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► To cite this version:

Jean-Pierre Boude, Marie Lesueur, Laura-Mars Henichart, Carole Ropars-Collet, Fabien Roussel, et al.. Improving revenues through diversification of fisheries activities. EAFE Workshop: Optimising Value Chains in Fisheries, European Association of Fisheries Economists (EAFE). FRA., Jun 2010, Helsinki, Finland. 31 p. hal-02821191

HAL Id: hal-02821191

<https://hal.inrae.fr/hal-02821191>

Submitted on 6 Jun 2020

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Improving revenues through diversification of fisheries activities

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General presentation

1

- Decreasing benefits and revenues

2

- Transposing multifunctionality in agricultural sector to the fishery sector

3

- On going researches and first results

Decreasing benefits and revenues

1-1

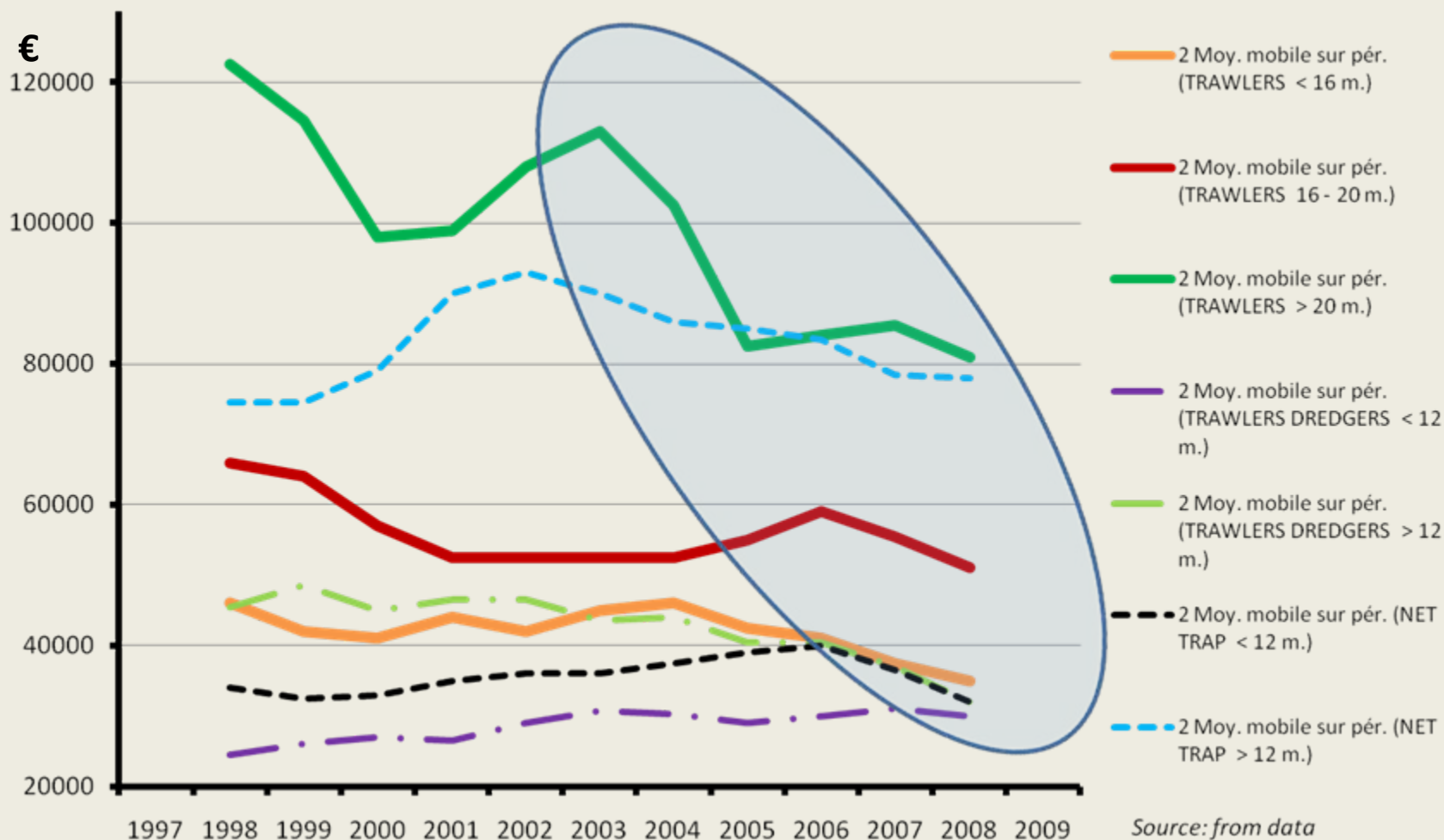
- **FACTS**

1-2

- **SOME RESPONSES**

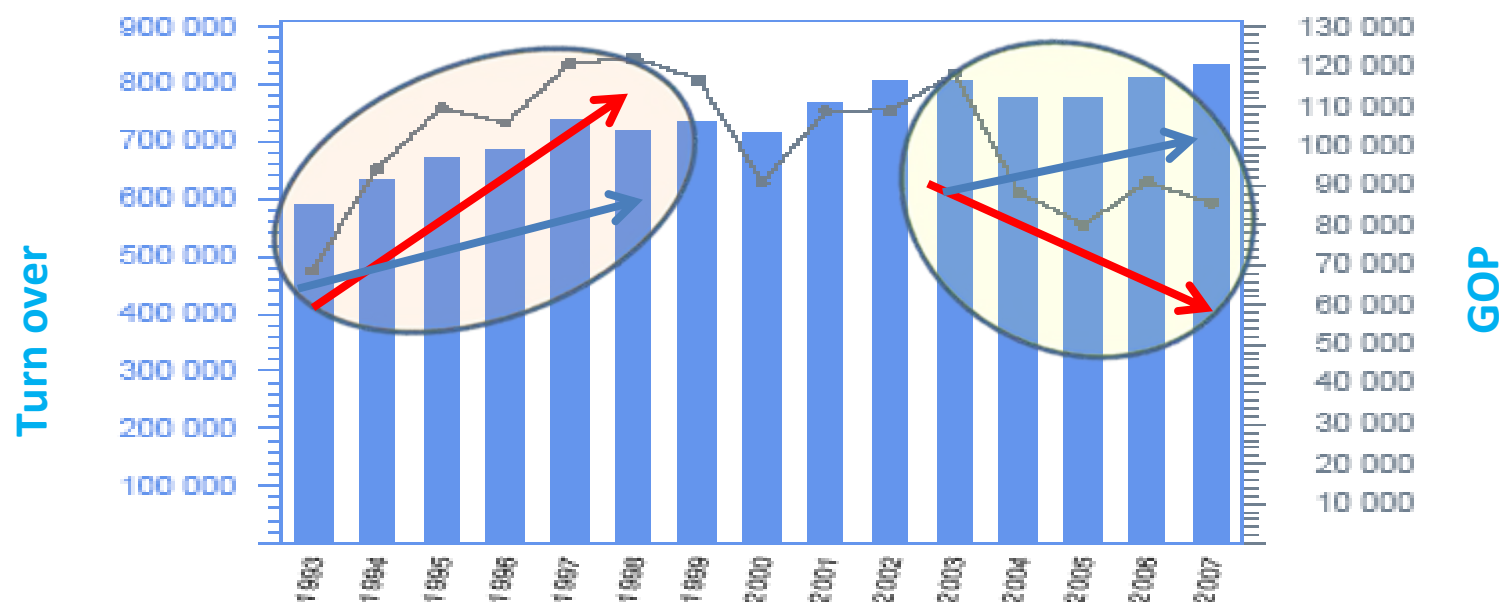
The trend in Gross Operating Profits

(Average for different categories of fishing ships in Brittany- France in constant €)



Source: from data of observatoire des pêches)

Gross operating profits and turn over (trawlers 20 – 25 m.)



