Deliverable Report

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Objective: The objective of the present deliverable was to provide guidelines to cultivate buyer-supplier relationships per species. Deliverables 30.1 to 30.4 resulted in business models for the selected species, and more in detail for the ones for which new products are developed. Similarly, current relationships in the supply chain and opportunities to cultivate buyer-supplier relationships to develop the business are identified and reported. Also bottlenecks were studied and identified and potential solutions suggested.

Deviations: Due to limited progress in product development and production readiness firms' relationship development has lagged behind too. Furthermore the focus has been on the species grey mullet, meagre, greater amberjack and pikeperch.

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1. Introduction

Many of a company's supplier and customer relationships are vital for its continuing competitive survival, and each may involve a substantial commitment of resources that cannot be easily used elsewhere. A company's identification of the right partners and decisions regarding what actions to take in each relationship are of great importance to the development of its overall portfolio of relationships and its competitive success, particularly when extending its market using new business development.

By involving partners, firms create an *ecosystem* that helps them create value but also shape their business model. The partners and relationships help to jointly create value and deliver this value to the market i.e., to target customers. The resulting sales and cash flow will help the firms' earn a profit but also to grow their business through further investments. These ecosystems and their partnerships are important because firms are typically unable to perform and control all tasks involved in value creation and delivery themselves.

Building the ecosystem requires developing alliances and a healthy alliance portfolio. Consequently fish farmers engaging in developing a new species should develop relationship building and alliance management capabilities. It refers to abilities concerning acquiring and retaining partners, but also portfolio management capabilities.

The objective of this deliverable was to develop guidelines for fish farmers to develop their alliance portfolio, and offer suggestions which buyer-supplier relationships to cultivate. We will also identify key challenges and potential bottlenecks and offer some suggestions on how to address these challenges.

In this report, we first discuss the alliance literature and develop a general framework to understand relationships and their importance for fish farmers' new business creation using the development

and introduction of a new fish species. We then report the method used to collect data from DIVERSIFY partners. It focuses on the alliance relationships they developed and plan to develop in the near future, as well as on identifying bottlenecks encountered. After presenting the results we discuss these results and offer guidelines. We close with limitations and suggestions for future research.

2. Theoretical background

As mentioned, we begin with a brief review of the alliance literature and present a general framework of alliance relationships. It will be used later to organize our empirical results.

2.1 Alliances and resources

Firms operate in networks that represent social capital. The latter concerns "the sum of actual and potential resources within, available through, and derived from the network of relationships possessed by an individual or social unit. …[It] comprises both the network and the assets that may be mobilized through the network" (Nahapiet and Ghoshal 1998, p. 243). It consists of (1) the relationships that provide access to resources possessed by the partners, and (2) the nature and amount of those resources (Portes 1998). Different types of B2B relationships exist. We distinguish between *(i) R&D alliance relationships, (ii) marketing/supply chain alliance relationships, and (iii) key customer relationships*. (Xiong and Bharadwaj 2011). The first two alliance relationships help create value for end-customers, the latter is important for delivering the created value to end-customers. We discuss each type in detail below:

- R&D alliances involve technological innovating activities, such as the development of a new species for fish farming purposes. These innovations have become increasingly complex and require extensive resources. In many sectors this has caused firms to rely more and more on 'open innovation', i.e. the active involvement of outside partners and their resources to innovate more efficiently and effectively. Consistent with this observation, social capital from R&D alliances have become a critical source of resources. Jointly performing R&D activities has several advantages. First, R&D alliances help accelerate the cash flows. Rich resources (including knowledge and information) brought by R&D alliance partners enable timely response to critical information and help identify technological advancements and opportunities more quickly. It helps shorten the new product development (NPD) cycle and speeds up cash flows. Second, R&D alliances help reduce the volatility of cash flows. Innovation is widely recognized as highly risky (Sorescu and Spanjol 2008). Pooled technological and financial resources in R&D alliances put both innovative incumbents and nascent firms in a better position—in a jointly developed and well-funded laboratory with many experienced scientists—to lower the risks inherent in innovation processes (Deeds and Hill 1999). In fish farming R&D alliances refer to partnerships with research institutes but also with equipment and feed providers among others. As an innovative fish farming firm's number of R&D alliance relationships (or R&D alliance network centrality) increases, it is exposed to more R&D resources (e.g., Tsai and Ghoshal 1998).

