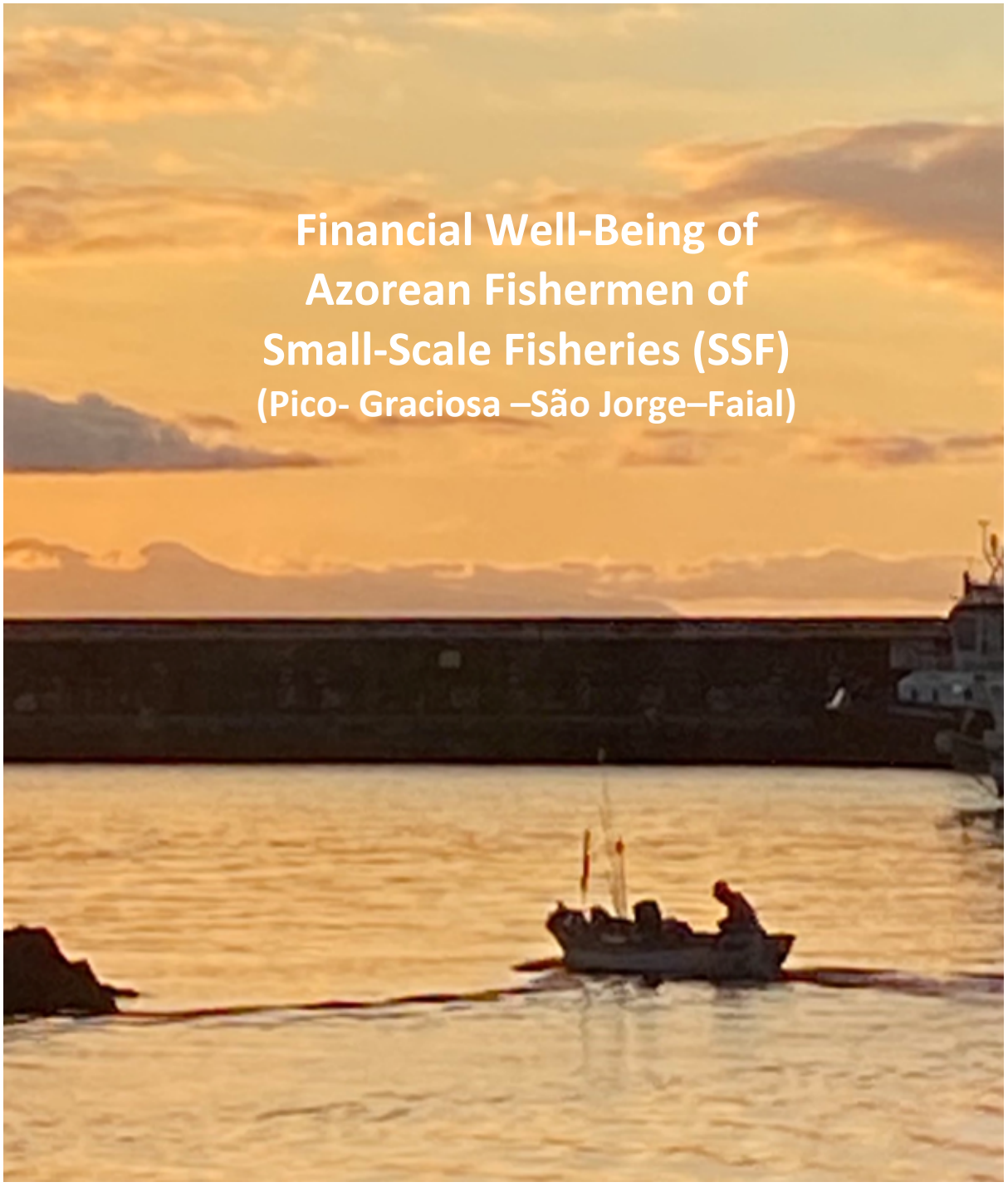


Financial Well-Being of Azorean Fishermen of Small-Scale Fisheries (SSF)

(Pico- Graciosa –São Jorge–Faial)

FISHERS REPORT

September 2020

Governo dos Açores

FPA FEDERAÇÃO DAS PESCAS DOS AÇORES

OKEANOS

This report was made on purpose to demonstrate the financial state of the producers and of each production unit. It came clear that there is the need to better integrate the financial model, costs, and revenues to the management of each individual organization. With this validated data its perceptible that there is space for improvement in the management of the fishing effort and fishing manpower.

