



IFFO

THE MARINE INGREDIENTS ORGANISATION

Annual Report 2020



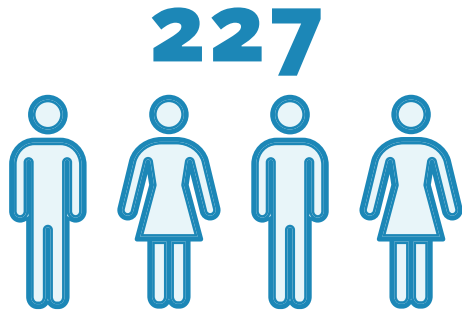
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Cover image: © Karen Murray

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2020 key figures



Members from...



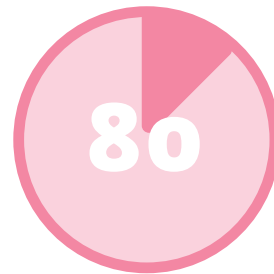
Countries



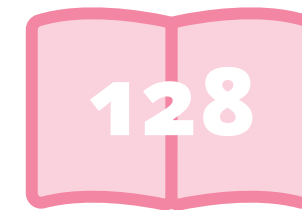
Events organised by IFFO



Media articles with IFFO statements



Countries covered in IFFO's market reports



Market reports produced

The Director General's editorial



2020 presented us with many challenges linked to the COVID-19 pandemic, but IFFO has **quickly adapted to the changing situations** and I am proud at how resilient we have proven to be. As with many industries, we have found ways to adapt to an online platform, ensuring members continue

to receive the latest market data, technical reports and news insights from across our industry.

Our events have always been one of key benefits for our members and I am delighted to witness a steady attendance now that this service has temporarily been moved online. Webinars replaced the popular members meeting and annual conference and successfully delivered a high level of insights and latest market updates. Networking plays a vital role in the value chain and is hard to move online, so the team remains ready to organise in-person events when they become possible again.

We will, however continue to **build on the virtual platform** as the world transitions to a more online world, and expect to see more combined use of in-person events and virtual platforms in the future.

We have continued to build on our **strong science-based approach** to inform our members and to improve the understanding of the industry among a wider audience through communication materials **demonstrating the vital role of marine ingredients in bite size chunks**. With these materials, we have expanded our social media presence and the team looks forward to building on this engagement in the future. We are noticing a broader interest and understanding of the importance of the nutritional value of marine ingredients in global food production. Our communications will continue to underline the **marine ingredients industry's strong position in nutrition and its resilience with steady volumes and increasing assurances**

The Director General's editorial

regarding environmental and social impacts of certified materials, which already make up 50% of all marine ingredients produced worldwide.

We have also kept enriching our market analysis by providing members new data and insights through a new market intelligence system enabling us to produce monthly trade reports featuring a regional focus. The IFFO China team has focused on providing the best insights to our members regarding the new Chinese fishmeal standard and has also looked into developing IFFO's knowledge on Asian markets, mainly Japan, Vietnam and Thailand.

Following a year of unpredictability, it has been underlined that our industry is constantly adapting to new circumstances, which explains its resilience. IFFO will continue to develop the close relationship with its members and build on the experiences that the pandemic has brought with regards to agility, flexibility and persistence to deliver high quality services.

Petter Martin Johannessen

IFFO Director General

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Technical works

IFFO's technical work is central to our science- and evidence-based approach, with projects providing the latest data and guidance on the sources, nutritional properties and uses of marine ingredients. IFFO's international network brings together the industry's leading academics to focus on projects that support its continued sustainable development.



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New methodology for scoring hierarchies for fish-out options in FIFO calculations

FIFOs (Fish In: Fish Out ratios) were originally proposed and developed by academics as a way to **examine the performance of aquaculture in relation to the wild fish that are utilised in feed**. FIFO is regarded by some as a benchmark of progress by the sector in relation to its environmental performance. In 2019, IFFO commissioned Dr. Richard Newton (Aqua Horizons Consultancy) to look at the Fish In: Fish Out paradigm in a more sophisticated manner, one that shall take into account the true value of fishmeal and fish oil in a way that incorporates their **nutritional benefit in aquafeed**. A summary was published in 2020, detailing that, as with all natural ingredients, there is

variation between the species used in marine ingredients and a **one size fits all approach of measuring is too crude** to provide an accurate assessment of what it takes to produce farmed fish. The study opens a discussion on the strategic importance and allocation of these differences and their usage in the most efficient way so that the correct feed is used for specific species when they need it, and **the use of fishmeal and fish oil is allocated optimally in relation to the unique nutrition** that they provide.



