



Mr. Fokion Fotiadis,
Director General
EUROPEAN COMMISSION
Directorate-General for Maritime Affairs and Fisheries
B-1049 BRUSSELS

10th May 2010

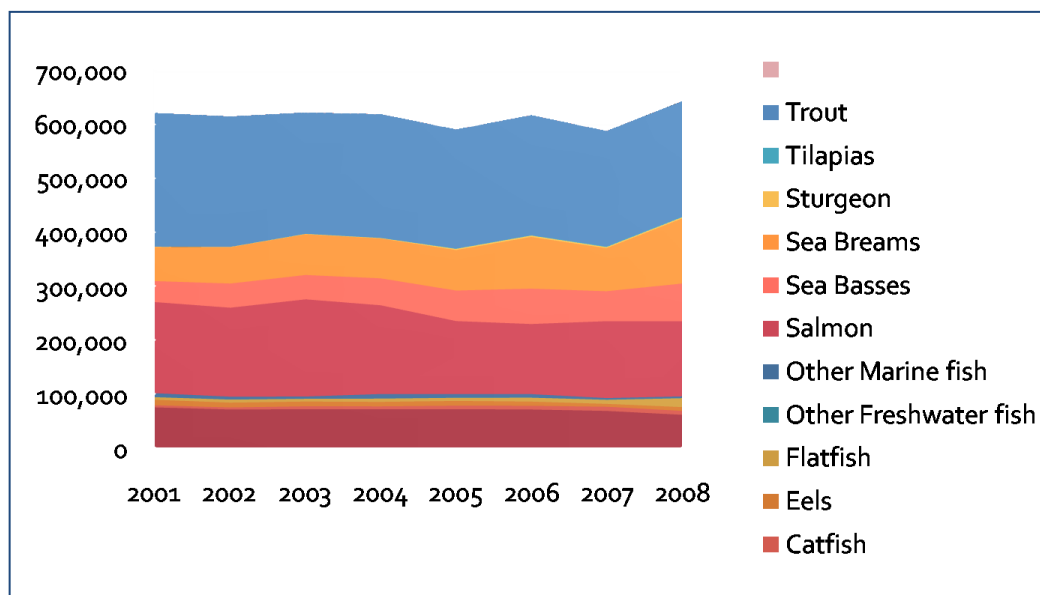
Dear Mr. Fotiadis,

On behalf of the FEAP and in support of prior correspondence made by the aquaculture section of the COPA/COGECA, we would like to underline a situation of extreme concern for the European fish farming sector, which relates to the supply of adequate and affordable feed materials to the European fish farming sector.

EU fish farmers provide some 650,000 tons of high quality fish to the European market, most of which is produced using formulated feeds.

The dominant species (trout, salmon, seabream, seabass), which are predominantly carnivorous, have specific dietary requirements for essential fatty acids, trace minerals, and high level of protein. These dietary requirements are readily available in fishmeal and fish oil.

Figure 1: European farming production (2001-2008)



When fish farming started (in the 1950s), trash fish and other wastes were used as feeds. The rapid specialisation of the fish feed sector has led to dramatic improvements in feed quality and food conversion efficiency which allowed rapid sectoral growth in the 1980s and 1990s.

Prior to the BSE/TSE crisis, which affected the choice of raw materials – including processed animal proteins – available to the feed sector, fishmeal and fish oil were the prime choice ingredients for fish farming but could be complemented by alternative materials that did not affect fish or human health. This could counter the fluctuations in price and availability of these ingredients. Following the BSE/TSE crisis, the choice of materials was much reduced.

In addition, much work has been made on fishmeal/oil replacement with vegetable materials – through both publicly-funded and private research – which is beginning to bear fruit. 100% replacement is not yet possible for carnivorous and omnivorous species.

