

Raw materials from the Baltic, Challenges for feed producers

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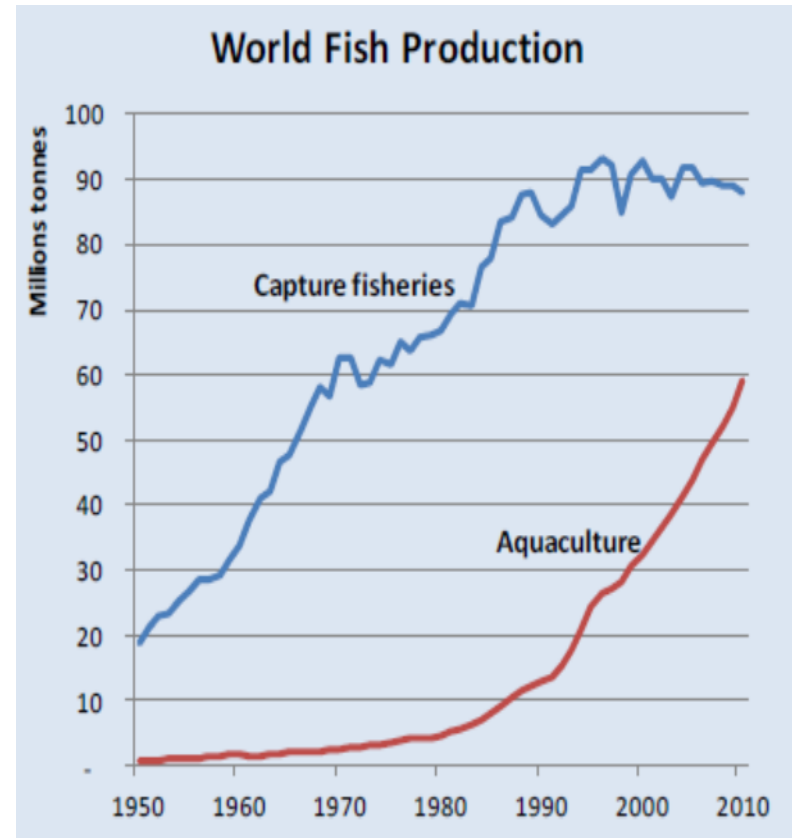
17.10.2012

Possibilities and/or challenges for aqua feeds in the Baltic region?

- Production in Finland 10.000 tons (not growing) and approximately 12.000 tons in Sweden (growing), Russia (St Petersburg region, gulf of Finland, growing fast (500-1000 tons)).
 - (Estonia, Latvia, Lithuania Poland and Germany smaller volumes, Denmark larger, production mainly in freshwater)
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Aqua feeds in the Baltic region

