



IFFO

THE MARINE INGREDIENTS ORGANISATION

Annual Report 2019



60th ANNIVERSARY

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The Director General's editorial



2019 marked IFFO's 60th anniversary. We can be proud of our longevity! 2019 was also a turning point with an increasing number of headlines dedicated to fishmeal and fish oil and a peak in terms of NGO and media scrutiny.

We have regarded these as opportunities and engaged further with the whole value chain. We have also provided clarification on the industry's inputs to the global food production system and its interactions with stakeholders.

Our corporate strategy looks ahead of us, towards 2025, to keep increasing the value that we want to offer our members: being visible and influential is a prerequisite, which led us to work increasingly on social media platforms and review our approach on technical knowledge, with

an educational mindset. Our technical projects have always been key to IFFO's work and we have now increased our efforts in effectively communicating the science to relevant stakeholders, ensuring that the true value of marine ingredients is clearly explained.

Our industry has a well-established responsible supply chain with a series of certification and improvement schemes which are constantly driving improvement. We want to continue to raise the bar higher, championing best practices and communicating these positive stories. The marine ingredients industry plays a positive role in meeting the United Nations' Sustainable Development Goals. Through collaboration (Fishery Improvement Projects in particular), there is a potential to contribute even further, as shown in the report that we jointly commissioned with the Global Aquaculture Alliance in 2019 about South East Asia.

The Director General's editorial

Asia is key to the industry, with high volumes of fishmeal and fish oil production, and features that are not always aligned with “Western standards”. Therefore, we aim to develop a greater focus on Asian markets (Vietnam, Thailand and Japan mainly), beyond China where we are already very active, with detailed analytics and regulatory advice as you can see in this Annual Report.

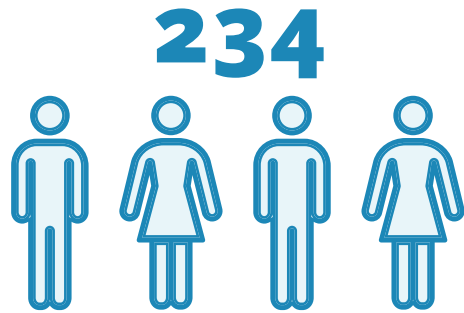
We also want to make the most of the extended knowledge that we have been enriching over the years through market intelligence. We have an unmatched access to data, with networking opportunities enabling constructive dialogue with all stakeholders. Thus, we are in a fantastic position to be the reference point when it comes to commenting on market developments or estimating new trends.

By mobilising all our knowledge – technical and market information, communications and networking skills – we can equip consumers with the knowledge needed to confidently purchase responsibly-fed products which will also provide them with the nutritious benefits that are recommended to humans.

Petter Martin Johannessen

IFFO Director General

2019 key figures



Members from...



Countries



Events organised by IFFO



Media articles with IFFO statements



Countries covered in IFFO's market reports



IFFO presentations at external events

Technical Works

IFFO's technical projects are central to providing information on the full range of subjects relevant to the sustainability of the industry, including raw material supply and the nutritional quality of its products. The ambition is also to support the industry's efforts to adjust to changing regulations, and where legislation may not be entirely appropriate to provide an evidence-based challenge to policy-makers.

An IFFO Technical workshop was held in Lima, Peru, which IFFO welcomes as a good way of identifying some specific technical issues because it allows for direct engagement with the technical staff of the member companies. An IFFO Technical Workshop was also held in Zhuhai, China, with over 50 delegates.





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12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



15 LIFE ON LAND

Fishmeal quality parameters and their relation to the nutritional requirements of fed aquatic and terrestrial species

It is striking that much of the relevant research on fishmeal quality was undertaken in the last decades of last century, and there has been little new information since. Although the products themselves have not changed substantially in that period, other things have, such as analytical techniques and methods of collating data and information. IFFO commissioned Prof. Brett Glencross from the Institute of Aquaculture (University of Stirling, UK) to look at the quality parameters in the global fishmeal products, establishing the true value of the contributions supplied by marine ingredients in aquafeed and animal feed. A literature review and final report documents were completed in 2019, based on the analysis of 26 fishmeal samples.