Unravelling Fishmeal: A Review of the Quality Assessment of Fishmeals

Fishmeal has been, and continues to be, a vital global resource underpinning the sustainable production of food via both aquaculture and agriculture, and the nutritional contribution that it provides is superior to many, if not all, alternatives. IFFO commissioned the Institute of Aquaculture (University of Stirling, UK) to examine a selection of fishmeals across the world for variability in key parameters that relate to overall quality, their analysis, the use of NIRS (Near-Infrared Spectrometry) as a technique for rapid analysis, their potential application and

key nutritional qualities in relation to use as feed ingredients. The future value options for fishmeal were also examined, those emerging areas of high value where specialist products command a premium, new applications for traditional uses, as well as novel applications in emerging markets. This work has resulted in the development of a database of fishmeals from around the world, made available to IFFO members in 2020.



Peer review of fishmeal production in West Africa



In order to provide accurate information enhancing an understanding of the issues in the countries of The Gambia, Senegal and Mauritania, IFFO and the Global Aquaculture Alliance co-funded a desk-study contracted to MRAG Ltd in the UK. In 2020, [scientists from various organisations throughout the world carried out a peer review of the paper](#), whose scope relates to West African fishmeal production, from the perspective of social, economic and environmental sustainability. The paper has started to [fill information gaps](#) in this developing region and the peer review continued this process further, with more information on the ground and identifying areas to drive positive change.

In partnership with: The logo for the Global Aquaculture Alliance, featuring a green circular icon with a fish and a globe, and the text "Global Aquaculture Alliance" in blue and green.



The Chinese Sea Bass industry

The Chinese sea bass industry has become more and more popular in recent years and IFFO delivered a report that explored this industry and its influence on the fishmeal consumption in China. The prospective development of the Chinese sea bass industry is expected to [exert a positive influence on the aquatic feed sector](#) and thus on fishmeal and fish oil consumption in China.

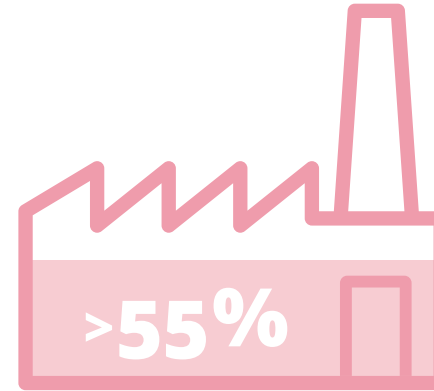
Market research

In 2020 IFFO continued to provide independent market information to its members, mindful of the fact that working-from-home members were even more in need of reliable facts and figures in their day-to-day work. Once again, various channels of dissemination were used to circulate analyses and data, from the well-established digital reports and infographics, to the now ubiquitous webinars and conference calls.

Data mining

IFFO members continue to represent **55% of the total world production** and around **75% of the total annual trade worldwide**. It is this extensive network of companies that 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 Food and Agriculture Organisation (FAO) continued in 2020. IFFO remains an active contributor to **the State of World Fisheries and Aquaculture (SOFA) 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, and in 2020 was invited to present at webinars organized by the FAO.



of the total world production is represented by IFFO members



of the total annual trade worldwide is represented by IFFO members

Thanks to such close working relationship, IFFO retains free access to the FAO databases and to international gatherings where our messages can be put across, including [the Committee on Fisheries \(COFI\)](#). 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), and the Faroese Fishery Department, are still nurtured by IFFO in order to gain access to otherwise unavailable information.

