

# Innovative practices for Sustainable and Environmental friendly Musselculture

Cost structure of EU producing countries

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Data sources: Eurostat & STECF 14-18



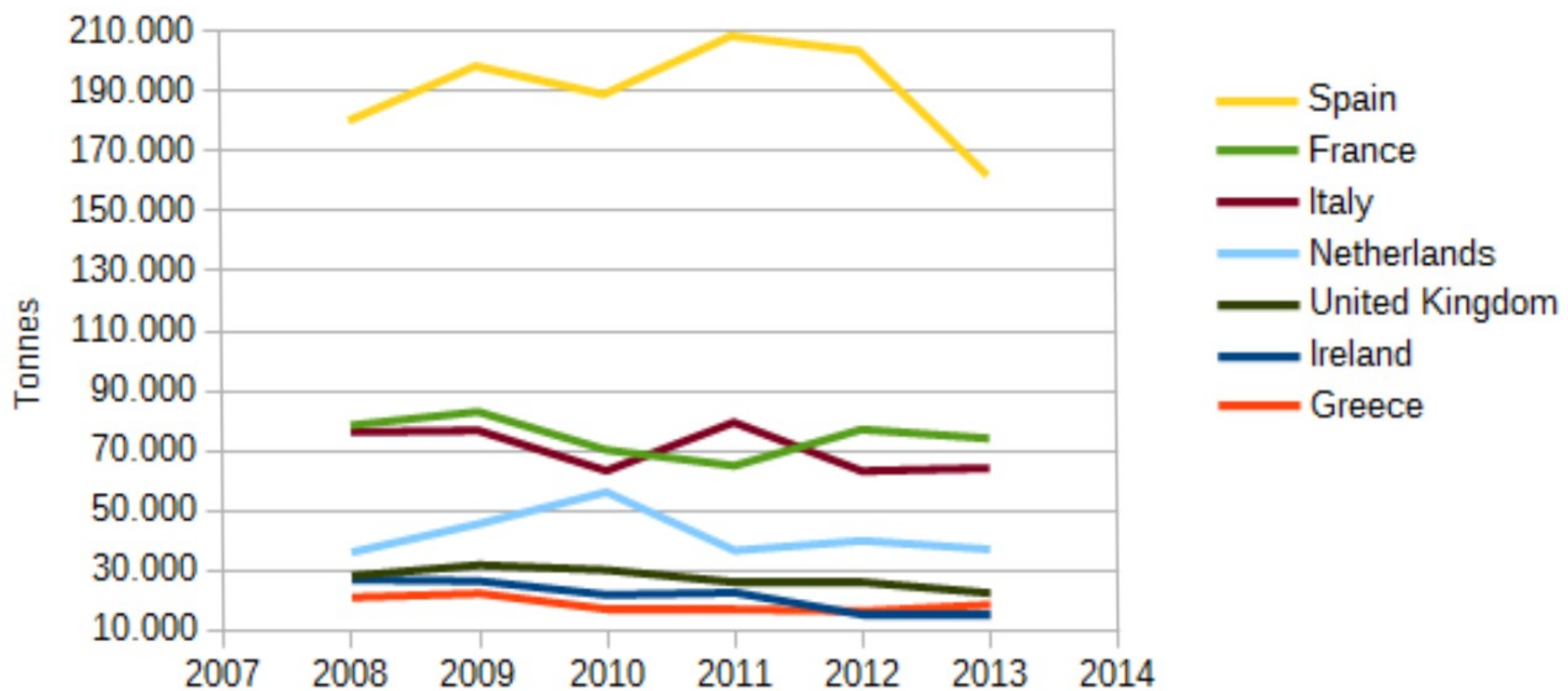
# Presentation structure

- Production quantity & value
- Production quantity & value per species
- Exports
- Profitability
- Cost structure
- Conclusion



