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SOME EXPERIENCES IN THE EXPORT OF FRESH FISH

by

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Yap Fishing Authority

Yap Fishing Authority (YFA) started export of fresh fish on a consistent basis in 1984. Since that time the operation has steadily increased and improved and is today the most important export product out of Yap State, Federated States of Micronesia (see attachment A).

YFA now regularly ships fish to Guam, Hawaii and US mainland and since 1985 works in close collaboration with Hawaiian Fish Distributors, Inc. (HFDDI). HFDDI has given invaluable technical assistance and training to Yap Fishing Authority in the areas of commercial fishing, fish handling/processing and export development.

As follows are some of the experiences:

Fresh fish export development

Development of a commercial fresh fish industry appears limited in most Pacific islands due to their generally small local markets. Therefore with an expanded industry fish must be exported. Fish can be exported in various forms, but the most lucrative is of course as fresh, as it is the most simple way with generally least overheads and highest financial return. The most important export markets for fresh fish and other fresh marine products from the region are Hawaii, US mainland and Japan. Smaller markets, but important to Micronesia are Guam and Saipan.

A fresh fish industry takes a lot of time and effort to develop, as techniques for quality control of products must be developed onboard fishing vessels, on shore in processing rooms and onboard flights. Often it is difficult for the airlines to get accustomed to fish export, as it is quite different from passengers and regular cargo.

Normally, air cargo is by the exporter delivered to an airline/freight office, which will take the consignment to the aircraft or the terminal. This is convenient to you, but results in that the fish, before being loaded onto the aircraft, already for several hours could have been exposed to heat. In a special case like export of fresh fish, there should be arrangements made that the exporter can deliver the shipment straight to the aircraft, if possible. The exporter will be responsible for the completion of all documents, such as bills of lading, manifests, etc., normally done by the airline/freight office.

Fresh fish should if transshipped be kept in chilled condition at transshipment points, unless connection flights are immediate. Often cargo misses connection flights, but this would of course be disastrous to fresh fish, as box time is limited. A conventional well-packed box should reach its final destination within 24 hours, providing it has been in the air most of the time and not been exposed to heat, like sitting in a warehouse or out in the sun for extended periods. It is recommended that the exporter makes sure before shipment, space is available for the fish to reach its final destination. The exporter should give the airline at least 24 hours notice, to allow bookings.

The key to fresh fish export is of course regular and reliable airline service all the way to the market, as we really cannot ship fresh fish any other way.

Start-up operation

Development of a fresh fish industry should start slow and small for several reasons:

1. Is your market dependable? Your market source has in many ways the same problems you have. In most cases your product would be resold and it will take time to develop that part.
2. Most important is quality, price and regular supply.
 - a) Your operation must set a quality standard and fish must never be shipped out below this standard. Never export fish caught in an area where toxic fish of the same specie occurs. One "rotten" or poisonous fish can ruin your country's reputation and in turn your buyers. By quality standard means that your product might not be the best, but the buyer should always know what to expect.
 - b) In general, you can expect a higher price for a better product. If we ship to distributors (whole-salers), they would sell the fish to various institutions, such as restaurants, supermarkets, delicatessens, government programmes (schools, hospitals, armed forces, etc.). These institutions would most definitely pay different prices, as their quality standard and volume would vary. In other words, if your product is top of the line, it would go to a restaurant or a delicatessen and you could expect a relatively high price. However, if your quality is not high the fish would probably be sold at a lower price. The distributor does not really care, as he always gets his share.

To maintain high quality all the way from the sea to the market is technically simple, but we will discuss that later.

c) If you want a reliable market you must be reliable, whereby you should always supply fish when you are supposed to, whether it is on a regular or on an occasional basis. To accomplish this you must coordinate fishing with the air service and your market, which often is difficult.

1. Good communication with fishing vessels is important, so they can return at the right time and know what fish to target for.

2. You must have good communication with the airlines, as they must set up flight connections (e.g. Yap/Guam/Honolulu/Detroit) and make reservations. This is often difficult in small places, as communication links (radio etc.) are poor and airline personnel are poorly trained.

3. Faximile and telex are essential tools to keep in good contact with your overseas markets.

Prices

In export we must realize that we are competing with the rest of the "world" or at least the region. In many cases, the export price will be below local price and in others above. Often the price of fish in the islands do not differ, while in export each specie has in principal its own value. Therefore, sometimes you might break even with some fish while make a profit from others. Anyway, the objective of export is not only to earn more for your fish but to find a place to sell it.

Often island fisheries are discouraged by poor prices in the other end and do not see much point in the fresh fish business. However, if you are developing a fishing industry you must also develop markets.

If a fish is to be served in a restaurant, often it is in filet form. Therefore you could in principal send your fish in this form, as it has several advantages to you and to your buyer:

Example:

<u>Fish</u>	<u>Filet</u>	<u>"Waste"</u>
Snapper	40% yield	60%

If you were for example to export a snapper you pay x dollars in freight, while if it is in filet you only pay 40% of the amount. You have to add cost for fileting to your expenses, or else it would have to be done in the other end. Any market would in principal prefer you filet as their labour cost is considerably higher. The "key" here is quality control in you end, as a filet deteriorates much faster than a whole fish. The 60% "waste" would of course be sold for live-stock feed etc. and earn some extra income.

Other ways of reducing cost of freight is by extracting the guts and/or cutting the head off.

Quality

Quality control is simple but often ignored, as people involved in the industry often do not understand what is happening to a fish which has been killed.

Some of the "golden rules" to all fish handling are:

1. Never touch the eyes of a fish, as they could be bruised, turn red and give the impression the quality is poor, even though it is right out of the water.
2. The fish should only if absolutely necessary be gaffed, as any wound reduces quality, especially in regards to appearance. Large fish should be stunned while in the water with a rubber mallet.
3. All fishing vessels should have a well-insulated brine box, positioned fore and aft (not towards ships) and with a length allowing the longest fish to be brined and stored without bending (recommended minimum measurements: L: 150 cm., W: 60 cm., H: 60 cm.). Fish should never be bent, as this can damage the texture.
3. Fish must immediately be brined, after being caught. The brine must have the correct ice/sea water mix for the right temperature etc. Salinity must be correct, as this will maintain colors.
4. Fish should not be in a brine longer than 6-8 hours, except in special cases. In processing rooms the brine should possibly be aerated, as this will improve the quality of the brine solution.
5. Fish should in the chillroom be packed on fine-crushed ice, belly up. Certain fish, such as wahoo has soft meat and should therefore not have too much weight on top, as the meat will be crushed.
6. Before shipping, the fish should be brined for 2-3 hours, which will improve the appearance.
7. Never lay fish on a dry and rough surface. Always make sure the surface is wet and smooth. Recommended is a rubbermat onboard the vessel and in the processing room.

YAP FISHING AUTHORITY FRESH FISH EXPORTS (IN POUNDS)