- Marketing/supply chain alliances involve activities such as cobranding, joint marketing, and sharing of distribution channels. Closely related to processing, these alliance relationships affect a firm's value and future cash flows (Kvaløy and Tveteras 2008). First, marketing alliance relationships help decrease cash outflows as the partners' experienced marketing and sales forces reduce the innovative (or start-up) firm's marketing and selling expenditures and lower the chance of failures in product introduction and promotional campaigns. Second, marketing alliance partners' established distribution channels facilitate market penetration (Mitchell 1989) and accelerate cash flows. Third, marketing alliances can decrease the volatility of cash flows because the partners' established supply

chains enhance channel coordination and promote stability in operations. Marketing alliances also entail access to the partners' existing relationships with customers or retailers (Swaminathan and Moorman 2009).

- Key customer relationships refer to a firm's relationships with its business customers (and consumer segments) that contribute a significant portion of its sales. Social capital from these key relationships helps decrease cash outflows as the growing mutual understanding, trust, and solidarity in key customer relationships reduce transaction costs such as cost of contracting (e.g., Ganesan 1994). Firms with more key (customer) relationships are also likely to have more effective inventory and distribution management than firms with less strong (customer) relationships (e.g., Kalwani and Narayandas 1995). In case of fish farming this concerns relationships with, for example, retailers, mongers and restaurants. Given a shift in producer to buyer driven supply chain in agro-food the importance of fostering these relationships has increased. Buyers' quality control has extended beyond the simple product and now includes the entire production process and supply chain. Salmon production is a good example and confirms the importance of strong customer relationships (Phyne and Mansilla 2011).

2.2 Towards a portfolio of relevant partners

Overtime a firm's need for resources shifts. Initially there will be a need for R&D resources to allow for experimenting and risk taking. However, overtime marketing and relational alliances and resources become more important as the firm's need to identify and subsequently build customers increases. Without customers there will be no viable business from the new product(s) developed (Blank 2007). The marketing and customer relationship alliance will complement the R&D alliances. As a result a portfolio of partnerships will evolve. In this process the firm's objectives, but also characteristics of its innovation, and competitive environment become clear.

Because value exists in the eyes of the beholder, firms should not wait too long with the involvement of downstream business partners and look for customer feedback. Feedback and involvement help ensure a good fit with market needs and offer the opportunity to obtain an early buy-in from channel partners. The latter is particularly important for fish products since in this sector, like in many other agro-food sectors, retailers are the driving force of quality control across the value chain (Phyne and Mansilla 2011). Soliciting for customer feedback and involvement reduces the chance of quality issues and, more generally, market failures. It will help create commitment for launching the new species and making its products a market success (Onyemah, Pesquera, and Ali 2013). Absence of such efforts results in disaster. For example a Dutch pioneer of the new species 'Claresse' developed the species making it production ready. However, after development they realized that they lacked commitment from (previous) customer contacts and were unable to comply with ASC label quality standards. Interestingly, the issue was not so much 'not meeting the standard', but rather was rooted in the fact that ASC label does not exist for this particular species yet (Eindhovens Dagblad 2017). This proofed a barrier to entering the retail channel and has reduced its chances on the market, since the species is too small.

To be able to interest and build relationships with key customers firms should know their buying criteria and add to creating customer satisfaction. Based on a sample of Norwegian fish exporters Helgesen (2007) identified four key factors of customer buying criteria: (i) reliable delivery, (ii) physical product quality, (iii) attractive product line/price (enhancing the channel partner's product range or resulting in a better sales margin) and (iv) lean order handling. The first two relate to and thus are unique to the fresh category, while the latter two are of lower importance and are more

generic purchasing criteria. By investing in all four criteria firms can build key customer loyalty. This will ultimately result in an increase of cash flow and firm profitability.