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A more sophisticated way of looking at Fish-In: Fish Out ratios

Fish In: Fish Out ratios (FI:FOs) were first adopted by the academic community nearly twenty years ago to highlight the increasing amount of marine ingredients which were being utilised in aquafeeds. There are, however, some issues with the concept, which is actually relatively crude in nature. In their current form, they do not take account of the quality of the ingredients in the fish input, nor does the ratio fully account for the value of all the products in the fish output. IFFO commissioned Richard Newton (Aqua Horizons Consultancy) to revisit FI:FO calculations and investigate the more qualitative issues, including the nutritional value of feed inputs and especially highlighting the diversity of post-processing value addition.



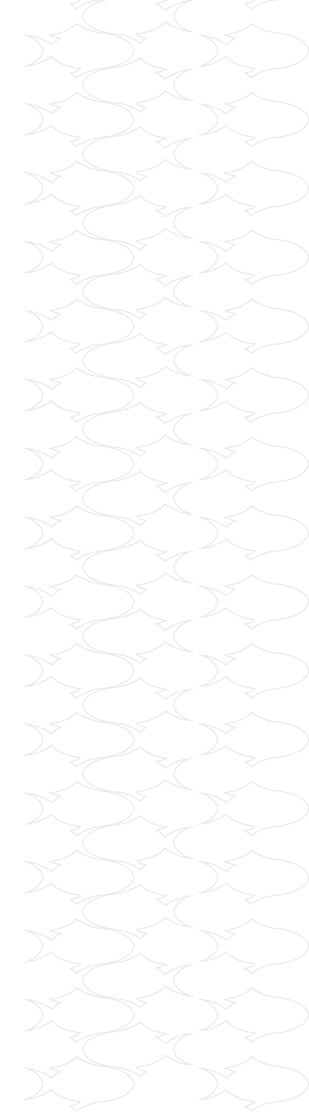
Largemouth Bass Industry in China

The largemouth bass industry has become increasingly popular in China. Based on the China Fishery Statistical Yearbook (2019), referring to relevant statistics and literatures, IFFO delivered a report which focuses in particular on market demand and supply of the species, its feed and fishmeal consumption, and provides an outlook of the industry and its influence on fishmeal market.



Market research

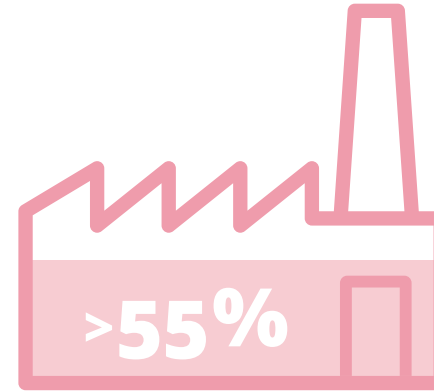
In 2019, IFFO continued its commitment to provide independent market information to its members, aware as we are of the fact that members need reliable facts and figures in their day-to-day decision-making process. Various channels of dissemination are used to circulate analyses and data such as reports, presentations and infographics.



Data mining

IFFO members represent more than 55% of the total world production and between 75% and 80% of the total annual trade worldwide. Such extensive network of companies provides us with a constant and reliable flow of data on production, trade and prices, in addition to immediate updates on events potentially affecting the industry's performance around the globe.

