PRIMEFISH: WP3 SUPPLY CHAIN RELATIONS & REGULATION

IIFET 2016 ABERDEEN

PrimeFish

Horizon 2020 Programme

WP Lead: No. 14 University of Stirling (UoS)

Goal & Outcome

- **Supply chain evaluation** for following spp. groups, inc. effects of **governance, regulation & non-market values**

DOMAIN	SPECIES GROUP	SCOPE
Fisheries	Demersal: Cod	EU/ EAA, Canada
	Pelagic: Herring	
Aquaculture	Salmon	EU/ EAA
	Trout	EU, Turkey
	Sea bass & bream	EU, Turkey
	Pangasius	Vietnam

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Goal & Outcome [Cont.]

  - their input-output structure (i.e. material flow)/ market trends
  - chain relations & drivers of strategic decision-making by leads (i.e. responsible for product specification)/ governance
- **Outcome: clarification of critical factors & bottlenecks in supply chains for species groups**
- **Contribution to 'strategic positioning model' in PrimeDSS**

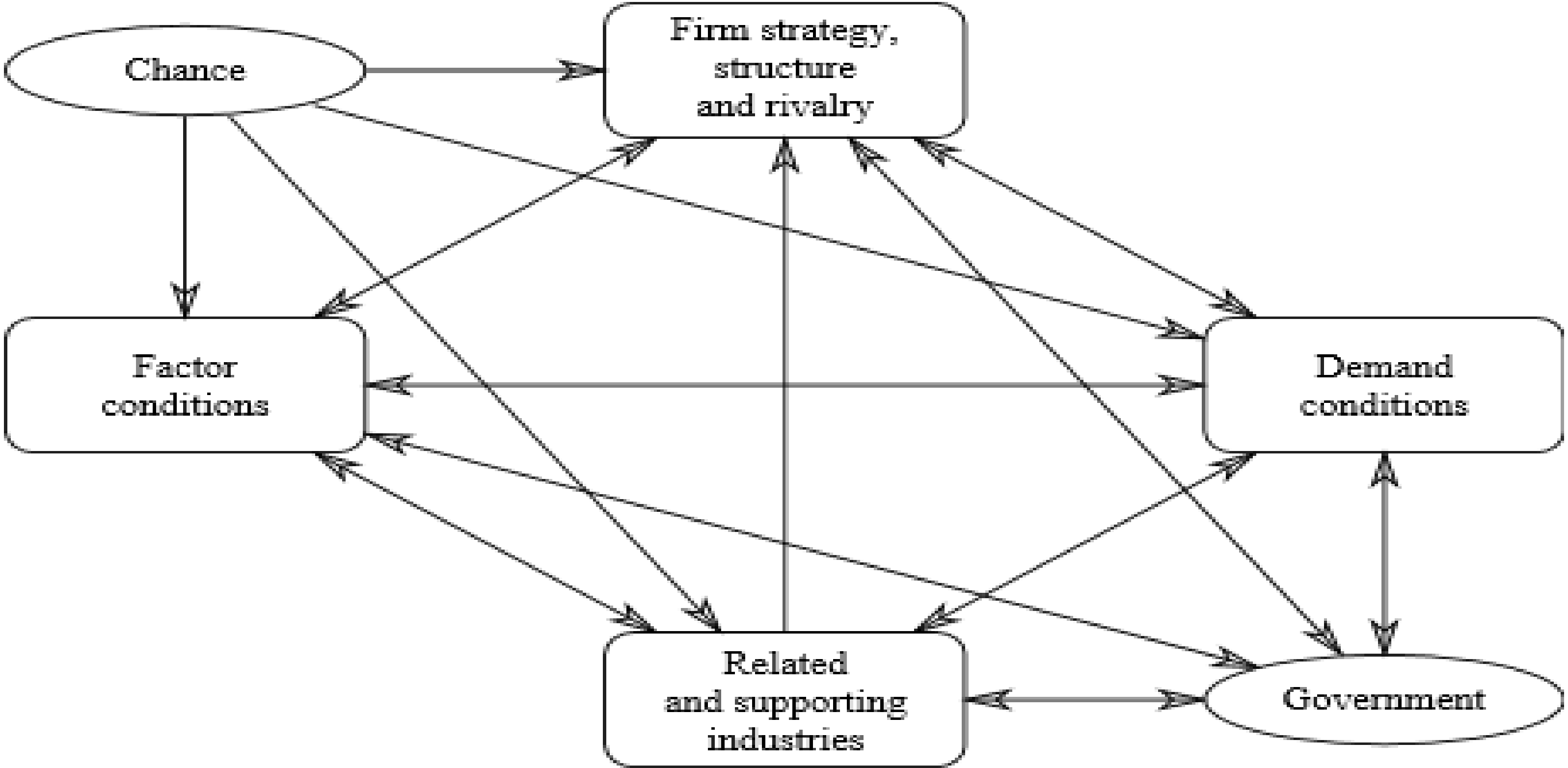
Tasks

1. Describe configuration of global value chains (GVCs)
2. Assess impact of governance & regulatory systems