RESULTS

Here are the results that we were able to calculate using DRP data for our four (4) islands, to compile existing data and draw a first portrait of the financial framework.

Financial Framework Results

By using the available data of landings, essential to the calculations of the financial model. It can be seen the average landings and profits per island, average number of landings and estimate the average income of a fisher in each island. This is important, because it will vary in between island due to the different target species, different gears, and different fleet segments. By identifying the active workers through the social-demographic study, and the distribution of each by fleet segment and articulation the information of the landings, the boundaries of the Financial Well Being were determined.

SUMMARY OF LANDINGS FOR 2017-2018-2019 (4 Islands)

	3 YEARS		PER YEAR										3 YEARS
ISLAND	WEIGHT (kg)	VALUES € (3 Years)	VALUES PER YEAR €	PRICE REF (€)	NUMBER OF SPECIES	FISHERS	REVENUES PER FISHER	NUMBER OF BOATS	REVENUES PER BOAT	AVERAGE LANDINGS PER YEAR	WEIGHT PER AVERAGE LANDING (kg)	REVENUES PER AVERAGE LANDING (€)	NUMBER OF TRANSACTIONS (SALES) FOR SPECIFIC SPECIES
SÃO JORGE	877 286,2	€2 550 231,31	€850 077,10	€2,91	60	55	€15 455,95	27	€31 484,34	41,5	61,2	€358,80	5 678,0
PICO	5 457 969,2	€11 583 445,67	€3 861 148,56	€2,12	76	110	€35 101,35	142	€27 191,19	49,5	96	€428,18	17 032,0
GRACIOSA	427 704,4	€3 838 895,37	€1 279 631,79	€8,98	65	100	€12 796,32	33	€38 776,72	65,5	79,,4	€664,94	7 676,0
FAIAL	1 238 910,1	€8 512 088,88	€2 837 362,96	€6,87	77	170	€16 690,37	51	€55 634,57	29,6	2 398,6	€4 958,52	11 253,0
TOTAL	8 001 869,9	€26 484 661,23	€8 828 220,41	€5,22		435		253					41 639,0
Source DRP													

DATA SOURCE DRP (FRAGA, 2019).

Financial Survey for fishermen

The survey made in the four islands, with 36 participants, with the main active workers of the fleet, observable in Table 1.

Table 1 – Resume of the fisher's survey, in Graciosa, São Jorge, Pico and Faial.

CREW	Shipowner	Shipowner – Captain	Captain	Sea Crew	Land Crew
	22,2%	66,7%	11,1%	0%	0%

FLEET SEGMENT (METERS)	< 6	6 to 8	8 to 10	10 to 12	12 to 15	> 15
	19,4%	41,7%	33,3%	5,6%		
NUMBER OF SEA CREW	1	1 or 2	>2			

NUMBER OF TRIPS PER YEAR	< 10	11 to 24	25 to 36	36 to 52	53 to 104	>105
	0%	17%	2%	14%	31%	36%

TRAVELING HOURS PER DAY AT SEA	1 h	2 to 3 h	3 to 4 h
	17%	50%	31%

FISHING HOUR PER DAY AT SEA	2 to 3 h	2 to 3 h	3 to 6 h	> 6 h
	3%	50%	6%	69%

AVERAGE REVENUES PER YEAR	< 6 000€	< 10 000€	< 15 000€	< 20 000€	< 30000€	< 50 000€
	15%	19%	11%	14%	17%	24%

EXPENSES PERIOD FOR MANAGEMENT	Per Day	Per Week	Per Month	Per Year
	17%	53%	25%	5%

