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Alimentación

COMMITTEE ON FISHERIES

SUB-COMMITTEE ON FISH TRADE

Tenth Session

Santiago de Compostela, Spain, 30 May – 02 June 2006

COFI SUB-COMMITTEE ON FISH TRADE AS INTERNATIONAL COMMODITY BODY AND ITS RELATIONSHIP WITH THE COMMON FUND FOR COMMODITIES

EXECUTIVE SUMMARY

This paper describes progress in projects that are currently funded by the Common Fund for Commodities. The Sub-Committee's approval is also sought in relation to new projects that are being submitted for funding by the CFC. Members are requested to present further project ideas or profiles for consideration.

INTRODUCTION

1. The Sub-Committee on Fish Trade (COFI:FT) was designated as the International Commodity Body (ICB) for fishery products by the Common Fund for Commodities (CFC) in February 1991. In this capacity the COFI:FT submits fishery commodity research and development projects for funding by the CFC. The Sub-Committee is also the Supervisory Body for CFC approved projects. The following sections describe progress in ongoing projects and new projects that are seeking the COFI:FT's approval for submission for funding by the CFC.

ONGOING PROJECTS

2. The project "Technical information services for smallholder fisheries and promotion of international trade" (Project Executing Agency (PEA): INFOSAMAK) seeks to improve smallholder fish production and aquaculture, in addition to development of value added products

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and their promotion, training in quality assurance and identification of investment opportunities. The project started in October 2001. Since the last Sub-Committee meeting the project carried out two workshops and various activities for the improvement of quality management and value-addition in five countries: Oman, Mauritania, Morocco, Tunisia and Yemen.

3. The project “Production and marketing of value-added fishery products in Eastern Africa” (PEA: Common Market for Eastern and Southern Africa (COMESA) /Lake Victoria Fisheries Organization) aims to develop and promote production of value-added products from inland water species (Nile perch and dagaa). Activities involve small-scale cottage enterprises, many of which are run by women (for dagaa), and more structured industrial processing companies (for Nile perch). Implementation started in spring 2002. Since the last Sub-Committee, activities for new product development, such as *inter alia* Nile perch fillets in protected atmosphere, dried and salted dagaa, were carried out.

4. The project “Promotion of processing and marketing of value-added tuna products from island countries in the Asia-Pacific” (PEA: INFOFISH) is carried out in the Maldives and Papua New Guinea. It aims at the promotion of processing for export and domestic marketing of value-added tuna products. Implementation started in spring 2002. The participating companies received training in quality control, product development and visited trade fairs with their new products. Export performance of companies has improved considerably since the inception of this project.

5. The project “Development of processing and marketing of tilapia produced in big Latin American river basins” (PEA: INFOPECSA) concentrates on the promotion of tilapia products by improving quality management, product development and marketing. Implementation started in March 2003. Training courses in value addition were carried out in small-scale production centres in Brazil. Trade fair visits were undertaken. New plant equipment was installed and exports of tilapia from Brazil are increasing.

APPROVED PROJECTS

6. Since the previous Sub-Committee meeting and based on its recommendations, three new projects have been approved by the CFC for which implementation is about to start.

7. The Project “Consolidation and expansion of small-scale fish production for export in Central America and Caribbean” was approved by the CFC in 2004 (PEA: INFOPECSA). In many countries in Central America and the Caribbean, small-scale fisheries is an important component of fish production. Various difficulties are encountered by this sector, including lack of appropriate facilities at landing sites for unloading, handling and storing of high quality fish for export. In addition, fishers have not been able to obtain the training and technical assistance that will enable them to comply with mandatory international standards, including HACCP. The project will contribute to improved development, income and standards of living in the small-scale fishing communities in general and in rural fishing communities in particular. It will contribute to improved export earnings for participating countries and ensure improved availability of fish for human consumption within the sub region. To achieve these objectives the project includes market analysis activities and improvements in the distribution chain for fishery products coming from the small-scale fisheries. This project is based on the recommendations of the CFC/INFOPECSA Seminar on small-scale fisheries, La Havana, 21 November 2003. The total cost of the project is US\$ 1.6 million.

8. The Project “Improved Market Access for Organic / Aquaculture Products from Asia” was approved by the CFC in 2005 (PEA: INFOFISH). This project aims at developing standards and market access for products from organic aquaculture in three countries (Thailand, Malaysia and Myanmar). In addition, the project will facilitate greater market access for organic products and other aquaculture products from promoting improved farming/ processing practices to assure

their safety and sustainability. Shrimp and tilapia have been identified as potential species for this project. The project duration is 36 months. Estimated total cost is US\$ 1.6 million.

9. The Project “Diversification and Marketing of Value-Added Fishery Products in Guinea and Mauritania” was approved by the CFC in 2005. (PEA: INFOPECHE). The project aims at organizing pilot production of value-added fishery products relying on transfer of appropriate processing technology and know-how and to develop new market opportunities. The longer-term investment needs for expansion of fish processing in the region will also be assessed. Estimated total cost of the project is US\$ 1.1 million.