Collaboration with the UN FAO (Food and Agriculture Organization) continued over 2019. IFFO remains an active contributor to the State of World Fisheries and Aquaculture (SOFIA) publication, and to the OECD-FAO working group on agri-commodities report. IFFO is the only representative of the whole fishing industry to contribute to these important studies.



of the total world production is represented by IFFO members



of the total annual trade worldwide is represented by IFFO members

IFFO also has free access to the FAO databases and to international gatherings where we can get our messages across, including the COFI (Committee on Fisheries). The Committee presently constitutes the only global inter-governmental forum where major international fisheries and aquaculture problems and issues are examined, and recommendations addressed to governments, regional fishery bodies, NGOs, fish workers, FAO and international community, periodically on a worldwide basis. COFI has also been used as a forum in which global agreements and non-binding instruments are negotiated.

Close working relationships with other international bodies and governmental departments, such as the China Fishery Society and the Chinese network of ports; the USA National Oceanic and Atmospheric Administration (NOAA); the Faroese Fishery Department are still nurtured by IFFO to gain access to otherwise unavailable information and update our readers on the local quotas' fulfilment.

In 2019, production and/or trade annual data for 77 countries were collected; as well as monthly data for 11 countries and weekly data for around 8 countries. This wealth of data was used to produce 52 weekly reports (in English, Spanish and Chinese) and 12 monthly reports. In addition, 10 monthly China Market Outlook reports were issued, plus a Statistical Yearbook with information on marine ingredients, agri-commodities and animal farming worldwide.

With the latest data purchases from Global Trade Atlas **we are now capable of reporting trade statistics of fishmeal and fish oil for 50 countries and regions.**

One long standing objective of IFFO is to improve our knowledge of Asian markets, beyond China, both in terms of supply and demand of marine ingredients starting in 2020–2021.

Presentations

Through a Market Information System developed in-house over 2019, new estimates of the global consumption of fishmeal and fish oil made it possible for an additional presentation on global demand to be given during the Market Forum – Demand Side of the Shanghai Annual Conference. This presentation was well received by members and delegates, as it provided an overview of the latest trends in the consumption of fishmeal and fish oil both geographically and by sectors.

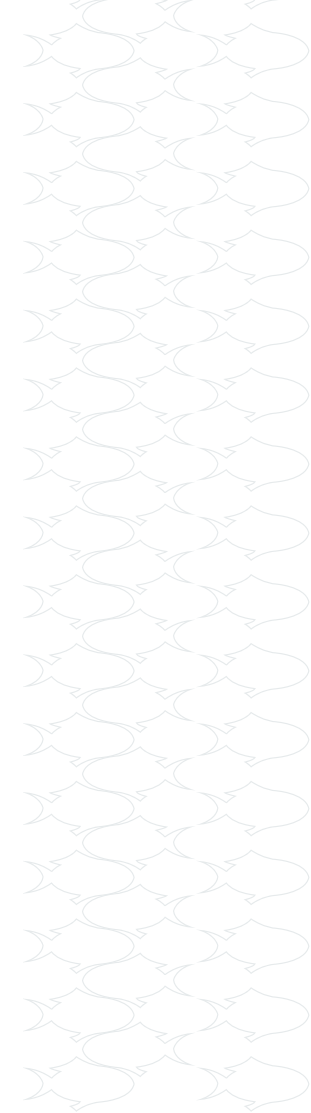
Ad hoc queries

Over 60 individual requests for data and market analyses were received in 2019, some of which asked for a full replica of the IFFO database on monthly and/or annual production by country.



Stakeholder engagement

IFFO grows out of a fishmeal and fish oil industry need for collaboration, information and shared problem solving. Beyond IFFO's efforts to facilitate cooperation and address shared commercial problems within the membership, IFFO constantly liaises with academia, regulatory bodies, governments, international organisations and industry press.



IFFO Events

[The Madrid Members' Meeting](#) was attended by 163 delegates from 27 countries. Discussions and presentations covered updates on supply and market trends of marine ingredients. Other presentations focused on soy and the growing need for dense protein packages as well as on the latest market developments for fish oil and included an omega-3 market update.

