Raw materials from the Baltic, Challenges for feed producers

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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)
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.)
Salmon feed in Norway anno 2010

Marine raw materials = 40%

- Fish meal 22%
- Fish oil 17%
- Soya protein concentrate 23%
- Wheat 7%
- Beans 6%
- Rapeseed oil 14%
- Sunflower meal 5%
- Wheat gluten 4%

Source: skretting
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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