



[10 tips for doing business with European buyers in the fish and seafood sector](#)

The fish and seafood sector is a suppliers' market. In other words, there is more demand than there is supply. This puts you in a strong position as an exporter to Europe. However, navigating this multicultural, multi-national market can be rough sailing. Follow the tips below to help you do business in Europe.

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1 . Research your target market

The European Union is the largest importer of seafood in the world and is increasingly dependent on imports from other countries. Europe is thus an important geographical target for your export business, but it is also a complicated one. The European market comprises Member States of the European Union and Member States of the [European Free Trade Association](#) (EFTA). The Member States of the EFTA are Iceland, Liechtenstein, Norway and Switzerland. Combined, these form the largest seafood market in the world in volume as well as in value.

Before you start doing business here, you will need to identify where the demand for your products is, which countries to target, which channels to use, what the main trends are and which requirements European buyers have. You will find out by doing thorough market research.

There are many useful sources available online. In addition, familiarise yourself with the market at trade fairs.

Tips:

- Use the CBI website for [more detailed market information on fish and seafood](#). Look under the heading "Promising export products" for more information on your particular product.

- The [Food and Agriculture Organization of the United Nations \(FAO\)](#) published figures for 2014 which ranked the main importing countries for fish and seafood.
- The European Market Observatory for Fisheries and Aquaculture Products (EUMOFA) with its yearbook "[The EU fish market - 2017 edition](#)" gives you a great overview of all recent import and export figures overall or per country. On the same web page, you can order a monthly update of the figures.
- You can also look into details of individual countries, e.g. [the Netherlands](#), [Germany](#) or the [United Kingdom](#).
- Details regarding trade between member states of the European Union and third countries can also be found in the [Facts and Figures on the Common Fisheries Policy from the European Commission \(see page 37\)](#). This information goes as deep as disclosing price structures for certain EU products, e.g. [canned tuna in Spain](#).
- Find out more details in CBI's report on [How to find buyers in the European fish and seafood sector](#).

2 . Comply with buyer requirements

Europe has a highly structured legal framework which governs food safety, food production and imports. Your products have to comply with these demands before they will be accepted by European buyers. This is known as compliance.

You also need European Union (EU) approval from the [Directorate-General for Health and Consumer Protection of the European Commission](#). You can apply for approval through your national authorities. The competent authorities in your country are the only parties able to put you and your business forward as a candidate for EU approval.

Buyer requirements are made up of mandatory European legislation and standardised food safety practices. Many distributors, caterers and retail chains will also take additional measures to ensure compliance and will expect you to do the same.

Tips:

- Look at [CBI's study of buyer requirements for the fish and seafood sector](#) for a good overview of what you need to do and which EU legislation you need to comply with.
- Read [CBI's fact sheets on promising export products for exporting fish and seafood to Europe](#).
- Make sure that your products comply with European Union (EU) regulations. Otherwise, they will be rejected by customs authorities.
- Be aware that correct labelling is part of these regulations. Use for orientation "[A pocket guide to the EU's new fish and aquaculture consumer labels](#)".

3 . Be aware of contracts, agreements and terms of payment

Many European buyers will expect to draw up a supplier contract with you. Well-defined agreements in these contracts will protect your business and help you to provide your buyers with a

sense of reliability and professionalism.

Some buyers may be satisfied with just email exchange; however, even if your buyer does not want a contract, it is in your interest to have one.

Contracts or framework agreements act as a reminder and a record of what you need to do. They also form the basis of legal proceedings should either you or your buyer breach the agreements. It is not easy, but you can enforce contracts in Europe.

Fish is a perishable product. This means that transfers of fresh fish, for example, have to happen quickly. If there is no time to draw up a long contract, make sure to have signed a framework agreement which you can add to each time that you do business with the same buyer. Make sure that you leave room for changes in relation to quantity, price and delivery times, as well as perhaps transport.

Contracts need to include agreements on the following:

- quantity;
- price;
- your participation in transport by Incoterms. [Incoterms®](#) are pre-defined commercial terms or rules published by the International Chamber of Commerce. These will help you to communicate your tasks, costs and risks involved in transporting and delivering your goods. The most recent terms are the Incoterms 2010;
- quality description;
- delivery time;
- duration of contract;
- packaging – this will be according to buyer’s request or with his agreement;
- labelling – ask your buyer what their specific requirements are;
- terms of payment – the most common way to trade is through L/C (Letter of Credit). Partial pre-payments and cash against documents are also common payment practices. All payments go through banks;
- legal jurisdiction – choose which national law is applicable to your contractual agreements. Agree this with your buyer. It may be more favourable to choose a European country. You can also choose arbitration by a Chamber of Commerce. This is often faster and cheaper. In that case, the legal jurisdiction would be: [Amicable arbitration by the International Chamber of Commerce](#) of “the city of your choice”.