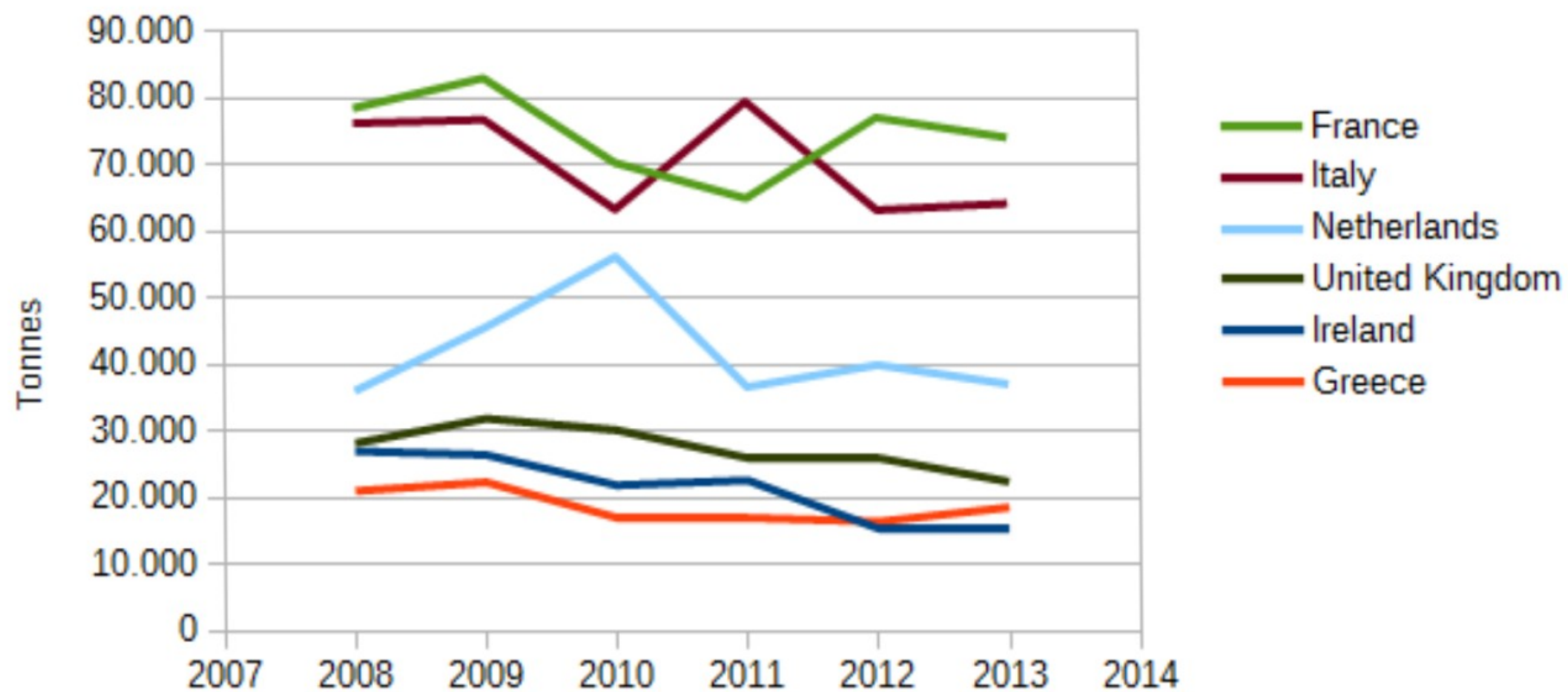
## Production

### Mussels



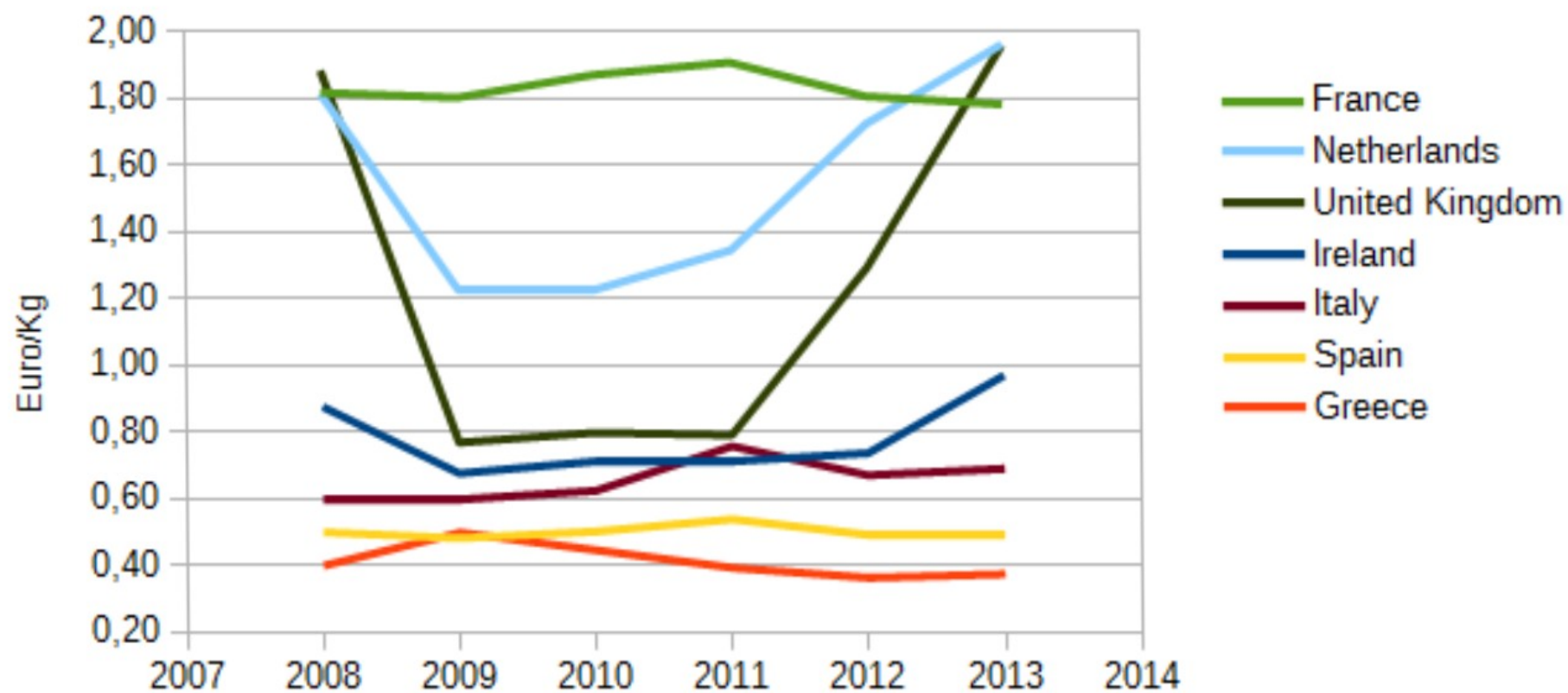