10. The Board of the CFC approved in its autumn 2005 meeting a fast track project: “Regional Consultation for the Identification of Technical Assistance Needs of Tsunami Affected Coastal Fishing Communities”. The aim of this consultation was to bring together fisheries tsunami rehabilitation policy makers, technical experts and representatives from donor agencies, which are actively involved in the process of providing emergency relief and support for rehabilitation of coastal communities in the affected countries. The consultation identified specific technical assistance needs of the coastal fishing communities. The total amount allocated is US\$ 81 000. The meeting was held from 6–10 February 2006.

PIPELINE PROJECTS

11. The last meeting of the Sub-Committee approved the proposal of a project “Assistance to small-scale fisheries in Mozambique and Angola”. (PEA: INFOSA). The project document was discussed in the Consultative Committee of the CFC in July 2005, but some changes were proposed in order to make the project proposal more in line with CFC policy. The project aims at improving the performance of small-scale fisheries in Mozambique and Angola with respect to fish trade. In addition, it will facilitate access to global markets, with positive effects on intra-regional trade and offer a better balance of products in the consumer markets. The project duration is 36 months. Estimated total cost of the project is US\$ 486 000.

PROJECT PROPOSALS

12. Two new project proposals were received for the approval of this Sub-Committee meeting. Annex I gives a short profile for each of the proposals described, in order to give the Sub-Committee the possibility to fully evaluate the substance of the project idea. In addition, complete project proposals are available upon request.

13. The project “Technical assistance for the upgrading of the small-scale fisheries and their integration in the International Trade” will help the small-scale fisheries industry in Djibouti, Morocco and Yemen (PEA: INFOSAMAK). The project’s main objectives are: upgrading of the small-scale fisheries; reinforcement of quality control; strengthening the fish inspection services, training of fisheries professionals on new techniques of storage, processing, marketing and distribution of fish and fishery products; improvement of the domestic fish marketing, access to export markets. The duration of the project is foreseen to be four years, and the total budget is US\$ 860 000.

14. The project “Enhancing Amazonian Seafood Products on the World Market” will develop processing, quality assurance, trade and marketing aspects of Amazonian fisheries and aquaculture. (PEA: INFOPECA) Freshwater species from the Amazon region have been neglected in international market, but could have a significant potential in world trade. The choice of specific species to be promoted on the international markets will consider specially those species with white flesh, few bones and offering good filleting possibilities, and for which fish farming technology already exists. At least two species, paiche and surubí, are already recognized

as meeting these conditions. The total cost of this project is US\$ 2.9 million and the envisaged duration is four years.

SUGGESTED ACTION BY THE SUB-COMMITTEE

15. The Sub-Committee is requested to comment on this programme and approve the two pipeline projects described in Annex I. The Sub-Committee is requested to suggest additional avenues to be followed in the identification of possible co-financing sources. Members are requested to present further project ideas or profiles for consideration.

ANNEX I

DETAILED PIPELINE PROJECT PROFILES**I. Technical Assistance for the Upgrading of the Small-scale Fisheries and their Integration in the International Trade****A. BACKGROUND AND JUSTIFICATION**

1. The fisheries sector in many Arab countries is characterized by a large number of small-scale fishers. These small-scale fisheries account for roughly 80 to 90% of the total fish catch in Arab countries. The infrastructure required for the adequate handling, storage, processing, marketing and distribution of fishery products is frequently under-developed.
2. The European Union remains the main market for fishery products from the Arab Region. However, in order to enter this important market, Arab countries are required to meet the conditions of Directive 91/493/EEC “Health conditions for the production and placing on the market of fishery products for human consumption”. This Directive requires member states and third countries suppliers to introduce systems of inspection and control to ensure the safety of fishery products for human consumption. The Competent Authority in third countries is required to certify that products exported to the European Union have been produced in accordance with the Directive. This requires compliance with good hygienic practice, and the application of the system of own checks, based on the principles of Hazard Analysis Critical Control Point (HACCP). Many Arab countries, and especially small-scale fishers have experienced difficulties in complying with the EU regulations.
3. The fisheries sector in general, and small-scale fisheries in particular, are very important sources of employment. Fish harvesting and processing generate a considerable amount of full-time and part-time employment. In order to overcome the above-mentioned drawbacks in fish production, processing and trade in the Arab fishery sector, a fish marketing strategy should be formulated, emphasizing the need to improve the production and trade capacity of small-scale fisheries.

B. OBJECTIVE

4. The project’s immediate objectives are:
 - Upgrading of the small-scale fisheries;
 - Reinforcement of the quality control;
 - Strengthening the fish inspection services in the benefiting countries;
 - Training of fisheries professionals on new techniques of storage, processing, marketing and distribution of fish and fishery products;
 - Improvement of the domestic fish marketing;
 - Improve access to export markets.