In 2020, [production and/or trade annual data for 80 countries](#) were collected; as well as [monthly data for 14 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. Based on the fact that almost 70% of the global consumption and 35% of the world's production of marine ingredients occurs in Asia, IFFO aims at improving its market intelligence on the various countries of this area, both in terms of supply and demand of fishmeal and fish oil.

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; and we do so in a newly dedicate weekly Trade Report. Starting in 2020, IFFO now offers sponsorship opportunities to members across all the reports.

Presentations

Through a [Market Information System](#) developed in-house, estimates of the [individual countries' consumption of fishmeal and fish oil](#) are now possible, in addition to the estimate of the global demand presented during the Market Forum – Demand Side usually held in October. This presentation is usually well received by members and delegates, as it complements the thorough updates on the supply side which we provide through our weekly and monthly reports, and through presentations at our bi-annual conferences.

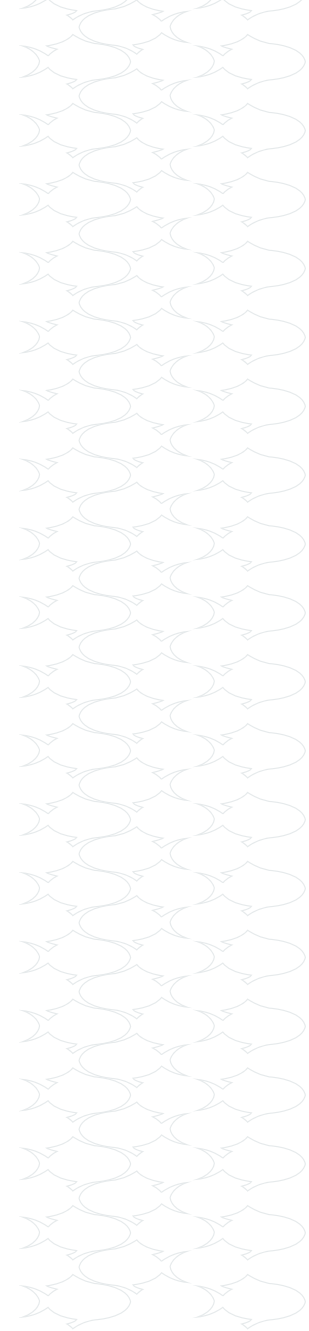
Ad hoc queries

Over [80 individual requests for data and market analyses](#) were received in 2020, some of which asked for a full replica of the IFFO database on monthly and/or annual production by country.



Stakeholder engagement

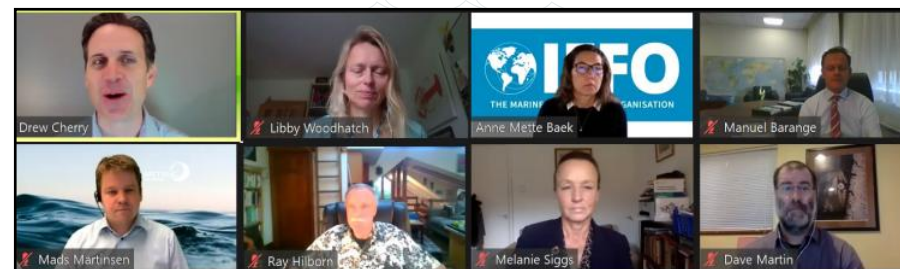
IFFO grows out of a fishmeal and fish oil industry need for collaboration, information and shared problem solving. Beyond IFFO's efforts to facilitate cooperation and address shared commercial problems within the membership, IFFO constantly liaises with academia, regulatory bodies, governments, international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



Webinars

A series of webinars were held to replace the IFFO Members' Meeting and Annual Conference. Structured in a similar manner to the in-person events, the webinars covered the latest technical information from IFFO and invited speakers, markets updates, covering both supply and demand; and communication updates.

The October webinar brought together an audience of more than 300 participants and almost 20 speakers, including leading scientists, economists, representatives from industry and international organisations. The panel discussion looked at the [marine ingredients industry approaches to sustainability](#). Presenters and panellists agreed that value-chain collaboration is vital to ensure traceability and nutritious proteins for a growing population. Daily summaries were shared on the [IFFO LinkedIn](#) page and on the [IFFO website](#).



