

**INTRODUCTION TO THE PROCEEDINGS FOR THE IIFET SPECIAL SESSION ON
MARKETS AND VALUE CHAINS FOR SMALL AQUACULTURE & FISHERIES
ENTERPRISES WITH A FOCUS ON GENDER**

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In the agri-food sector, a value chain network consists of different processes and activities in order to bring food products and services to the market to satisfy customer demands. A value chain in sectors with perishable products such as fish adds additional dimensions because of the limited shelf life and the importance of food quality and food safety issues. These factors make such value chains complex, especially when other factors like variability in demand and price, and environmental factors are considered.

The improved management of agri-food value chains and networks is considered a method to increase productivity and the performance of the agriculture sector in developing countries. This is based on the presupposition that the flow of goods and services, capital, technology, ideas, and labor offers opportunities for developing nations to enhance economic growth and reduce poverty by increasing productivity and efficiency, providing access to new markets and ideas, and expanding the range of consumer choice. International development organizations are increasingly focusing attention on entrepreneurship and agricultural trade via linkages with better rewarding markets, promoting exports of agricultural products, and fostering competitiveness in the agricultural sector. Value chain analysis therefore provides a reference point for improvements in products and services, and, in the case of value chains of developing country commodities, can suggest interventions for consequent improvements in the economic welfare of the poor by linking small householder farmers and their families with the market.

At present, in most developing nations, there appears to be limited distinction in the marketing of wild-caught fish and farmed fish and the two often share the same marketing chain. The value chain typically follows one of two forms - a short chain that is usually localized and a long chain that extends to distant markets and includes export markets. Internal domestic markets are typically characterized by simple short value chains with little value added. Limited processing or packaging occurs between producers and consumers. In Africa, where on average people use more of their income to purchase food than is the case on other continents, most consumers obtain their food through short, simple, largely local value chains. With increased international trade, value chains become more complex, and longer value chains create challenges of achieving efficiency at each stage of the chain to minimize cost and also meet demand.

Good linkages are needed to improve information flow and learning capacities and also help to reduce transaction costs, increase productivity in terms of value, and increase profitability. Value chain collaboration then becomes very important for smallholder producers in developing

countries to ensure access to new and profitable markets. Collaboration also allows participation in network governance to enable timely responses to end-user demands for capacity development and knowledge dissemination.

Market access and value chain governance are commonly recognized as the key dimensions for creating opportunities for smallholder producers in developing countries. Addressing value chain issues in international development work involves efforts toward making local producers cost-competitive and also building capacity to enable them to comply with quality requirements, ensure consistent and reliable supply, and meet quality and safety standards. Opportunities for poor smallholder enterprises include cost-efficient market intermediate activities such as product aggregation, storage, processing, and distribution.

Access to market information and the nature of information flow has become a key requirement for maintaining competitiveness. With increasing access to and use of the Internet and mobile communication devices, individuals in developing countries have the opportunity to effectively participate in value chains to be competitive. Supply chains for agri-food products also being driven by delivery and procurement conditions requiring timeliness, consistency and reliability, and the development of relationships.

Value chains are dynamic and vary in terms of composition, relationships, information flow, market positioning, etc. There is the need for an understanding of market dynamics and a thorough analysis of actual and potential market segments and competition. Transactions costs analysis can be used to assess barriers to market participation by resource-poor smallholders by defining characteristic of smallholders and the factors responsible for market failures. In developing countries, some markets do not exist, and where markets exist, there are high transactions costs associated with accessing those markets. With limited quantities of products and unreliable supply lines, high exchange costs are associated with longer distance to the market, poor infrastructure network and poor access to assets and information. Differences in transactions costs and access to assets and services are possible factors underlying the various levels of market participation among smallholders. While value chain analysis is extremely useful, its weaknesses highlight the fact that many other important considerations are necessary to increase value for the entire chain or some of its participants. This session's focus on markets and value chains is an attempt to better understand the intricate linkages between the chain elements, performance, and value added distribution to allow a determination of optimal institutional arrangements and policy approaches to smallholder participation.

In many of the analyses, the gender of the actors was found to be an important factor in terms of access to investment, trade goods and information. However, gender does not act in isolation from other variables in the human dimension and is embedded in culture and household structures. For the first time, and primarily through the medium of the three sessions highlighted in these Proceedings, IIFET has received the presentation of a substantial body of gender studies. To highlight the insights on gender in aquaculture and fisheries supply chains and in small scale fishing communities more generally, a special report (Overcoming Gender Inequalities in Fish Supply Chains to Inform Policy and Action) is included.

This introduction is also included in a proceedings document for the special session available on the AquaFish CRSP website at:

http://aquafishcrsp.oregonstate.edu/Documents/Uploads/FileManager/IIFET%202012%20CRSP%20Session%20Proceedings%20Final_small.pdf