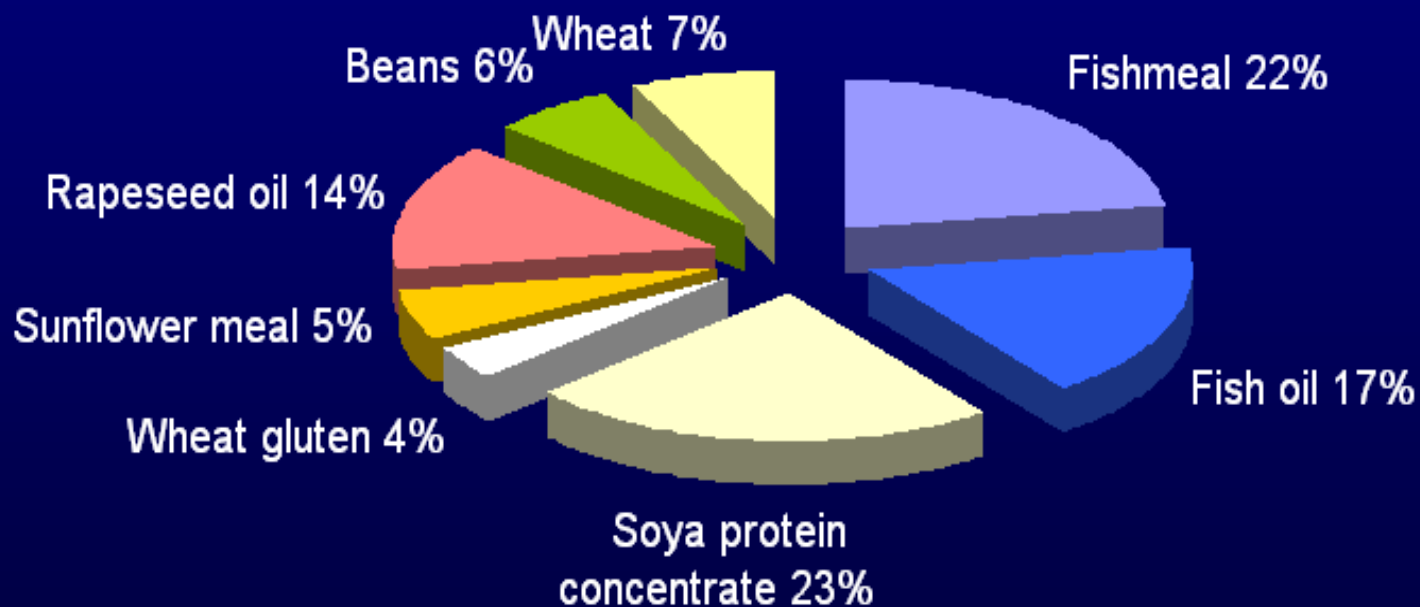
- Main volume (> 75%) of fish feeds used in the Baltic is trout feeds, size 5 mm or larger
- Dramatic change in raw-materials during last 20 years
(Aquatic raw-materials substituted with vegetable raw materials.)



