

From niche to volume with integrity and trust CASE STUDY FACT SHEET

Kiuruvesi - Finland

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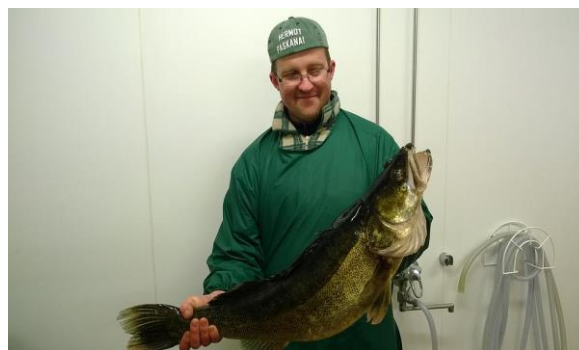
General introduction

Järvifisu (in English: Lake Fish) is a general partnership enterprise with two owners. The core business is fishery and raw material production. The enterprise was founded in 2010 as a response to the realized deficiency of good quality fresh lake fish in a region, where there are abundant lakes with clean waters and with no aquaculture.

The customers are municipalities, local retail stores and restaurants in the region. The values that differentiate the Järvifisu fish from that of other producers in the market are the quality, especially the freshness and the local origin of the products. The competitiveness of the business is based on the high demand for fresh lake fish and on the high quality of the Järvifisu products. There is no organic certification for lake fish. The initial product range of Järvifisu was only fillets of a couple lake fish species. Gradually the choice has been expanded to new fish species and, in addition to fillets, also scaled and gutted fish are sold. Today the major item is raw pike mass produced mainly for the municipal customers. Various fish mass products have been kept in the repertoire, although processed fish products are not the main interest.

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Järvifisu is a good example of co-operation between a public actor – the municipality - and a local small enterprise. It illustrates the significance of the public customership in providing a protected space for the small enterprises to develop their activity and to improve their competitive position when trying to get foothold on the highly concentrated Finnish food markets. It is also an example of the difficulties the small enterprises have in establishing customership with the market leaders.



One of the two owners of Järvifisu, Pekka Jauhiainen holding a 7 kg zander.

Organization and business idea

The two owners run the business together, and they also make the decisions. They take care of the pre-processing (scaling, gutting, filleting), packing, fish mass production, sales, accountancy, statutory sampling and even of the logistics to the customers. Both owners also still fish, too. Today the company has one permanent contracting fisherman, but during the fishing season, the number of fishermen is manifold, up to 20.

“The quality is not compromised. We do not use wholesalers.”

(Pekka Jauhiainen, one of the two Järvifisu partners, on the business idea)

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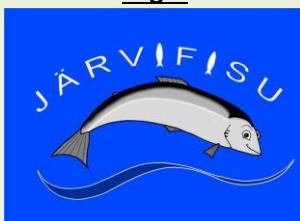
General partnership enterprise with two owners

Date of foundation:

2010

Homepage:

www.jarvifisu.com

Logo:**Turnover:**

The trend is shown in the graph (as the enterprise did not want to provide actual numbers, the graph just indicates the trend)

Product range:

Raw fish mass, fresh lake fish: cleaned round fish, fish fillets, lake fish soup cubes

Number of employees:

1 permanent contracting fisherman, during season up to 20 fishermen

Distribution channels:

Municipal catering services, local retailers and hotels & restaurants

Google hits:

697 (28 April 2015)

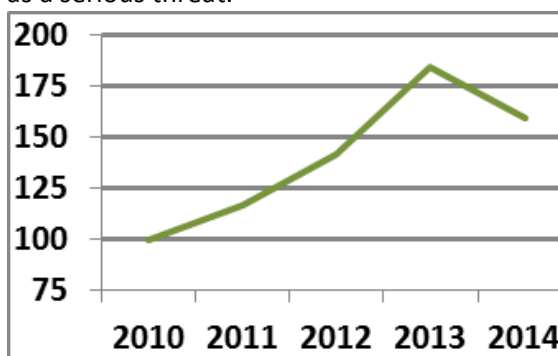
The key strategic foci are high quality products, customer service, regional production basis, traceability, trust-based long-term business relations and environmental performance, which refers to the operational environment of the company: clean lakes is the basic requirement for viable fisheries, and the strict regulations protect the fishing areas from overfishing.

The competitive force in negotiating with the market leaders is the short supply chain. There is high demand for fresh lake fish, and the customers appreciate the positive impact Järvisu has on regional economy and on the image of Kiuruvesi municipality as the local food pioneer.

The municipal customers comprise about 85% of the sales. The customership features also co-operation in terms of product development in view of the needs of the municipal catering services. The long-term contracts with the municipality allow leeway for the partners to plan their activity, and the regular income has carried the company over the quiescent periods which are unavoidable in a business that is highly seasonal by nature.

The Järvisu partners are aware that overall demand for fish could be increased, if fresh fish was processed into different food items and ready-made meals. The partners will, however, even in future focus on fishery and production of raw material. There is also capacity to increase the volume with the present company structure. Järvisu is open to co-operate with other entrepreneurs focusing on further processing and product innovations.

The major threat for the fishery business is the fact that the interest in professional fishing is low, and the age of the present practitioners is already quite high. Because of the customers' appreciation of the superior quality of the fresh lake fish and local economy, the competition from the cheap imported fish is not considered as a serious threat.



Development of turnover (Numbers only indicate the trend)

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