3. Assess current use & potential of market-based labeling & certification schemes
4. Evaluate industry dynamics influencing competitiveness of the European seafood industry
5. Valuation of non-market effects

Task 1: Value chain analysis

- **Description of species/country VCs supplying major European markets**
  - production, supply, processing & distribution to point of sale
  - Input-output structure inc. processing form dominance, concentration & capitalization at various nodes
- **Assessment of market dynamics:** i.e. pricing patterns linked to changing demand & supply
- Sample of markets representative of key European consumer & institutional configurations

Competitiveness: Porters Diamond Framework



Production Factors

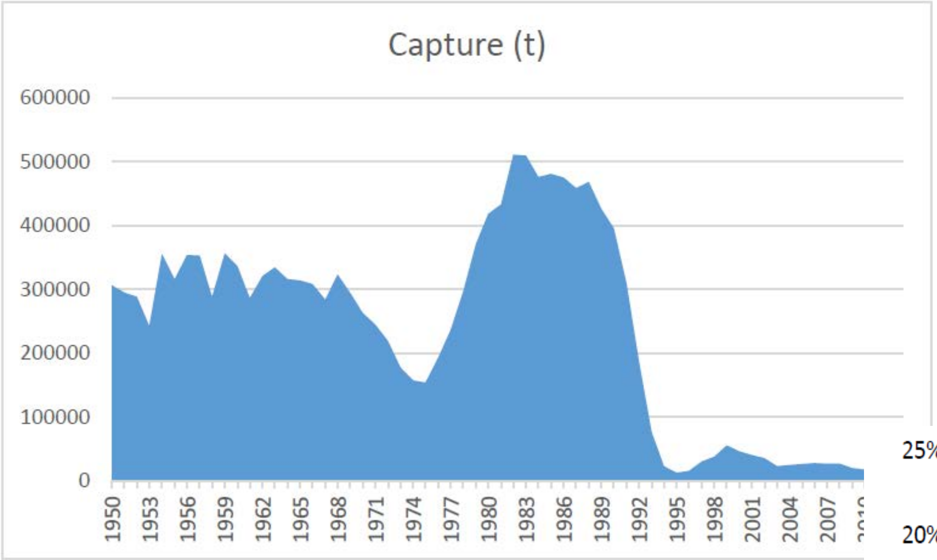


Figure 2. Atlantic cod Landings in Canada (FAO 2014).

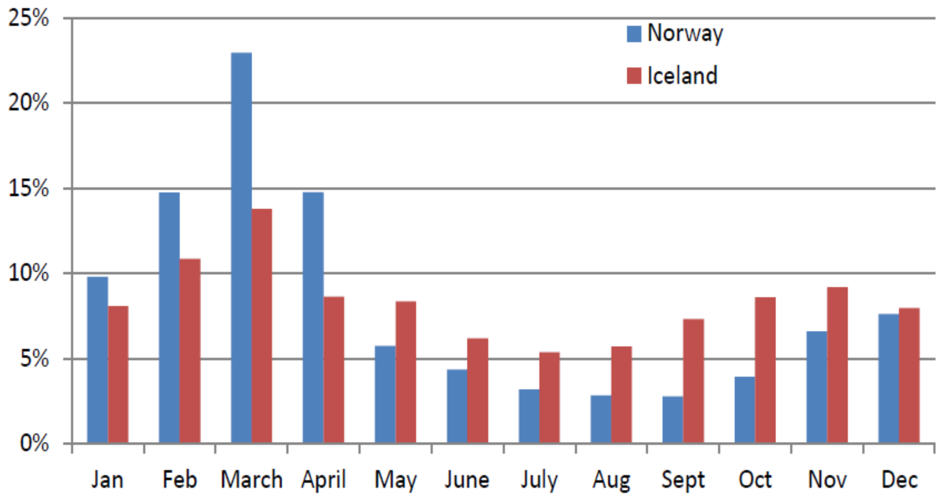


Figure 13 Seasonality in landings – monthly catches as share of total – Norway and Iceland; 2000–2013. Weighted average. Source: Directorate of Fisheries and Statistics Iceland