IFFO's pinnacle event in 2019 was the [59th Annual Conference](#), held in Shanghai. The conference was attended by over 400 delegates from 41 countries and showcased 20 speakers, from leading scientists, economists, industry and representatives from industry and international organisations. Daily summaries were shared on the [IFFO LinkedIn page](#) and on the [IFFO website](#).

In China, the [6th IFFO/JCI Fishmeal and Fish Oil Forum](#), held in Wuzhen City, gave IFFO the opportunity to explore all areas of the Chinese market, looking at both internal and external influences.

Over 50 delegates attended the [2nd IFFO China Technical Workshop](#), 11 of whom became IFFO leads. In total 12 Chinese media outlets covered this seminar.

IFFO's Technical team hosted a [workshop in Lima \(Peru\)](#), which was an opportunity to engage directly with the technical representatives of the IFFO member companies in Peru.

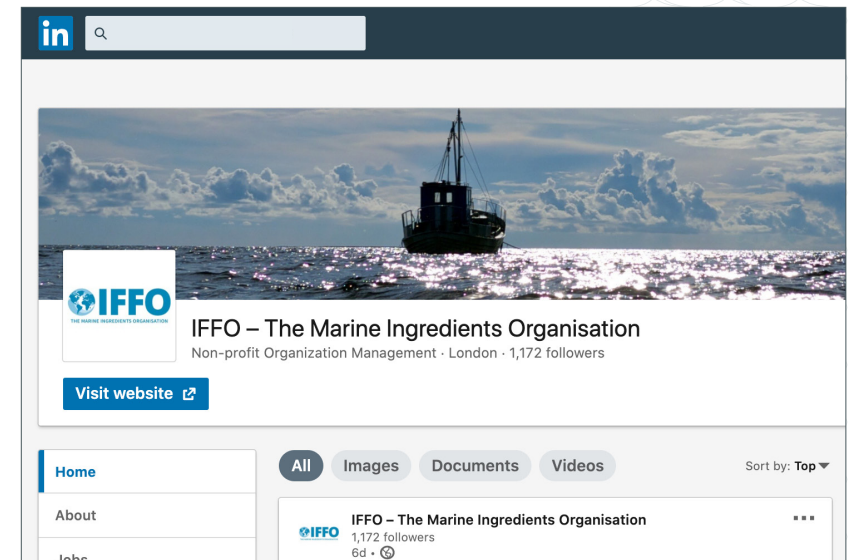
Press relationships

IFFO press releases promoted IFFO's research news and IFFO's Annual Conference in Shanghai (with more than 30 articles published in independent news outlets to cover this event).

The joint study with the Global Aquaculture Alliance (GAA) on South East Asian fisheries gave rise to more than 20 articles published in independent news outlets and was an opportunity to call for collaboration to move towards more sustainable practices in some regions.

Responsible sourcing and sustainability throughout the supply chain remain key words in the media landscape and IFFO engaged with mainstream and trade media to promote both the sustainability and nutritional value of marine ingredients. IFFO's Technical Director provided several audio and video interviews.

2019 was also a year of ongoing engagement with a wider range of stakeholders through the opening of an [IFFO business page](#) on LinkedIn.



Advocacy

IFFO's Technical Department has been very active in relation to regulations around the world. Key activities include working with [EU regulations](#) on feed additives reauthorisation process, and the legal requirements for fish oil for direct human consumption.

The Technical Department took part in the FAO International Symposium on Fisheries Sustainability, as well as in the European Feed Manufacturers' Federation (FEFAC) Fish Feed Committee, the Agricultural Industries Confederation Fish Feed Committee, the EPA and DHA omega-3 industry (GOED) Science and Regulatory Committees and the MarinTrust Improver Programme Application Committee (formerly known as IFFO RS).