In December, IFFO's China team jointly held a China Technical Webinar with MarinTrust, the leading independent business to business certification programme for the marine ingredient value chain. It featured a panel discussion on [integrity and sustainability of the marine ingredients supply chain](#), as well as presentations from leading scientists and representatives of both the fishmeal and the aquaculture industry, covering market trends, technical and regulatory updates and benefits that certification programmes bring to the value chain.

Press relationships

In 2020, **IFFO started a monthly communication on market trends**, aiming at improving the understanding of the marine ingredients industry and highlighting the value that IFFO offers to its members. We also provided trade media outlets with insights about the resilience of the industry in the face of COVID-19 and our reading of the FAO's 2020 SOFIA report. Through our partnership with the **Chinese trade media FishFirst**, we give a monthly overview of a specific topic (the future of aquaculture, the impact of Brexit, climate change, research on new marine raw materials, etc) and give external stakeholders the opportunity to present their views. We also provide a monthly column to the **International Aquafeed magazine**. These inputs contribute to enriching the contents available on our digital platforms, for a better understanding of the industry and improved access of key facts and figures. **A good media coverage was made of the two webinars that we held in 2020**, with specific focus on the panel discussion and the market forum.



Communications network

In order to further engage and share information with members, **a network was setup early 2020 for communication professionals within member companies**, with calls held every quarter. This provides members with the opportunity to discuss with their fellows in our industry on the latest news, upcoming projects, while also giving feedback directly to IFFO's communications team.



Advocacy

As usual, IFFO has represented members' interests in the regulatory field. This interest in regulation is driven predominantly by [European Union legislation, with the feed additives legislation and the use of antioxidants](#) figuring strongly as it has for several years. Working with partners such as the European Feed Manufacturers' Federation (FEFAC), IFFO has been engaged with the reauthorisation process in order to understand the timelines for decisions to be made. At the time of our writing (April 2021), although the use of ethoxyquin is not permitted within the EU, a decision on ethoxyquin's reauthorisation is yet to be made. The extension of the regulation suspending ethoxyquin to the end of 2022 indicates that for ethoxyquin a decision is not expected quickly, and may well be at some point in 2022 rather than 2021.



Equally, scientific opinion on the Butylated hydroxytoluene additive known as BHT is also on-going and a subsequent decision by the European Commission via the SCoPAFF Animal Nutrition Section. Timelines for this process have also been delayed, unfortunately, although a Scientific Opinion may yet be published in 2021 by the European Food Safety Authority (EFSA).

The EU is also considering revising the maximum limits (ML) for dioxins and dioxin-like polychlorinated biphenyls (PCBs), following the publication of an EFSA Scientific Opinion on the safety of these compounds in November 2018. The European Commission wants to understand the implications of setting lower MLs, and has taken some time to look into the issue with the support of EFSA. IFFO has been engaged in this process through the submission of relevant data on levels of these compounds into the EFSA to show real-world impact of ML setting and continues to follow developments.

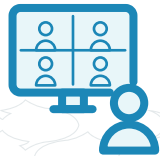
GlobalGap Compound Feed Manufacturing standard v3.0

Over the course of 2020 and through into early 2021, a [GlobalGap Focus Group has been developing the draft text of the v3.0 standard of their Compound Feed Manufacturing \(CFM\) standard](#). IFFO is a member of that Focus Group, along with representatives of several of the feed companies, and other fishmeal industry stakeholders. The discussions included a comprehensive examination of [the role of responsible sourcing of marine ingredients in compound feeds](#) for aquaculture and terrestrial animals. The Focus Group also looked at the vegetable ingredients and the novel feed ingredients and issues around their use. The draft document was released for two public consultations in early 2021, working towards publication of the final version in July 2021 and implementation as a mandatory standard in January 2022.