Source: FAO FISHSTAT

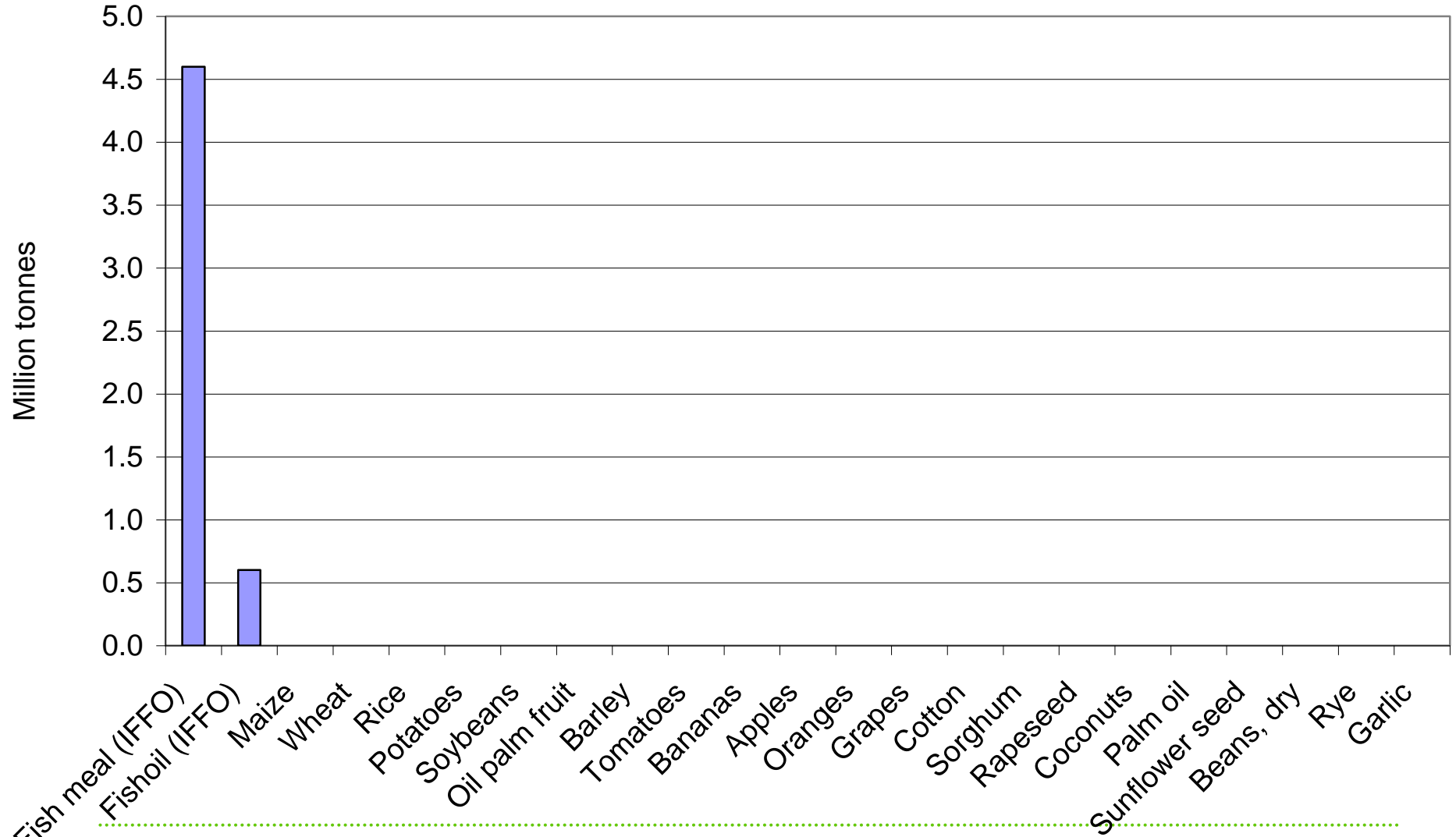
Salmon feed in Norway anno 2010

Marine raw materials = 40%



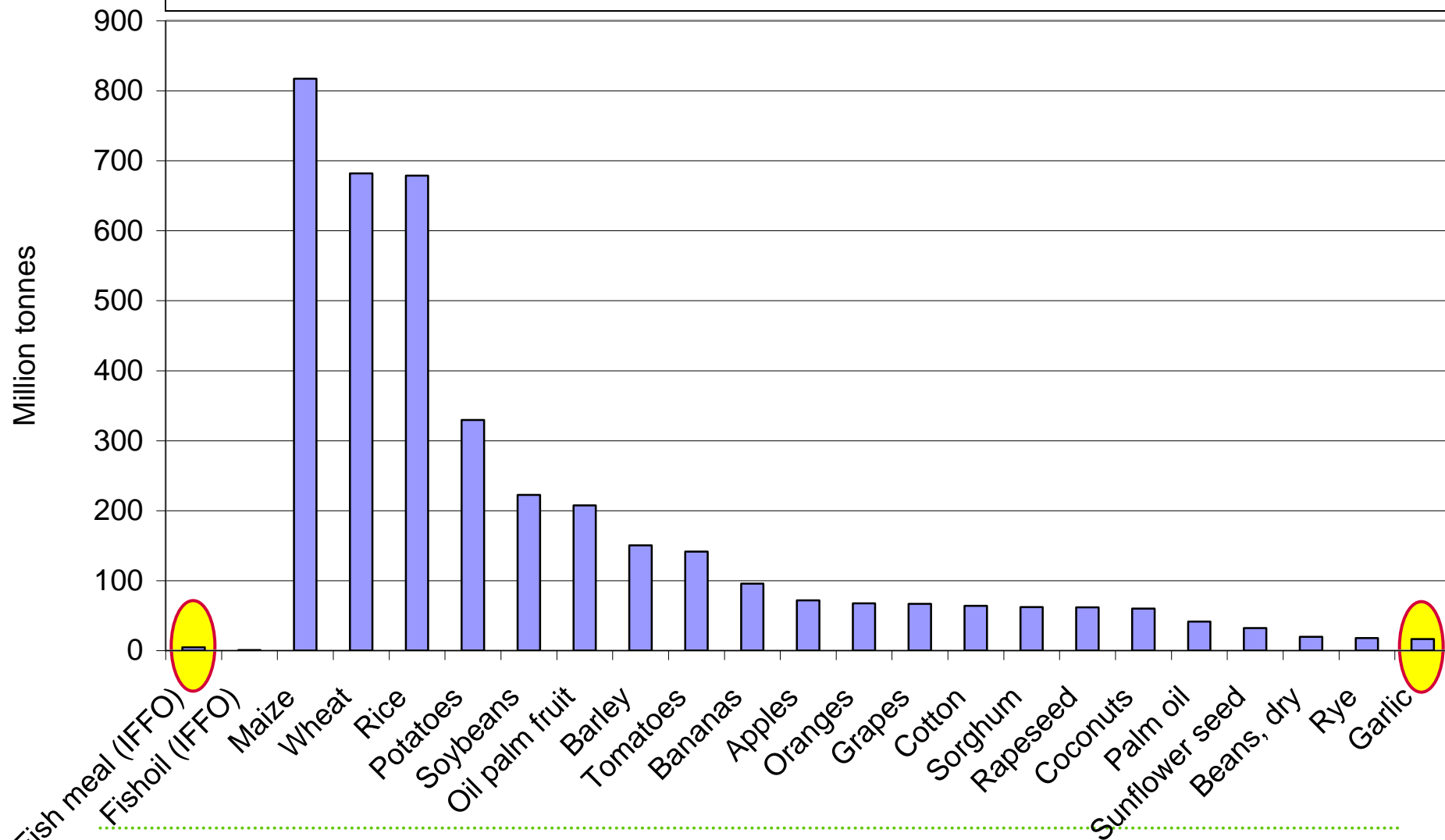
Availability

World Crops 2009 (FAO)



Availability

Availability of Garlic is 3 times higher than Fishmeal... 😊!



Baltic raw-material need and sources

- FCR average 1,2 → Baltic feed demand around 26.000 ton (protein level normally 35-40 %)
- With a fishmeal inclusion of average 20 % = 5.200 tons of fishmeal consumed (FiFo also in balance!)

Do we have an extra 25.000 tons of herring, “nutrient removal fishing” and mussels ?

