

KNOWLEDGE IS POWER? THE ROLE OF MARKET INFORMATION IN VALUE CREATION BY DEVELOPING COUNTRY AQUACULTURE PRODUCERS

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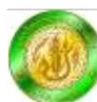
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Overview

- Introduction
- Methodology
- Reported EU Consumer seafood values
- Communication of seafood values
- Comparative position of Bangladeshi & Thai value chains
- Conclusion



Introduction

- International seafood trade via Global Value Chains (GVCs)
- GVCs aim to optimise competitive advantage – but for whom?
- Aim: Exploration of the role of information in South/ North seafood GVCs

- Research sponsored in part by EU ***Sustaining Ethical Aquaculture Trade*** (SEAT) Project: 4 species produced in 4 countries

<http://seatglobal.eu/>



Introduction

- Market information is central to the ability to *understand, create, communicate & deliver* consumer satisfaction
- GVCs are increasingly complex, thus more challenging to acquire market data at necessary levels – which are themselves variable/ unknown...
- Market information has a short shelf life – ongoing dynamic change

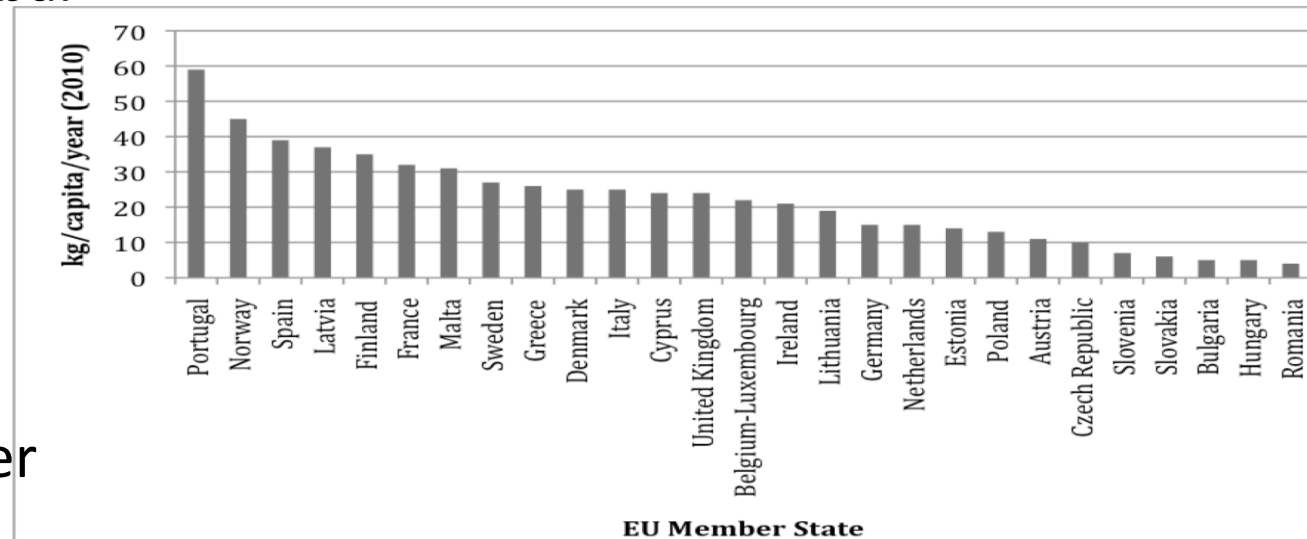


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SE Asia/ EU Seafood GVCs

- Seafood is among the most internationally traded food commodities.
- Radical changes in the food marketing environment include: ***consolidation, centralisation, globalisation, large-scale operations, growth of supermarkets, green consumer et al***
- Evolution in global trading regime.
- EU is not a homogenous market, as reflected in consumption per capita.



Source: (7)

Figure 1. Projected consumption per capita in 2010 (kg/capita/annum)

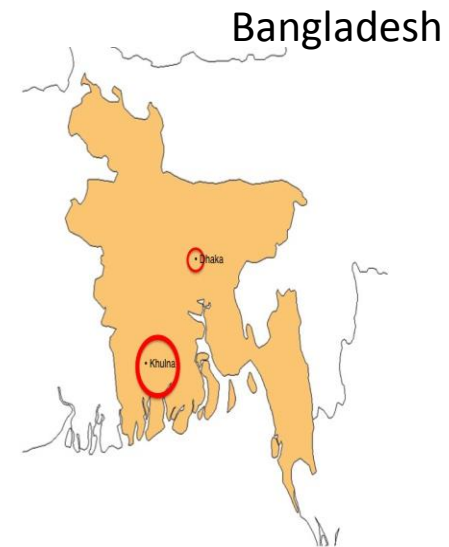
Evolving GVC approach

- Retention of a production orientation not conducive to understanding markets
- Tendency to underplay assessment of the ability to utilise information – essential to creation, dissemination & adoption



Methodology

- Literature Review of GVC approach
- Assess inter-linkages of different actors in production processing & distribution of selected products
- Assess flows & blockages of information; Co-ordination & governance structures; institutional environment
- F2F interviews of key actors GVC actors - identified through literature & preliminary scoping. Stratified by size.



