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COMMITTEE ON FISHERIES

SUB-COMMITTEE ON FISH TRADE

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FISH TRADE AND SMALL-SCALE FISHERIES

EXECUTIVE SUMMARY

This paper reports on the role of small-scale fisheries in developing countries and draws attention to its contribution to international trade. The paper also proposes a strategy to better integrate small-scale fisheries into international fish trade. The Sub-Committee is to comment on national experiences. Guidance regarding further work and potential donors is also sought.

INTRODUCTION

1. During the 26th Session of the Committee on Fisheries, “some members noted the importance of small-scale fisheries trade. In this regard FAO was requested to continue its work on identifying how trade could further benefit small-scale fisheries, noting the importance of trade as a source of employment and income. The Committee emphasized that sustainable trade was dependent on sustainable fisheries management practices being in place.”¹ The following discussion builds on desk and case studies² conducted in selected countries in Asia, Africa and Latin America to demonstrate the role and importance of small-scale fisheries trade and address this request.

¹ FAO Fisheries Report No. 780, Report of the twenty-sixth session of the Committee on Fisheries, Rome, 7-11 March 2005, paragraph 48.

² Studies were conducted by INFOSA (Mozambique and Tanzania), INFOPECHE (Ghana and Senegal), INFOPESCA (Mexico, Peru, and Brazil) and INFOFISH (India, Thailand, and Malaysia). The case studies are being prepared for publication. Data on Viet Nam was taken from Globefish Research Programme (Volume 75).

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2. It is widely acknowledged that the definition of small-scale and artisanal fisheries varies; in many regions the concept of artisanal fisheries is commonly used to differentiate it from industrial fisheries. The FAO Working Group on Small-Scale Fisheries characterized small-scale fisheries as “a dynamic and evolving sector employing labour intensive harvesting, processing and distribution technologies to exploit marine and inland water fishery resources.”³ In many developing countries, the small-scale sector provides a significant contribution to the total capture production from marine and inland waters as well as to aquaculture production; however “small-scale fisherfolk are often excluded from processes of development planning, either because they are mobile (including unregistered international migrants), living in marginal and remote areas, or simply because their role and contribution to the economy is poorly known and under-appreciated”.⁴ Of the 38 million people recorded by FAO globally as fishers and fish farmers⁵, an estimated 69 percent are classified as small-scale.

IMPORTANCE OF SMALL-SCALE FISHERIES

3. The contribution of small-scale fisheries to the total marine catch can be enormous and significant as shown by the following figures: Ghana, 70-80 percent; Senegal, 77-86 percent; Mozambique, 80 percent; Tanzania, 95 percent; Viet Nam, 86 percent. Equally important is the total inland fish catch, which in most countries is entirely from small-scale fisheries.

4. In aquaculture, the contribution by the small-scale sector can likewise be considerable. In India, the entire production from inland aquaculture is contributed by small farms, 90 percent of shrimp farms are under 2 ha and 5 percent are between 2 to 5 ha. Thus, 95 percent of production from coastal aquaculture is from small farms. In Thailand, 82.5 percent of inland farms are small, contributing nearly 70 percent to total inland aquaculture production. Small farms account for 45 percent of coastal aquaculture production.

5. Small-scale fisheries are important to the national economy. In Tanzania, for example, the 3 percent contribution of the fisheries sector to the country’s GDP comes primarily from small-scale fisheries. In 2004, the freshwater fish production, all from small-scale fisheries, was six times higher than marine catches, and the value four times higher. In Ghana, the marine fish production by canoes in 2002 is many times higher than that of purse seine vessels and trawl vessels.

6. The products from small-scale fisheries are largely focused on the domestic market. However, in Africa, regional trade is very important for supporting the protein requirements of poor people. In some places the export of high value fresh fish to international markets can also be important. Small-scale fish processing and marketing are sources of employment and income for many rural households.