Scholars have recognized the importance of early involvement of customers in new product development, and market development. However, still many providers underestimate the investments required for such product and market development (Colarelli O'Connor and Rice 2013). Although most managers are aware of the market challenge, they systematically underinvest in these marketing related activities. As a result many new products fail in the market place.

2.3 Individual relationship development

The creation of an alliance portfolio depends on a firm's ability to initiate, build, maintain, and terminate relationships (Reinartz, Kraft and Hoyer 2004). Companies with strong relationship development capabilities will perform better on the four primary dimensions mentioned. In addition firms need some alliance portfolio abilities (Haider and Mariotti 2016). Companies should aim for a good set of partners for creating and delivering the value of their new products. The ultimate set has complementary resources and offers synergy.

When searching for partners and aiming to invest resources in a relationship, a supplier has to deal with the trade-off between the positive expectation toward the relationship with this customer and the risks of not achieving the intended objectives of the investments. One can assume that more positive assessments of the relationship value lead to more expected positive returns. *Relationship value* can be defined as the sum of the benefits and cost reductions generated in an ongoing exchange with a business partner (Sirdeshmukh, Singh and Sabol 2002). It refers to the strategic importance of the relationship for a customer and desire of this partner to continue it. From the supplier perspective, a high relationship value (from the customer) results in high contribution margin, and in receiving higher other benefits like references, innovation inputs, etc. For a producer of a new species it is important (i) to clearly outline the relational value s/he brings to the table while approaching partners, and (ii) to assess the value the partner brings to the new business success.

Key to unleashing relational value is trust. Only if partners trust each other will they share resources. Trust mitigates risk. Trust also reduces conflict and stimulates emergence of joint goal attainment. Trust thus precedes relational value and relational loyalty to a partner (Sirdeshmukh, Singh and Sabol 2002). Trust building is important in any relationship development attempt.

3. Method

To learn more about the alliance portfolio of the farmers involved in developing and bringing to market products of the four species of the DIVERSIFY project, *i.e.* pikeperch, grey mullet, greater amberjack and meagre, we used a survey to collect data. In addition, we collected data through a qualitative questionnaire offered to project leaders and a director of a producer association.

Despite a personalized letter and several reminders the response was limited (n<10). Consequently, the data were analysed and interpreted using simple tabulations. To increase reliability and validity of the results, we triangulated the survey data with data from other sources (i.e., qualitative questionnaire and reports) and insights gained in other subtasks of WP30 (e.g., in D30.1). No data on grey mullet were received. As a result data could not be analysed and we cannot offer conclusions for this species.

Results are affected by the fact that species are still in the experimental stage and products are in the conceptual rather than physical market testing stage. While some firms are optimistic, the average

expectation is that particularly farming of meagre and greater amberjack will take several, i.e. > 4 years at best. Outlook regarding time to market for pikeperch is more optimistic, i.e. 2 years.

4. Results

What stands out from the data, is the fact that firms enter and leave the market for developing these new species almost constantly. In most cases, firms pursue the farming of new species in an attempt to diversify their portfolio. This 'waxing and waning' confirms that most species are still in an experimental stage. It may explain the difficulties encountered in collecting data and information from firms, including project partners, on issues such as cost structure and alliance portfolio development.

Table 1: Fish farmers' current partners (level of involvement)

	Meagre	Greater amberjack	Pikeperch
R&D alliance			
Equipment providers	●●	●	●●
Feed manufacturers	●●●	●●	●
Hatcheries	●●	●	●
Research institutes, incl. health	●●	●●	●●
Marketing and key customer relations alliance			
Government	●	●	●
Customers (wholesalers, mongers and local restaurants)	●		●●
Customers (retailers)			●●
Other alliance			
Investors	●	●	●

● – ●●●: some –(moderate) –high involvement; no entry = no involvement

In accordance with the fact that emphasis remains on mastering the farming process of the species, firms' current partners mainly involve R&D relationships. As **Table 1** shows, their alliances focus on: (i) equipment suppliers, (ii) hatcheries, (iii) feed suppliers and (iv) research institutions. This is true for all three species involved. Except for pikeperch, firms have limited marketing and key customer alliance. The better position of pikeperch farmers can be explained by the fact that they are further in the process of bringing the fish to market. These stronger relationships with key customers also increase the chance that they will succeed. Involving and closely working with these key customers and also by having better developed marketing relationships (e.g. on branding) they

have ensured market access and key customer support, sometimes with key customers also making investments in value adding activities (e.g., by investing in market tests).