Events

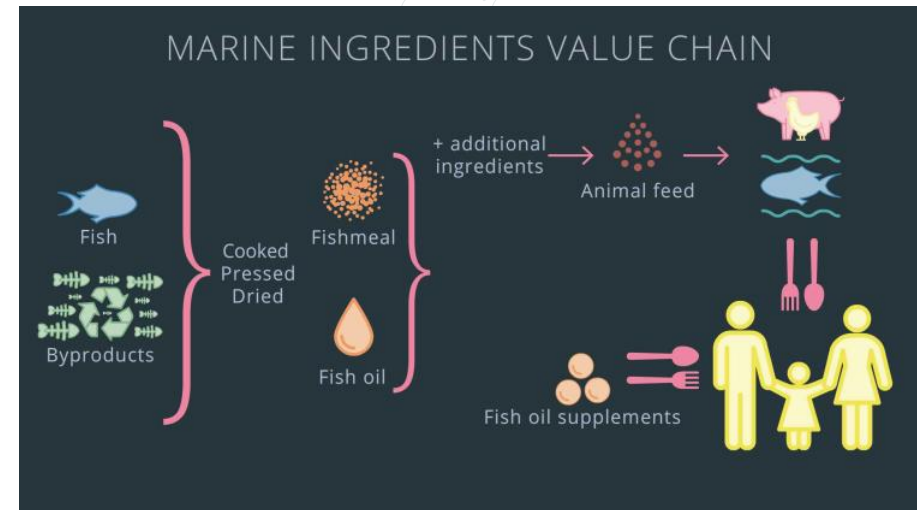
Due to COVID-19 related travel restrictions, IFFO's international speaking engagements were greatly reduced in 2020. Excluding IFFO hosted events, the team presented at the following events:

- JCI conference on feed ingredients
- Seafish – ACIG bite-size meeting
- Vitapro – Global opportunities for the Latin American shrimp
- The North Atlantic Seafood forum 2020
- UN FAO Fish Price Index workshop