# Production

## Mussels



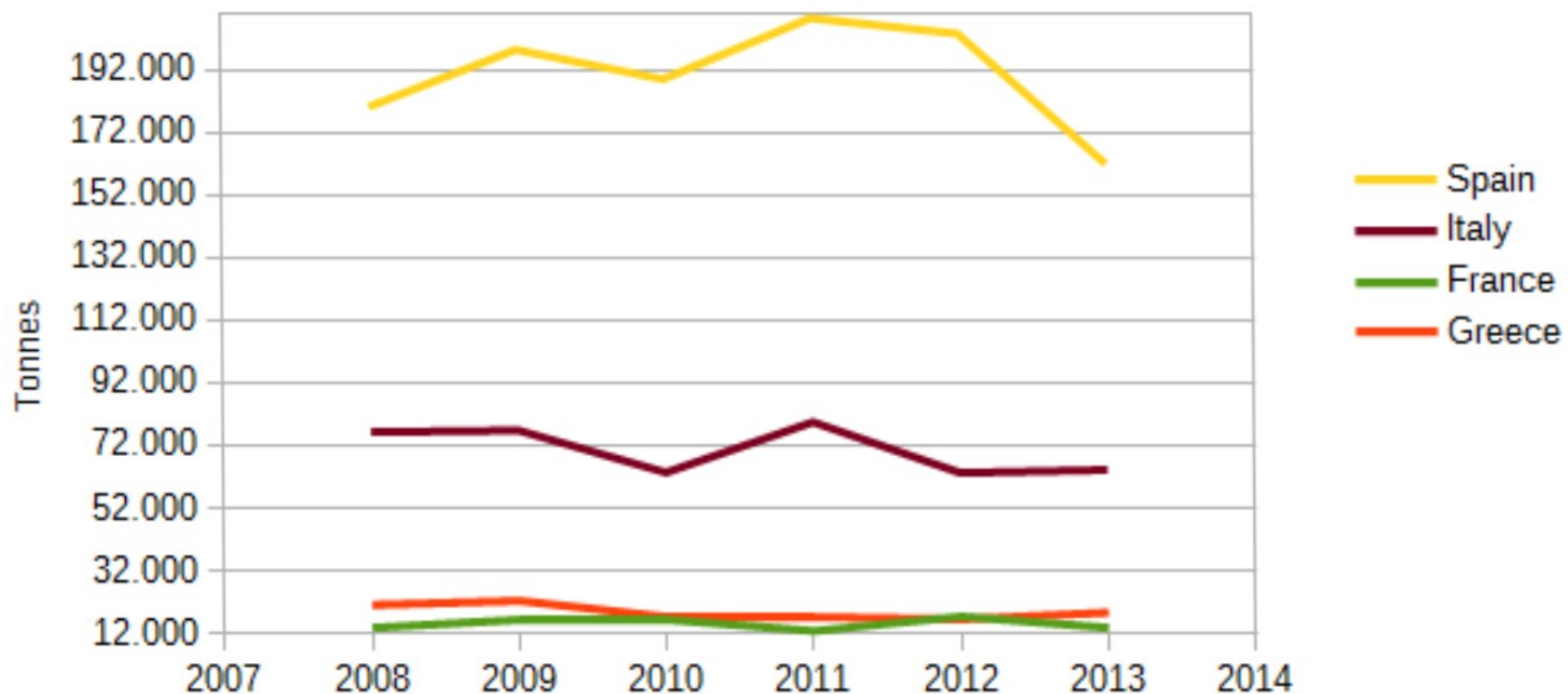
## Production Value

### Mussels



