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## P2M: sea bass & sea bream in open sea

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MISTRA

MALTA

**SUMMARY** - Presentation of an ongrowing farm located offshore.

**Key words:** Sea bass, sea bream, offshore, production costs, cages.

**RESUME** - Présentation d'une ferme de grossissement en mer ouverte.

**Mots-clés :** Loup, daurade royale, mer ouverte, coûts de production, cages.

### General

Pisciculture Marine de Malte or P2M Ltd. commenced operations in 1991. We are in fact the pioneers of Aquaculture in Malta. A fully owned subsidiary of P2M Monaco who supplied 100% of fingerlings requirements until 1994. (Ship hatchery m/v LABRAX)

The intention of the Maltese operation is to serve as an ongrowing site for the mother company's hatchery producing bass and bream and subsequently to serve as a fully fledged unit operating independently.

### The site

The cage are situated in open sea offshore areas, depth of the water in these areas ranges 30 to 40 m ensuring adequate circulation and ventilation throughout the year. Water quality is also so far excellent and no pollution problems have as yet been encountered. Water temperatures vary from a lowest of 13°C to a peak of 26°C in the summer months.

The Company operates from two adjacent sites (St. Paul Bay & Meliheha Bay) occupying a surface area of about 60,000 sq M. These ongrowing sites contain 24 cages designed entirely by us with a total volume of approx. 90,000 cu M.

Closer to our land base in Mistra Bay and also on one offshore site we have our pregrowing cages (15 units).

## The production

Annual capacity is about 900 tons per annum. Production is geared for seasonal demands and this year will be around 650 tons.

A constant presence on the market has enabled us to create a steady demand for our product. Results for previous years are as follows :

1992	250 tons
1993	548 tons
1994	567 tons

Product mix varies from 30 to 60%. Our good experience on rearing bass has enabled us to produce an excellent quality fish at a contained cost. We are aiming for short cycles.

## The market

Several markets have been tested and are still being monitored Italy is presently the major market with several smaller niche markets created within in the past year. An adequate distribution network ensures that fish reaches all areas in the shortest possible time.

The main disadvantages from operating in this area is the oversupply of cheap produce especially in the summer months and the instability of the Italian lira. Malta as an exporter to EU countries is also handicapped by a 15% tariff payable on the CIF value of the import. There are no concessions as for other non EU exporters.

Development of strong selling techniques with minimisation of risk of non payment has been a priority for us from the start of our operation.

## Other

- Highly trained and developed local and expat workforce very stable & providing in house training and product development.
- Large capacity has enabled economies of scale followed by substantial savings.
- Adequate time to implement internal controls emphasis on quality control e.g. fully automated packing line capacity of 1,5 tons per hour.

- Losses due to logistics and set-up initially high still not indifferent.
- Financial costs relatively low gearing is low. We do not benefit from any form of grants.
- Disappointing outcome with insurers who tend to generalise risks.

## Future

- Stabilise output to 600 tons per annum & flexibility to meet market demand in future years.
- Genetic selection programme being followed to improve timing & quality of produce for juveniles.

## Production costs

Approx. 28 FF per kg (inclusive % cost of fingerlings and exceptional losses).

Food:	22%
Labour:	9%
Depreciation:	8%
Maintenance and concession:	7%
Insurance:	3%
Admin. & others:	2%