[In China](#), IFFO has worked closely with the Ministry of Agriculture and Rural Affairs (MOARA), the General Administration of Customs (GAC), embassies in Beijing,

and research institutions, on regulations/standards development and revision, e.g. contributing to the revision of China Fishmeal Standard (GB 19164) and coordinating market access issues for IFFO members of US, Chile, Iceland, Norway etc. IFFO has followed up with Dalian University of Technology regarding Dr. Han's thesis on antibiotic resistance genes by fishmeal in mariculture; provided Dr. Han with the information related to her new research project.

IFFO has established a working relationship with the China Entry and Exit Inspection and Quarantine Association (CQIA) a memorandum of understanding officially signed by the IFFO Director General in September 2019 in Beijing. Staff members of the IFFO office in China visited nearly 20 plants in China over the year to gain a better understanding of the processes and producers' expectations.

Representing the industry

IFFO presentations were given at the following external and internal events:

February 2019

- AquaFarm Conference, Italy
- EU Aquaculture Advisory Council, Belgium

March 2019

- IFFO/JCI Fishmeal & Fish Oil Forum, China
- North Atlantic Seafood Forum, Norway
- Aquaculture Research Collaborative Hub UK (ARCH-UK): Workshop on microplastics, United Kingdom
- Insect farming workshop, United Kingdom
- VIV Asia 2019, Thailand
- Global Feed and Food Congress (GFFC), Thailand

April 2019

- Fish for Waste Conference, Iceland
- FIF Conference, Iceland
- Brussels Seafood Show, Belgium

May 2019

- IFFO Members' Meeting, Spain
- Fishmeal Technical Workshop, China
- Global Aquaculture Summit – Sea Bass Industry Development Forum, China
- Aquaculture UK, United Kingdom

2019 updates

June 2019

- IntraFish Seafood Investor Forum, United States of America

July 2019

- 42nd Meeting of the Codex Alimentarius, Switzerland
- Global Pig Industry Conference, China

August 2019

- 10th Session of the FAO's Committee on Fisheries (CoFI), Norway
- Petfood Forum China, China

September 2019

- 15th JCI Autumn Conference, China
- UN FAO Fish Price Index, Italy

October 2019

- IFFO Annual Conference, China

December 2019

- IFFO Technical Workshop, Peru



Upcoming projects

By the very nature of its activity, the marine ingredients industry is rooted in local areas. As well as an environmental stewardship, it has a responsibility to contribute to their economic development and social cohesion. Whilst new and ongoing technical projects will help gather data, they will also serve the United Nations' Sustainable Development Goals.



Technical projects

As a trade body with an evidence-based approach, IFFO wants to contribute to enriching the database of studies of interest which relate to marine ingredients. Work is underway to deliver several technical projects in 2020.



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Fishmeal production in West Africa

A desk study relating to West African fishmeal production was delivered by a UK-based consultancy, MRAG, from the perspective of social, economic and environmental sustainability. This was a jointly funded project by both IFFO and the Global Aquaculture Alliance, who want to fill in information gaps. The report has been put out to a peer-review process which will help gather more information on the ground and also help determine a way forward in collaborating with the most important stakeholders where that may work in driving positive change.

In partnership with



Upcoming projects



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Potential of alternative antioxidants for the stabilisation of fishmeal

IFFO and the Peruvian Instituto Tecnológico de la Producción (ITP) signed an agreement in 2019 to jointly develop activities for the generation of R+D+i projects to screen the efficacy of a range of potential antioxidants in fishmeal using oxygen bomb technology. With ethoxyquin's future as an antioxidant in feed ingredients and feedstuffs remaining uncertain, IFFO is investigating the potential of other antioxidants for the stabilisation of fishmeal, with the aim being to support the provision of further information on the potential for the use of alternative antioxidants in stabilising fishmeal. Anton Paar has very kindly donated one of their Rapidoxy 100 oxygen bombs in support of this study.

