



Boosting Business along the Value Chain

Transnational seminar for FLAGs, Thessaloniki, Greece, 18-20th October 2016

SEMINAR REPORT

Participants from all 20 Member States implementing fisheries CLLD, including almost 100 FLAG representatives, gathered to work through ways that FLAGs can help support local businesses in fishing and aquaculture communities at different stages of the value chain. A mix of plenary sessions, workshops and group discussions among FLAGs and experts from different fields explored opportunities to support new activities, new ways of working and new partnerships to help communities, and in particular small-scale fishermen and fish farmers, retain a higher proportion of the value generated from their local fish. The event was organised at the initiative of the European Commission and with the support of Greece's Ministry for Rural Development and Food.

It opened on the evening of the 18th October with a warm welcome from Mr. Charalambos Kasimis, Secretary-General of **Agricultural Policy and Management of European Funds**, followed by informal discussions among participants on individual objectives for the event. A networking dinner was then held for FLAGs, Managing Authorities and National Networks, as was a specific meeting among partners of the Mediterranean cooperation project, [Mednetpesca](#).

Day 2

The morning of the 19th saw the official introductions and the start of the event's thematic work. Secretary-General, Mr. Kasimis, gave participants an insight into the rich history and traditional activities of Thessaloniki, insisting on the importance of Community-Led Local Development for the area, and for Greece as a whole, which was in the final stages of selecting 31 multi-funded LAG-FLAGs, 2 mono-fund FLAGs and 16 mono-fund Leader LAGs.

Mr Frangiscos Nikolian from the European Commission (DG MARE), expressed his pleasure to be holding the event in Greece and pointed to good progress in many Member States in launching fisheries CLLD. He insisted on the role that FLAGs could play to boost business within the fisheries and aquaculture sector and challenged participants to be ambitious and take the risks necessary to innovate – while remaining accountable for the use of public funds.

Following the [FARNET Support Unit's introduction](#) to the seminar theme, the [Thessaloniki FLAG](#) gave an overview of some of their work to support businesses along the value chain. As an important mussel growing area but with few adding value activities, the FLAG had been active at trying to boost processing in the area to combat the current situation in which most fisheries products are landed and sent straight for export. A low culture for entrepreneurship and cooperation in the area were other challenges that the FLAG was facing in its work to boost business along the fisheries value chain.

An "inspirational plenary session" went on to offer participants a snapshot of 3 different Axis 4 projects which had been successful in opening up new markets for fisheries products (by creating new products from [blue crab](#), an invasive species in the Thessaloniki area); providing direct support to different local businesses along the value chain (though a designated [Community Seafood Officer](#) in North Devon, UK); and supporting cooperation between fishermen and science to develop a method for [cultivating Queen Scallops](#) in Vigo, Galicia - a new commercial activity for local scallop fishermen.

These presentations were complemented by two presentations from beyond the FLAG world: firstly, some motivating ideas from [Trendwolves](#), a trend agency specialised in helping businesses anticipate new demands and adapt their products accordingly. Ellen Athoni encouraged FLAGs to embrace change and support innovation, imagination and especially the young in their areas; and secondly, an introduction to

the concept of [Value Chain Finance](#) by Ioannis Chaniotakis from the Piraeus Bank in Greece, whereby businesses at different stages of the same value chain are financed, ensuring more competitive borrowing rates and mitigating risk both for local businesses and the bank in question.

Working Groups

These two plenary sessions were followed by two rounds of working groups on four themes considered central to boosting businesses along the fisheries value chain. The keys lessons drawn from these workshops can be found in the event conclusions.