Some firms (particularly meagre and greater amberjack) mentioned worrying about how to keep current relationships strong. It is probably explained by the long development process of getting the fish production ready. In the process, alliance partners (including investors) may become impatient and drop out.

Table 2 shows the results regarding fish farmers' plans to invest in and thus (further) develop relationships, i.e. partnerships. Compared to the figures of Table 1, we note a shift in alliance profile. As one might expect, emphasis has shifted from R&D alliances towards marketing and customer relationship alliances. However, the planned investments regarding marketing and customer relationships are low (•out of •••). This may be troublesome for meagre and greater amberjack farmers, who did not report to have this type of alliances yet. In addition, these firms mentioned that they are hoping for national support for their market development from e.g., the government. They expect that national governments and agencies will help develop and run national campaigns for the species. However, this is not reflected in their efforts for relationship building with these parties; no heavy relational investments regarding government/ agencies exist or are planned for (see Table 2, under Government). Compared to pikeperch farmers, the investments of meagre and greater amberjack farmers in customer relationships appear rather small.

Table 2: Fish farmers' expected future investments in alliance portfolio development (size of effort)

	Meagre	Greater amberjack	Pikeperch
R&D alliance			
Equipment providers		•	•
Feed manufacturers		•	
Hatcheries	••	•	
Research institutes, incl. health	••	••	•
Marketing and key customer relations alliance			
Government		•	
Customers	••	•	•
Other alliance			
Investors			

• – •••: low –(moderate) –high efforts; no entry = no effort

Table 3 lists the results regarding the biggest challenges of relationship development that managers of the firms see. It confirms these firms' awareness regarding the need to invest in marketing and key customer relationship development in the future for meagre and greater amberjack. Comparing results of Table 2 with those of Table 3, the challenges that the providers of these species face and the investments/efforts they plan to make seem misaligned; the efforts they will do regarding relationship development towards key customers and marketing alliances appear too low compared to the size of the challenges they face. A possible explanation for this result could be the experimental stage of meagre and greater amberjack. Current production and supply are irregular and uncertain, which could decrease many key customers' interest (e.g., retailers). It requires focusing on the most innovative key customers, i.e. those with a positive mind set and a strong willingness to invest in R&D and new product development. It can help prevent a situation in which the product is finally ready but key customer interest is absent. By focusing on the most innovative and competitive key customers such failure can be prevented. Such customer involvement will also ensure compliance with their quality assurance standards early on.

Results of Tables 1 and 2 suggest that firms involved in farming pikeperch have managed to develop a healthy and useful alliance portfolio. Consistent with this, these firms also see less challenges for the future for their relationship development management (see Table 3). Interesting is that for pikeperch relations with equipment providers remain important. Because pikeperch is more market ready than the other two species there also seem to remain fewer challenges for these firms and their alliance portfolios. Pikeperch farming is shaping up for continuous production and market expansion. Pikeperch suppliers benefit from their investments in their key customers (e.g., processing firms, mongers, retailers). As a result the outlook for this species may be bright. The efforts these farmers invested in developing their alliance portfolio increase their success of building customers and making inroads in the marketplace. However, because they also indicate that they need another 2 years to be completely up and running, some uncertainty remains.