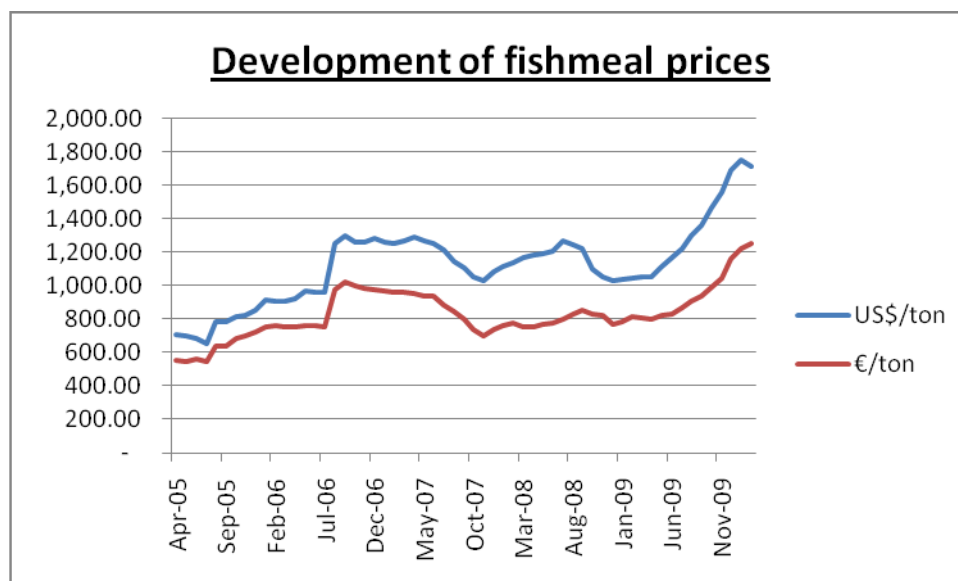
Consequently, European fish farmers require access to ingredients containing the correct nutritional profile and at prices that maintain their competitiveness in a market where some 65% is now provided by imports.

The growth of aquaculture, outside of the EU, progresses at an APR of some 6.7%/year - in neighbouring Norway and Turkey, at some 7.6%/year – while European production stagnates.

This expansion of aquaculture, particularly in Asia, provides new competition for access to a relatively stable global resource (fish meal and oil) whose prime sourcing is in South America.

The following figure indicates how prices of fishmeal have evolved.

Figure 2: Evolution of fishmeal prices (2005-2010)



As a globally-traded commodity, fishmeal values are usually quoted in US\$ but the equivalent price in €/tonne has been calculated (ECB rates)

While obviously influenced by exchange rates, the price has increased by some 50% in 6 months; as this cost has to be passed on to the fish producer, the effects will be to further reduce their competitive position vs. imports.

This situation has been worsened by the effects of the destructive earthquake in Chile, which centred on the Concepcion area, where much of the fishmeal in the area is sourced. The short term supply position is thus very uncertain.

The alternatives available to the feed manufacturers and the fish producers are increasingly rare, primarily because of the bans on using alternative animal protein resources. It is to be noted that the EU imports aquaculture fish, from non-EU countries (e.g. Chile, Canada), that have been fed on materials obtained from slaughter wastes.

At the present, there are different options available that we wish to bring to your attention.

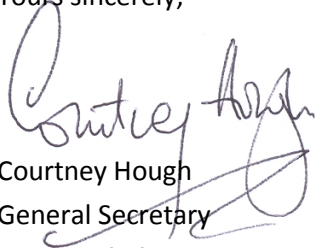
1. There is increasing evidence to demonstrate that Processed Animal Protein (obtained from poultry and porcine sources) is safe for use in feeds for animals destined for human consumption. These materials contain the essential amino acids required for optimum health and performance for fish growth. The European Fat Processors and Renderers Association (EFPRA) has compiled comprehensive documentation on this topic, including the chain security scheme and testing package.
2. Most farms and processors have to dispose of fish waste and by-products. Research, including risk assessment, on the application of Silage Processing Methods for fish indicate new opportunities for this aspect. Category 3 materials (derived from clinically healthy animals) could be processed for the manufacture of both fishmeal and fish oil, which could be used in feeds for different species than the origin.
As an example of the availability of Category 3 materials, it is estimated that Norway alone produces 100,000 tons from aquaculture and 250,000 tons from fisheries.
3. The availability of raw materials from fisheries discards has been discussed but without further resolution.

A range of international reports support the view that for feed-based aquaculture to be sustainable, pressure should be reduced on wild fisheries while using sustainable ingredients.

It is thus evident that options are available to meet this challenge and that the legislative restrictions put in place during the previous decade require review.

The FEAP therefore requests that a meeting be organised with the appropriate services of DG MARE and DG SANCO in order to review these positions and to discuss the effects of such a review.

Yours sincerely,



Courtney Hough
General Secretary

On behalf of the FEAP President, Mr. Iannis Stephanis

cc. Messrs. Debén Alfonso, Cueff, Rambaud, Papaioannou, Me. Ruiz-Monroy (DG MARE)

cc. Messrs. Poudelet, Gumbel (DG SANCO)