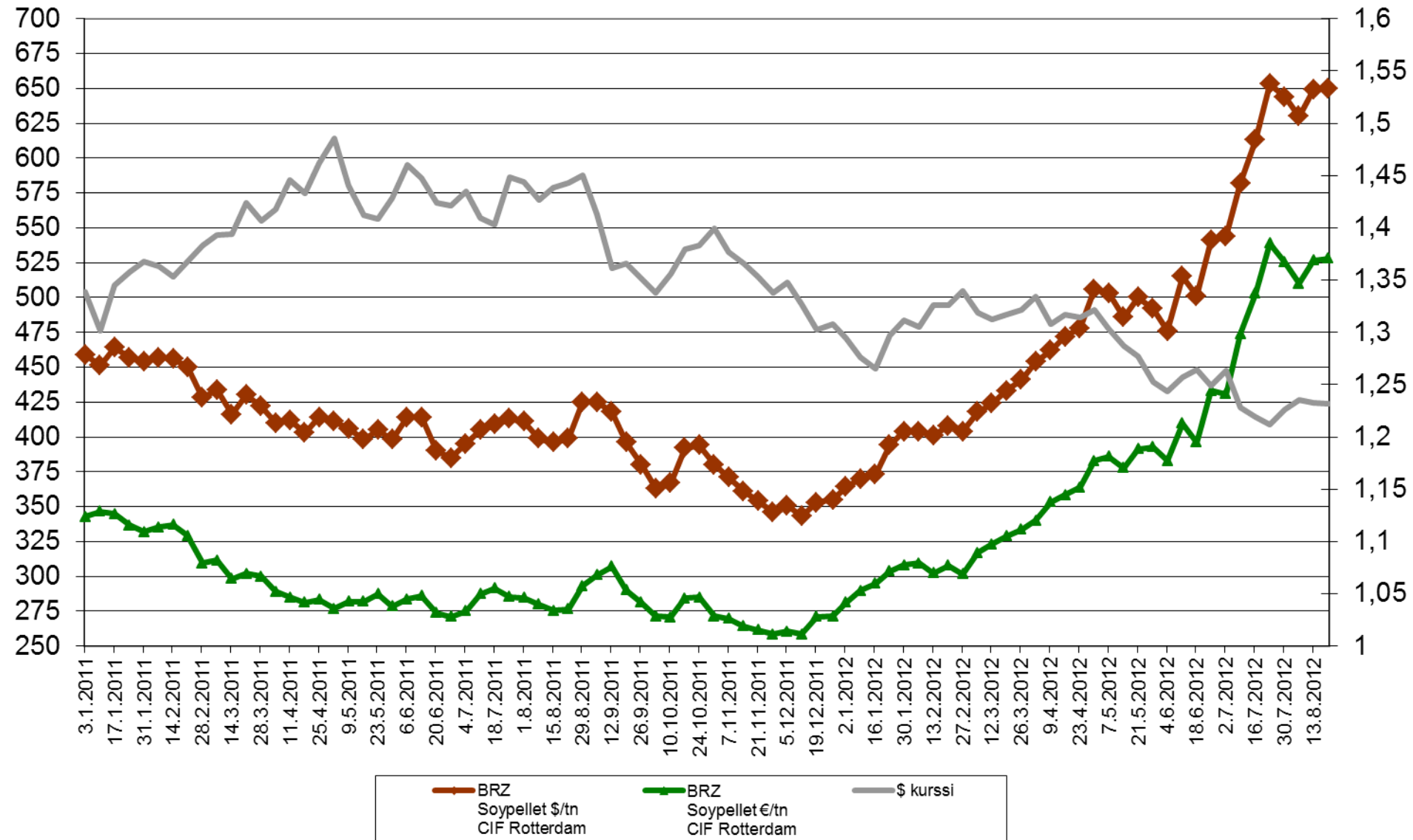
(if yes, what is the price?)