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“Feeding the World Whilst Protecting Biodiversity” through a Science Policy Forum Mechanism

IFFO has involved 10 scientists to deliver a project funded by IFFO to look at biodiversity impacts of fishmeal versus land-based ingredients. Aquafeeds are complex and each production system has its own environmental impact profile. Terrestrial livestock and pets are also competing for limited resources. The project has demonstrated that to replace fish protein with the current mix of animal and plant proteins would require up to 5.7 million km² of new land which is about one third of the remaining world's tropical forests (already heavily depleted). This gives an idea of how efficient marine protein production is in comparison to terrestrial (vegetable) protein, in terms of biodiversity impacts. Ultimately the aim of the project is to provide a peer-reviewed paper in the literature on the subject, and at the time of compiling this report a draft has been submitted to a journal.

Upcoming projects



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3 GOOD HEALTH AND WELL-BEING



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Screening fishmeals for performance in aquafeed – salmon

Prof. Brett Glencross of the University of Stirling's Institute of Aquaculture (UK), was commissioned to look specifically at fishmeal performance in farmed Atlantic salmon, to provide a database with real world application. Farmed salmon models will be used to specifically evaluate the nutritional performance of select fishmeals on this species. The data is still under analysis, with the report on this work expected by the end of September 2020.



Stakeholder Management

Engaging with the marine ingredients value chain

IFFO is conscious that the understanding of benefits of the industry decrease as you move through the supply chain away from primary production and first users. Bringing together a wide group of stakeholders is IFFO's ambition in 2020. The aims are to help build connections within the value chain, gain a better knowledge of all stakeholders' activities and expectations and, in the long-run, drive improvements and positive change collectively. Beyond IFFO's network, key groups include fish farmers and other users of marine ingredients, pet food manufacturers, nutraceuticals producers, NGOs and industry-led groups dedicated to sustainable sourcing as well as retailers and food service companies.

In 2020, IFFO's website is being refreshed, with all content being adapted to specific target audiences in order to engage with them more easily.



Upcoming projects

Drive positive change through Fisheries Improvement Projects

IFFO wants to contribute to the United Nations' Sustainable Development Goals by engaging with a wide range of stakeholders on responsible sourcing and fisheries improvements. That increased collaboration will help facilitate the development and initiation of Fisheries Improvement Projects (FIPs).



Membership

IFFO members include producers, traders, feed companies, edible oil refiners, retailers, financial institutions, governmental and non-governmental organisations. IFFO's membership has remained stable with 234 members from 40 countries at the end of 2019. IFFO's global reach covers every continent, with over 55% of the world's production of fishmeal and fish oil coming from our members. Almost half of our new members in 2019 are based in Europe, a strong region for our industry, and the second area of growth is Asia.

8 new trading companies joined as Non-Producer or Premium members and 8 fishmeal and fish oil producers joined as Producer members in 2019.



Members' survey

IFFO conducted a members' survey early 2020 to rate the services it offered in 2019 and to better align with the growing and diversifying needs and goals of the membership. It is very exciting that 96% of the members rate IFFO's services as good or excellent. This is echoed by the high rate of membership renewal each year as well as stable growth in membership. The survey results have provided a strong indication that IFFO's main services (Market intelligence, Technical and regulatory advice, Events organising and Networking, Communications, Reputation management and Advocacy) are of high value and should continue to be developed.