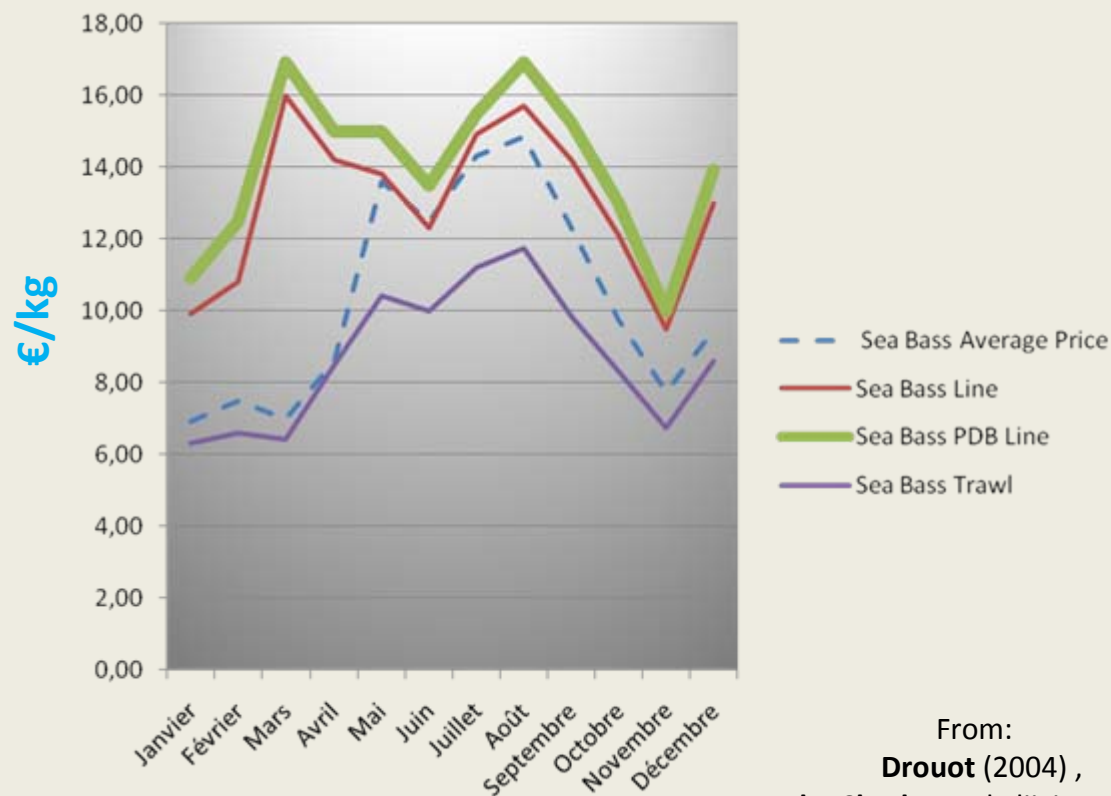
How to improve the situation if the costs cannot be decreased?

Increase the turn over with marketing policies

Increase the turn over with others activities linked with fisheries activities

MULTIFUNCTIONALITY IN FISHERIES ACTIVITIES

Increasing revenues with specific sale and collective brand



Annual additional benefits (€) (4500 kg with tag)	
Line	458
Net	6,750
Trawl	16,208
Aquaculture	23,408

From:
Drouot (2004) ,
Boude, Charles and alii in VALPECHE



Increasing revenues with ecolabeling and specific market

Nephrops from Loch Torridon creels (MSC)

- Flow seawater through catch hopper - Nephrops kept wet and cool...
- Hand grade- Place each nephrop in its own segment 'tube'
- Full chain traceability - Documenting treatment ship to shop
- Specific export market in Spain (Barcelona)
- € /kg **increased** by 4
- Boat earns MORE - Concentrates on **QUALITY** not Quantity

Spanish Wholesale purchase rate

LIVE PRAWN CREEL 4 KILO BOXES quality A	€K CIF
GIANT SUPERIOR 0-6 PIECES KILO	54.00
EXTRA SUPERIOR 6-8 PIECES KILO	42.00
SUPERIOR 9-12 PIECES KILO	33.50
ORDINARY 13-21 PIECES KILO	27.50
PRODUCTION 21-35 PIECES KILO	16.00
PRICES OF LIVE PRAWN CIF	
LIVE PRAWN T R A W L 4 K BOXES	
0-4 XXL	50.00
5-8 XL	35.00
9-12 L	29.20
13-20 M	
21-30 S	C.I.F.
PRAWN FRESH 3 KILO BOXES WHY TAKE LESS.?	SPAIN.
CIGALA FRESCA fixed price 0-6	29.00
PRAWN FRESH 6-10	18.50
PRAWN FRESH 11-15..	14.35
PRAWN FRESH 16-20	12.50
PRAWN FRESH 21-30	9.95
PRAWN FRESH 31-40	7.00
PRAWN FRESH 41-50	5.50
PRAWN FRESH 51-60..	5.00

From: Derek Forrester in *TTQ Leonardo da Vinci*

Increasing revenues with direct selling on the harbour and on a local open market