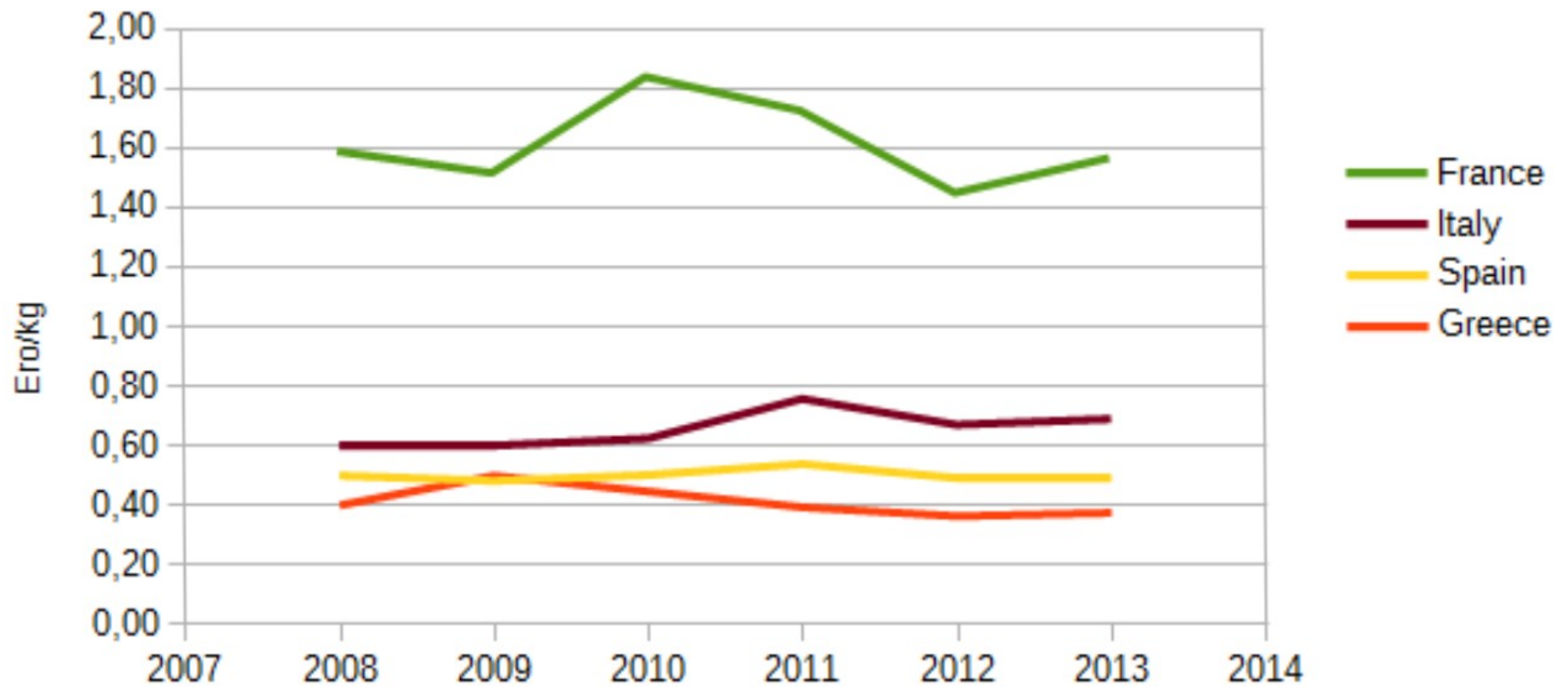
## Production

*Mytilus galloprovincialis*



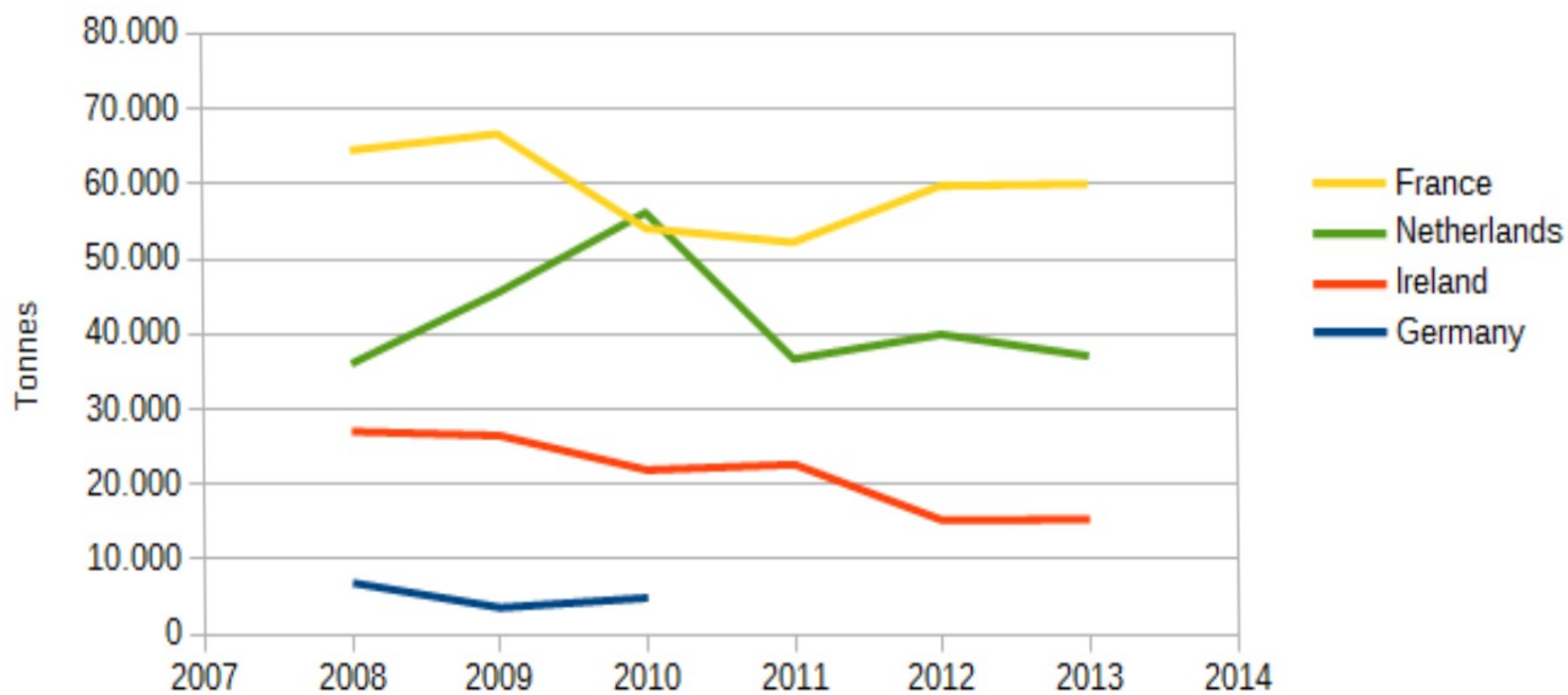
