



New Opportunities In Aquaculture

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Salmon Production

- Western Canada - 90,000 T
- Norway and Chile – 800,000 T each
- New Zealand – 8,000 T
 - Comparable coastlines appropriate for net-pen fish-farming
 - Western Canadian salmon farming requires less than 2000 ha or marine lease space

Major trends in Salmon Farming

- Consolidation
- Pursuit of Economies of Scale
- Stringent product standards

Consolidation of Companies

- Increased control of the supply chain to reduce market volatility
- Better align production plans with market forecasts
- Manage the effects of currency exchange fluctuations

Pursuit of Economies of Scale

- Produce more with less at every point in the value chain
- Increase value at every point of production
 - Minimise opportunities for discounting
 - Improved inventory control and forecasting
 - Manage product characteristics to minimise cost while meeting product standards (eg flesh pigment or lipid level)
 - Reduce product down-grading
 - Premium branding

Stringent Product Standards

Regulatory requirements

- Environmental requirements (near-field and far-field effects)
- Food safety (regional, national regulations, international trade requirements)
- HACCP Plans
- Labour/employment standards
- Animal welfare standards

Stringent Product Standards

Respond to consumer expectations

Respond to NGO's and special interest
advocates lobbying regulatory authority
and in the market-place

Stringent Product Standards

If managed well, Market opportunities

- Environmental certification
- Healthful and wholesome certification
- Traceability

Aligning Market Trends and Opportunities

New Zealand is poorly situated to compete in a global market with a commodity product: we need high value products

High value is a function of strong demand and limited supply

Aligning Market Trends and Opportunities

Find species that are amenable to farming, have strong market demand and are unique to New Zealand

Or

Impart features to a product that the consumer recognises as particularly desirable and distinctive

Aligning Market Trends and Opportunities

An example of imparting features to an established product that the consumer recognises as particularly desirable and distinctive is the “Safer Salmon”

Safer Salmon –Program Objectives

- Reduced contaminants: Hg, PCB's, TEQ's
- Fish meal and oil sources and amounts
- No escapes
- No GMO fish
- Minimal reliance on medications
- Minimised transfer of pathogens or parasites to the wild
- Reduced pollution

'Safer' Salmon continued

- Minimal benthic impacts
- No killing or harassing of wildlife
- Rigorous and audit ready record keeping
 - ISO 9000, 14000
 - Industry Best Practices
 - Internal SOP's
 - NGO auditing

Grandville Island Fish Market, Vancouver Canada

Wild B.C. Caught
Spring Salmon
Whole
10.64lb
\$ 13.90 /lb

Fresh! New Zealand
TAI SNAPPER
26.5lb
\$ 11.90 /lb

Fresh!
Tunisian Sea Bass
-LAVRAKI (Greek) -LOUP DE MER (French)
-BRANZINO (Italian) -LUBINA (Spanish)
29.44lb
\$ 12.90 /lb

FRESH
FROM: FLORIDA
WHITE BASS
13.2lb
\$ 5.99 LB



Wild versus Farmed \$ Ca per pound



Results

On the initial market test, fish marketed under the “Safer Salmon” program received a 25% price premium and sold out within days.