	Harbour (€/Kg)					Open market (€/Kg)			
	Touristic harbour (Veule les roses)		Boulogne/Mer On the quay fishing			Rennes			
	Red Mullet	Turbot	Lobster	Whiting	Sole	Sea bass	Sole	Bream	Mackerel
Auction price ⁽¹⁾	6,34	9,95	28,00	6,00	14,00	11,03	11,90	1,70	1,11
Price on market	6,00	15,00	25,00	3,50	16,00	18,00	24,00	9,85	7,80
Price difference ⁽²⁾	-0,34	+6,05	-3,00	-2,50	+2,00	+6,97	+12,10	+8,15	+6,69
(1) Average price for the preceding day (2) without the working time and depreciation or lease						<i>This is just an illustration, not a demonstration</i>			

Increasing revenues with other activities

WASTE COLLECT AT SEA

- 100€/T Max 5%/Turn over
- **In fact** (€/year/ship):
- < 15m: 300€, 15 – 20 m: 450€, > 20m: 600€

PARTICIPATION TO SCIENTIFIC STUDIES

- Depending of contract and task
- **Example** for participation of two ships (< 20 m) to a scientific study:
- 2120€/year, 5760€/year (200€/h, 5h/day)

OTHER...

Transposing multifunctionality in agricultural sector to the fishery sector

2-1

- Multifunctionality in the agricultural sector

2-2

- Multifunctionality in the fishery sector

2-3

- What is diversification?

What is multifunctionality in the agricultural sector?

Idea that agriculture has many functions in addition to producing food and fibre, e.g. environmental protection, landscape preservation, rural employment, etc.

(Doha World Trade Organisation Ministerial: Glossary of Terms)

What are these functions?

Economic functions

- Foodstuffs quality
- Services linked with the agricultural activity (processing, direct selling...)
- Other services (agrotourism, renewable energies...)

Social functions

- Contribution to rural viability
- Contribution to employment
- Conservation of the cultural patrimony
- Animal welfare...