## Production Value

*Mytilus galloprovincialis*



## Production

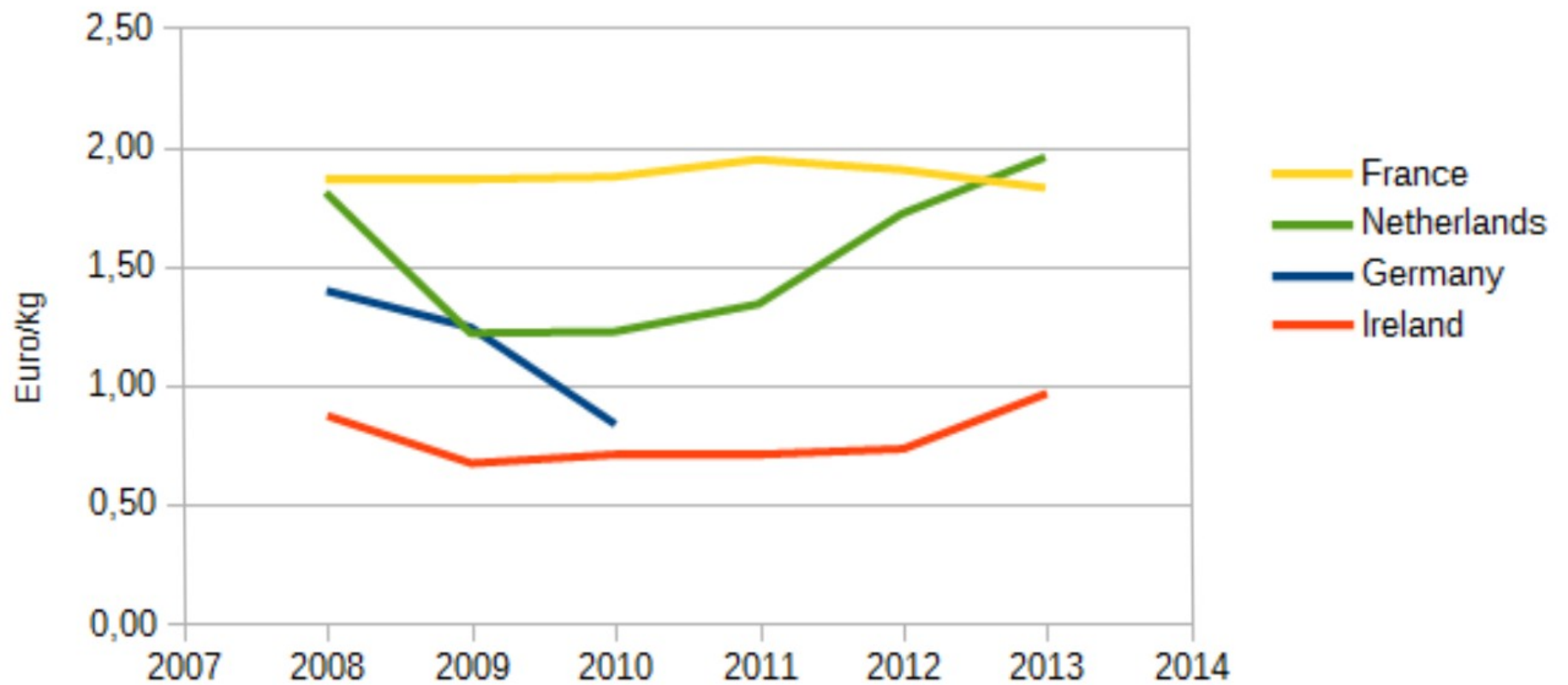