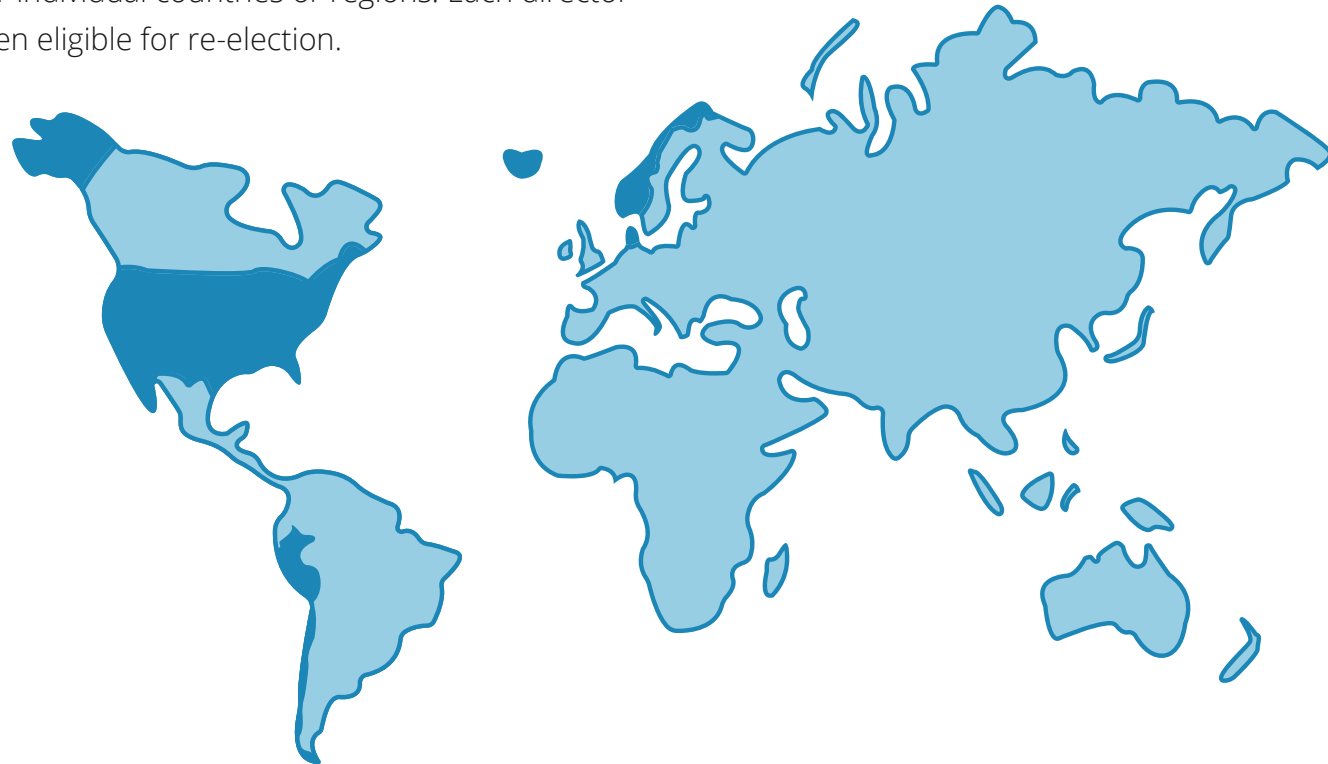
Thanks to the responses to the 2019 Membership Survey, we have a clear idea of what this community wants and needs, and we can move forward to discussion of implementation, in alignment with our 2025 strategy. In these unprecedented times, we'll continue to adjust our offer to remain relevant.



of the members rate IFFO's services as good or excellent

Governance

The Board of Directors of IFFO is made up of Directors from Producer members nominated by either individual countries or regions. Each director serves a 2-year term and is then eligible for re-election.



Board of Directors until 31 December 2019



Humberto Speziani, Gonzalo de Romaña
and Fernando Ribaudo



Felipe Zaldivar, Eduardo Goycoolea (President)
and Juan Carlos Ferrer



Anne Mette Bæk (Vice-President)



Arnt-Ove Hoddevik



Johann Peter Andersen



Jostein Rørtveit

Rest of
World

Mike Copeland and Helge Korsager

Board of Directors for the 2020/2021 term

Humberto Speziani, Gonzalo de Romaña
(Vice-President) and Fernando Ribaudo

Felipe Zaldivar, Eduardo Goycoolea
and Juan Carlos Ferrer

Anne Mette Bæk (President)

Egil Magne Haugstad

Johann Peter Andersen

Scott Herbert

Mike Copeland and Odd Eliassen

Update from the 2018–2019 IFFO President



It was a pleasure to act as IFFO President over the 2018–2019 period, which was concluded with IFFO’s sixtieth anniversary celebration and the successful Shanghai Annual Conference. It was only natural for IFFO to engage more deeply with

Chinese stakeholders, who represent the world’s biggest fishmeal market and second biggest fishmeal producer country. Once again, IFFO proved that one of its core values is to help build relevant connections within the value chain and support the development of the industry.

