



GOAL Conference Review

Joe Zhou

Darden Restaurants, USA



global aquaculture
the alliance

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Darden Restaurants, United States

Joe Zhou is senior director of seafood procurement at Darden, where his responsibilities include ensuring the supply of seafood to the 1,700 restaurants in the world's largest casual-dining restaurant company.

Since his work entails building long-term partnerships, Zhou works daily with seafood stakeholders from major processors to farmers, fishermen, importers and distributors.

Born in China, Zhou has lived in the United States for 25 years. He is a strategic planner with a passionate belief in sustainability. He and his team have established one of the largest three-star BAP-certified shrimp supplier networks. Zhou currently serves as chairman of the Shrimp Council of the National Fisheries Institute.



Day 1: Key Note and Production

**The “Shift” –
Center of Economic Gravity
and Wealthy moving East
to Asia Pacific!**



The “Shift” in Headlines

“Chennai, Dubai, Shanghai or bye-bye...” – **Ivy League MBA’s**

“If you want to see the past, go to Europe, the present, go to N. America, the future, go to Asia...” - **Kishore Mabubhani**

“The Chinese elite now views America as a pit stop - a place to get a degree and add some brand value to the resume...” - October 2010, **Newsweek**



The “Shift” in Numbers

- 66% of The World’s Middle Class will live in Asia Pacific by 2030
- 3 billion of world middle class consumers in Asia
- 59% of The Global Middle Class Spending
- 32% vs. 29% emerging market consumption already surpassed that of the US as of 2009



The Implications of the Wealth Shift

- Tremendous growth prospect for seafood consumption –
 - 164 to 232MM MT by 2025 and 2050
 - Culture and geography may matter more than income when seafood consumption is concerned
- The Wally Steven Premise –
 - Aquaculture production will double in a Decade



Aquaculture Will Be The Answer

- Shrimp production is projected to grow at 8.1% from now through 2012
- Tilapia, Pangasius production continue to grow to 3.3 MM MT to 1.6 MM MT respectively by 2012.
- Atlantic Salmon, Coho, and Rainbow Trout production will recover to 2008 high next year.
- New aquaculture marine fish species like Cobia and Tuna will emerge as new growth species.



Aquaculture Can Be Sustainable

- “Technology is changing the business” – **George Chamberlin**
 - More sustainable, consistent, cost effective
- “Believe in the model” – **Robins McIntosh**
 - What Asia’s white shrimp story is the success story of domestication and controlled environment.
 - Sustainably more from less
- Advanced feed / nutrition management - **LAURENT GENET**



Day 2

Issues and Solutions



Global Size Opportunities Come With Global Size Challenges

- Concerned about food safety
 - 91% of Chinese surveyed
- Multiple Standards for aquaculture
- Sustainability
 - FIFO
 - Carbon Foot Printing



The Global Challenges and Concerns

GLOBALG.A.P. (EUREPGAP)



Solution Requires Global Collaboration and Trust

- Harmonization of standards
- GFSI and FAO
- BAP meets highest standards of food safety, sustainability, manages traceability
- Reduced or total elimination of fish meal for feed possible
 - **A responsible seafood Choice**



Day 3

Market



Global Recession Effects

- Consumers are looking for value – downward pricing pressures
 - Private label, promotions, discounters
- 4 megatrends
 - Convenience and practicality
 - Health and well-being
 - Indulgence and pleasure
 - Ethical
- Focus on the customer – compete on quality while providing value



“IT’S NOT RICE.....IT’S SHRIMP!”

- Current high cost of shrimp and other seafood hurts consumption in the US
 - Prices are above promotion-friendly levels
 - Last anchor of value white fish being threatened
 - 9 month lag time between price stock and aggregate demand reduction



“The Future of Seafood is Fantastic”

- Rising middle class in the developing countries creates new market
- The great health message of seafood
 - Baby boomers hate getting old
- The global proliferation of “Sustainability”
 - **Growing worldwide seafood demand makes responsible aquaculture essential to providing supply and protecting the sustainability of the oceans.**



Parting Words...

- We are in historic times for aquaculture
 - Shifting economic power brings opportunity and challenges
 - Aquaculture's success and continuing growth are never more important for our world



The “Shift”

