GOAL 2012 – What do we take away?

Travis Larkin
Seafood Exchange
We’ve come a long way since our first meeting in 2001

GOAL I in Singapore: 70 attendees
Things got a little shaky the next year in Bali...

(I don’t know how many attendees, but with photos like this one, who cares?)
And we have grown to over 330 attendees this year in Bangkok

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Year</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Cabo San Lucas</td>
<td>2008</td>
<td>Qingdao</td>
</tr>
<tr>
<td>2004</td>
<td>Bangkok</td>
<td>2009</td>
<td>Seattle</td>
</tr>
<tr>
<td>2005</td>
<td>Ho Chi Minh City</td>
<td>2010</td>
<td>Kuala Lumpur</td>
</tr>
<tr>
<td>2006</td>
<td>Miami</td>
<td>2011</td>
<td>Santiago</td>
</tr>
<tr>
<td>2007</td>
<td>Madrid</td>
<td>2012</td>
<td>Bangkok</td>
</tr>
</tbody>
</table>
Dr. Lin reminded us...

...that this business is not for the faint of heart:

“Shrimp business is like marriage: The outsiders want to get in, and the insiders want to get out.”
Double in a Decade: *How are we doing?*

- Need 7.2% annual growth to achieve goal.
- Running behind since goal was set last year, but...
- Finfish did double from 2002 to 2012 although not “on track” in last years.
Shrimp production is projected down through 2013

Million MT

2006 - 2010
Annual growth rate: 5.0%

2012-2014
Projected annual growth rate: 4.9%

-9.7%

What most concerns aquaculture producers?
Survey of all producer countries for GOAL 2012

Diseases
*Production costs - Feed/Fishmeal
*International market prices
Access to disease-free broodstock
Production costs - Others
Production costs - Fuel
Seed stock quality & availability
Access to Credit
Feed quality and availability
Product quality control
*International trade barriers
Environmental management
Banned chemicals / antibiotic use
Market coordination
Conflicts with other users
Public Relations Management
Infrastructure

Asterisk indicates Top 3 issue in GOAL 2007 Survey

Source: GOAL (2012).
Fish output projected up this year, then flat for 2013

Atlantic cod
Barramundi (IN and TW)
Turbot
Olive flounder; Korea Rep.
Coho salmon
European Sea Bass&Bream
Rainbow trout
Channel Catfish
Pangasius, Vietnam
Atlantic salmon
Tilapia
Biggest Risk in Aquaculture?

Disease

Disease can cripple growth and investment. But defeat does not have to be permanent.

1. Infectious Salmon Anemia (ISA) – Chile
2. White Spot Virus of Shrimp – Worldwide
3. Today’s battle: Early Mortality Syndrome of Shrimp – Asia

**Collaboration is key**
Current Risk: Early Mortality Syndrome in Shrimp in SE Asia

• Affects shrimp in first 10-40 days after stocking.
• Mortality rate: 40-90%
• Affects white shrimp (*L. vannamei*) and black tiger shrimp (*P. monodon*).
• Survivors display slow growth.
Making a Difference: Sustainability and Certification

• Has performance increased over the last decade? Yes...

• Increased monitoring and recording requirements and added limits.

• Bottom line: Sustainability is good business for our industry and our communities.
Our Best Aquaculture Practices have taken hold

TOTAL BAP CERTIFIED FACILITIES FOR 2012:

371 (2011) to 500
(34% increase)

TOTAL CERTIFIED TONNAGE FOR 2012:

762,000 MT (2011) to 950,000MT
(25% increase)
Aquaculture Investment: An Opportunity for Growth

• Demand increasing due to growing population (9 billion in 2050) and the shift from grain to animal protein in diets
• Attractive FCRs in aquaculture compared to land-based proteins
• Growing GDPs in various regions = greater appetite for protein in diets
Seafood Consumption
by Market Share

- Asia: 68%
- Europe: 12%
- Americas: 13%
- Africa: 7%

China: 34.5%
European Union: 9.3%
United States: 6.0%
Japan: 5.8%
Indonesia: 4.9%
South Korea: 2.2%

Source: FAO
Total Middle Class Consumption
by Regions

USD Billions

35,000
30,000
25,000
20,000
15,000
10,000
5,000
0

North America  Europe  Central and South America  Asia Pacific

Sub-Saharan Africa  Middle East and North Africa

Source: World Bank, Staff estimates
Animal Protein Consumption Highly Correlated with Per Capita GDP

Animal Protein Consumption (kg) per Capita vs. GDP per Capita (2010)

\[ R^2 = 0.67086 \]
Just One Example of the Opportunity Before Us

In Australia, a nation of 23 million people:

- Seafood consumption 40% less than recommended.
- Australia will need an additional **1 million tons of seafood per year**...within only 10 years.
- We know: Only aquaculture can meet this.
Making a Difference: Social Responsibility

• Certifications will never fully replace the role of governments and businesses in ensuring that laws are followed.

• When a business is in compliance, it can focus resources on its core functions.

• Urgent Need for Action in Thailand – NOW
What is our call to action now?

• Ask ourselves: What is best for *all* of us?
• We must collaborate to solve problems that threaten our industry community.
• More prevention = less response.
Conclusions

• The world wants and needs our products.
• Demand is only going to increase.
• If we “mind our business”—scientifically, socially, sustainably and commercially—the sky’s the limit.
See you in Paris for GOAL XIII