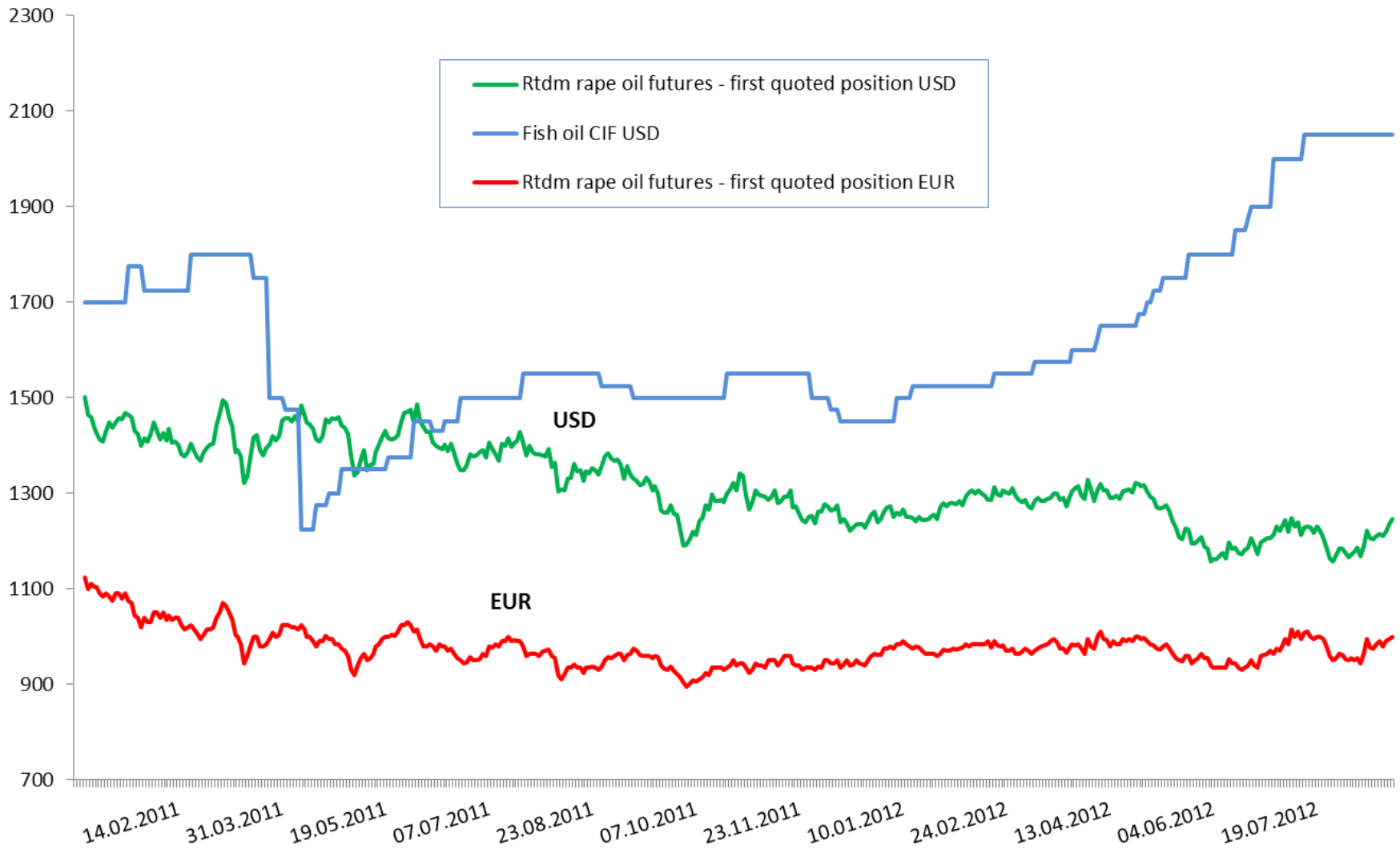
(Fur industry in Denmark and Finland is using more than 10 times this volume per year)

Volume and price of Baltic raw materials

- The only raw material available from the Baltic, in a volume even close to this demand, is fish (herring and sprat)
- Price of herring in the Baltic is connected to the price of fish in Denmark (and the rest of the world)
- Price of all other raw materials also connected and rising....
Rapidly! 😞???







Opportunities and/or problems?:

1. Fishmeal factory?

Factory built in Latvia 2011:

- EU financing 60 %, total investment 4 milj. €
- Employees 1+4 persons, capacity 160 t./day
- Dioxin removal necessary from all fishmeal produced from fishes origin in the Baltic.
- (Limits for feed are stricter than for human consumption, 😊)

2. Transport to Existing factories in Denmark?

- Frozen?
 - Too expensive to freeze and de-freeze (+80-100 €/ton)
- Ensilaged by boat? ("fish-form")
 - fishmeal factories are not able to handle acidified raw materials
- Fresh by truck?

 - Cost approximately 45 €/ton= meal price +225 €/ton

Summary:

- "Baltic Blend" is both an opportunity AND a challenge
 - Volume is, and will be, a bottle-neck, (volume of mussels, reduction fishes etc. will not be enough without a production chain built up for herring and sprat)
 - "Baltic Blend" will not be cheaper than regular feeds
 - A win-win situation for the whole chain (producers and consumers) must be created.
 - (this will NOT come true by it self, or by us sitting here talking 😊)
 - The "rules" must be clear before anyone is willing to invest
 - The extra cost must either be substituted by government or be transferred to the consumer, we are always competing with 1.000.000 tons of Norwegian salmon
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