*Mytilus edulis*



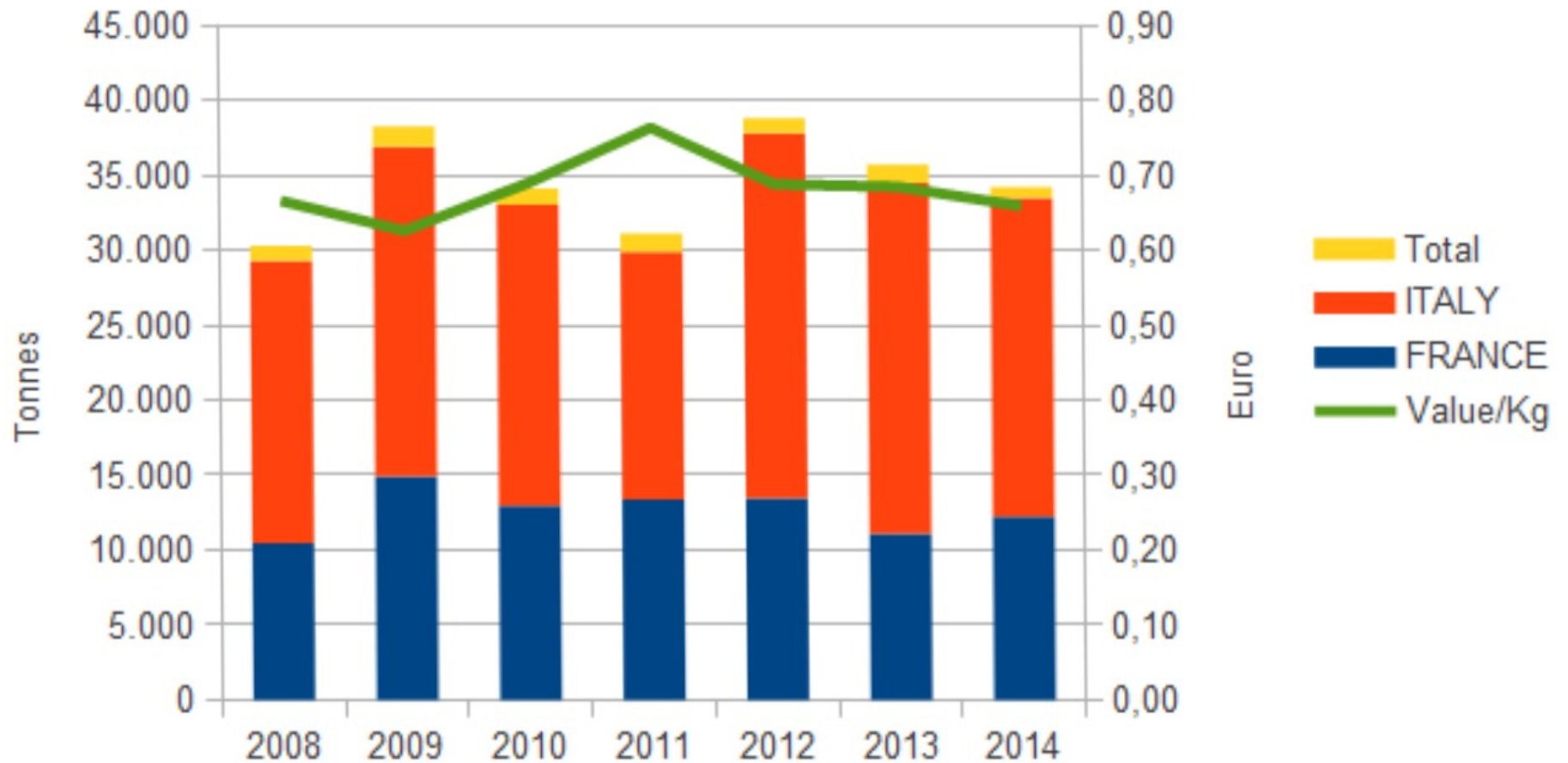


## Production Value

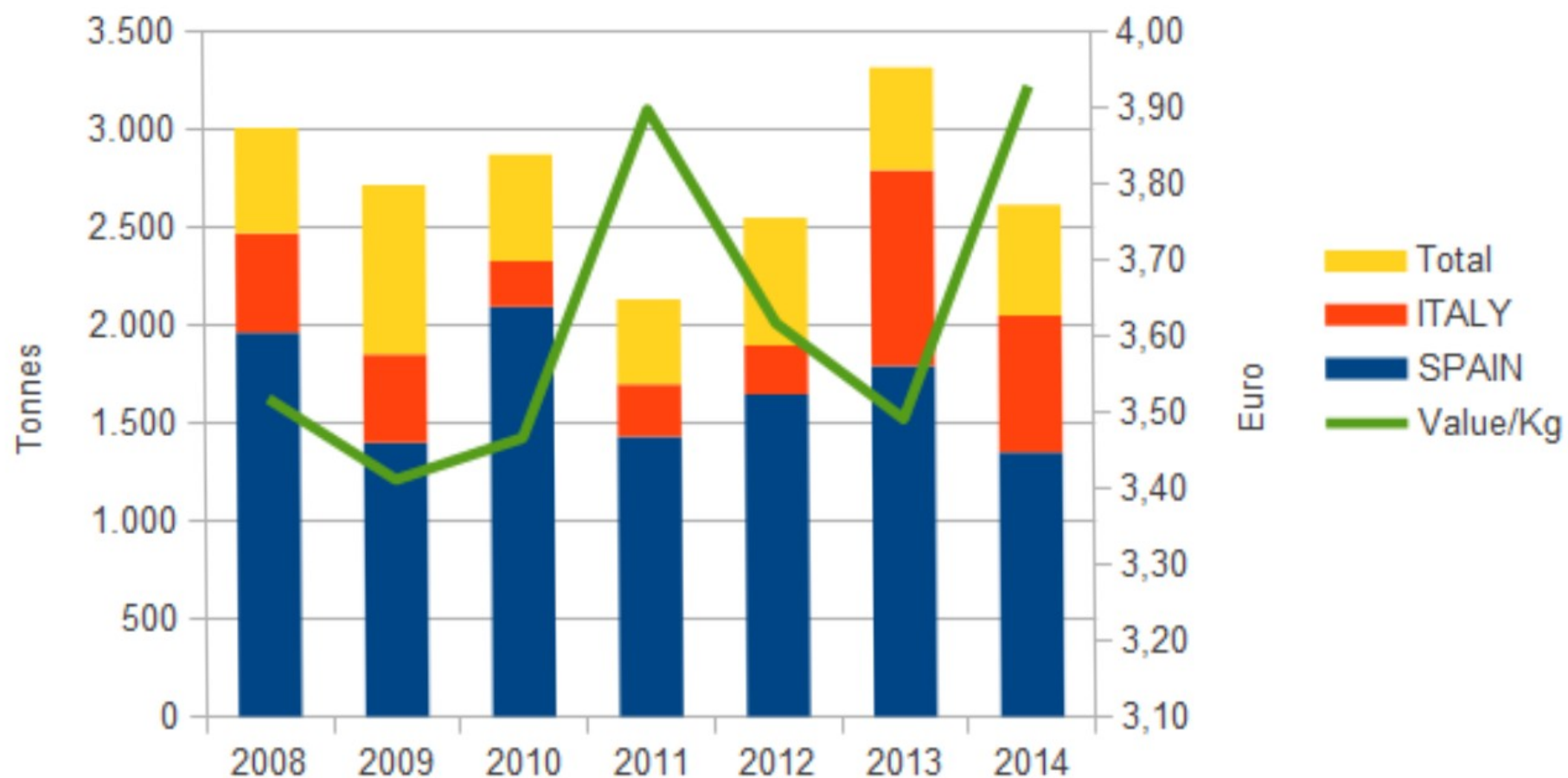
