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GOAL video: Gorjan Nikolik on fishmeal

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By Global Aquaculture Advocate

Rabobank analyst on fishmeal's transition from commodity to strategic protein



Gorjan Nikolik, senior industry analyst, Rabobank

One of the most important ingredients in aquaculture's rapid growth has been fishmeal, a crucial marine protein for the culture of many fish species, valuable in large part for its strong nutritional profile that includes long-chain omega-3 fatty acids.

Gorjan Nikolik, senior industry analyst for Rabobank, presented on fishmeal's transformation from commodity to a market-driven, globally traded protein at the Global Aquaculture Alliance's annual GOAL (Global Outlook on Aquaculture Leadership) conference, held in October in Vancouver, Canada.

Here are some of Nikolik's conclusions.

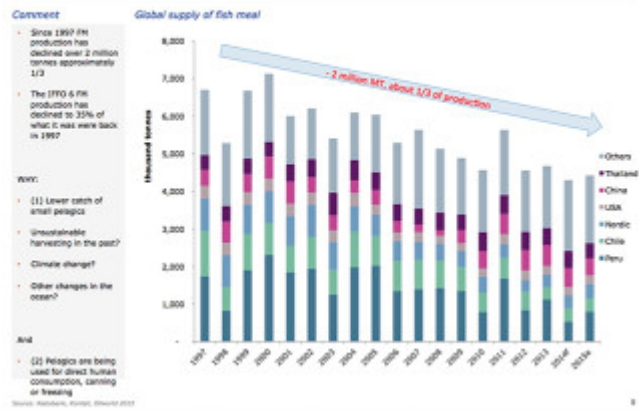
- Land may be the scarcest of all inputs for aquafeed production. With further industrialization of the sector, "For reasons of biosecurity, we need to get to a more condensed aquaculture production," he said.

When new species are developed for aquaculture, initial feed formulations "will be very high in fishmeal," Nikolik said, because we know relatively little about them, compared to salmon and shrimp. Getting feeds to function properly with low fishmeal content requires "a lot of R&D ... and a lot of scale," he added. "This translates to a driver for consolidation. The key is to develop the use of novel ingredients that are cost-

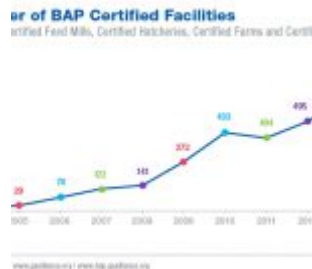
effective.” New species development has historically been a key driver for aquaculture volume growth, he said.

- Fishmeal supplies today are lower than a decade ago, and the El Niño weather phenomenon in Peru makes forecasting supplies a “bit of a guess,” Nikolik said. The trend is stable, but on a bit of a decline.
- Nikolik argued that only fish that require low fishmeal content in their feeds, such as e.g. tilapia or pangasius, can be developed to commercial scale in today’s industry. “Or very high-value niche species,” he added.
- Trimmings, or byproducts from fish processing facilities, have “cushioned fishmeal availability,” Nikolik said. Byproducts now account for one-third of the global fishmeal supply, but Nikolik said that it’s “debatable” if more will be available for production in the future. “The best seafood processors utilize 100 percent of the trimmings for human consumption products

But supply is declining (or at best stable), down by 1/3 in 15 years



Global fishmeal production is on a steady decline.



Salmon feed formulations have drastically reduced their fishmeal inclusion rates over the past three decades.

or combine with pet food products,” he added.

- With fishmeal and fish oil prices increasing, fishing rights should increase in value, which bodes well for pelagics harvesters, provided fishing is sustainable and the cost of harvest remains flat. “Some may even find fishmeal and fish oil production assets of strategic value,” Nikolik concluded. “It could create more investor interest in this niche market and strategic M&A (mergers and acquisitions).

The full video of Nikolik’s presentation, “The Appeal of Fishmeal: Fishmeal’s Transformation from a Commodity to a High-Priced, Strategic Protein,” can be viewed below. For complete GOAL coverage, see **DAY 1** (<https://www.aquaculturealliance.org/advocate/goal-2015-day-1-we-stand-on-guard/>), **DAY 2** (<https://www.aquaculturealliance.org/advocate/goal-2015-day-2-the-story-we-choose-to-tell/>), **DAY 3** (<https://www.aquaculturealliance.org/advocate/goal-day-3-the-greater-good/>), articles and photo galleries **1** (<https://www.aquaculturealliance.org/advocate/in-pictures-faces-of-goal-2015-pt-1/>), **2** (<https://www.aquaculturealliance.org/advocate/in-pictures-faces-of-goal-2015-pt-2/>), and **3** (<https://www.aquaculturealliance.org/advocate/in-pictures-final-day-of-goal-2015/>).

GOAL 2015: Gorjan Nikolik



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Author



GLOBAL AQUACULTURE ADVOCATE

Two International Drive, Suite 105
Portsmouth, NH, 03801 USA

editor@gaalliance.org (<mailto:editor@gaalliance.org>)

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