

NAPA x MFE Statement of Work (SoW)

29th July 2025

Project Title:

Economic Impact Assessment of the Potential Failure* of the NAPA Blue Whiting FIP

** defined as the inability to secure a Coastal State sharing arrangement that aligns with ICES advice, thereby making MSC and MarinTrust certification unachievable*

Client:

North Atlantic Pelagic Advocacy (NAPA)

Consultants / Company:

Dr. Andrew F. Johnson & Dr Jordan DiNardo* / MarFishEco Fisheries Consultants Ltd.

**JD will error check the accounting exercise before submission to NAPA*

Background & Rationale

NAPA is concerned that the lack of a Coastal State sharing arrangement aligned with ICES advice will prevent continued MSC / Marin Trust certification of the blue whiting fishery. This threatens the viability of the Blue Whiting Fishery Improvement Project (FIP), which would result in large aquafeed producers (e.g. Cargill, Skretting, Biomar, Mowi) ceasing to source FMFO (fishmeal and fish oil) produced from this fishery. While fishing would continue, the downstream impacts on feed producers, fishmeal processors, and broader supply chains could be substantial.

This consultancy aims to quantify these potential impacts with an initial focus on blue whiting, serving as a pilot analysis that may later be extended to herring and mackerel.

Hypotheticals

Assumed supply chain:

Fishery > FMFO mills > Aquafeed manufacturers > Fish farms (primarily salmon)

Potential impacts:

- 1) Impact on the fishing sector (loss of high-value northern European market)
 - Issue: If the Blue Whiting (BW) FIP fails, large aquafeed companies like Cargill and Biomar (NAPA members) will no longer source Blue Whiting from the fishery.
 - Effect: Fishmeal and fish oil producers may still buy the fish but will be limited to sell into lower-value markets (e.g. Asia or Africa) instead of high-value European aquafeed companies.
 - Outcome: Lower ex-vessel and processing-level prices for Blue Whiting, reducing



revenues for fishers and processors (selling to SE Asia (FMFO) and Africa (human consumption)).

- 2) Cost Impact on Feed Manufacturers and Salmon Producers (Increased Raw Material Costs)
 - Issue: Aquafeed producers will need to substitute Blue Whiting with more expensive alternatives (e.g., Peruvian anchoveta, Western Pacific species, or insects).
 - Effect: Higher input costs for feed production (FMFO processors sourcing different materials and then aquafeed manufacturers and salmon farmers having to pay more for FMFO and feed respectively).
 - Outcome: Increased costs for feed producers and salmon producers who rely on that feed, potentially raising operating costs and product prices downstream.

Objectives

- Quantify the economic consequences of the FIP failing, including:
 - Primary: Increased raw material costs for aquafeed producers sourcing alternative ingredients.
 - Secondary: Decreased landing and fishmeal sales prices for blue whiting due to reduced demand from certified buyers.
- Provide evidence-based narrative support to aid NAPA's advocacy with Coastal State negotiators, emphasizing broader supply chain impacts beyond catch volume concerns.

Scope of Work

This work will proceed in two key phases:

Phase 1: Data Discovery and Feasibility

- Participate in scoping calls with FMFO producers, feed producers and salmon producers.
- Develop a data needs list, focused on:
 - o Blue whiting input volumes over time (per company – but report per node in supply chain)
 - o Historical and current price ranges for FMFO inputs
 - o Substitution behavior and price impacts post-2021 MSC loss
 - o Cost implications (current) of alternative sourcing (e.g. from Peru, West Africa, etc.) and likelihood of different alternative supplies
- Assess what data is available and what can be shared
- Determine whether a robust model is feasible based on available data and / or where speculation / extrapolation is required.

Phase 2: Economic Modelling and Reporting

- Develop simplified case study models for FMFO plants, feed producers and salmon producers.
- Estimate:
 - 1) Additional feed production costs if NAPA members must switch sourcing.
 - 2) Revenue reduction from BW price depreciation due to loss of premium markets.
- Structure analysis as an accounting-style scenario model using price ranges, historical substitutions, and percentage impacts (all presented in Excel).
- Generate quantified “headlines” (e.g. “Blue whiting price expected to fall 20–25%,” “Aquafeed



costs may rise by 30–40%", etc).

- Deliver a concise final output (2–3 pages. (incl. method), NAPA-branded, with optional MarFishEco endorsement) suitable for policy advocacy.

Deliverables

- Phase 1: Data Request Matrix and Feasibility Memo (after initial calls)
- Phase 2:
 - Draft Economic Analysis Excel Workbook
 - Narrative Summary Report (2–3 pages, suitable for advocacy)
 - Optional: Presentation Slide Deck for use with stakeholders

Timeline*

- Week 1: Initial scoping and call with Cargill, data request
 - Week 2 & 3: Analysis and modelling
 - Week 4: Drafting and delivery of final outputs
 - Week 5: Revisions of products if needed to support early autumn advocacy
- *largely dependent on responses from stakeholders*

Confidentiality & Data Handling

- All data shared will be governed by NDAs between MarFishEco and participating companies as required.
- Aggregated or anonymized data will be used in all reports.
- Companies will have the right to review how their data is used in any deliverable.

Other notes

- NAPA to provide previous work from Tom Pickerell on volumes of blue whiting from year to year
- NAPA to provide any updated estimates
- NAPA to organize calls and introduce MFE to different producers
- NAPA to provide any additional detail about the 2021 certification loss and its impact on NAPA members.

Contact

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Agreement to Proceed

Project Title:

Economic Impact Assessment of Blue Whiting FIP Failure – Phase I

Date of Statement of Work:

29th July 2025

Parties Involved:

Commissioning Organization: North Atlantic Pelagic Advocacy Group (NAPA)

Consulting Provider: MarFishEco Fisheries Consultants Ltd

This signature page confirms that both parties agree to the scope, deliverables, responsibilities, timelines, and conditions as set out in the Statement of Work referenced above.

The undersigned confirm their authority to commit their respective organizations to the terms described in the Statement of Work.

For MarFishEco Fisheries Consultants Ltd

Name: Dr. Andrew F. Johnson

Title: Director

Signature: 

Date: 29th July 2025

For the North Atlantic Pelagic Advocacy Group (NAPA)

Name: _____

Title: _____

Signature: _____

Date: _____