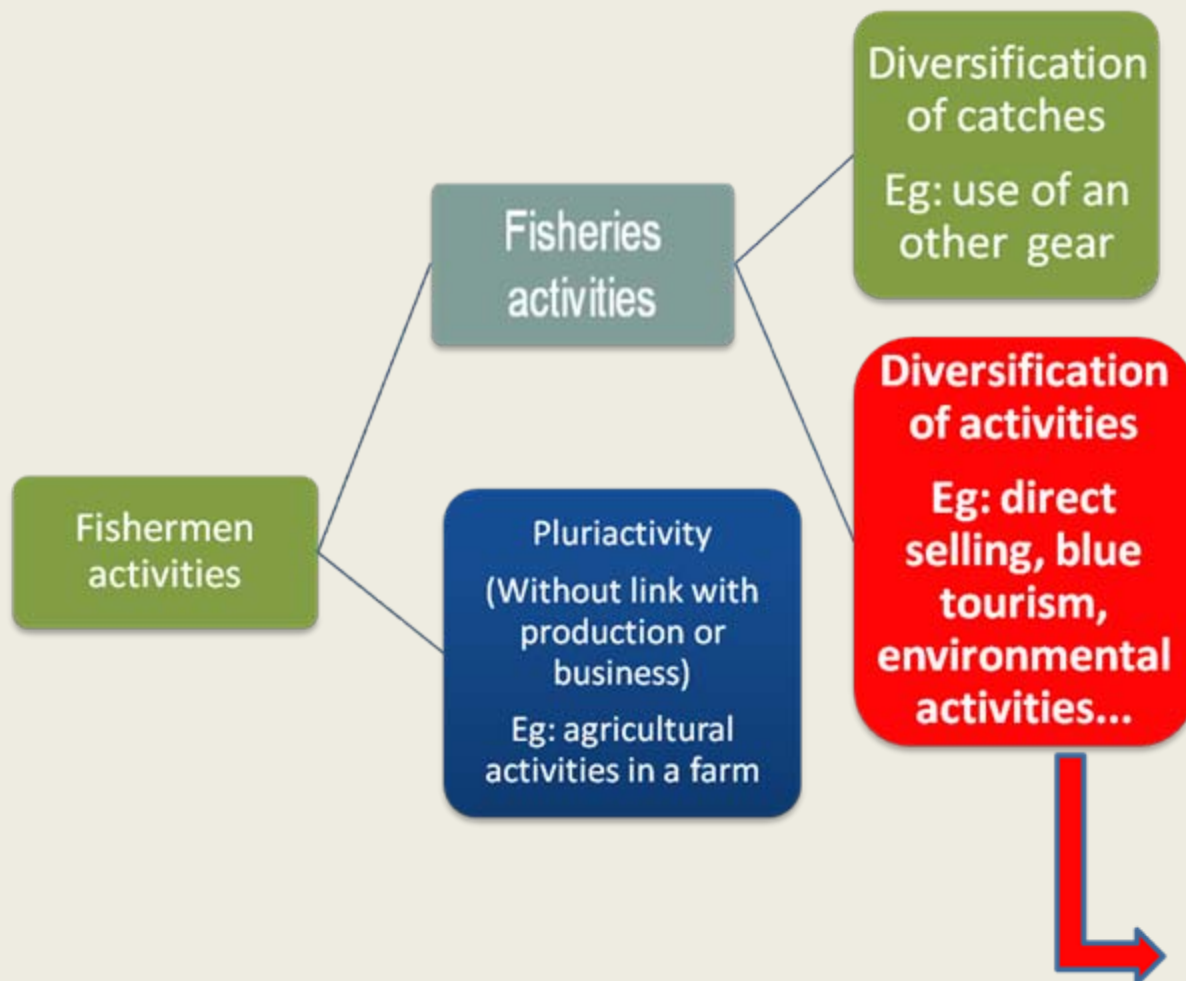
Environmental functions

- Landscape conservation and management
- Water management
- Biodiversity management ...

Transposing agricultural measures to the fishing sector

Existing agricultural measures	Possibilities for fisheries measures
Agro-environmental measures	Improvement in fishing methods
Conservation and protection of the rural patromny	Conservation and protection of the maritime patrimony
Territories and rural species equilibrium	Territories and maritime species equilibrium
Creation of quality marks	Creation of quality marks or ecolabels
Rural tourism	Blue tourism
Direct selling	Direct selling
...	...

What is diversification?



“DIVERSIFICATION :
Complementary activities to production, in link with the product, the profession or the business that fishermen or farmers practice to have an additional income but also to promote products, profession or land (less than 50% of the total turn over)”

On going reaseaches and first results

3-1

- On going researches



3-2

- Results on the acceptability of diversification activities by fishermen

3-3

- Focus on the direct selling survey

On going researches

		Objectives
Diversification of business activities of fishing and shellfish farming in Brittany	Funding: Région Bretagne 	Identify and analyze the practices of diversification of fishing activities
Diversification of fishing activities in the Channel	INTERREG IVA – CHARM III 	Analyze the possibilities for developing these activities and determine the blocking factors (social, economic, legal... boundaries) With specific focus on direct selling

Partners



Pôle halieutique

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Bertrand Le Gallic, Damaris Phelippe



Tim Accot



David Whithmarsh, Richard Morgan



Région Bretagne

ACCEPTABILITY OF DIVERSIFICATION

Diversification activities in the fishery sector

Tourism and maritime cult activities

Tourists shipping, Ship visit

Tasting, Catering

Accommodation

Education

Participation to maritime feast or festival

Seafoods valorization activities

Joining labels or collectives brands

Direct selling to consumers (harbour, local open markets)