- [Direct support to businesses](#), supported by Hattie Booth, Community Seafood Officer, North Devon, UK. FLAGs worked through the process of identifying weaknesses and opportunities within different value chains and explored ways of targeting tailored support to relevant businesses in their areas, be it through training, peer support, direct advice to businesses or networking among local businesses.
- [Linking fisheries businesses with science & research](#), introduced by Ricardo Calado, University of Aveiro, Portugal. Participants discussed project ideas that would involve fostering cooperation between science and research structures and the private sector. A number of proposals were developed on how FLAGs can bring these two worlds closer together to ensure that research benefits the local community, especially in terms of helping new business ideas become reality. The idea of collaborating with PhD students was discussed as a win-win situation capable of attracting researchers from new, non-traditional areas, into the fisheries and aquaculture sector. Interesting ideas were also brought forward such as examples of social innovation (social enterprises) or the creation of a fisheries hub that would gather academics and fishermen to provide personalized advice on themes such as the rationalization of the fisheries effort, the decrease or recovery of fisheries-related waste, and the traceability of fisheries products.
- [Accessing new markets](#), introduced by David Lamb, from the [ENRD](#), and supported by Ellen Anthoni, Trendwolves. These discussions focused on recent trends related to food consumption, which is increasingly driven by health but also practicality. FLAGs exchanged ideas on the different markets that they believe could be tapped into in their respective areas, ranging from public sector procurement (e.g. for local schools, hospitals etc.) to the tourist market, to the retirement population in certain areas.
- [Engaging with the small-scale fisheries sector](#), introduced by Jeremy Percy, Executive Director of the [LIFE \(Low Impact Fishers of Europe\) Platform](#). Here, participants analysed some of the obstacles faced when trying to engage with the small-scale fisheries sector. They then worked through ways FLAGs could overcome some of the barriers identified, such as a lack of trust or interest on the part of fishermen, or the lack of time, ability or inclination to invest in new activities or ways of working.

Between the two rounds of working groups, two additional presentations took place in plenary. Mr Christian Rambaud, Head of the [Trade and Markets Unit of DG MARE](#) of the European Commission, gave an overview of the new **Common Market Organisation (CMO)** of fisheries and aquaculture products, including new labelling requirements and the role of **Producer Organisations (POs)** in the collective management of producers' activities and of the marketing of their products. Given certain converging objectives of POs and those FLAGs that are focusing on improving the marketing of local products, as well as similar characteristics of their organisation, Mr Rambaud encouraged FLAGs to cooperate closely with POs.

This presentation was followed by an explanation of the role and objectives of [EUMOFA](#), the **European Market Observatory for Fisheries and Aquaculture Products**. [Valentina Sannino](#) demonstrated how the EU funded markets intelligence platform could be used as a tool to access information and analyse market dynamics and trends in different Member States.

Participants then had the opportunity to ask questions on a bi-lateral basis to DG MARE and EUMOFA in an informal "[Ask the Expert](#)" session, in which five other experts also participated, covering themes such as consumer trends, linking up with science, engaging with small-scale fisheries and accessing finance.

Cooperation Corner

In parallel with the Ask the Expert session, those participants interested in launching a [cooperation project](#) were invited to discuss ideas with other FLAGs with similar interests. A number of discussions took place during this session, as well as the next day in parallel with the sofa session. Some of the ideas which FLAG explored included:

Knowledge sharing in terms of how to diversify the local economy and in particular how to turn seasonal jobs in fisheries into year round jobs, for example through creating jobs for fishers in schools as cultural agents, as well as helping fishermen extend their fishing activities into processing, marketing and even into pesca-tourism. Such activities, it was felt, should go hand in hand with efforts to improve the image of fisheries and attract more young people to the sector.

Work to add value to cyprinids was discussed by a number of Finnish FLAGs interested in finding new uses for such species and thus improving stock management, as well as the profitability of related fisheries. Potential partners for such projects included research institutes but also counterparts in Poland and the Baltic countries who had experience in this area.

Other discussions focused on new processing techniques, requiring market research, close cooperation with science and events to promote exchange of know-how. Finally, interest was also showed in developing a regulatory framework for pesca-tourism at EU level as well as ways of promoting fisheries heritage.

Day 3

Ensuring solid business plans

The final day kicked off with an introduction from Mr. Jozef Myrczek from the cooperative bank of Silesia, Poland, on how to [assess a good business plan](#). He insisted on the importance of making sure that business plans are realistic and specific, that assumptions are identified and responsibilities defined, and that good communication and regular review of progress take place. Above all, he said, the success of any business will depend on the idea itself and the determination and drive of the project promoter.

Participants then broke into groups to work through a specific example (a fisherman requesting funds for equipment to start delivering his fish to fish bars along the beach). FLAGs and MAs analysed the pro's and cons of the case, identifying a number of flaws in the proposed business plan, along with opportunities for improving the project idea. Indeed, it was highlighted how careful analysis of the financial plan was paramount to ensure investment was likely to lead to an economically sustainable activity and that sound market analysis had been carried out. Moreover, participants suggested that project promoters should also be encouraged to cooperate with others in the area if this could strengthen the business case and durability of the project – and to not to forget to think outside the box! Does the project idea really make sense or could something more ambitious – or more realistic – be attempted?