C. ACTIVITIES

- Analysis of the existing domestic marketing situation in the four benefiting countries and analysis of shortcomings;
- Analysis of foreign markets and competition;
- Creation of a market information system;
- Preparation of Training Manuals in:
 - Quality control and traceability;
 - Fish handling, packaging and distribution;
 - Fish processing;
 - Small-scale industry book keeping;
 - Fish marketing;
- Holding of training courses in:
 - Quality control and traceability;
 - Fish handling, packaging and distribution;
 - Fish processing;
 - Small-scale industry book keeping;
 - Fish marketing;
 - Project coordination, monitoring, supervision and evaluation.

D. BUDGET AND TIME FRAME

5. It is estimated that the programme of action will be implemented for a four-year period for a total cost of approximately US\$ 860,000. This sum will cover coordination, supervision, monitoring and evaluation of the programme; materials; training; publications and documentation; and information-technology operations, including websites.

II. Enhancing Amazonian Seafood Products on the World Market

A. BACKGROUND AND JUSTIFICATION

6. The world's biggest river basin, the Amazon region, sheltering the world's biggest rain forest, is still widely unknown and largely unpopulated. River fisheries have long represented (and still represent) the main protein supply to the diet of its fast growing population. Nowadays, aquaculture is considered a sustainable way to develop the region. Several problems still hold back the development of the Amazonian aquaculture. There is an immense variety of indigeneous fish species, many of them appreciated as seafood in the region, but they are largely unknown to the rest of the world. From the beginning, fish farming in the Amazon region was production-oriented rather than market-oriented. The orientation given to the fish farmers was to produce species easy to grow, rather than species easy to sell. Not all Amazonian native species, particularly those with many bones can be easily proposed on the international seafood market. A choice of some few exportable species is needed, species having white flesh and few bones, that can be filleted, and for which fish farming techniques are already well developed or close to be. For instance paiche and surubi are among these species.

7. The introduction of high quality Amazonian fish species on international markets must be through market segments willing and able to pay for them. As for many new products being

launched, a market-oriented pricing policy seems the most adequate when entering the market with a relatively small volume of new products.

8. The information to Amazonian exporters about how regional and international markets work can be provided through market surveys, coupled with training workshops on marketing. High value fresh products should be chilled with ice prepared from adequately treated water. Basic fish processing (gutting, heading, filleting), according to export quality standards can be achieved through practical training through the project, in coordination with the sanitary competent authorities of the three involved countries, i.e., Brazil, Columbia and Peru.

B. OBJECTIVE

9. The general objectives of the present project are:

- the development of international trade of new seafood species;
- contribute to the sustainable development of the Amazon region through environmentally friendly aquaculture production.

10. The main purpose of the project will be to achieve the export of a regular flow of Amazonian fish products, with a quality standard considered acceptable by the sanitary authorities and meeting the importing countries' demands related to quality and stability of supply. It is believed that such a regular flow of exports will eventually result in an important increase in trade flows.

C. ACTIVITIES

11. Nine activities are identified to be carried out by the project:

1. The first activity of the project is the identification of Amazonian fish species able to succeed on the international markets. As a first objective, four species will be identified.
2. The training of fishermen and fish farmers in the correct handling of fish, including the use of ice from the moment fish is taken out of water. This training will utilize demonstrative filleting and packaging workshops.
3. The training of wholesalers in the correct handling of fish, including the preparation of plans (HACCP plans) to meet the standards set by national sanitary services.
4. The contribution to a better understanding of the regional market through market surveys in Lima, Manaus, São Paulo and Bogotá.
5. The identification of potential end users (restaurants and specialty seafood stores) with their respective distribution chains in main US and European cities. This identification should include the participation of national export promotion offices as well as embassies in promoting their national products.
6. The development of new value added products.
7. The promotion and protection of a common geographical indication for the fish products of the Amazonian countries.
8. The organization of transport logistics including possible transshipments, to be identified with regional and international importers.
9. The wide dissemination of results in the Amazonian countries, as well as in Europe through the organization of two dissemination seminars, co-organized by international institutions working in the region.

D. BUDGET AND TIME FRAME

12. The cost of implementing such a project, in three Amazonian countries (Peru, Brazil and Colombia) over a period of four years is estimated at US\$ 2 914 104. The total contribution sought from the CFC is a grant of US\$ 1 243 104, which represents 42,7% of the project. Supply of fish, other materials required as well as staff to carry out the project will be furnished by the producers and exporters as their contribution to the project. The national governments of the three participating countries are called to contribute by mobilizing national institutions to actively support the project activities, in particular:

- their national fisheries and aquaculture authorities;
- their national services for export promotion;
- their embassies in the importing countries;
- their national services for intellectual property;
- their national Amazonian research centres.

13. A special effort is made to involve other international or regional institutions, already involved in the development of Amazonian aquaculture, in the financing of the project.