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Adisseo to Keep Raising Profile in Aquaculture Innovation

Adisseo recently disclosed an intent to further bolster its capacity in applied research as well as its leading position in aquaculture innovation – a position made possible thanks to the growth of its Business Unit Aquaculture (BU Aquaculture) and the ongoing development of a specialised portfolio of additives for aqua feed producers.

The history of BU Aquaculture began in the late nineties when Dr. Peter Coutteau initiated pioneering research on the development of nutritional and health promoting concepts for a diversity of aquaculture species. Dr. Coutteau's aqua team was incorporated into Nutriad in 2009, and subsequently into Adisseo in 2018 when the Nutriad acquisition took place. Today, Dr. Coutteau is BU Director Aquaculture.

Dr. Coutteau spoke to Feedinfo about Adisseo's determination to take the lead on innovation in aqua feed and support the growth of its aqua customers. We also discussed global outreach and some of BU Aquaculture's research focuses.

[Feedinfo] Dr. Coutteau, the history of the BU Aquaculture began in the late 90s. Can you give us a brief overview of the work you carried out back then? How did the incorporation of the aqua team into Nutriad in 2009 and then into Adisseo in 2018, accelerate the team's research?

[Peter Coutteau] I joined a Belgian family owned company in 1997 as R&D manager Aquaculture. Shortly after joining, I was requested to support a new development, ie premixes and concentrates for aquafeeds. Since the 80s, the company was active in the premix



Dr. Peter Coutteau
BU Director Aquaculture
Adisseo

business for livestock, particularly in concentrates for piglets, and understood very well the need to invest in the development of know-how in a young but quickly growing aquafeed sector. We needed knowledge on formulation, raw materials and processing of

aquafeed in order to design our products and service the customers. These were pioneering times with feed factories and integrated farm operations starting up around the world for producing (feed for) shrimp, trout, and marine fish. Nutritional knowledge was still very scarce and we investigated a diversity of topics related to nutrition and health under lab as well as field conditions, supporting nutritionists and farmers for fish and shrimp. Following a change of ownership and management, in 2009 we were incorporated into Nutriad with the mission to create a feed additive portfolio for aqua species. Becoming part of an international feed additive supplier with a broad offer of specialties in livestock, accelerated a lot the diversification of our product offer for aquaculture customers, adding products such as pellet binders, programs for feed quality and preservation, organic acids, botanicals and yeast derivatives. Our integration into Adisseo has further broadened our product scope, having now access to expertise, research capabilities and service platforms on products such as methionine, enzymes, vitamins, and organic selenium. Adisseo is widely recognised for its strong innovation power and we surely will benefit from that in aquaculture. Indeed, since we joined we have significantly increased our research capabilities and opened a test center for aquaculture in Singapore. Also, Adisseo is used to developing collaboration with third parties to bring innovation to the market and this strategy could be very effective for aquaculture as well. Overall, it has been an exciting journey of 20 years of product development during pioneering times for aqua feed additives and we have been lucky with the successive transfers as every company contributed with its unique expertise to what we are and do today.

[Feedinfo] Adisseo continues to expand its global/local aqua teams and increase its presence in key markets for aquaculture in

Asia, Latin America, Middle East and Europe. Can you outline some of the key developments?

[Peter Coutteau] Aquaculture is a challenging sector for a global supplier of feed additives due to the fragmentation of the business over many species, products and countries. At Nutriad, we set the basis for a specialised business unit for aquaculture, concentrating enough critical mass into a well coordinated team covering applied research, product management, customer service and sales. Adisseo gives us the possibilities to roll out this BU concept to cover more products and countries. The past years we have reinforced the central support team in Europe, deployed more regional sales managers in MEA, Latin America and Asia; and have started to regionalise specific technical service teams for aquaculture. This year we started to setup the aqua team in China. We expect the BU Aqua to be with feet on the ground in all major aqua countries and provide a global technical sales platform by the end of 2021.

[Feedinfo] Has the COVID-19 pandemic slowed down BU Aquaculture's momentum in any way?

[Peter Coutteau] COVID-19 has impacted the aquaculture industry, particularly in countries that depend on the production and export of high value species such as shrimp and marine fish. However, the impact on our additive business has not been immediate or easy to predict. For example in some cases the lack of fish consumption has resulted in increased feed consumption to feed a bigger biomass for a larger time at the farm. For some species, markets adapted to move more product through retail and compensate for the loss in the food service. In other countries, the lockdown paralysed supply chains and resulted in acute impacts. Markets depending on domestic consumption were initially less affected. This variable impact for the different market

segments and the fact that our aquaculture business is diversified across species and regions helped to keep our global sales going at double-digit growth, landing even a record Q2. However, the seeding of new product introductions has slowed down due to the complexity to visit and execute field work with customers, and the limitations on organising exhibitions and conferences. Since July, Adisseo has been organising the global Aqua Webinar Series, a monthly webinar to keep up the information flow with our customers.