*Mytilus edulis*



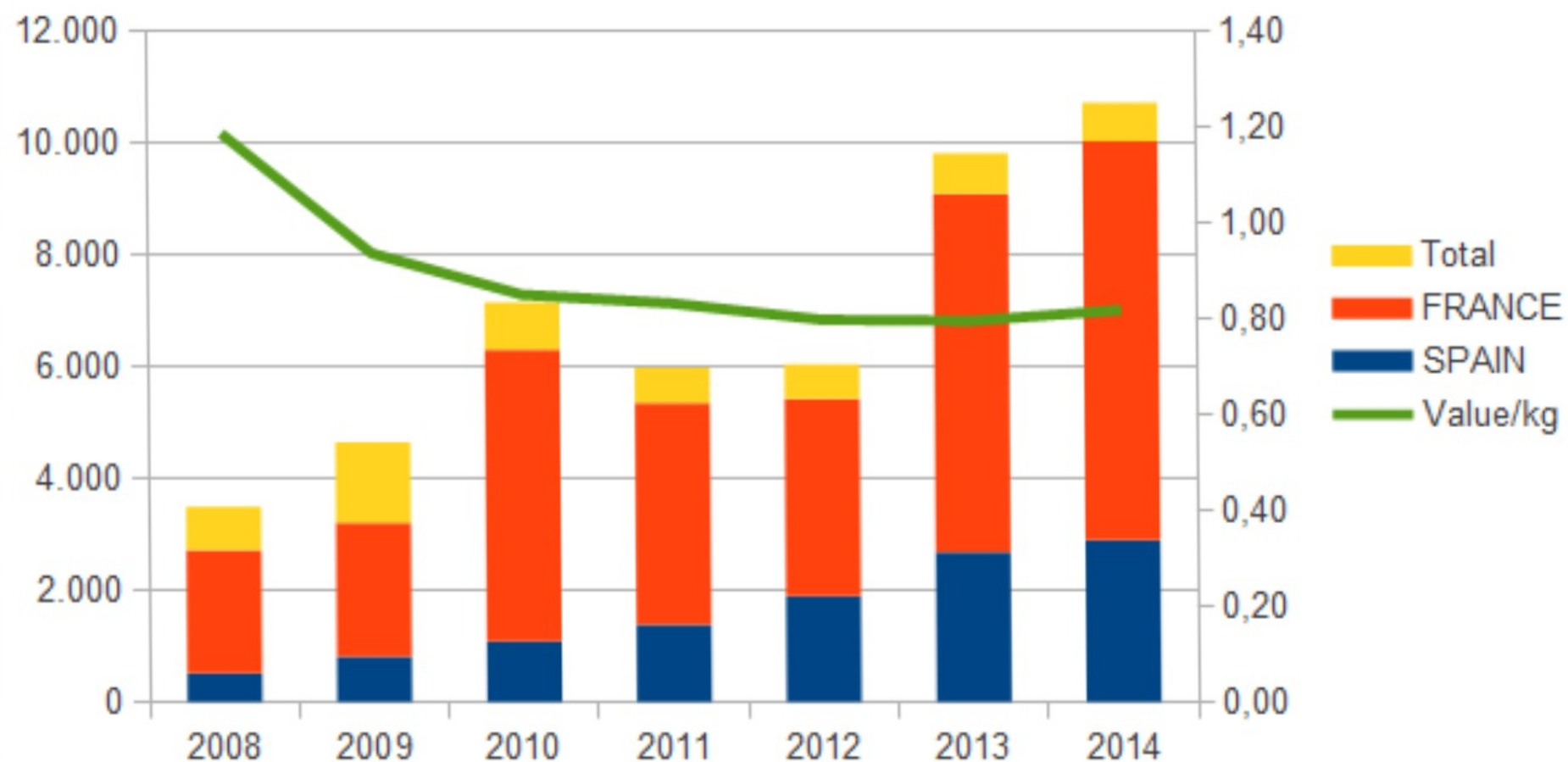
## Spain - exports