7. In West Africa, a large proportion of fish from small scale fisheries is consumed smoked and the remaining 20 percent is consumed fresh or salted, sun-dried or fried. Cross-border trade of cured fish products is an important activity.

8. In Tanzania, *dagaa*, the most important freshwater small pelagic species, is sun-dried after landing by women from the fishing communities, both for human consumption and for animal feed production. It is estimated that between 50 to 60 percent is used for animal feed production. Dried *dagaa* is marketed to neighbouring countries in the region. Nile perch, the

³ FAO 2004. Working Group on Small-Scale Fisheries. FAO Fisheries Report No. 735. Rome: Food and Agriculture Organization, Advisory Committee on Fisheries Research. Bangkok, 18-21 November 2003.

⁴ FAO. 2005. Reducing Fisherfolk’s Vulnerability Leads to Responsible Fisheries. New Directions in Fisheries 01. A Series of Policy Briefs on Development Issues.

⁵ FAO 2004. The State of World Fisheries and Aquaculture. Rome: Food and Agriculture Organization.

dominant species in the export trade, is a product exclusively of small-scale fisheries and sold to processing factories. The rejects are sun-dried, salted, smoked and fried for human consumption. The by-products are used for human consumption and also for fishmeal production. Dried trimming, chests, maws and skins from Nile perch by-products are exported within the region and Asia. Fillets are marketed to Europe, Australia, United States of America, Asia and the Middle East.

9. In Latin America, between 70 to 80 percent of the fish from small scale fisheries goes to the fresh market and the rest goes to processing, largely for domestic consumption. The phenomenon of increasing urbanization is concentrating domestic markets in big cities, whereby 80 percent of the 520 million people are living.

10. In India, Thailand and Malaysia, there is a large domestic market and fishery products are sold in live, fresh/chilled or processed forms. Cultured marine shrimp is the main export item, over 90 percent of which is exported in various product forms. The export earning from shrimp in 2003 were US\$847 million in India, US\$160 million in Malaysia and US\$1.2 billion in Thailand.

INVOLVEMENT OF WOMEN

11. Women are involved in processing and marketing; their involvement in productive activities leads to increased household well-being because the income is spent on food and their children's education. Some women work for fish traders and others are employed as labour in the fish processing industry. In many countries in Africa, women known as "fish mummies" dominate the fish trade and play the important role of providing informal credit. In Ghana, 90 percent of artisanal fisheries production is handled by fish mummies. In Mozambique, 20 percent of the 100 000 people in the artisanal fisheries sector are women. In India, it is estimated that around 700 000 women and children are employed in marine fisheries activities such as marketing, processing, net mending, etc. The experience of the Women Association of Betume in the northeastern state of Sergipe in Brazil shows that women can gain from increasing trade opportunities through value adding.

STRATEGY FOR BETTER INTEGRATION OF SMALL-SCALE FISHERIES INTO FISH TRADE

12. Several opportunities exist for product diversification, value addition and improvement of product quality to develop and access new markets for small-scale and artisanal fishery products. For example in Tanzania, the Fisheries Department Training Centre in Mwanza is experimenting with dried, spiced and smoked *dagaa* to improve shelf life, quality and taste. In India, Malaysia and Thailand, new opportunities lie in marketing more consumer/prepared products as there is an increasing trend in the consumption of seafood and an increased awareness that it is a healthy food. Products from artisanal fisheries can also be marketed by giving value to the artisanal character of the product and the community which produces it. Value-added products can also be marketed for different target groups in the domestic and regional markets. The use of different fishing gear can also be an avenue for improving fish quality, as in the case of using long line for catching tuna.

13. The first step to enable small-scale fisheries to benefit from fish trade should be the reduction of post-harvest losses and improving the quality of fishery products for human consumption. This would increase the supply of fish without increasing fishing effort. Post harvest losses owing to poor infrastructure, storage facilities and transportation as well as lack of sufficient knowledge of fish handling can reach as high as 40 percent of the landings. While products for export are meeting high quality standards, those for domestic and regional markets are often/sometimes processed through substandard hygienic methods and there is lack of

consideration to the cleanliness of the drying, salting, smoking and processing environment as well as to the holding, storage and distribution facilities. The potential exclusion of small-scale producers from international markets owing to the cost, difficulties and problems in complying with international standards (HACCP) and with standards imposed by supermarket chains need to be addressed.