Table 3: Fish farmers' perceived major challenges regarding developing relationship alliance portfolio (size of challenge)

	Meagre	Greater amberjack	Pikeperch
Equipment providers			•
Feed manufacturers/food treatment	••		
Marketing	••	••	•
Key customer relationships/wholesalers	••	••	•
Hatcheries	••	•	
Research institutes, incl. health	•		
Investors/financial resources	•		•
Government			

• – •••: low –(moderate) –high efforts; no entry = no effort

Apart from the relational challenges listed, firms also mentioned several important bottlenecks. **Table 4** provides a brief overview and categorizes these bottlenecks based on the stage in the relationship development process, i.e. initiation, building, maintenance/retention, and termination. The bottlenecks include: (i) inability to raise wholesaler/retailer interest, (ii) not being able to offer enough and rapid benefits for partners or still having to work out deals, and (iii) not knowing how to ensure enduring relationships. Another issue was that some firms had few or no partners yet.

The categorization confirms that most bottlenecks pertain to initiation/building of partnerships and thus acquisition capabilities. Particularly on the commercial size of the business development process problems exist. A solution would be for firms to invest better in developing their marketing sales capabilities. By extending the amount and quality of sales/marketing personnel more time and resources are available for these activities. It fits the notion that it is a firm's task to not just create products but actually to create customers. Another option would be, as some farmers also suggested and hoped for, to pull together and organize market development at the fish industry (fish producers associations) or even governmental level. It may help generate awareness for fish consumption in general and new species in particular. It can enhance the success of new launches. However, such campaigns should better be considered complementary measures that enhance existing marketing investments by the firms themselves. Therefore, to ensure success farmers should better step up rather than reduce their own marketing expenditures in the light of these national campaigns. These efforts are complements and not substitutes.

Table 4: Bottlenecks fish farmers experience regarding development of relationship alliance portfolio

Bottlenecks mentioned	Related capabilities
• Raising retailer/wholesaler interest • Engaging in market development • Partners need benefits quickly • Working out a deal for continuous supply at a profitable level • No partnerships yet, no experience yet	Initiation/building
• Make sure partnerships last	Maintenance/retention

5. Reflection

5.1 Conclusions and recommendations

The results from this report have implications for food policy makers and managers in the aquaculture industry interested in developing the business opportunity for DIVERSIFY's focal fish species. The results show that most firms are focused on R&D for the species and thus have a partner or alliance portfolio consisting of equipment providers, hatcheries, feed manufacturers, and research institutes. This would appear logical because of the experimental stage of development of most species. However, farmers' (particularly meagre and greater amberjack) limited involvement in marketing and key customer alliances is troublesome. It suggests that the farmers are not very active cultivating these relationships. Consequently, they may fail to achieve an early buy in, co-

development, and other possible roles that customers can play in this process (Coviello and Joseph 2012).

Although farmers do recognize the need for creating more market awareness of customers for the new species, limited marketing investments and attention could result in involving downstream partners too little and too late. As a result they may fail to build necessary customer interest and demand. Research on new product failure found that firms tend to invest handsomely in product development but often forget making similar investments in customer and market development (Colarelli O'Connor and Rice 2013, Blank 2006). However, to succeed in the market place, serious amounts of time and effort should be made in marketing and sales. Investments in marketing and sales activities are a prerequisite for developing "a customer" and thus for market and financial success. The issue can be illustrated with a famous comment by Peter Drucker —"For every dollar spent on generating an idea, ten dollars have to be spent on 'research' to convert it into a new discovery or a new invention. For every dollar spent on 'research,' at least a hundred dollars need to be spent on development, and for every hundred dollars spent on development, something between a thousand and 10,000 dollars are needed to introduce and establish a new product or a new business on the market" (Drucker 1973, p. 785). The fact that many firms seem to rely on their governments or national associations to break open the market for a species seems short sighted, overly optimistic, and foolish. To succeed with this strategy one would at least expect them to invest in relationships and lobbying efforts regarding these parties. However, the empirical results do not support this. Rather our results suggest a lack of urgency at the side of many fish farmers, which may be the result of a lack of relationship and alliance capabilities. Strong relationship and alliance capabilities would alert these organizations to alliance portfolio matters and stimulate them to take a more active stance and use a more balanced investment strategy of R&D, marketing, and key customer relationships. One important role government or national associations could play is to support these farmers not only with the development of the R&D capabilities but also with the development of strong marketing and sales capabilities. This could stimulate market success of their innovation efforts. A national campaign would then further enhance the firm's launch efforts for their new species.