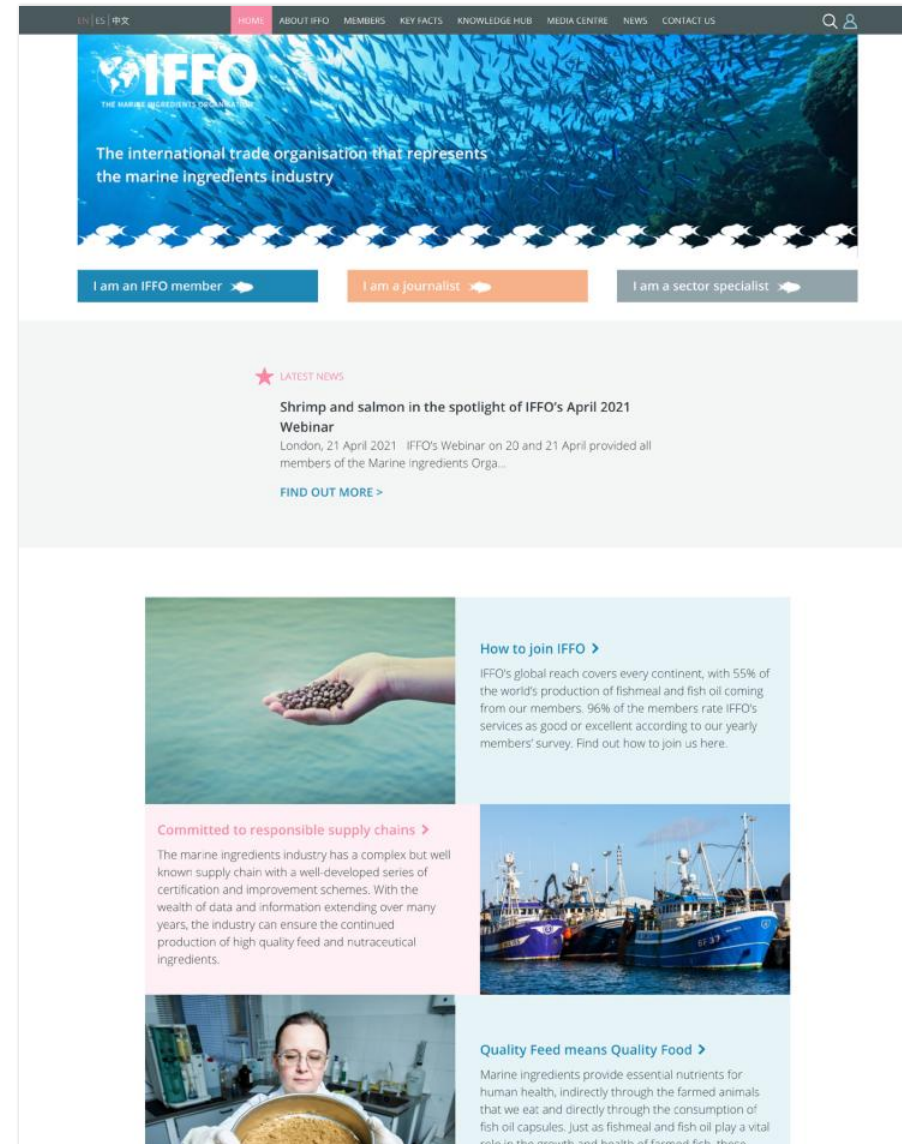
Infographics

Following IFFO's key messages and science-based approach, a series of six infographics were developed and launched on social media in April 2020. The animated infographics cover simple messages that get to the core of the role that marine ingredients play in global food security. They are unbranded so members and stakeholders can also use them. Each infographic is linked to a webpage, providing more **easily digestible science-based facts**. Topics covered detailed what are marine ingredients, their sources, how they are used and the value chain. To reach a truly global audience, each infographic is available in English, Spanish and Chinese. On average, each post on LinkedIn received **800 impressions** and website visitor figures increased by 15% over this campaign.



New IFFO Website

IFFO's online resources have decades of research and data behind them. [The new website focuses on three visitor experiences: member, journalist and sector specialist.](#) Building on IFFO's infographics campaign, a Key Facts section provides easily digestible information for press and general public, with insights from leading academia to provide further general information. To delve deeper and take a more specialist approach, there is now a Knowledge Hub, covering marine ingredients sourcing, processing and usage. An [online library of research papers and studies of interest](#) has also been developed, with topics ranging from nutrition to environmental impacts. Finally, the members area was refreshed to allow members to easily navigate between IFFO's resources.



On-going projects

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Technical works



Microplastics and fishmeal

At a time when the science is still developing and thus incomplete, IFFO sees research into the relationship of plastics with the marine environment as important for the whole supply chain. In order to understand more about the issue, IFFO is working to **provide clarity** around the presence of potential microplastics in the supply chain.



Partnership with SINTEF: SFI Harvest programme

In 2020, IFFO started a **partnership with SINTEF on the SFI Harvest programme**, where IFFO sits on the Advisory board. The programme will develop knowledge and technologies for **responsible harvesting and processing of lower trophic marine resources**. The global industry, which today harvests and processes the pelagic species, possesses the technology and the experience to take part in the development needed. New feed raw materials are crucial for the aquaculture industry. Mesopelagic fish is today an underutilized renewable resource and these species can only be utilized if harvested in a **sustainable way** to contribute and to strengthen the food value chain needed to feed a growing global population in the future.





New trial for IMO Bulk Codes

With the support of producer member companies, IFFO is still very much engaged on work to **provide data in support of text amendments to the International Maritime Organisation (IMO) Codes**. After some extended planning, late in 2020 a new trial was set up in Peru to provide data in relation to the bulk cargoes code, the IMSBC. As these projects are required by the IMO to be 12 months in duration, this work is ongoing through 2021, with the aspiration to provide a dataset to the IMO in 2022.



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 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. Following COVID-19 related delays, the project is now going forward with the aim of a final report by the end of 2021.

In partnership with:  **Anton Paar**

Stakeholder Engagement



Global Roundtable on marine ingredients

IFFO, The Marine Ingredients Organisation, and The Sustainable Fisheries Partnership (SFP), are working to formalise the various existing international partnerships into a Global Roundtable to **take action and make tangible improvements in the marine ingredients industry**. The aim is to pull resources from a value chain approach and focus on developing regions, environmental impacts and nutrition.



Climate change and stakeholder engagement

IFFO is building a library of actions taken by our members from across our industry to **mitigate carbon emissions and adapt to climate change**. These stories will be presented alongside the latest scientific insights on climate change and how it effects our industry.