14. An objective of increasing fish trade in the domestic, regional and international markets should be to provide safe and good quality fishery products regardless of the socioeconomic status of the consumers, in addition to increasing the benefits that accrue to small-scale fishers. The “Strategy Paper for Common Fund for Commodities”⁶ lays down the principles and guidelines for consideration in promoting the international trade of fish and fishery products and seeking more equitable distribution of benefits from international trade in fish and fishery products while assuring sustainable usage of fish resources.

15. The challenge is to produce better and more consistently. Efforts should be aimed at improving facilities for preserving fish on board, working towards clean fish landing sites, increasing storage facilities and the supply of ice as well as improving roads that connect fishing communities to markets. Clean water is a basic necessity for ensuring hygienic conditions in fish landing and processing sites. Equally important is the improvement of technical support and extension services to enable fishing communities to access appropriate technology, information and training opportunities. Small-scale fishers and processors need technical assistance and training on quality, proper fish handling procedures, storage, product diversification, value addition and packaging. Fishing communities can be assisted in assessing their resources and identifying those that have potential for trade in the domestic, regional and international markets.

16. There is room to increase the demand for fishery products in the domestic and regional markets by bringing them close to inland areas, increasing retail outlets in urban areas and raising awareness regarding the health benefits of eating fish. Increasing urbanization and rising incomes provide new opportunities for consumer/prepared products from small-scale fisheries. Regional information networks are important for providing information regarding demand, supply, consumption patterns, markets and prices. Thus, they should be supported and strengthened.

17. Small-scale fishers and processors can get better prices for their products by shortening the fish supply chain and increasing their bargaining and lobbying power. In this regard, the formation of marketing cooperatives should be encouraged and existing associations of small-scale fishers and processors strengthened by providing support for institution building. Market surveys maybe conducted and buyer-seller meetings and seminars maybe organized regularly on trade opportunities to help increase business contacts and information flow.

18. There is a need to raise awareness among microfinance institutions regarding the needs of the small-scale fisheries sector for credit and savings services; at the same time, small-scale fishers should be informed about the existence of such services and how these can be accessed. Such information may not be available owing to the geographical dispersion and remoteness of many fishing communities.

19. As emphasized by the Committee on Fisheries, sustainable trade is dependent on sustainable fisheries management practices being in place. In this regard, the open access prevailing in many small-scale fisheries as well as the intrusion of industrial fishers into areas designated for use by small-scale fishers needs to be addressed by national governments. Experiences in many countries are demonstrating that co-management arrangements offer promising prospects for fisheries management.⁷

⁶ COFI:FT/X/2006/9.

⁷ See FAO 2005. APFIC Regional Workshop on “Mainstreaming Fisheries Co-Management,” Siem Reap, Cambodia, 9-12 August 2005. RAP Publication 2005/23.

CONCLUSION

20. Small-scale fisheries are the backbone of the fisheries sector in many developing countries. However, the lack of appreciation of its socio-economic importance often leads to insufficient attention to the needs of the sector. The processing and trade of products from small-scale fisheries is important not only because these provide income and employment for many men and women in fishing and fish farming communities but also because the nutritional status of domestic and regional populations is dependent on these activities. Thus, supporting the needs of small-scale fisheries and ensuring its sustainability is a matter of survival for many countries.

SUGGESTED ACTION BY THE SUB-COMMITTEE

21. The Sub-Committee is invited to comment on the information provided and to contribute additional experience. It is requested to provide guidance for future work of FAO in the area of small-scale fisheries and trade. The Sub-Committee might also wish to provide guidance to donors with respect to project ideas for improving small-scale fisheries trade.