Tips:

- Make clear agreements from the start. Court cases are always unpleasant and expensive. Most of them occur because the conditions of the agreements are not clear from the beginning.
- Make sure to agree payment terms up front.
- Always deliver what you promise. If changes in delivery are inevitable, make sure that they are communicated/agreed on in writing.
- Consider this [model contract for small firms from ITC](#) as orientation and help with drawing up contracts.

4 . Carefully select transportation and logistics solutions

Choosing how to transport your goods is an important part of doing business with Europe. Most fresh fish is transported to Europe by air. Some is shipped by fast-track containers and extremely

fast container ships, but so far only from the USA to Europe.

Product characteristics and client preferences determine logistics. Ask yourself which method of transport is most suitable for your products. Which airline should you choose and what type of containers are available? What temperatures do you need? What size of container is optimal for fish and possible cooling elements? What is expected/required at the receiving end, also considering further logistics? As deciding on these questions is a major task, it may be part of negotiations and contracts.

You will need to find out what the most direct routes are for transit, as well as to develop experience in transporting temperature-sensitive goods. Where, for example, are the transfer hubs? What weights are accepted by forwarders in the country of destination?

Most buyers will have a preference and want to determine the [Incoterms](#)[®] (International Commercial Terms) for transport and delivery. Make sure that you understand the risks and costs involved, and make your own preferences clear to your buyers.

Tips:

- The most commonly applied [Incoterms](#)[®] are C&F (Cost and Freight) or FOB (Free on Board). The Incoterms and the destination must be noted in the contract (if not FOB/FOT).
- Be aware that transport prices are often determined by the content and value of the product. Get more than one quotation before closing any deals.
- Make sure that you insure your products properly; most damage to temperature-sensitive goods occurs during transport.
- Use temperature-time monitors in the container to help monitor for damage.
- Find out the quantity, volume-to-weight ratio and traffic regulations in the country receiving the goods and the country of destination. These may determine the weight of your containers (e.g. maximum weight in road traffic) and length (e.g. 20 or 40 foot).
- Determine the temperature of your container in the freight contract. Frozen fish is usually transported in reefer containers at a minimum temperature of -18°C. -18°C is the temperature at which a product can be declared deep-frozen. For safety, and at a buyer's demand, you may have to transport at a lower temperature; e.g. -21°C.
- Note that for sashimi in Europe, transport at -60°C is available. Often, local logistics and cold stores cannot handle these temperatures. Discuss with your buyers before you go that route.

5 . Look out for technological developments in your field

The fish and seafood sector is relatively conservative. Innovation can be found in secondary fields such as packaging, logistics and services. There are also developments in processing machinery, but most innovations are based on evolution – minor improvements on existing technologies – rather than invention. However, some minor changes can make a large difference; for example:

- computer-monitored blast freezers or smoking machines;
- photo-eye-monitored cutting devices portioning a 2-kg fillet into 10 even pieces of 200 g, while the width and thickness of the fish vary between middle and end parts;
- automatic weight selection for e.g. 2-kg packs with 12 items;
- ice production with better distribution of cooling media and better energy usage;
- energy-saving cold store compressors and factory lighting;

- space-saving and partly computer-controlled cold store logistics;
- increasingly smooth defrosting methods to improve quality and reduce drip water loss;
- more organic additives for water binding;
- waste reduction on attractive and functional packaging.

Tips:

- If you are planning to invest in technology and building, it is worthwhile to research existing technologies. In other words, see whether your offer complies with the latest technological developments and prices.
- Check the purchase price for new technologies, but remember to weigh up the cost of maintenance and the cost of consumables as well to calculate the total cost over time.
- Recent innovations and new practices have recently been applied to prevent colour change of product or bind water to fillets. These materials might have to be declared on the label and you need to make sure that their application is legal.

6 . Choose the right price and the right channel

Generally speaking, price trends in fish are governed by the worldwide supply and demand. The availability of raw materials is much more relevant in this respect than regional economic developments.

Before entering your chosen market, it is a good idea to be aware of your own raw material sources. This very much determines the country on which you might focus. You will find good indications of what is expected from the different markets in respect to this in [CBI's studies of promising export products](#).

For a newcomer on the market, it is wise to find a good wholesaler or trading partner to gather experience and background knowledge of the market.

It is also important that you choose the right market channel. Reflect on your production capacity, the state of your factory and the status of your certification.

Many retailers, for example, request certification from [BRC Global Standards programmes for safety and quality](#). [International Featured Standards \(IFS\)](#) is another certification authority recognised by retailers in Europe.

