

Minutes: Sustainable Seafood Coalition Feed Working Group

20th May, 10:00-12:00.

16 Participants (11 FWG members, 4 feed manufacturer representatives, 1 Secretariat).

SUMMARY OF NEXT STEPS:

- Secretariat to invite representatives from relevant NGOs and aquaculture ratings organisations to present at the next FWG meeting (2.2)
- Secretariat to amend FWG Objectives document in line with member feedback, with a view to signing it off during the next meeting (2.3)
- Secretariat to compile a calendar of certification scheme stakeholder feedback opportunities (2.4)
- A member to summarise in writing their proposal for a metric-aligning initiative and share with the FWG on Podio (2.5)

1. PRESENTATIONS FROM FEED PRODUCTION BUSINESSES

1.1 The Secretariat set out the purpose of this session. Feed production businesses have been invited to present to the FWG with a focus on how they manage the environmental impacts associated with their feeds, and how risk assessment practices are applied across a range of ingredient sources. This session aims to build FWG knowledge of existing practices and needs for this stage of the feed supply chain.

1.2 The first presenter outlined the 'Least Cost Formulation' approach to creating a fish feed, in which the available ingredients are combined in such a way that the required micronutrients are delivered at the lowest cost. This approach is informed by nutrient requirements and nutrient availability, and it affects both procurement and operations. The group explored how motivations other than cost might be introduced to the process (e.g. carbon footprint, FIFO ratio). The presenter emphasised the need for a consistent, unified 'pull' from the retail sector to drive change in the farming sector. They stressed that accelerating sustainability and traceability is possible if customers set transparent demands. Participants questioned why terrestrial ingredients do not appear to receive as much scrutiny as marine ingredients. One pointed out that Life Cycle Assessments of feed show more significant risk and impact associated with non-marine ingredients.

1.3 The second presenter explored the role of 'alternative' ingredients, and in particular of algae oil, in responsibly-fed aquaculture. They examined the risk areas for feed ingredients (changing consumer sentiment, variable nutritional quality and compromised supply chains) and the controls which can be put in place to manage these risks (full traceability and control over the production process). The presenter said that sustainable alternative feeds are now available at scale and that these feed ingredients have been tried, tested and accepted for various farmed species. The presenter highlighted that sustainably-sourced fish oils would and should continue to form part of the ingredient basket. They used Feedex risk factors (legal compliance, environmental/social/ethical impacts, safety & nutritional value, independent certification and long-term economic viability) to compare algae oils with fish oils and stated that algae carries a lower risk against all factors. The group discussed the cost of algae oil and likely timescales for cost parity with traditional feed ingredients. A member asked about the value proposition for aquaculturalists. The presenter emphasised that farmers can improve the health outcomes of their fish by restoring the levels of EPA and DHA in their feed, and that alternative ingredients can ensure this is done in a secure and controlled way.

1.4 The third presenter focussed on responsibly fed salmon. They suggested that the growth of salmon aquaculture will require a wider basket of sustainable raw materials. They said there would be several benefits in achieving this progress including better availability, reduced sensitivity to markets, wider choice to meet nutritional needs and resilient supply chains. They outlined their environmental and social sustainability policies and risk assessment processes. They explained that they align their risk assessments with the expectations of certification bodies, including for plant ingredients where relevant. The presenter pointed towards opportunities to utilise by-products more effectively when sourcing marine ingredients. They referenced alternative ingredients including insects, algae

and single-cell proteins, citing concerns around scaling up and the need for long-term commitments from customers to move these from being novel to mainstream. The presenter called for enhanced due diligence on all ingredients in the basket and better visibility of lower-tier suppliers. They said that a long-term commitment and pull from the market will be necessary to make this happen, including defining sustainability expectations in technical specifications.

2. DISCUSSION OF FWG OBJECTIVES

2.1 The Secretariat invited FWG members to reflect on the value of the meeting format and on the presentations received from the feed manufacturing sector representatives. Participants gave positive feedback on the structure and utility of FWG meetings so far. Some suggested that they have solidified their understanding the risks, challenges and potential solutions in the feed sector. Reflecting on the feed manufacturers' presentations, members were encouraged by the suggestion that risk management should be formalised and made more transparent. They note that some 'solutions' are already happening without SSC involvement but that more aligned 'pull' could catalyse progress. One member reflected that wider discussion of responsible feed has been dominated by salmon, which can lead to a disproportionate focus on marine ingredients. They suggest we should maintain a holistic approach.

2.2 The FWG moved on to discuss the next meeting and explored the option of another information gathering session in which farm site operators are invited to present. Some businesses were suggested. The group saw challenges in engaging farmers outside salmon and shrimp due to many other species being farmed in predominantly fragmented, locally-specific systems. There were also competition law concerns surrounding invitations for direct customers who may be incentivised to present a commercial offering rather than maintaining a pre-competitive sustainability focus. Instead, the group decided to invite representatives from NGOs and particularly aquaculture ratings organisations. This is another stakeholder group with expertise and interest in aquaculture feed which may have suggestions for how the FWG should proceed. Members would also welcome the opportunity to introduce those organisations to FWG work so far.

2.3 The FWG reviewed the Objectives & Activities document drafted by the Secretariat. Feedback was positive, in particular on the simplified and clarified objective areas (Knowledge Building, Internal Guidance & Resources, External Influence). The group decided on some specific amends for the Secretariat to execute.

2.4 Members discussed the specific mechanisms through which they might meet Objective 3 (External Influence). Many felt strongly that the most effective influence and progress can be achieved by collective engagement with the relevant certification standards. It was pointed out that almost all of the upstream feed supply chain is already certified to one of the main standards, and that engagement with these standards is more practicable than direct engagement with the diverse and complex ingredient sources. This approach would also enable global coverage and avoid being overly salmon-centric. A member warned that the standards do not cover all pillars of sustainability, but recognised that the FWG could play a role in widening their scope. Another member highlighted that certification scheme consultation processes are infrequent and do not tend to receive significant responses from retailers and processors, but that the FWG could lead this engagement. It was pointed out that many businesses have set sourcing requirements higher than most certification schemes have, and that raising the certification standards to achieve a 'level playing field' would be a 'quick win'. Understanding when consultation opportunities will arise, and coordinating joint responses was agreed as a valid activity for the FWG.

2.5 A member proposed that the FWG could also initiate a process by which a set of metrics (e.g. traceability, deforestation, reliance on fishmeal and fish oil) are agreed by an industry body and all businesses are surveyed using these metrics on an annual basis. With the assistance of consultancies and seafood NGOs this survey could generate sustainability performance scores for all companies assessed. These scores can then be used as a feedback mechanism to drive improvements in those supply chains. Individual members could weight these metrics differently in accordance with their own priorities.