

ANALYSIS OF THE CROATIAN FRESHWATER AQUACULTURE SECTOR FOCUSING ON CARP AND TROUT

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STRUCTURE OF THE STUDY

- Production and trade of carp and trout in Europe and in Croatia,
 - Supply chain on the Croatian market and in other countries,
 - Consumer knowledge and trends for these species in Croatia and other countries,
 - Marketing and promotion of fish in Croatia and practices for freshwater fish species in other countries,
 - Analysis of good practices,
 - Identification of critical issues,
 - SWOT analysis and conclusions.
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CONSUMER KNOWLEDGE ON FRESHWATER FARMED FISH SPECIES IN CROATIA

- The main issue of the weak consumer perception is lack of **consumer knowledge** and **awareness** about valuable nutrients of farmed fish and its overall **beneficial effects** on human health.
- The local market is characterized by a **high price sensitivity**. Affordability of food products is one of the main criteria which has been attributed to a wide category of food products, including fish.



- Croatian consumers became more demanding in terms of **product information** and try eat food which is **environmentally controlled**.

IMAGE OF AQUACULTURE PRODUCTS

The sustainable growth of the Croatian aquaculture sector can be secured by continuously projecting a **positive image** of the Croatian aquaculture products.

- capitalisation on **high quality** products from environmentally controlled production,
 - focus on **sustainability** and **certification**,
 - emphasis on proteins, vitamins, minerals and polyunsaturated fatty acids,
 - capitalisation on **health benefits** (cardio activity, immune system, neural system, etc.)
 - focusing on the **local region** and **traditions**,
 - attractive diet and lifestyle of the **Mediterranean** country.
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atian Chamber of Economy

MARKETING AND PROMOTION OF FISH IN CROATIA

- Croatian Chamber of Economy - a national campaign to increase Croatians' consumption of fish in 2011.
- In the past years, promotional activities by some companies included creation and distribution of information leaflets and advertisements in supermarkets catalogues.
- All promotion activities are oriented at final consumers, since promotional activities towards retail sector are regarded as too costly for individual companies,
- A lack of reliable data collection and dissemination system in order to to enable development of the domestic aquaculture industry towards a market-oriented approach.



GOOD PRACTICES - SPAIN

- **ATRUGAL** - the promotion is usually done by organisation of events, such as educational conferences and workshops, broadcasting cooking shows and participation at fairs,
- “OPAC” and “Atrugal” joined ESACUA and together with the Spanish Association for Standardization and Certification created a new certification called “**Trucha del Rio**”,
- 2013: Increasing sales of various food products, however no growth for trout in Spain. Spanish consumers shifted to other cheaper products, in addition, trout was very difficult to find on the menus in restaurants.



GOOD PRACTICES – SPAIN

Marketing activities:

- Modern retail buyers:** the aim was to increase sales of trout for home consumption,
 - Traditional fish mongers and fish traders:** these channels were chosen as the main distributors of trout in the segment of direct sellers,
 - Retailers and fishmongers** were trained about main nutrition facts and diet benefits of trout,
 - Ho-Re-Ca sector:** collaboration with the restaurants started with persuading restaurant chefs to include trout in their menus.
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GOOD PRACTICES - SPAIN

Advertising campaigns were running reminding consumers that trout is **healthy, tasty** and **affordable**.

At the next stage, trout was promoted as **a high-class cuisine** involving top-chefs recommendations,



Source: Truchdelrio.es



Trout was advertised in prestigious newspapers and magazines,

The main focus of the campaign was that trout was marketed as **a brand**, and emphasize **quality and trust**, reinforcing consumer perception that trout must be present in one's diet a regular basis.

GOOD PRACTICES - SPAIN

Results:

- The impact of the campaign and its results were highly evaluated by “Atrugal”, and the consumer response was concluded as excellent.
- After the end of the campaign, the restaurants had kept offering trout on their menus on a regular basis due to the very good feedback from their consumers.
- The main aim of the campaign was not only to increase consumption of trout in the certain period, but to learn consumers in their overall positive attitude towards trout.

Source: E. Pereira, AD SG Atrugal

IDENTIFICATION OF CRITICAL ISSUES

Producing companies

Logistic and distribution

International competition

Safety and quality network

Weak negotiation power

Affordability of products to consumers

Lack of financing marketing and promotional campaigns

IDENTIFICATION OF CRITICAL ISSUES

Domestic market

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graph TD; A[Domestic market] --- B[Lack of attractive image]; A --- C[Lack of consumer knowledge]; A --- D[Negative perception of farmed freshwater fish species];
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Lack of attractive image

Lack of consumer knowledge

**Negative perception of farmed
freshwater fish species**

IDENTIFICATION OF CRITICAL ISSUES

Marketing

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graph TD; Marketing[Marketing] --- Issue1[Shortage of consumer and trade data]; Issue1 --- Issue2[Lack of qualitative data to forecast consumer trends]; Issue2 --- Issue3[Lack of coordinated marketing strategy];
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Shortage of consumer and trade data

Lack of qualitative data to forecast consumer trends

Lack of coordinated marketing strategy

IDENTIFICATION OF CRITICAL ISSUES

Sectoral structure

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graph TD; A[Sectoral structure] --- B[Low level of collective actions]; A --- C[Insufficient collaboration and information exchange]; A --- D[Lack of producer organisation];
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Low level of collective actions