Membership

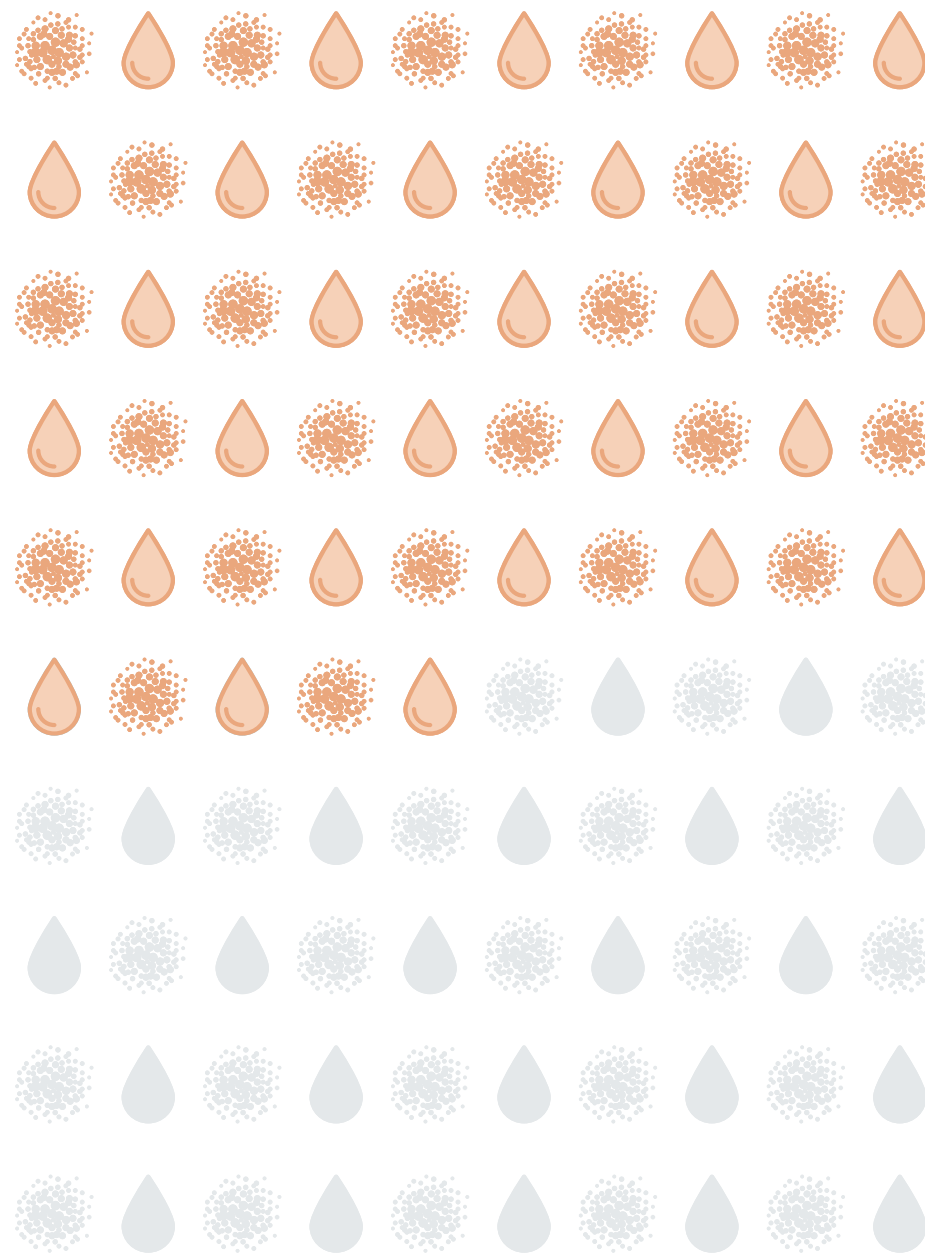
IFFO members include producers, traders, feed companies, edible oil refiners, retailers, financial institutions, governmental and non-governmental organisations. With **227 members**, IFFO's membership spans across **40 countries** at the end of 2020



Membership

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 2020 are based in Europe, a strong region for our industry, and the second area of growth is Asia.

