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## **PRESS RELEASE (Norway)**

### **Exposé on Peru's fishmeal and fish oil Industry reveals rampant abuses and links to Norwegian feed and aquaculture giants Calls for phase-out of wild-caught fish feed used in aquaculture**

London, 25 November —A new report about Peru's massive fishmeal and fish oil (FMFO) industry by the Changing Markets Foundation has raised troubling questions about the impact farm-raised seafood is having on the health of ocean ecosystems. It also reveals its links to Norwegian-based or -owned aquafeed companies, including Austevoll Seafood ASA and its subsidiaries Austral Group and Lerøy Seafood Group, EWOS/Cargill, Skretting and Mowi.

Although Peru is promoted by the industry as a '*global leader of responsibly sourced marine ingredients*', the report reveals a litany of corruption, environmental, and social scandals in the industrial anchovy fishery. It also graphically illustrates the folly of using vulnerable wild-caught species as feed in the rapidly expanding global aquaculture industry.

The Peruvian anchovy (*anchoveta*) fishery encompasses the biggest single-species harvest in the world and 99% of it goes to raise animals (pigs, chickens, and mink), as well as farm-raised fish. A significant percentage of the product is exported to Europe as feed in the Norwegian and Scottish farmed salmon business.

"Contrary to the image big industrial players seek to project, the Peruvian FMFO sector is rife with corruption and highly unsustainable practices, such as targeting juveniles and the systematic underreporting of catches. These practices are largely driven by demand from international companies that source a significant amount of fish oil to produce aquafeed for farmed seafood. With its use of wild-caught fish to feed farmed fish, aquaculture is not the panacea to overfishing the industry claims to be, and seafood eaters in high-income markets may unwittingly be contributing to the destruction of ocean ecosystems when they purchase products like farm-raised salmon and prawns," said Natasha Hurley, Campaign Manager at the Changing Markets Foundation.

Anja Bakken Riise, leader of Future in Our Hands (Framtiden I våre hender): "We are extremely concerned about the findings in this report, and expect a reaction from Norwegian-owned companies operating in Peru and companies that source from the country. What's more, our upcoming research reveals another dimension to the problems raised by Changing Markets, namely that anchoveta is a fish that should be prioritised for human consumption due to its high nutritional value."

The findings also undermine the credibility of MarinTrust and its Global Standard for Responsible Supply (formerly IFFO RS) – the FMFO industry’s main certification body – that continue to certify several of the companies involved in multiple scandals. It reveals that MarinTrust continues to certify companies that have historically underreported fishing catches, participated in highly unsustainable fishing practices, such as overfishing juveniles, and have been involved in a national corruption scandal. Furthermore, it calls on other sustainability schemes, such as the Marine Stewardship Council, to rule out the certification of wild-capture fisheries for anything other than direct human consumption.

The findings are the result of a detailed investigation conducted between February and October 2020, as well as extensive supply chain research. They tell a story of rampant mismanagement and corruption that is pushing Peruvian anchovy stocks to the brink. What’s worse, the population already faces extreme pressure from El Niño events, which have led to periodic collapses in the past and are becoming more frequent with climate change.

Last January, Peruvian fishers who depend on the fishery for their livelihoods, took the highly unusual step of marching in the streets to protest the mass harvest of juvenile anchovies, and called for the immediate closure of the fishing season to protect stocks. However, their calls went unheeded and in one particularly shocking case, fishermen were told they would be fired if they refused to resume fishing.

Disturbingly, the same investigation also discovered that the industry has put the lives of fishers and FMFO plant workers at risk by forcing them to work during Covid-19 outbreaks, violating its own health and safety regulations. This led to unnecessary infections of fishers and plant workers, as well as hundreds of deaths in the country’s fishing ports. The report presents a case study on Norwegian-owned Austral Group, which flouted its own safety regulations by mixing fishermen and crews without respecting quarantine procedures, putting its workers at risk amid one of the most deadly outbreaks of Covid-19 in the world.

“Our research shows that as soon as you scratch the surface, all sustainability claims relating to the Peruvian anchovy fishery, by those with a commercial interest in FMFO, fall flat. Fish farming companies, aquafeed producers, and retailers need to stop using FMFO and accelerate the transition to alternative feeds and genuinely sustainable aquaculture models that do not require wild-caught fish,” said Hurley.

#### Key Findings:

Last year, nearly one-third of Peru’s fishmeal exports (32%) and fish oil exports (29%) were generated by two companies – the Peruvian-owned TASA and Norwegian-owned Austral Group – which have been linked to not only overfishing juvenile anchovies and underreporting catches but also violating critical health and safety standards as the global Covid-19 pandemic swept through Peru’s fishing ports and FMFO plants.

TASA supplies feed giants that produce millions of tonnes of aquafeed for the global market, including Norwegian feed companies EWOS/Cargill and Skretting and the Danish-owned BioMar.

These companies all supply major retailers, including Aldi, Marks & Spencer and REWE in Europe. All three aquafeed companies are also listed as suppliers to Lerøy, the world's second-largest farmed Atlantic salmon producer.

Last year, Mowi, a Norwegian salmon-farming and feed giant, and the world's largest producer of farmed Atlantic salmon, sourced 40.2% of its fish oil from anchovies fished in Peruvian and Chilean waters. It supplies farmed salmon to some of Europe's biggest supermarket chains and is the UK-based retailer Sainsbury's main supplier.

Lerøy, a subsidiary of Norwegian seafood giant Austevoll, and one of the largest fishing groups in the world, sourced over one-quarter (26.4%) of its fish oil from Peru in 2019. It supplies farmed salmon to major international retailers, including Ikea, Tesco, Carrefour, and Spanish retailer Mercadona. Through its UK subsidiary, Scottish Sea Farms, Lerøy also supplies salmon to British retailer Marks & Spencer.

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Further information

#### About the Changing Markets Foundation

The Changing Markets Foundation was formed to finance and support campaigns that accelerate and scale up solutions to sustainability challenges by leveraging the power of markets. It works to identify critical issues that require urgent action, spread ideas that engage and mobilise people and design campaigns to promote market shifts that support sustainability. Its research includes market and supply-chain investigations.

#### About the report

The report, entitled *What Lies Beneath: Uncovering the truth about Peru's colossal fishmeal and fish oil industry* is based on qualitative research on Peru's fishmeal and fish oil industry, the Peruvian anchovy fishery, interviews with experts, observers on the ground in Peru, and an extensive review of the academic literature. It is available from [changingmarkets.org/portfolio/fishing-the-feed/](https://changingmarkets.org/portfolio/fishing-the-feed/)

#### Contact

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