Processing and packaging

Coproducts selling

Sea environment activities

Waste collection at sea

Watch over sea environment activities

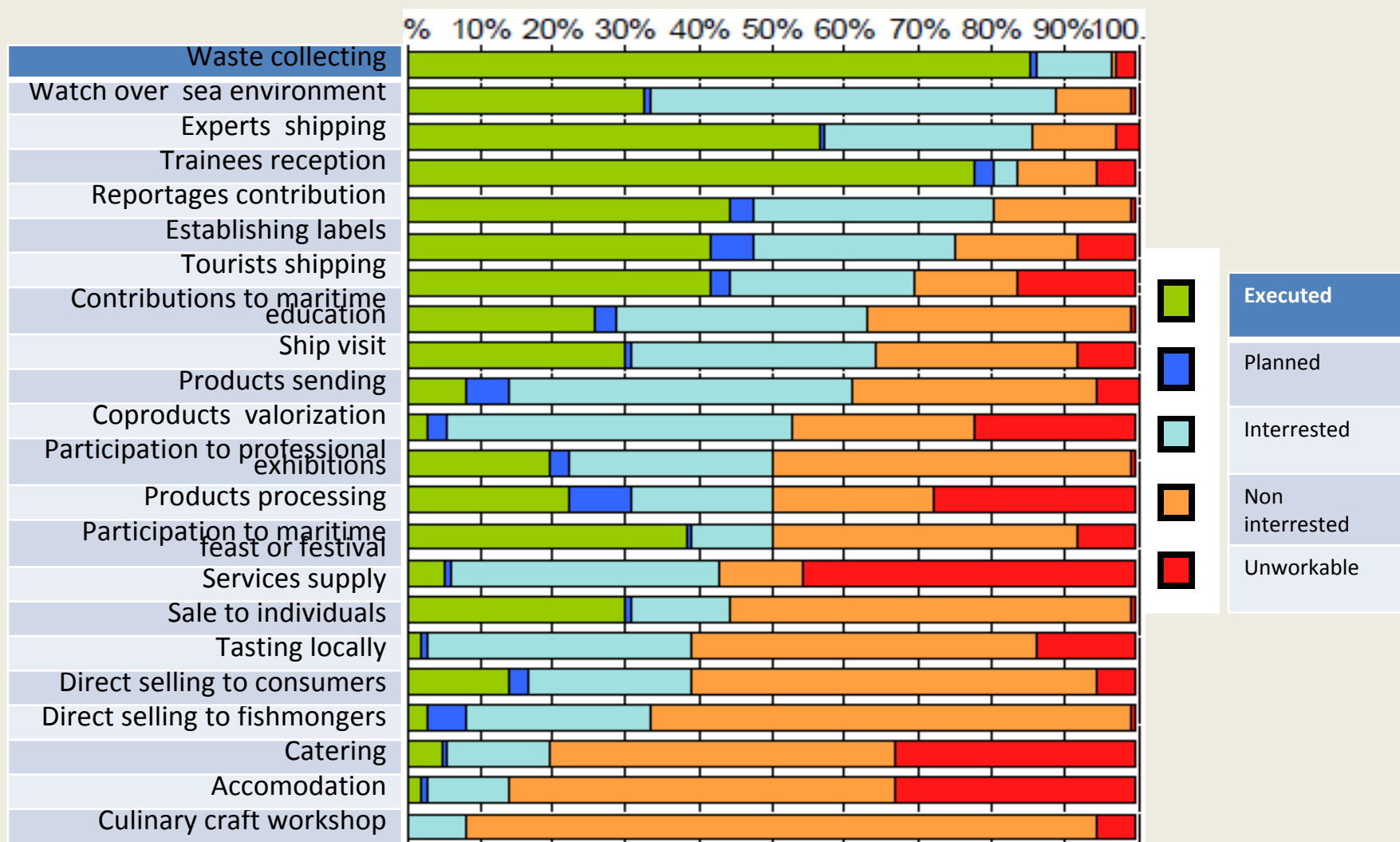
Experts shipping

Services supply

Ship rental

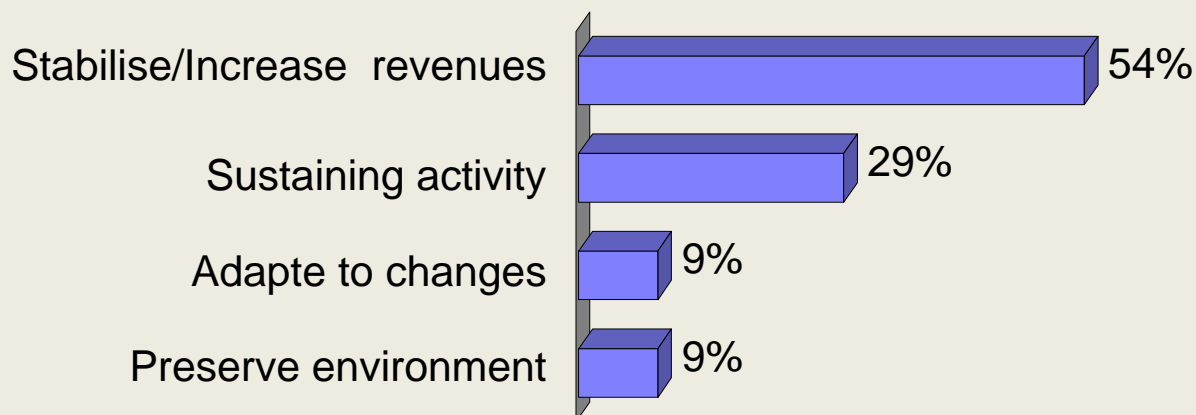


