Supply Chain Case Study

South coast oily fish for school meals

enabling local and sustainable food initiatives

Objective

SEEDA have been investigating new market opportunities for fish landed by the South Coast small boat fishery and were keen to explore whether openings existed within the new school menu requirements for oily fish. The objective of this pilot study was therefore to clarify the demand opportunity, product development requirements and routes to market for an oily fish product. The study was funded by SEEDA via the South East Food Group Partnership.

Background

During 2005, f3 worked on a study to guide public procurement in the SE region involving research, strategy preparation and creation of an action plan. Three supply chain projects were identified as pilots, to assess whether locally produced food commodities could be developed to meet the needs of the public sector, particularly school catering operations: oily fish from South Coast fisheries; South Downs lamb forequarter meat; locally grown fruit, vegetables and salads.

The starting point for the Oily Fish project was twofold: the fishermen were looking for a more profitable outlet for mackerel and herring (Marine Stewardship Council approved); whilst new requirements for school meals stipulate that oily fish must be on the menu at least once every three weeks.

Methodology

Clarifying demand – contacts were made within all local school catering organizations within key purchaser, senior management and menu adviser roles, specifically Surrey, Hampshire, East and West Sussex. Most were very supportive of the project as it assisted them in meeting targets for purchasing local sustainable food items within the PSFPI and were prepared to advise on specification requirements. Potential volumes were estimated from each organization and their individual purchasing process and preferred supply chains were obtained. It was clear that each of the catering organizations were able to nominate the supplier to their existing catering partners (Brakes and 3663).

Product Development – consensus on the type of product to be developed was fairly straightforward in that all caterers suggested incorporating oily fish into a frozen fishcake to give portion control, ease of cooking and holding and eliminate shelf-life issues and potential wastage.

Several product development partners were considered (Leatherhead, Reading, Brakes) but the choice of Castle Kitchens, a food manufacturer in Sussex, resulted in both the development process and the manufacturing scale-up being handled by the same team. Several concept samples were developed to a specific brief, which stipulated minimum omega 3 content, this being determined after consultation with a school catering nutrition advisor. Taste panels with primary school children took place with three formulations, the

favoured product was then sampled to nominated schools in Surrey, Hampshire, East and West Sussex.

Raw Material Supply – it was quickly established within the product development stage that de-boned, eviscerated and minced frozen blocks of raw material were required to give a stock of usable fish for manufacturing of the fishcake. Several combinations of pelagic fish were considered, taking into account fishing quotas, ease of processing and cost, which resulted in Joey (small) mackerel being the best option. A fish processor on the south coast was identified who was then given assistance in obtaining grant funding for a de-boning machine.

Investment Requirements

The project has required funding for three key elements:

Facilitation process – by commissioning f3 to act as facilitators for the process, the project maintained momentum, with key partners identified and brought on board at strategic stages. Using knowledge of product development processes, supply routes and understanding of the public sector purchasing process, f3 were able to act as impartial advisors to all stages of the project.

Product Development – this stage was funded as part of the project to allow the ownership of the recipes and production process to remain in the hands of SEFGP/SEEDA, in the event that manufacturing of the product was to take place with an alternative partner.

Primary Processing and Freezing – grant funding has been identified for a de-boning machine, which is fundamental to the project. Funding for the balance of the cost is required by the processor, which has required a degree of vision to understand the opportunity available.

Outcomes

Three county caterers are expected to list the product on their menus from Sept/Oct 2006, with a fourth becoming involved from April 2007.

Volume estimates of raw material are expected to be in the region of 4-5 tonnes of processed mackerel, equating to 6-7 tonnes of landed fish during the autumn season of availability from the South coast. It is unlikely the full requirement will be met by MSC approved fleet due to quotas and processing capacity.

When operational, the new market for this fish may tip the balance of business viability for the fishermen, whilst also creating a 'low food miles' solution to a nutritional requirement to ensure better health for children.