Ten new trading companies joined as Non-Producer or Premium members and **two fishmeal and fish oil producers** joined as Producer members in 2020.



What our Members say

IFFO conducted a members' survey early 2021 to rate the services it offered in 2020 and to better align with the growing and diversifying needs and goals of the membership. Once again IFFO's services were highly rated with **92% of the members rate IFFO's services as good or excellent**. 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) should continue to be developed.



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 for the 2020/2021 term



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



Felipe Zaldivar, Eduardo Goycoolea
and Juan Carlos Ferrer



Anne Mette Bæk (President)



Egil Magne Haugstad



Johann Peter Andersen



Scott Herbert

Rest of
World

Mike Copeland and Odd Eliassen

Update from IFFO's President



COVID-19 has impacted us all, making 2020 an extraordinary year in many ways, with all trade shows and conferences cancelled, postponed or gone virtual, and a global reshuffle in supply chains as well as daily consumption patterns. IFFO members reported challenges with new protocols but

adjusted well to the unique circumstances and demonstrated remarkable resilience. The pandemic has underlined the strategic importance of robust supply chains and traceability procedures, encompassing feed as a vital part of the global food production system.

Marine ingredients are a key component of feeds and will contribute to making the future of the food production system more robust and sustainable. Indeed, in combination with

other ingredients, they play a central role in supplying stable feed volumes from responsibly managed fisheries providing reliable nutritional benefits to the ever-increasing aquaculture sector. IFFO will continue to lead the industry in actions to reduce environmental and social impacts through active engagement with our members and stakeholders.

This is a bold project for a trade body. Through it we want to address some of the current challenges to fisheries governance and management: although they are not a reflection of our industry, they affect some local communities. Science is instrumental in managing fish stocks. On top of this, increased collaboration between stakeholders from public and private sectors is needed, as fishery management principles depend on a combination of regulations, law enforcement and scientific as well as technical knowledge.

Update from IFFO's President

To contribute to this dynamic, IFFO will continue to build a knowledge database based on scientific studies. This has been IFFO's mindset for many years, from technical works to market research, and this is reflected in our communications, which always seek to refer to the latest data. Science is progressing, and the best available knowledge should always be the basis for the work done by IFFO in the interest of our members.

Anne Mette Bæk





IFFO 2020–2021 President

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 2020, 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 2020 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 2020

	2020	2019
	£	£
Turnover	<u>1,489,167</u>	<u>1,702,083</u>
Gross profit	1,489,167	1,702,083
Administrative expenses	(1,372,379)	(2,080,178)
Other operating income	<u>46,552</u>	<u>595,138</u>
Operating profit	163,340	217,043
Interest receivable and similar income	<u>890</u>	<u>49</u>
Profit before tax	164,230	217,092
Tax on profit	<u>(2,261)</u>	<u>(2,969)</u>
Profit after tax	<u>161,969</u>	<u>214,123</u>
Retained earnings at the beginning of the year	1,730,267	1,516,144
Profit for the year	<u>214,123</u>	<u>214,123</u>
Retained earnings at the end of the year	<u><u>1,892,236</u></u>	<u><u>1,730,267</u></u>

Balance sheet as at 31 December 2019

	2019	2018
	£	£
Fixed assets		
Tangible assets	331,707	342,870
Investments	1	1
	<u>331,708</u>	<u>342,871</u>
Current assets		
Debtors: amounts falling due within one year	84,070	187,767
Cash at bank and in hand	1,583,101	1,393,918
	<u>1,667,171</u>	<u>1,581,685</u>
Creditors: amounts falling due within one year	<u>(106,643)</u>	<u>(194,289)</u>
Net current assets	<u>1,560,528</u>	<u>1,387,396</u>
Total assets less current liabilities	<u>1,892,236</u>	<u>1,730,267</u>
Net assets	<u>1,892,236</u>	<u>1,730,267</u>
Capital and reserves		
Profit and loss account	<u>1,892,236</u>	<u>1,730,267</u>
	<u>1,892,236</u>	<u>1,730,267</u>

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