Extra attention to develop marketing and key customer alliances is important for at least two important reasons. First, it helps ensure that farmers create a customer for their fish. Bringing the fish to market is more than just producing it. It requires a business model and marketing. Farmers should move away from the notion of selling everything they produce or can produce. Simple economic logic suggests that overproduction will only lead to lower prices. Examples of related food products confirm that a more market-oriented perspective can help. For example, in strawberry production the market leader is able to sell less for more simply by using this alternative logic. It led to its more sustainable competitive market position (Goodyear 2017). For this reason, investing in developing marketing alliances and key customers is important. Second, as was noted, the agro-food industry has to a large extent moved from producer-driven to buyer-driven business. As a result retail chains now often act as lead governors in determining the nature of the upstream process in the chain, e.g. in the salmon farming industry (Phyne and Mansilla 2003). This implies that SMEs should reflect on their position and alliance portfolio. Early retailer involvement will help comply in a timely way with hygiene, fileting, total traceability and other buyer requirements. It can also help prevent failure. A Dutch firm that developed a new species was confronted with retailers that were unwilling to stock the new fillets due to absent quality assurance criteria and labels (Eindhovens Dagblad 2017, see Appendix A). Not involving the retailers and quality assurance/certification agency of the ASC label prevented the firm from selling its fish in these

channels. It is also beginning to hindering their exports to Poland and Germany as also clients in these countries are more and more demanding this certification/quality label.

The **advice** for fish farmers is to develop a balanced alliance portfolio of both R&D, marketing, and key customer relationship alliances. Although at initial stages of development of a species the emphasis may be on R&D alliances, firms should soon identify and connect with a small set of innovative marketing partners and key customers too. This will ensure 'creating a customer' through co-creation efforts. It will also prevent not understanding the requirements and buying criteria of key customers and consumers. Particularly taking timely measures to comply with regulations and requirements is important.

Tools exist that can help firms enhance their alliance capabilities and activities (*e.g.* Meuleman et al. 2017). Capabilities and tools regarding all three types of alliance relationships need to be developed but particularly those regarding marketing and key customer relations are important not to neglect.

Finally, firms should best continue managing their alliance portfolio also after product launch. Continuous innovation is important to stay ahead of the competition. This may involve both process innovation to drive down (production) cost, but also product and marketing innovation to increase customer value and experience. By not just selling fillets but by developing a brand fish producers become less dependent. The brand equity and loyal customer group will add to the firm's stability in sales and profit margin.

5.2 Limitations and future research

In this study we focused on current and desired channel partners. We studied the efforts that fish farmers have made and challenges as well as bottlenecks they see. However, we did not focus on or operationalize their relational strategy and their relational **capabilities**. Future research may focus on these aspects. It could include initiation, building, and maintenance capabilities but also portfolio building capabilities (Haider and Mariotti 2016). It would offer extra insight in underlying mechanisms, i.e. drivers of excellent alliance management.

Future research could also look at the impact of these capabilities on progress fish farmers make, i.e. their success regarding moving closer to the market/survival or better financial performance. The exercise might explore which set of capabilities is a critical driver to financial success (see e.g., Buffoni et al. 2017).

Relationship development and alliance portfolio management clearly are important topics that need to be understood to help firms bring their new species to the market successfully and sustain their competitive advantage.

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APPENDIX A

EINDHOVENS DAGBLAD
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https://www.ed.nl/son-en-breugel/duurzame-vis-van-pioniers-uit-son-blijkt-onverkoopbaar~a67b88fc/

Sustainable fish of pioneers from Son proves unsellable

Son and Breugel –Not many fish are grown as durable as Claresse from the town of Son. Nevertheless, the pioneers in fish farming do not succeed in getting an official certified quality label: too small and unknown. Today, fish without a quality label is not welcome in the super market.
Behind the farm of the family Foolen, on a quiet local country road, three large barns are located. They are not populated by the pigs, or by chickens or cows, as one might expect, but by fish. The town of Son houses one of the largest fish farms in the Netherlands. In the back of the poorly lit barn is a water purification installation that could easily provide a small village of clean water. Splashing water crowds out the sound of the water pumps when the fish in one of the basins automatically get their feed. Within seconds the indoor pond has changed into a swirling mass of fish bodies.