MAIN OPERATION EXPENSES	DIESEL	BAIT	BOAT MAINTENANCE	GASOLINE
FIX EXPENSES ± 20%	ALL VESSELS			

FINANCIAL MODEL TO ESTMATE EXPENSES AND SALARIES

The Model can be used for estimate level of expenses and calculate salaries using 3 shares of 33% each. When using the Excel, its able to estimate revenues and calculate salaries per year per month or whatever the need to simulate revenues and proportional costs, and salaries. But also estimate the operational expenses and other simulations.

FINANCIAL MODEL	June 2020		
Fleet Segmente 6-8 metros			
	Number of Landings	56	POR ANO
	Average Revenue per Landing	€531,25	PER LANDING
	Average price per kilo	€8,50	
	Number of crew (Including Captain)	2,0	KG
	REVENUES	€29 750,00	3500,00
	EXPENSES		
	OPERATION EXPENSES	€	%
	Food	€892,50	3,0%
	Gaz	€89,25	0,3%
	Diesel fuel	€1 487,50	5,0%
	Oil	€208,25	0,7%
	Ice	€476,00	1,6%
	BAIT	€1 547,00	5,2%
	Salt	€0,00	0,0%
	Areia	€0,00	0,0%
	Other Expenses	€595,00	2,0%
	Total Depensas for Operation	€5 295,50	17,8%
	FIX EXPENSES		
	Selling House (Lota) (4%)	€1 190,00	4,0%
	Social Securidade (10%)	€2 975,00	10,0%
2,0	Insurance for Defiecency and Mortality Insurance for Accidents and Responsabilities	€1 306,90	Per member 653,45€
	Boat Insurance	€0,00	0,0%
Variable	Associations (0,5%)	€148,75	0,5%
	Transport (car or truck)	€148,75	0,5%
Variable	Accouting (15€/month)	€180,00	0,8%
	Total Fix Expenses	€5 949,40	15,8%
	MAINTENANCE		
	Deck and Hull	€743,75	2,5%
	Engine	€446,25	1,5%
	Fishing Gear	€148,75	0,5%
	Equipmento Poerações (Cordas- Fenders)	€89,25	0,3%
	Electrionic	€89,25	0,3%
	Equipement Update	€148,75	0,5%
	Hydrolic System	€238,00	0,8%
	Other Expenses	€297,50	1,0%
	Total for Maintenance	€2 201,50	7,4%
	TOTAL EXPENSES	€13 446,40	41,0%
	REVENUES AFTER EXPENSES	€16 303,60	
	SUBSIDIES		
	POSEI: 0,50€/Kg for specific species	€1 750,00	€0,50 per Kg
2,0	Insurances for Invalidity or Mortality	€400,00	200€ per member
Variable	Fishery Fund	€300,00	Not for All Fishermen
	TOTAL Subsidios	€2 450,00	For Shipowner

SALARIES (3 Shares)		
Trêrs parte	€16 303,60	Maintenance Surplus
Shipowner	€5 434,53	€2 201,50
Captain	€5 434,53	
Crew	€5 434,53	
Total	€16 303,60	
Shipowner-Captain	€10 869,07	
Crew	€2 717,27	
Crew	€2 717,27	
Total	€16 303,60	
Percentage (%) of Revenues for Salaries	55%	

SOCIO DEMAFRAPHIC OF OUR 4 ISLANDS

A more detailed look at the socio demographic portrait of our four (4) islands we can observe that only **3,9%** of the population of fishers are between **15 to 24 years old, when** compared to 150 Azorean fishers for the region the Azorean Region that only has **7,8%** for the same age group. For our four (4) island for the same group of age we have only 3,9% of fishers, a total of 17 fishers. The average age in this sample is considerate high, since the younger strata will be in twenty-five years the future workers of the sector.