[Feedinfo] Aqua feed companies like Avanti Feeds in India or BioMar Ecuador recently took part in your webinar on the shrimp market. How can Adisseo's aqua solutions help such companies offset the impact of COVID-19 on shrimp demand?

[Peter Coutteau] We have a lot of common interests with our aqua feedmill customers. Adisseo has strategically chosen not to be competing with its customers and this reinforces its role as a partner rather than a supplier. The aqua sector is dynamic and hungry for knowledge. There is a lot to learn and to educate. We often co-organise events with our customers in order to bring the best possible information to their customers. As an additive supplier, we cannot influence on shrimp demand, but we do support our customers by all means in these difficult times by adapting as much as possible our supply logistics, offering online support platforms and technical trainings, optimising cost efficiency of their feeds and diversifying their product offering in changing times.

[Feedinfo] In December 2019, Adisseo launched its Research & Development Centre in Singapore dedicated to aquaculture. ASA (Aquaculture Station by Adisseo) focuses on nutrition, aquatic animal health, and aquatic science technologies. What work in particular

has been carried out at ASA since December 2019?

[Peter Coutteau] In aquaculture there is a lot of different issues to be solved still and that requires a diversity of research support. Market-oriented testing and demonstration work will be further expanded as we work in more geographies and species. In addition, Adisseo is building research competences and capabilities in aquaculture with the in-house test center ASA and by reinforcing the R&D team with aquaculture scientists. This R&D team will drive the innovation in the different product platforms for aquaculture with initial emphasis on functional feed additives, novel proteins, and amino acid nutrition. Despite the COVID situation, ASA activities are on schedule with the standardisation of the trial protocols and test runs with Asian seabass and shrimp being finalised and the first research trials starting up.

[Feedinfo] In February this year, Adisseo and Calysta – the supplier of FeedKind, a protein substitute product for fishmeal made from fermenting natural gas - established a 50/50 joint venture (Calyseo) to build a production facility in China and supply markets in Asia. What kind of synergies have been established between the China joint venture and Adisseo's BU Aquaculture?

[Peter Coutteau] Adisseo has ambitious plans for China both for livestock as well as aquaculture. Calyseo recently signed up for the investment in a production facility to start operating in 2022 in Chongqing. Starting this year, the BU Aquaculture is expanding its team and activities for specialty feed additives in China. Multiple synergies exist between the different product platforms in Adisseo, including Calyseo. Developing sustainable aquafeed will require, depending on the species, balancing nutrition involving amino acid and

trace mineral supplementation, but also optimising functional properties such as digestibility, palatability and gut health, and novel sources of protein. Functional feed additives are the core business of the BU Aquaculture, whereas Calysseo will supply a sustainable source of high-performing protein for the customers in China and Asia. Although the sales strategy and route-to-market may be different for specialty additives, methionine and protein alternatives, customers will benefit from our full innovation and support services in aquaculture across all product platforms.

[Feedinfo] How does Adisseo intend to consolidate its position in the aqua feed innovation segment and be an obvious choice when it comes to aqua solutions? Do you have a timeline to reach your objectives?

[Peter Coutteau] In the short term, we are aiming to roll out our portfolio of specialty additives and services to all major aqua countries by end of 2021. Key in this strategy is to build a dedicated and seasoned aqua specialist team that is able to identify the customer's needs and bring the solution with the required services to support. Building a global technical sales platform for aqua that is effective for the customer and profitable is not trivial. That is where Adisseo makes the difference with competitors and is the obvious choice for aqua solutions. We plan to continue expanding into novel products even though it may take 2-5 years to market depending on the complexity of the innovation process and production capability required.

[Feedinfo] Can you talk more specifically about the importance of having your own team of aqua experts?

[Peter Coutteau] We learned by experience that the aqua market is a “different world” compared to the livestock market, being more dynamic, less standardised, and eager for change. Aqua could be regarded as a high-value niche segment in the global animal feed business with the additional complexity of being seasonal and fragmented over many species and farming techniques. Furthermore, our focus on specialty feed additives for multiple species and regions requires a specific local/global technical expertise and understanding of the customer's challenges. No doubt, the success of the BU Aquaculture also depends on the support it gets from the entire Adisseo organisation, allowing us to take the benefit of the economy of scale of livestock but keeping the focus and specialised approach required to tackle the challenges of the aquaculture market.