Methodology

- Data collection and timings

3 months in each of Bangladesh, Thailand and the EU.

Asian study sites based on major production systems concentrations

EU selection criteria: key import hubs/ final markets with easily accessible distribution networks & sufficient secondary data to support analysis (France, Germany, UK. Secondary tier: Netherlands, Belgium as import hubs).

- Methods of primary data collection

Key informants identified through a purposive sampling strategy and interviewed with checklists. + Market observations

84 interviews in Bangladesh Shrimp (black tiger) and prawn chains , 75 in Thailand shrimp (vannamei) and tilapia chains and 41 in Europe



Reported EU Consumer seafood values

- Low Price
- Food and *brand* safety ~ brand expectations
- Product convenience & portion size
- Product range ~ including NPD proactivity
- Traceability ~ integral to certification
- Quality ~ with linkages to price expectations



Reported EU Consumer seafood values

- Sustainability ~ but increasingly integral to products : a foundation baseline
- Brands supersede reliance upon additional sustainability on-pack communications
- Packaging & on-shelf imagery of innovation
- Reliability of product range presence



Communication of seafood values in the Bangladesh chain

- Quality *but often in a different context* contributing to basics rather than end value
- Complex network of internal & external agents
- Absence of more sophisticated market intelligence



Communication of seafood values in the Thailand chain

- Govt. imposition of international export standards & compliance
- More engaged private sector & high R&D
- Supporting information on food & brand safety, quality and sustainability
- Channel networks (clubs) to share information



Comparative position of Bangladeshi & Thai value chains

- Gaps persist between domestic & international market criteria
- Differential quality of Thai & Bangladeshi market information
- Differential ability to reach similar target markets

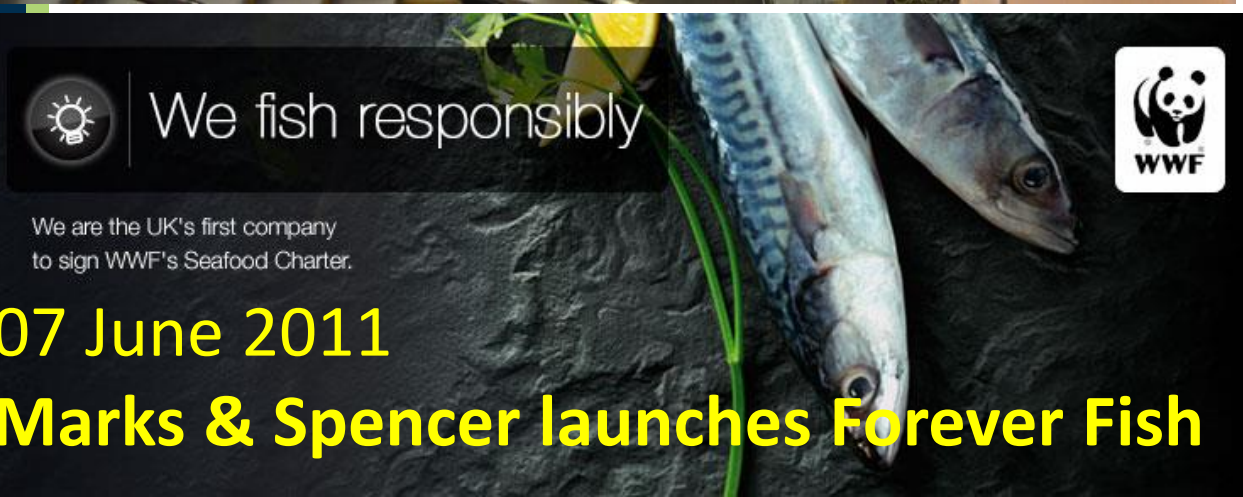


Comparative position of Bangladeshi & Thai value chains

- Thai tendency to have shorter, more direct channels
- Superior access to EU market information sources but cost implications
- Roles for co-operation but trade-offs for downstream agents & data exchange
- Issues of data granularity – what detail?



Retail fish sustainability communications





Foodservice fish sustainability communications



Common challenges to market knowledge

- Deficient knowledge of access to market information
- Financial barriers to entry
- Contextual barriers to entry
- Limited interpretative ability & background market intelligence
- Generally low skills capacity undermining responses to market information.



Emergent consumer knowledge is power?



Deeper consumer knowledge is power?

The Guardian | Thursday 12 June 2014

National

Video

Follow the supermarket slave trail
theguardian.com



Slavery



Trafficked workers are an integral part of the supply of millions of pounds' worth of prawns from Thai fish farms to US and British retailers Photograph: Chris Kelly

Consumers urged to check source of seafood

Rebecca Smithers
Consumer affairs correspondent

Environmental campaigners and rights groups have said that a wake-up call for consumers is a wake-up call for consumers, urging shoppers to check the source of prawns and other seafood. Supermarkets have been accused of not doing enough to ensure that the prawns they sell are not sourced from slave labour.