Choose to whom you want to sell; if you sell raw materials, you have to sell to wholesalers or processors. The closer your product gets to “ready-to-eat” processed products for direct consumption by the consumer, the higher your chances are of selling to buyers in retail, and the higher your returns and margins – but also your risk.

Tips:

- Research [reliable sources for price and market trends, such as Globefish](#). (You have to become a member to receive constant updates on prices.)
- Gather price information on the internet and from printed media; for example, at [FIS](#) or [Sea-ex](#).
- Try to find out background information and current developments from more than one buyer before closing a contract.
- Read [CBI's report on market channels for help in choosing the right market channel](#).

- Find out [more about market channels in CBI's studies of promising export products](#). These also give good indications of what is expected on the different markets.
- Investigate certification from authorities such as [IFS](#) and [BRC Global Standards](#).

7 . Choose a product with potential for margins

Less-processed products usually fetch small margins. More value-added products can realise higher margins or more secure markets. In the fish sector, more than two thirds of the value is generated in secondary production, logistics and marketing. Consequently, you thrive to develop a product as close to the consumer market as possible. However, you need to be aware of the increased risk involved in getting closer to ready-to-eat products, since tastes are regionally specific. Make sure that you do thorough research and have good advice or a local partner when going that route.

Tips:

- Read [CBI's report on Fish and Seafood](#).
- Always verify print information in discussion with your direct marketing partners before taking investment decisions or contracting.

8 . Build a good image for your company

Consumers in Europe are looking for products which support social and environmental issues such sustainable fishing. If you do not support these issues with your products and processes, it will be harder for you to sell successfully to European buyers.

The only way to be seen by buyers is to build up a good reputation for yourself. You want buyers to think of you as reliable, experienced and sustainable. Bad news always travels quickly, so it is important that you are clear and transparent with business partners.

It is also a good idea to attain certification for primary and secondary production (sustainability, management (ISO), food safety standards). ITC's [Standards Map](#) provides information on 170 standards, codes of conduct and audit protocols that deal with sustainability hotspots in the global supply chain.

[CSR - Corporate Social Responsibility](#) is an increasingly important theme for retail. It claims to source from accordingly responsible sources. You can increase your image by developing a CSR roadmap for your company and sector.

Ensure good information management. Call on national sector associations for country-specific information. They can also help you to get into contact with relevant government organisations.

Tips:

- [Get certified](#): you can think of certification for sustainability ([MSC](#), [ASC](#)), management (ISO) or food safety standards ([BRC](#), [IFS](#)).
- Be transparent; provide well-researched background information to buyers.
- Be knowledgeable; use sector associations to find out about your sector.

- Help to build a good reputation for your country as well as your business. Remember, once an image is ruined, it is expensive to rebuild it. If your country has a bad image, this can affect how your potential buyer views your company. Earning trust can take a long time.
- Develop your CSR Roadmap for seafood jointly with CBI, following the example of its [Tropical and Exotic Fresh Fruit \(TEFF\) project](#).

9 . Be professional, honest and transparent

Professionalism is important when doing business with European buyers. This boils down to understanding what your buyer wants, and communicating with them clearly and honestly.

Most buyers will resell your products to a retail organisation. These organisations have enormous buying power and can impose severe penalties if something goes wrong further down the supply chain - a failure to deliver, for example, or wrong deliveries.

If anything does go wrong, you need to tell your buyers as soon as possible and try to offer an alternative solution. Prove your reliability, good communication skills and high levels of service. This will work to your advantage and to the potential for flexibility on price in future.

Tips:

- Do not make promises that you cannot keep.
- Make written agreements and draw up contracts with buyers.
- Deliver the quality, packaging and labelling that you have agreed with your buyer.
- Communicate clearly on delays.
- Communicate problems as quickly as possible (smaller catch, different sizes, problems in the factory, and so on). Phone your buyer and send them an email as soon as you become aware, and offer an alternative solution. Amend the changes agreed in your contract and send it to your customer.
- Be on time for meetings.

10 . Be aware of differences in business cultures

All of the countries in Europe have their own languages, but the most commonly used language for business and trade is English.

You can expect your buyers to be well travelled. They may even have been to your country and be familiar with your culture. As such, they will expect the same from you. [Familiarise yourself with the different cultures in Europe](#) through [CBI's Export Manual](#), especially in the countries that you intend on targeting.

Similarly, most countries have their own ways of doing business. In many countries in the southern hemisphere, for example, communication by smartphone is highly acceptable. This results in short sentences on small screens. Many European buyers have adapted to this style, but also expect to provide information and communication using emails, letters and telephone.

Tips:

- Go to the [Business Culture](#) website for more information on cultural differences.
- Communication using smartphones is often highly acceptable, but many buyers still expect information and communication using emails, letters and telephone.
- After conclusion, always summarise what you agreed upon in an email, ideally in a PDF attachment.

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