**Insufficient collaboration and
information exchange**

Lack of producer organisation

SWOT ANALYSIS

Strengths

- Sufficient natural resources and biodiversity,
 - Maintenance of the local ecosystem,
 - Availability of high quality and extra fresh local freshwater fish products,
 - Potential for increase of the freshwater aquaculture production,
 - Skilled employees working in the sector
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SWOT ANALYSIS

Weaknesses

- Disintegration of the sector,
 - Lack of producer organisations,
 - Weak interest of local fish farmers in cooperation,
 - Insufficient investments in the sector,
 - Insufficient marketing skills of individual producers,
 - Not-fully coordinated marketing and promotional activities,
 - Prejudices about farmed fish in the coastal regions.
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SWOT ANALYSIS

Opportunities

- Local brand/label and organic brand/label to increase value of the domestic freshwater farmed species,
 - Strengthening of diversification of carp and trout products with focus on convenience products,
 - Raising public awareness through the strengthened image of the Croatian freshwater aquaculture sector,
 - Stronger image support though emphasising the region of products origin, high quality and value for health,
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SWOT ANALYSIS

Opportunities

- Increasing negotiation power of local producers through producer organisations leading to optimisation of the distribution channels of freshwater aquaculture products and coordinated marketing strategy for the aquaculture sector,
 - Integration of the freshwater aquaculture sector with angling and tourism,
 - To make full use of the proposed financial assistance from structural funds to support growth and development of the sector,
 - Support of educational, vocational programmes and life-long training covering the needs of the freshwater aquaculture sector.
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SWOT ANALYSIS

Threats

- Serious damage, caused by predators (cormorants),
 - Lower profitability of the freshwater aquaculture sector compared to other sectors,
 - Growth of competition from imported fish,
 - Further decreasing share of local freshwater farmed fish on the domestic market,
 - Increasing centralized distribution in the retail chains versus individual distribution by local producers.
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OPPORTUNITIES



OPPORTUNITIES

1) Consolidation of the sector

- **Producer organisations** represent an essential part in the optimisation of all nodes of the supply chain of the freshwater aquaculture sector.
 - Creation of producer organisations would allow to implement measures to **channel the supply** and **joint marketing** of their members' products, promote them through certification schemes, geographical designations as well as vocational training.
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OPPORTUNITIES

2) Product development

•Certification and labelling Eco-labelling could be an important option at the following stages of production and reorganisation of the sector, provided an increasing interest from the domestic market.

•Local/national label or brand could be developed by the Croatian cooperative framework to increase value of the local carp and trout species providing a significant asset to the local producers to highlight and distinguish their products in the increasing international competition;

•Diversification of value-added products: Production of ready-to-eat meals, ready-to-cook meals, snacks, "consumer-friendly" and boneless carp products, and other convenient carp and trout products should be evaluated creating a niche for targeted consumer groups.

OPPORTUNITIES

3) Supply chain

•**Optimisation of the distribution chain:** distribution and logistics in the current supply chain can be improved through vertical coordination of primary producers, input suppliers and processing companies.

•**New convenient distribution channels** could be explored according to the needs and demand from domestic consumers. Niche distribution could include collaboration with other service providers such as food service in entertainment and leisure centres, recreational centres, cafes, sport centres, specialized culinary chains and other channels;

•**Touristic attractions or sports:** Business diversification may provide additional sources of income for freshwater fish farmers, like integration with angling and tourism.

OPPORTUNITIES

4) Marketing and promotional activities

•**Market intelligence tools:** market information, consumer analyses, surveys and studies are the necessary prerequisites to the creation and implementation of marketing strategy and the subsequent promotion activities, detailed consumer information and anticipation of the future trends on the domestic market,

•**Joint marketing activities:** marketing and promotional activities for freshwater aquaculture products should be conducted in coordinated way as joint activities for the whole sector. The campaigns should aim at raising public awareness and consumer interest through emphasis of the region of products origin, high qualities and safety, and value for health;

OPPORTUNITIES

- **B2B collaboration:** the leading **Ho-Re-Ca chefs** should be involved to emphasise high quality, tasty characteristics of carp and trout, representatives of **medical sector** to stress health benefits of carp and trout consumption as nutritious sources of protein with high content of Omega 3, and other opinion makers.
- **Educational focus for consumers:** Promoting educational campaigns to consumers, and especially younger consumers, should be continuously enhanced. Education of professionals in the entire supply chains should be emphasised gradually contributing to encouragement of young professionals to enter the sector.
- **Joint communication concept** through all segments of the supply chain is a necessary element in raising public awareness farmed carp and trout products. Involvement of mass-media, press travels and relevant PR activities involving participation of press.



OPPORTUNITIES

Export orientation:

•**Exploring new markets:** In addition to the existing export markets for Croatian carp and trout, Germany, being one of the largest importers of carp and trout products in the EU, is seen as one of the most potential markets for further development. Niche products and distribution should be considered,

•**Organic production** could be a mean to increase value of exported domestic carp and trout products. **Export of value-added products with premium label** is a distinctive option for the local producers along with development of a national brand,

•**Export of live fish** – live fish for recreational fisheries is an alternative market for some European producers of freshwater fish, which could be developed further at a later stage by the Croatian freshwater fish farmers.

Thank you for your attention!
