating a market for those that are below the minimum conservation reference size

(c) contributing to the traceability of fishery products and access to clear and comprehensive information for consumers;

(d) contributing to the elimination of illegal, unreported and unregulated fishing

Article 10

Objectives of associations of producer organisations

1. Associations of producer organisations shall pursue the following objectives:

- (a) performing in a more efficient and sustainable manner any of the objectives of the member producer organisations laid down in Article 7;
- (b) coordinating and developing activities of common interest for the member producer organisations.

3. Producer organisations shall, in addition to the objectives laid down in paragraphs 1 and 2, pursue two or more of the following objectives:

(a) improving the conditions for the placing on the market of their members' fishery and aquaculture products;

(b) improving economic returns;

(c) stabilising the markets;

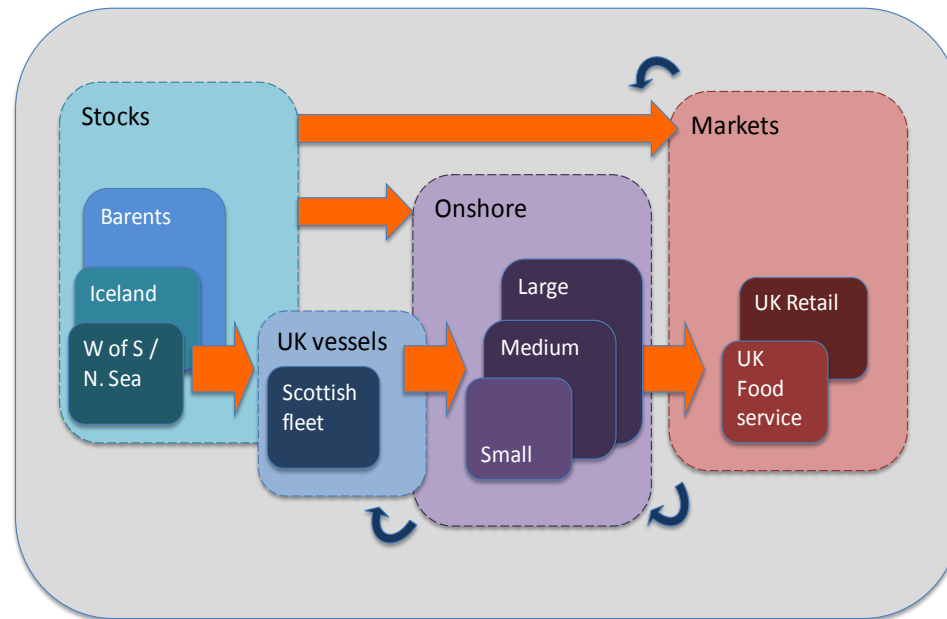
(d) contributing to food supply and promoting high food quality and safety standards, whilst contributing to employment in coastal and rural areas;

(e) reducing the environmental impact of fishing, including through measures to improve the selectivity of fishing gears.

4. Producer organisations may pursue other complementary objectives. **

How does the new Association Fit into these requirements?

- Clearly we could collectively adjust production in response to market indicators. Individually we are small in market density and cannot influence the market in specific product. Collectively we still do not hold enough influence to direct market prices but we could send messages on production that could give indications to those participating in production.



- A more likely course would be to direct production into markets giving a higher yield and to explore new or extinct marketing opportunities exploiting the strengths of the messages that the Association can give. These are:
 1. The Story behind the catch (Provenance)
 2. The Message about the work on sustainability
 3. The Compliance with societal demands

- The Message on the Short Supply chain and small carbon footprint.

Having a good message is all very well but what is different to the National promotional campaigns?

The focus of the Association allows work with individual processors and markets. Flexibility is the key here as the future production may vary drastically due to regulatory implications of the landing obligation.

Variable marketing under a strong message will be vital in the future therefore the combined resources of the Association have to be brought into play

How will this work

- It is important that product is sold through a market to maintain a competitive pricing structure.
- The object is to create a network of catchers and processors that work in harmony to disperse the story of our product.
- It is vital that we remain flexible and alive to the demands of the end users and the markets they operate in.
- It is possible that the end user will be part of the network integrating product into their customer base using the messages of the entire network.
- Market signals will become clearer as the connections in different stages of the supply chain are strengthened.
- All of these stages will also enhance the work of National Organisations and Policy on local production.

The Wider Picture**

- In addition to Sustainability, Marketing and Promotional activities of the Associations Production there are wider implication for PO's under the CMO and the CFP.
- Under our membership of SAFPO we set up the Scottish Industry Discards Initiative to inform and examine implications of the introduction of Article 15 and others of the new CFP.
- SIDI has undertaken work on Selectivity and application of the derogations in Article 15
- Work has identified where the issues may occur in the catching sector and some possible solutions. However these solutions are not all encompassing and what effects this will have on the supply chain and the onshore sector have yet to be explored.