The 2018–2019 period was a crucial moment for IFFO to reflect a more market and customer-oriented positioning as well as a more proactive mindset. IFFO strengthened its global presence as a lean and focused organisation.

At the end of 2019, IFFO was at its best to enter the new decade. I was proud to hand over its presidency to Anne Mette, whose ambitions to assert the industry’s tangible contribution to the Sustainable Development Goals will contribute to develop IFFO’s success story even further.

Eduardo Goycoolea

IFFO 2018–2019 President

Update from the 2020–2021 IFFO President



IFFO represents an industry which is vital to food safety: although aquafeed is the major market using marine ingredients, fishmeal is also key ingredients for pigs, poultry, and pet food. Fish oil provides unmatched benefits to both humans and animals, being a natural source of the omega-3 long-chain polyunsaturated fatty acids (EPA and DHA).

However, IFFO is conscious that it bears the responsibility to set the pace for the whole industry in terms of sustainability and social responsibility. Bad practices might be restricted to some very specific locations. Yet they jeopardize the industry's reputation. It is for IFFO to champion best practices and raise the standards of the industry on all continents.

Since 2019 IFFO has placed its efforts on calling for collaboration within the whole value chain and on building closer relationships with those who would benefit to learn more about the industry. It is IFFO's aim to help all stakeholders develop a better understanding of each other's needs and expectations. Supporting businesses, building networks, sharing expertise and bringing visibility are IFFO's core missions. Increased communications efforts are an integral part of IFFO's strategy for the future and should be instrumental in achieving our ambitions.

Anne Mette Bæk

IFFO President





2019 accounts

Auditors' opinion (Hillier Hopkins LLP – Chartered Accountants & Statutory Auditor):

“ We have audited the financial statements of IFFO (2012) Limited (the ‘Company’) for the year ended 31 December 2019, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice). ”



In our opinion the financial statements:

-  give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
-  have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
-  have been prepared in accordance with the requirements of the Companies Act 2006. 



Statement of income and retained earnings for the year ended 31 December 2019

	2019	2018
	£	£
Turnover	1,702,083	1,444,295
Gross profit	1,702,083	1,444,295
Administrative expenses	(2,080,178)	(1,949,422)
Other operating income	595,138	550,381
Operating profit	217,043	45,254
Interest receivable and similar income	49	18
Profit before tax	217,092	45,272
Tax on profit	(2,969)	(6,174)
Profit after tax	214,123	39,098
Retained earnings at the beginning of the year	1,516,144	1,477,046
Profit for the year	214,123	39,098
Retained earnings at the end of the year	1,730,267	1,516,144

Balance sheet as at 31 December 2019

	2019	2018
	£	£
Fixed assets		
Tangible assets	342,870	354,597
Investments	1	1
	<u>342,871</u>	<u>354,598</u>
Current assets		
Debtors: amounts falling due within one year	187,767	124,517
Cash at bank and in hand	1,393,918	1,210,352
	<u>1,581,685</u>	<u>1,334,869</u>
Creditors: amounts falling due within one year	<u>(194,289)</u>	<u>(183,323)</u>
Net current assets	<u>1,387,396</u>	1,151,546
Total assets less current liabilities	<u>1,730,267</u>	<u>1,516,144</u>
Net assets	<u>1,730,267</u>	<u>1,516,144</u>
Capital and reserves		
Profit and loss account	<u>1,730,267</u>	1,516,144
	<u>1,730,267</u>	<u>1,516,144</u>

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