Diversification activities of fishermen



Objectives of diversification

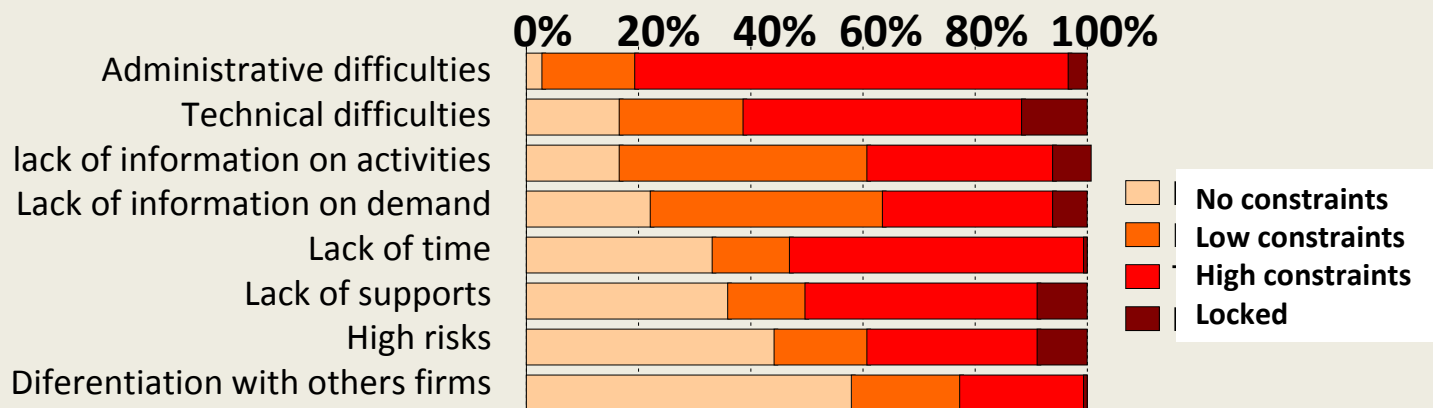
What is your essential objective?



Diversification projects are motivated by the search for stability or increased revenues