Sofa session: showcasing 8 FLAG projects

A project based discussion session then allowed FLAGs to visit a number of stands where 8 different FLAG managers presented [projects and project ideas](#) from their areas. These included a series of different actions to support new and existing businesses at different stages along the fisheries value chain, starting with supporting innovation at the production phase (e.g. to improve the efficiency of processes and the quality of products as well as to ensure better traceability) and finishing with projects to better market the final product, either through cooperation among fishermen, including the setting up of a PO, or the targeting of new markets, including urban markets beyond the FLAG area. Finally, three projects offered examples of the type of support FLAGs could provide to help new businesses, including training and guidance, the setting up of an incubator and hatchery for new aquaculture start-ups and the organisation of a designated fund to provide micro-credit to small fisheries enterprises.

Conclusions

Chaired by Gilles van de Walle, Team Leader of the FARNET Support unit, the [conclusions](#) focused on some of the main themes dealt with during the seminar and the messages emerging from the different working groups. First and foremost, FLAGS were reminded of the importance of **mapping the different value chains** in their areas to ensure they can take well informed decisions when targeting support at businesses involved in catching, producing, handling, processing, distributing or marketing fisheries and aquaculture products. Tailored **training, mentoring, networking** and other forms of support can then be organised by the FLAG to address weaknesses in the local value chain and build on strengths and opportunities.

“**Strategic partnerships**” was a recurring theme during the seminar - among fishermen, between different businesses along the supply chain but also with other sectors. In particular, partnerships between **fisheries businesses and research** were considered essential for certain innovations to take place. Discussions revealed that crucial links are sometimes not established in FLAG areas even where relevant research institutes exist. As such, a concerted effort is needed to actively link up with research to ensure it benefits the local community, remains **market driven** and that the potential for **innovation** is levered into the fisheries sector.

In terms of getting fisheries products to market, FLAGS were encouraged to **link up with cities and local POs**, when relevant, taking advantage of **up-to-date technologies** to tap into the huge potential they offered for **new markets**. In the same vein, FLAGS need to be alert to **new ways of packaging and distributing** fish, **new uses for lower value catch** and ways of linking fisheries products with an **experience** (festivals, story-telling and tourism) if they are to help boost businesses dependent on the value of the local catch.

Finally, participants took home a series of messages on engaging with small-scale fisheries and especially on considerations to be taken into account by FLAGS when trying to encourage fishermen to work in new ways. Supporting fishermen as businessmen was seen to be a key role that FLAGS could play – but fulfilling this role effectively depends on gaining their trust and earning respect as effective partners for strengthening the local fisheries value chain. The FLAGS’ ability to help fishermen access different sources of funding while reducing bureaucracy is invaluable, as is their role in showing real examples of how other fisheries businesses have become more effective, sustainable and profitable.

Field Trip

The seminar was followed by a field trip to [three projects](#) in the Thessaloniki FLAG area. With over 80% of Greece’s mussel production taking place in the FLAG area and yet an overwhelming absence of adding value activities, the projects included two mussels processing units which had received Axis 4 support to help generate more added value in the area.

Olympias was a business which was supported to start handling mussels in a new way and thus access new markets. Indeed, instead of bringing fresh mussels directly to the market, the mussels are boiled, vacuum packed and immediately frozen in user friendly packages ready for the retail market in Greece and abroad. Mega Ostrakon was also handling mussels but had to adapt to a fall in water quality locally which meant mussels had to be purified before being brought to market. Thanks to Axis 4, the company managed to maintain operations – and their customers – and managed, moreover to add new products that also need purifying to their product range.

The fieldtrip ended with a visit to a rice cooperative and rice processor. Up to 70% of the national rice production is grown in this region and the sector therefore plays an influential role in local development. The fact that the cooperative pools rice from many different producers and coordinates sales means that it can better control prices by selling when market demand is high. The increased prices that producers can fetch for their rice can serve as inspiration for the fisheries sector which, in some areas, lacks coordination within its primary sector.