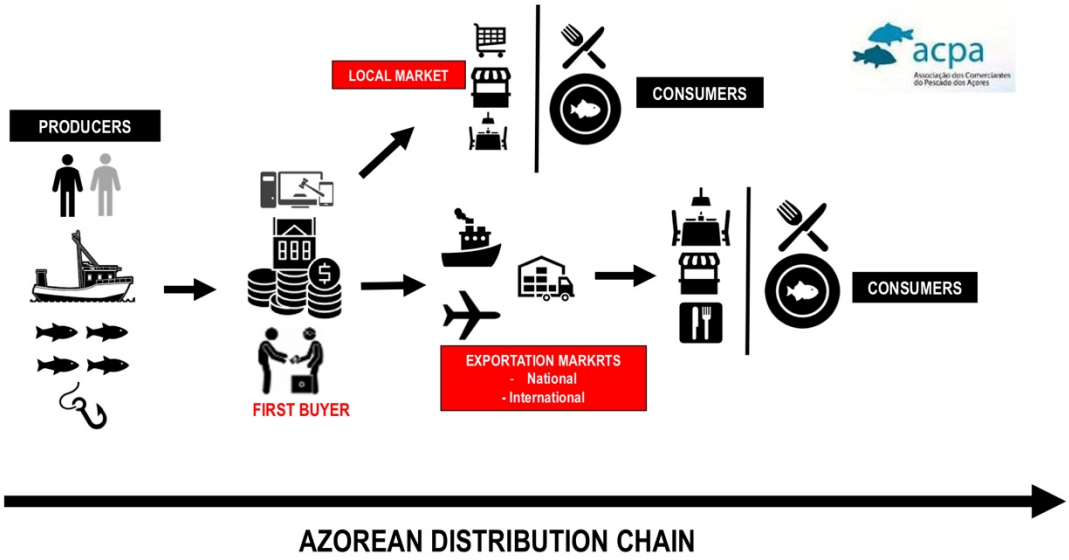
Sociodemographic data for the active fishers in Azores (2019)

FISHERS DEMOGRAPHY 4 islands											2019
					GROUPS OF AGES						
Island of Operations	MEN	WOMEN	AVERAGE AGE		15-24	25-34	35-44	45-54	55-64	65	TOTAL
GRACIOSA	14	86	Average	42,0	4	25	30	25	13	3	100
FAIAL	22	148	Average	46,2	9	21	42	49	41	8	170
PICO	8	102	Average	48,8	3	12	23	33	30	9	110
SÃO JORGE	6	49	Average	54,2	1	1	4	20	22	7	55
SUB TOTAL	50	385		Total	17	59	99	127	106	27	435
	11,5%	88,5%			3,9%	13,6%	22,8%	29,2%	24,4%	6,2%	
TOTAL	435		Average Age	47,8							

DATA SOURCE: DRP (FRAGA, 2020))

AZOREAN DISTRIBUTION CHAIN

We are presenting a brief description summary of the Azorean Distribution chain and the repartition of the profit along each market buyers.



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CONCLUSION

According with our main objectives, we were able to gather and delimit the financial boundaries for the socio-economic wellbeing of the fishermen in a small-scale fishery as well as applying to evaluate financial issues for costs and profits analysis. At the same time, we manage to describe the distribution chain is possible to understand where profits are allocated.

Now with this data, the financial model can be applied to each production unit in order to better manage the financial aspects of the operations. Specially comprehend the distribution of costs and its optimization tracing by the identified economic indicators that will be helpful to the producers, and management of the production units in order to obtain more profits.

We would like to express gratitude to all the participants into our Case Study regarding Financial Well Being for Fishermen and share a resume of our results following our inquiries on Pico, São Jorge, Graciosa, and Faial island. With special attention and gratification to Governo Regional dos Açores, Direção Regional das Pescas and Federação das Pescas dos Açores, that made this study possible, particularly to demonstrate the financial state of the sector and its active members.

FPA TEAM
August 2020
