

Project under FARM Responsive Mechanism

**Project: “Strengthening Nikolayev Fishers’ Association through
development of cluster”**

Project Partners: Mykoliav Oblast Fish Producers’ Association “Fisher”

&

Canadian Aquaculture Systems

Final Summary Report

April 2007 – July 2007

Executive Summary

The goal of the project was to develop a cluster concept for fishing production in the Mykoliav oblast. The cluster development idea was innovative for agricultural sector and the Association members considered it is an effective way to mobilize group of producers and/or processors, establish information exchange; assist in promoting products, develop marketing concept. It was also beneficial in developing a marketing and pricing policy in the Mykolaiv oblast and Ukraine; building links between Mykolaiv's scientific institutions and local fish producers and strengthening Fishers' Association and making it more effective to its members.

The major achievement is that Members of the Association, most of them small fishers have realized that they can only achieve any changes in terms of better business environment if they work jointly to represent the industry.

Background and Rationale for the Project

The main purpose of the project was to organise supply chains to better enable fish farmers in the Mykoliav oblast. A cluster concept was envisioned in order for fish farmers to work collectively to achieve efficiency of storage, distribution, logistics, and marketing which would result in better prices to be realised.

The Mykoliav Fish Producers' Association (MOFPA) realised that appropriate marketing channels needed to be developed among fisher farmers in the oblast, including the concept of wholesale markets development and logistic platforms to provide services in sorting, grading, packaging as well as market information and marketing skills. MOFPA, developed this project in order to work with small and medium family producers to improve their quality through new production technologies, increase access to inputs, provide training and technical assistance in marketing. The project was not limited to small and medium family producers it also included food processors, wholesalers, retailers and food service operators to increase their supply of high quality raw material, to reduce their procurement costs and increase efficiencies as well as to improve their product marketing practices.

Achieved Project Goal and Objectives

Promoted of Mykoliav local fish producers in Ukraine

Project implementation put new emphasis on Mykoliav fish producers' problems and challenges. Those issues were discussed with oblast authorities and members of other oblast entrepreneurial unions.

Developed cluster concept for fish production in Mykoliav oblast

Cluster concept was promoted throughout Mykoliav region as one of the options of informal unions for producers, processors and sellers. In addition, the project assisted in development of marketing and pricing policy for fish producers in the Mykoliav oblast and in Ukraine.

All recommendations developed by the project were submitted to oblast authorities as well as discussed with entrepreneurial unions. Some of the recommendations are now being discussed with oblast officials – about local taxes and inspection. It is important not that not a single decision regarding the fishing industry is approved without preliminary consultation with the MOFPA.

Promoted of cluster concept and dissemination of Mykoliav cluster experience

Representatives from other oblasts were invited to all project events. They received materials about clusters and how this concept can be applicable to specific sectors. The project managed to build regular exchange of information with Odessa oblast wine cluster.

Established links between Mykoliav scientific institutions and local fish producers

People from Mykoliav scientific institute attended all project events and expressed their interest in future cooperation. This relationship and cooperation is innovative for the Ukraine, and will prove to be beneficial in tackling problems in the future.

Strengthened MORPA, making it more effective for the Association members

As a result of project activities, members of the Association felt more confident in the MOFPA and considered their membership as more useful for their businesses. Also, it is important that small fish producers were given the opportunity to interact and communicate with large fishing enterprises. Processors and sellers also expressed their interest in continuing to work with MOFPA. Membership of MOFPA also increased as a result of project activities.

Outcomes and Results

Promotion of small fish producers

- Approximately, 70 small fisher producers have better knowledge and more regular information of the local market.
- 10 partnerships between small farmers and large fishing enterprises were established.
- Members of fishers' association are receiving regular and timely market information through the Association.
- Regular dialogue with local authorities to discuss more transparent conditions for operation on local market is occurring.
- Recommendations and proposals on local market improvements were presented to local authorities.

Improved marketing of products for agricultural producers

- 130 fish producers participated in educational events aimed at marketing knowledge raising awareness.
- 90 members of the association received practical consultations on how to improve marketing of their products.
- 112 consultations on marketing were delivered during the project duration.
- 6 fishing fairs (expositions) were organized to improve marketing of the Association members.
- 3 educational discussions were held on marketing logistics.

Promoted the association and the cluster concepts as unions of agricultural producers aimed protection of rights

- Association improved its operations.
- Membership of the Association increased by 15 new members.
- 130 members of the association trained in marketing and promotion of products on the market.
- Cluster concept is tested and developed with MOFPA
- 5 dissemination workshops on clusters development delivered.
- 10 discussions with processors and potential buyers organized.
- 510 people attended project dissemination events including people from other regions.

Established regular exchange and provision of information including information on pricing

- Regular provision of information on prices has been established;
- 120 members of the association regularly receive marketing information.
- 1000 fish producers, processors and sellers attended information events.

Development of reliable marketing channels

- 2 marketing channels developed and 3 identified and tested during the project;
- Approximately 50 contacts established with processors and sellers.
- Negotiations on contracts with processors and sellers undertaken.

Additional Results

- 6 information days of the Association was organized and attended by over 200 people.
- 5 practical marketing workshops organized, with 125 people in attendance.
- 10 new contacts developed during the exposition.
- 2 workshops on marketing logistics organized, 30 members of the Association attended.
- 300 copies of business registration and operation booklets distributed.
- 200 copies of practical notes on advantages of being the Association members distributed.
- 200 copies of marketing of enterprises distributed.
- 100 copies of cluster booklets distributed.
- 100 copies of marketing logistics materials distributed.
- 100 copies of recommendations on how to improve marketing of fish enterprises distributed.

Canadian Partner Contribution

Canadian Aquaculture Systems, Inc. (CAS) was selected by MOFPA to work with the Association and its members to identify challenges to industry competitiveness, identify opportunities for industry development and diversification, and to recommend practical strategies for moving forward.

Two seminars were presented to approximately 30 MOFPA members in an effort to share Canadian experiences regarding (i) cooperative sales and marketing and (ii) the roles and operational practices of industry organizations. Additionally, a third document was prepared to provide basic background information regarding the Marketing function and was distributed as a hand-out to the MOFPA members; however, it was not formally presented.

Following the presentations, discussions ensued in several areas; namely related to the role of industry associations and the scope of opportunities in commercial aquaculture. One of the MOFPA members had considered 'growing' mussels but had no information about how to do so. Following the meeting, a separate, brief presentation was given to him regarding the technological aspects of mussel farming. He was excited to see that his idea is feasible and that it is being done in other parts of the world.

A separate discussion at the workshop centred on the reason for our visit to Ukraine. There was some suspicion amongst MOFPA members that people would come from Canada to openly share ideas and information with them without wanting something in return. After explaining the cooperative nature of the FARM Program, this issue abated.

Conclusion

MOFPA is valued by its members – and the reputation of the Mykoliav Fishers Association is one of the main precondition of sustainability. The Association plans to build upon the results achieved in this project. The Association hopes to continue to cooperate with Academy on Post Gradual Education in further developing the cluster concept and disseminating it to other regions through academic network. The establishment of marketing channels will be long term activity and as it will be in parallel to improving market conditions and price formation. Small businesses will be presented in one group (cluster) and therefore processors and sellers will be interested in having stable large volumes of products. One of the cluster tasks is to start developing storage and primary processing facilities that will ensure long term sustainability of the project.