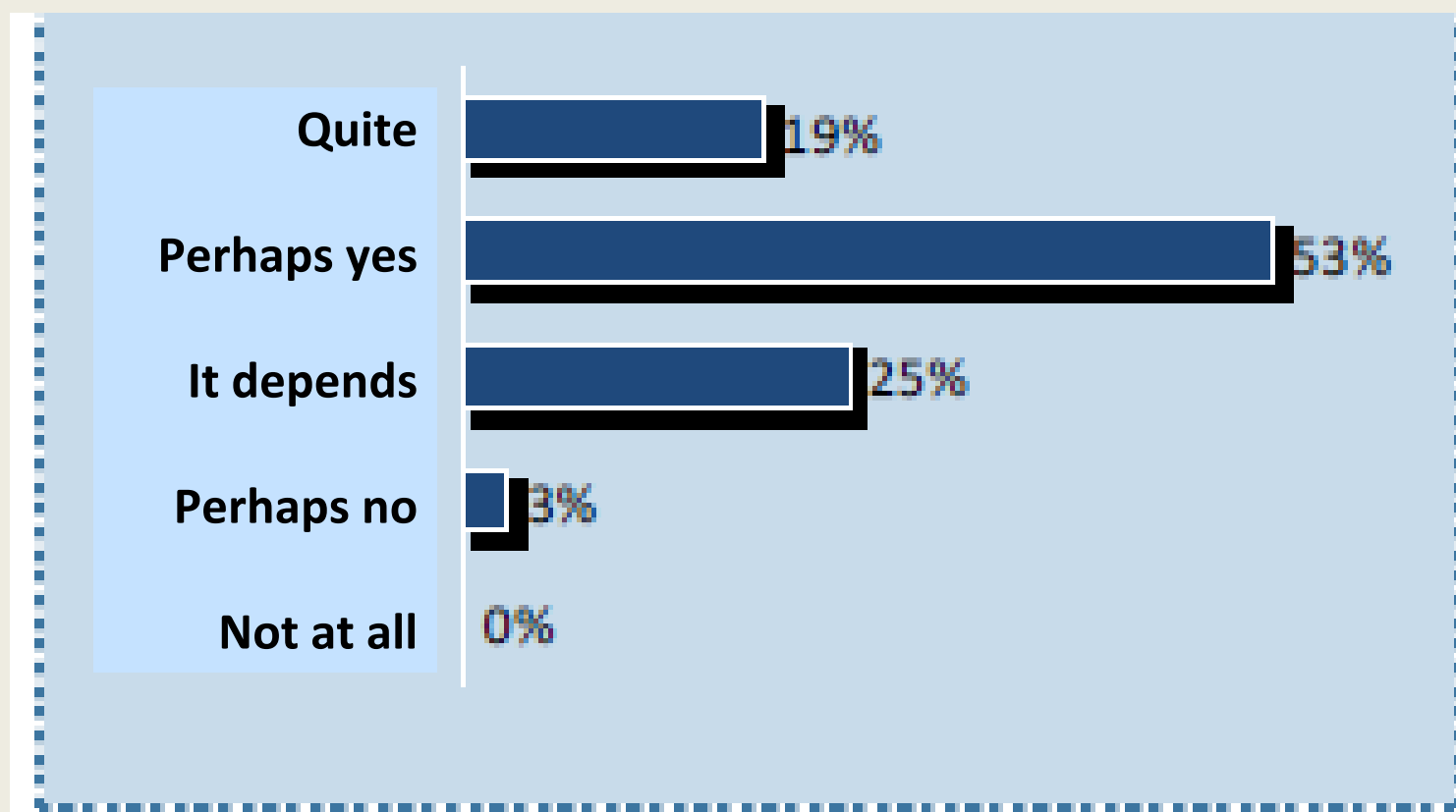
Constraints for the fishing sector



External brakes for firms	Rules, No demand, Not integrated in laocal practices.
Internal brakes for firms	Organization (lack of time, staff, financial).
Brakes in bound with individual actors	Individualism of fishermen, Low environnemental sensibility.

Opportunities for diversification into the future

Do you think that companies in the fishery sector will diversify?



Diversification strategy



« active » APPROACH

« passive » APPROACH



INDIVIDUAL

COLLECTIVE

Dynamic approach
internal
and
global organisation

Direct selling

Joining an external
proceeding

*Meteorological
sensors
aboard*

Dynamic
common will of
many
stakeholders

*Ligneurs de laPointe de
Bretagne*

Benefit of an
approach
organized
by an
external structure

Tourism shipping



Edition of a guide



On line :

<http://www.agrocampus-ouest.fr/halieuistique/cet.php>



European Regional Development Fund
The European Union, investing in your future



Fonds européen de développement régional
L'union Européenne investit dans votre avenir

Interreg IVa CHARM 3

FOCUS ON DIRECT SELLING SURVEY



Survey methodology

TWO QUESTIONNAIRES

Questionnaire for fishermen

Questionnaire for other stakeholders

Objectives of questionnaires

1- What proportion of fishermen are engaged in this approach and what is their degree of involvement in these activities?

2- What is the point of view of fishermen / stakeholders on the development of these activities?

3- What is the will of future involvement of fishermen in such activities?

4- What are the social, economic and administrative factors that can affect the development of diversification strategies?

Questionnaire on selling methods

Methods to sell the catches

- Fish auction
- Directly to wholesale
- Directly to a retail dealer
- Directly to consumers...

Participation in marketing initiative

- Labelling
- Tagging
- Traceability...

Cause of adoption or non adoption of these marketing initiatives

- Profitability
- Opportunities
- Time of work
- Information...

Questionnaire on selling methods

Methods	<ul style="list-style-type: none">• On the harbour• On a local open market• On the Web• In advance (eg: CSA Community supported Agriculture, AMAP)...
Reasons to choose direct selling	<ul style="list-style-type: none">• to increase profit• selling tradition• difficulty to access to “classic” markets• to develop links with consumers• to reduce competition...
Considerations	<ul style="list-style-type: none">• Prices• benefits
Additional and compulsory investment	<ul style="list-style-type: none">• description• evaluation
additional time for direct selling	<ul style="list-style-type: none">• Person in charge• Additional time

CONCLUSION

Diversification in the current context

"Socio-economic" diversification in fishing activities

Element to solve
problems in
the fishery sector
-
Additional income
or
more sources of income

Reaffirmation
of the status of fishermen
as territorial actors

Integration into
territorial approaches

Sustainability of fishing activities in the coastal zones