At half capacity
Each of the thirty water basins has a capacity of ten thousand fish, explains Frank Fooling of Brabant Fish. But ten basins are currently empty. The fish slaughterhouse, in the rear barn, runs at less than half capacity. The demand for Claresse (a species of catfish) lags behind, explains a disappointed Foolen (25), who runs the company together with his parents and brothers Mark (30) and Geert (23). Fish farming has never been easy. But nowadays it is very difficult. Supermarkets require the ASC quality mark of sustainable fish, and we are unable to get it for our species. “Our Claresse is cultivated just as responsibly as the Norwegian salmon or Vietnamese pangasius with ASC label that are sold in supermarkets across the country”. The problem is not that there are doubts about the species or breeding method, says the organisation managing the certification process developed by WWF. “We understand Brabant Fish’s frustration. It is a beautiful, durable company. But, the standards for catfish growers are lacking”, explains commercial director Esther Luteen of the Aquaculture Stewardship Council (ASC). Our quality mark was founded only seven years ago, and complemented the long-standing MSC- quality label that exists for responsible wild catch. We first focused on the best known and available cultivated fish species, such as salmon and pangasius. The most progress in terms of durability, could be achieved here. Serious progress could be made regarding nature, but also concerning working conditions in Asian fish farming industry. We are now in the process of extending standards to more species, but progress is slow.

Conflict over grant money
Different fish farmers have been fighting over Claresse for many years. The source of conflict is the subsidies that an entrepreneur in the South of The Netherlands had received for furthering and growing tilapia. The government argued that this tropical species would not compete and thus not cannibalize the business of catfish farmers. It supported the development of tilapia with millions of euros. However, suddenly the farmer partly switched to Claresse --a crossing of two African catfish species. The grant recipient collaborated with a number of other fish farmers in the southeast of the country, including the

family Fools. Unfair competition, argued the catfish grower who had not received a subsidy, and he went to court. Does Claresse compete with catfish, is the question? According to the Claresse farmers it is not: Claresse differs in taste and structure from the original 'catfish'. However, the court ruled differently saying the two were too similar. Still the catfish farmer, who had not received, financial support lost the case. The Supreme Court did not think the tilapia farmers had done anything illegally by switching from Tilapia to Claresse farming eventually.

Crazy situation

For other fish species that are farmed in the Netherlands, such as turbot and perch, also no sustainable standard and thus ASC label exists yet. This leads to the crazy situation where growers using highly responsible methods find it ever harder to sell their fish to the market. “This is a nasty downside of certification organizations and their sustainability/quality labels”. Says Johan Verreth, professor of aquaculture at Wageningen University. “Small entrepreneurs are seriously hurt. An independent, reliable quality certificate costs money; their staff needs to be paid.”

National supermarkt chain Jumbo has now discontinued selling Claresse altogether. Consequently, Brabant Fish redirected its sales mainly to Poland and Germany. “Unfortunately also in these countries customers (supermarkets) are more and more demanding the ASC label”, says Fools. “Therefore, we are in jeopardy losing more and more clients!”

“Claresse is wonderful fish, according to the World Wildlife Fund and Stichting De Noordzee. “Farming this species has no negative effects on the immediate environment,” these organizations write in their consumer guide “Viswijzer”. “More importantly, the species hardly needs any wild fish/feed to grow. The fish is killed in an animal friendly way also using an anesthetic.”

Pure

Brabant Fish cultivate the Claresse using a closed system. Foolen: “We purify and reuse 95 percent of our water. There is no waste water and thus no effect on the environment. We do not use medication or growth promoters. Our fish cannot escape, such as from the cages in the sea in which salmon is bred.” Foolen has been begging the ASC certification organization to quickly come up with standards for catfish. ,, We want to pay, even if it costs us a bundle. We invested millions of euros in this company and we employ ten people. Without the appropriate certification or quality label, everything is at risk; we may lose everything.”

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