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the European Union



CAPFISH-Capture: Postharvest  
Fisheries Development Project

# Fishery Post-harvest Value Chain and Market System

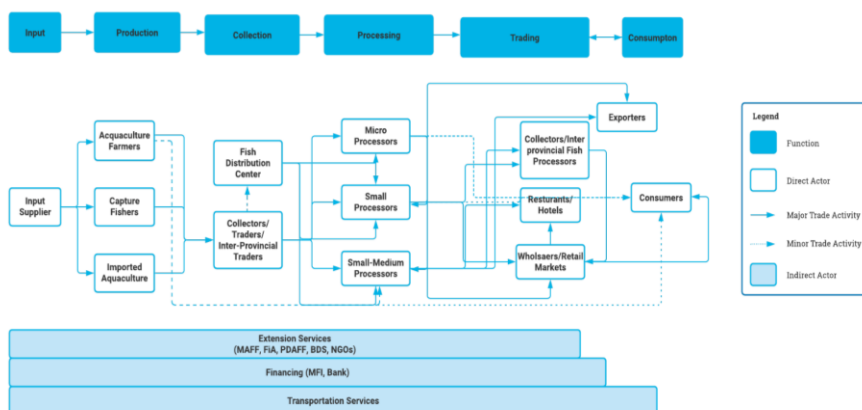
## Context

The CAPFISH-Capture: Postharvest Fisheries Development project is co-funded by the European Union (EU) and implemented by UNIDO in cooperation with Fisheries Administration, support institutions and private sector fishery businesses. The project is designed with the specific objective to contribute to the development of post-harvest fisheries under the following major interventions:

1. Institutional support for establishing an efficient food safety control system in post-harvest fisheries to harmonize Cambodian products with global market requirements including the EU
2. Support to private sector businesses for upgrading the operations and market compliance to enhance business competitiveness.
3. Support for research and development through networking of Universities and research institutes

## Fishery Post-Harvest Value Chain Profile

Figure 1: Fisheries value chain mapping



A study was carried out by the project through iDE Cambodia on value chain profiling and market systems in two key provinces, namely Battambang and Kampong Chhnang and the results are shown below:

Post-harvest fisheries value chains in Battambang and Kampong Chhnang are complex and multi-functional; the actors are mostly informal and producing variety of fishery products under very unhygienic conditions with low market competitiveness. There are three main market actors identified: 1) fish processors 2) collectors/interprovincial traders 3) wholesalers /retailers/Exporter (Figure1).

62%  
OF FISHERY VALUE CHAIN ACTORS  
ARE MANAGED BY WOMEN AND  
MICRO-ENTREPRISE

## AT A GLANCE

Project title: CAPFISH-CAPTURE: Post-harvest Fisheries Development

Donors: The European Union and UNIDO

Budget: EUR 16.9 million (EU: EUR 16 million with co-financing from UNIDO/other donor: EUR 0.9 million)

Thematic areas: Creating Shared Prosperity ; Agribusiness and Rural Development

SDGs: SDG 1, SDG 2 and SDG 9

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## Key features of the market system

Fish processors are the main direct market actor in fishery value chains; they process a diversity of products such as: smoked fish, dried fish, Prohok, Pa-ork, Mam, Nem, Prohet and fish source. Processors consist of micro, small, and medium enterprises, producing year-round by using both wild capture and aquaculture fish (local and imported).

Collectors and interprovincial traders purchase processed fish products from processors and distribute to various provinces and also export to neighboring countries.

Wholesalers purchase fresh fish from fishermen, traders/collectors and from Vietnam. They play multi-functional roles along the trade route; they play the role of interprovincial traders and indirect exporters to Thailand/Vietnam.

## Key Challenges

- ❖ **Access to Finance:** the majority of fishery value chain actors in two provinces has limited financial literacy with low access to formal financing system due to limited collaterals, recordings and high interest rate.
- ❖ **Access to Market:** 100% of key fishery value chain actors lack access to reliable market information including Research and Development service for high-value markets and market facilitators.
- ❖ **Access to Food Safety Compliance:** the majority of fishery value chain actors lack access to food safety training and understanding of the minimum requirements of national and international food safety standards.
- ❖ **Access to Processing Technology:** most of the processors lack access to improved technologies and techniques to improve production and operational efficiency. 100% of the processors use labor intensive and inefficient traditional methods, continued from their ancestors.
- ❖ **Access to Business Development Services (BDS):** BDS services are not available for capacity building and training on fishery post-harvest technology and fishery business development.
- ❖ **Input Supply for fishery operations:** processors have limited availability of inputs, lack of access to quality ice and locally produced salt to improve quality of products. Local produced salt reported as good in quality but costlier.
- ❖ **Value Chain Governance:** businesses and trading activities face formal and informal fees leading to lower profits and a reluctance to have formal business registration.
- ❖ **Operational Practices:** the knowledge and know-how of most of the actors are from their ancestors; inadequate application of cold chain and transportation practices are leading to increased post-harvest losses.

## Private Sector Development Approach

CAPFish Post Harvest Development Project aims at enhancing private sector capacity to comply with standards and market requirements relevant to the post-harvest fisheries to improve its competitiveness CAPFish will provide both financial and non-financial supports to fishery value chain actors through its **Value Chain Investment Support (VCIS)** under a co-investment scheme. The VCIS aims to support eligible investment proposals in the fishery value chain focusing on **food safety compliance**, supporting the CAPFish Project objectives and target beneficiaries aiming at better market compliance and competitiveness. The program would be launched in 2021.

90%

OF SMEs ACCESS TO LOAN, BUT MAJORITY OF MICRO-ENTERPRISES OR PROCESSORS ACCESS TO INFORMAL LOAN

### PROMISING VALUE CHAINS IN THE TWO PROVINCES

- 1. Smoked Fish** produced year-round by micro, small and small-medium-scale processors. Two quality: low-value and high-value.
- 2. Dried Fish** produced by micro, small and small-medium-scale processors with two quality, low and high-value.
- 3. Prohok** produced by micro, small and small-medium-scale processors with two quality, low-value and high-value (boneless prohok and prohok Treykompleang)
- 4. Nem Trey** produced year-round by micro and small-scale processors in Battambang province.
- 5. Prohet Trey** produced year-round by micro and small-scale processors in Kampong Chhnang Province.
- 6. Fish Sauce** produced year-round by small-medium-scale processor, granted HACCP, ISO and HALAL, for nixed and export markets.

11%

OF FISHERY VALUE CHAIN ACTORS REGISTERED THEIR BUSINESSES WITH PDAFF OR MISTI

### Value Chain Investment Support (VCIS)

provides financial and non-financial supports:

> **Investment Fund: EUR 5 Million**

> **Financial Scheme:** Blended Financial Model or Co-Investment Scheme through Business Plan.

> **Targeted Beneficiaries:** Post-Harvest Fishery Value Chain actors including MSMEs & processor groups

> **Project Support:** 40% to 80% of project co-investment

> **Technical Assistance support:** Business plan development, business skills and food safety compliances.

> **Advisory Technical Assistance:** demand driven based on needs.