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Slavery Lawrence

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Willie Mack... campaigner, said... oceans and ruins... investigation expo...

many ways we have... me back to the dark... of the fish... before... were organised

Ending slavery will take more than a prawn boycott

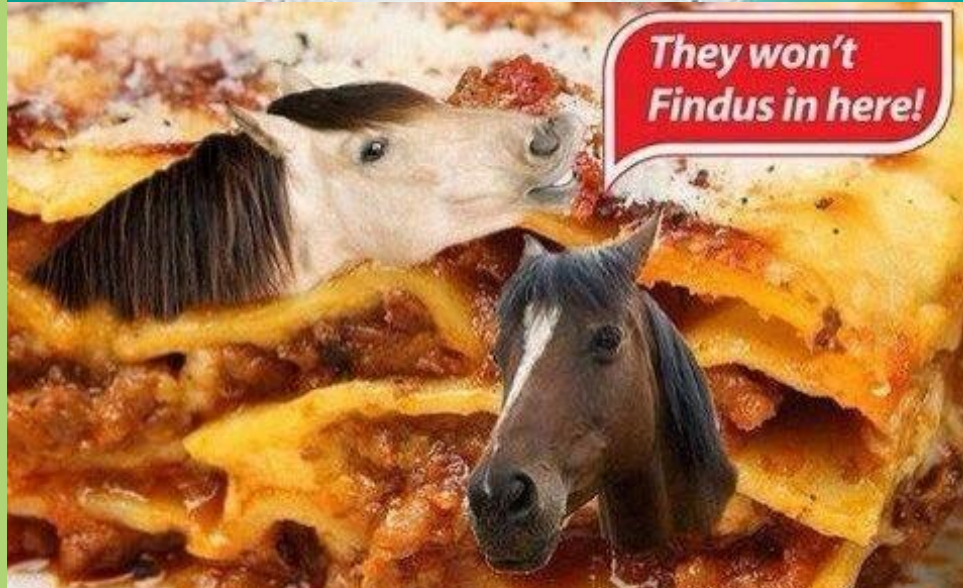
The small-scale prawn farming industry in Thailand has been hit hard by the revelation that it is a source of slave labour. But campaigners say that a boycott of prawns is not enough to end the practice. They argue that the industry is deeply entrenched and that a more comprehensive approach is needed to address the root causes of the problem.



Deeper consumer knowledge is confusion?

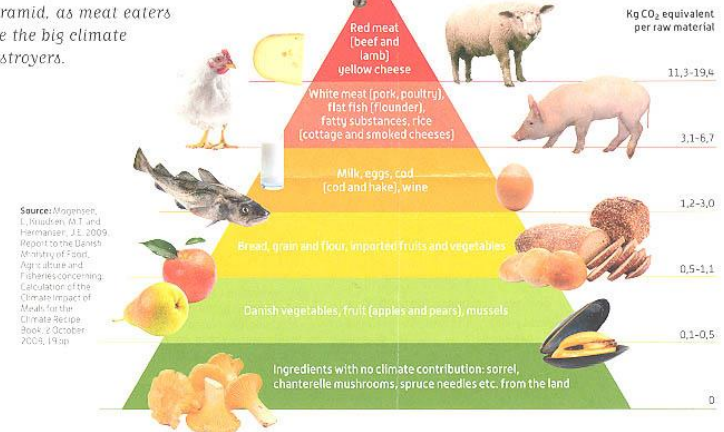
- Food authenticity & adulteration
- More complex choices

SPECIAL ADVERTISING SUPPLEMENT: FOOD AND CLIMATE



THE CLIMATE PYRAMID

Danish agronomists and researchers propose that we replace the familiar food pyramid with a climate pyramid, as meat eaters are the big climate destroyers.



Source: Mogenssen, L., Knudsen, K.T. and Henriksen, J.L., 2009. Report to the Danish Ministry of Food, Agriculture and Fisheries concerning Calculation of the Climate Impact of Meals for the Climate Recipe Book, 2 October 2009, 19pp.

BY LARS NIELSEN

If we adopt the climate pyramid proposed by a research team from Aarhus University, we ought to eat less meat. «Meat has lots of excellent nutritional properties, but consumption can easily be reduced by at least 30%, without affecting recommended nutritional levels. If we reduce our meat intake, we help both the climate

and our health. I propose that consumers replace the familiar food pyramid with the climate pyramid, which takes into account nutritional recommendations and the climatic footprint of food products,» says agronomist and research leader at Aarhus University, John Erik Hermansen. He researches in finding the

best compromise between agricultural production and climate impact. He is co-author of the Climate Pyramid.

VEGETABLES INSTEAD OF STEAKS

The Climate Pyramid recommends that we reduce our intake of beef, lamb and yellow cheese.

Conclusions

- EU agents' trade-offs of competitor standing and information sharing **Vs** power
- Possession of market information remains a control mechanism for downstream agents
- Incentives to share?
- (Safety) – sustainability – subliminal tendencies?
- 'Higher order' ethical & more complex issues emergent





Thank you

Questions ?

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<http://seatglobal.eu/>