Value Chains Shortlisted for in-depth analysis (T 3.4)

SN	Species	Country	Institution	SN	Species	Country	Institution
1	Salmon (France – market only)	Norway	Kontali	10	Cod	Canada	Memorial
2		UK	UoS	11		UK	Stirling
3		Faroes	Syntesa	12		Norway	Nofima
4	Trout	Denmark	Alborg	13		Iceland	U. Iceland
5		Italy	Parma	14	Herring	Iceland	MATIS/ U.Ice
6		Turkey	Kontali	15		Norway	Nofima
7	Sea bass/bream	Spain	CETMAR	16		Germany	TTZ
8		Greece	Kontali	17		Denmark	Alborg
9	Pangasius	Vietnam	Nha Trang	18		Faeros	Syntesa

Task 2. Market institutions & competitiveness

1. **Formal governance: policy, laws & regulatory systems:**

   e.g. EU IUU regulation, CFP discard ban, food safety etc

2. **Informal institutions:** traditions, culture & path dependency

4. **Current & prospective trade-agreements:** WTO, TTIP etc.

4. **Benefits & risks of VC participation inc. overt & hidden entry barriers (at different economic scales)**

Task 2. Progress & next steps

Three institutional forms

- Internal value chain governance ('coordination')
- External formal institutions (inc. law & regs, tarrifs, CFP, IUU, TTIP…)
- Informal institutions (socio-cultural, family, reputational)

Largely qualitative assessment:

- Frameworks: Ponte GVC & Gerefi governance structure typology

Focus on 3 species groups:

- **Cod/white fish – Vietnam, Norway, UK, Canada (?)**
- **Sea bass/ bream: Greece and Spain**
- **Herring: Denmark and Germany**

Task 3. Standards/labeling & certification schemes

- **Current use & potential for third-party certification schemes**, cost/ benefits, overlap between mandatory & voluntary certification (e.g. MSC, GlobalGAP, ASC, GAA-BAP, SFP, Greenpeace red- list)
- **Harmonization mechanisms/ equivalence criteria** e.g. Global Sustainable Seafood Initiative (GSSI) & cost reduction?

Task 3. Progress & next steps

- **Focus**
  - Fisheries: MSC – Aquaculture: GlobalGAP, GAA, ASC
  - Actual/ potential market share re. PRIMEfish VCs
  - Cost & benefits (market access, multiple audits, consolidation?)
  - Industry responses: benchmarking/ harmonisation/ equivalence progress, Improver programs, group certification, ABM
- **eNGO recommendation schemes ('traffic-lights')**
- **Industry self-claims/ ethical supply chain management**
  - Client Earth UK/ European standard for self-assessment of sustainability

Task 4. Industry dynamics, opportunities & threats

- Building on Task 1 VC descriptions using interviews with key channel actors & respective interest groups for in-depth assessment of:
  - Development trends and market dynamics
  - Quality & logistics specification; demands & rewards
  - Market failures e.g. externalities, imperfect competition, agency problems, entry barriers
- **For comparative analysis between administrative jurisdictions (EU & EAA, N & S, extra-EU) enterprise scale & consolidation**

Task 4. Progress & next steps

- **In-depth industry dynamics survey tools in development**
  - Systematic & semi-structured formats developed
  - Piloting - Jul/ Aug 2016
  - Implementation from Sep 2016
- **PrimeFish Roundtable – Feb/ Mar 2017**

Task 5. Valuing Non-market Effects of Aquaculture & Capture Fisheries

- **Compare attitudes in urban/ remote area with & without fisheries or aquaculture** for farmed salmon and (wild) cod using a discrete choice experiment (DCE; a stated preference method)
- Coordinated with the consumer survey in using a similar methodology to assess consumer preferences

Task 5. Progress & next steps

- **Focus on –ve environmental externalities**
  - *Fisheries:* by-catch, *Aquaculture:* sea lice, escapees
  - Opinion on +ve externalities in survey (but no modeling)
- **Producer survey tool in draft - piloting: Nov 2016**
- **Survey implementation: Jan – Feb 2017**
- **Implementation as postal survey**
  - Norwegian salmon farms (>100): all
  - Norwegian cod: sample frame = demersal vessel list
- **Analysis to be extended to seabass/ bream in Spain & Greece**

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matis
CREATING
shared value through the PrimeFish


IMPROVING
the competitiveness in the Seafood sector