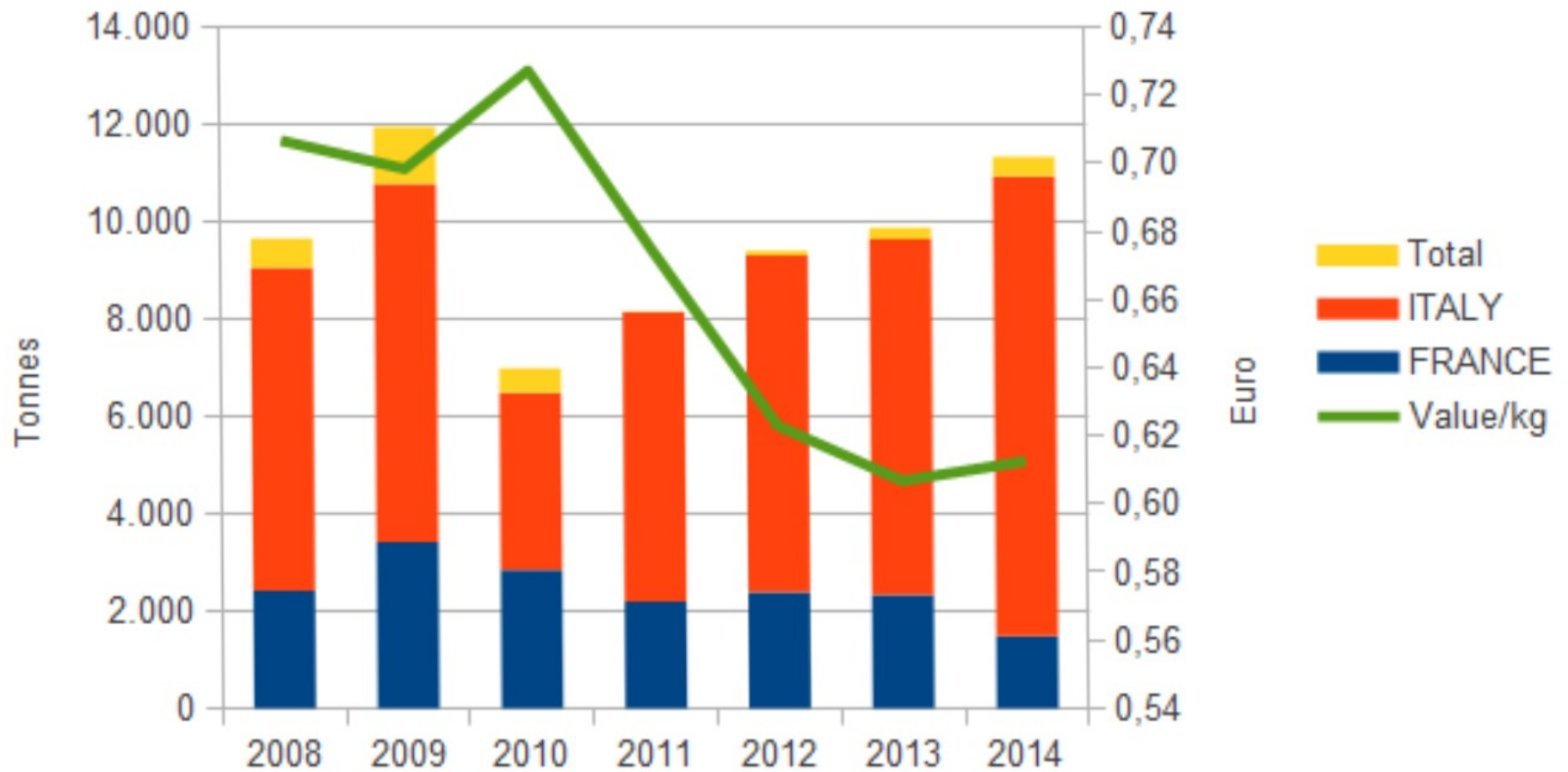
## France - exports



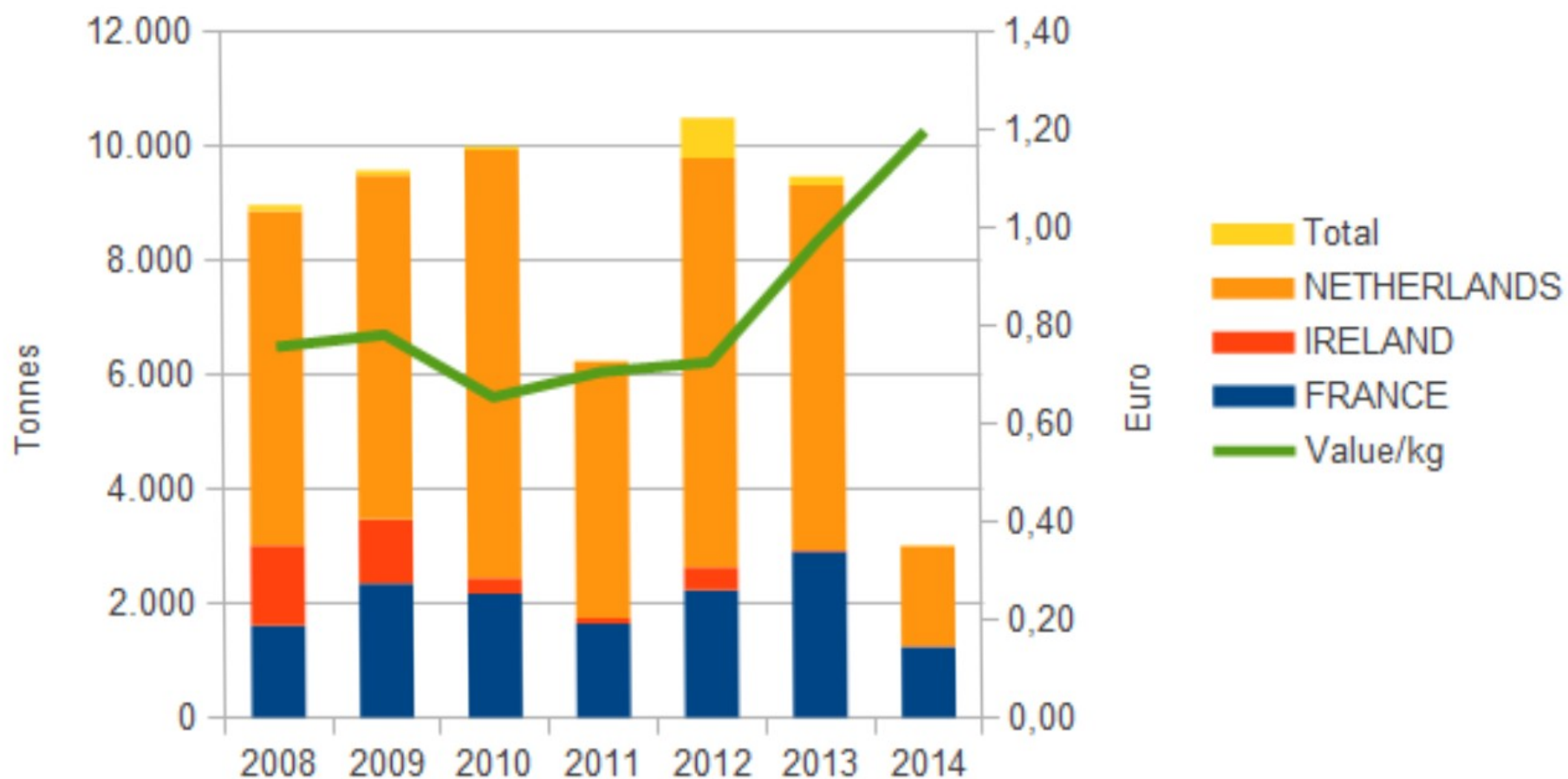
## Italy - exports



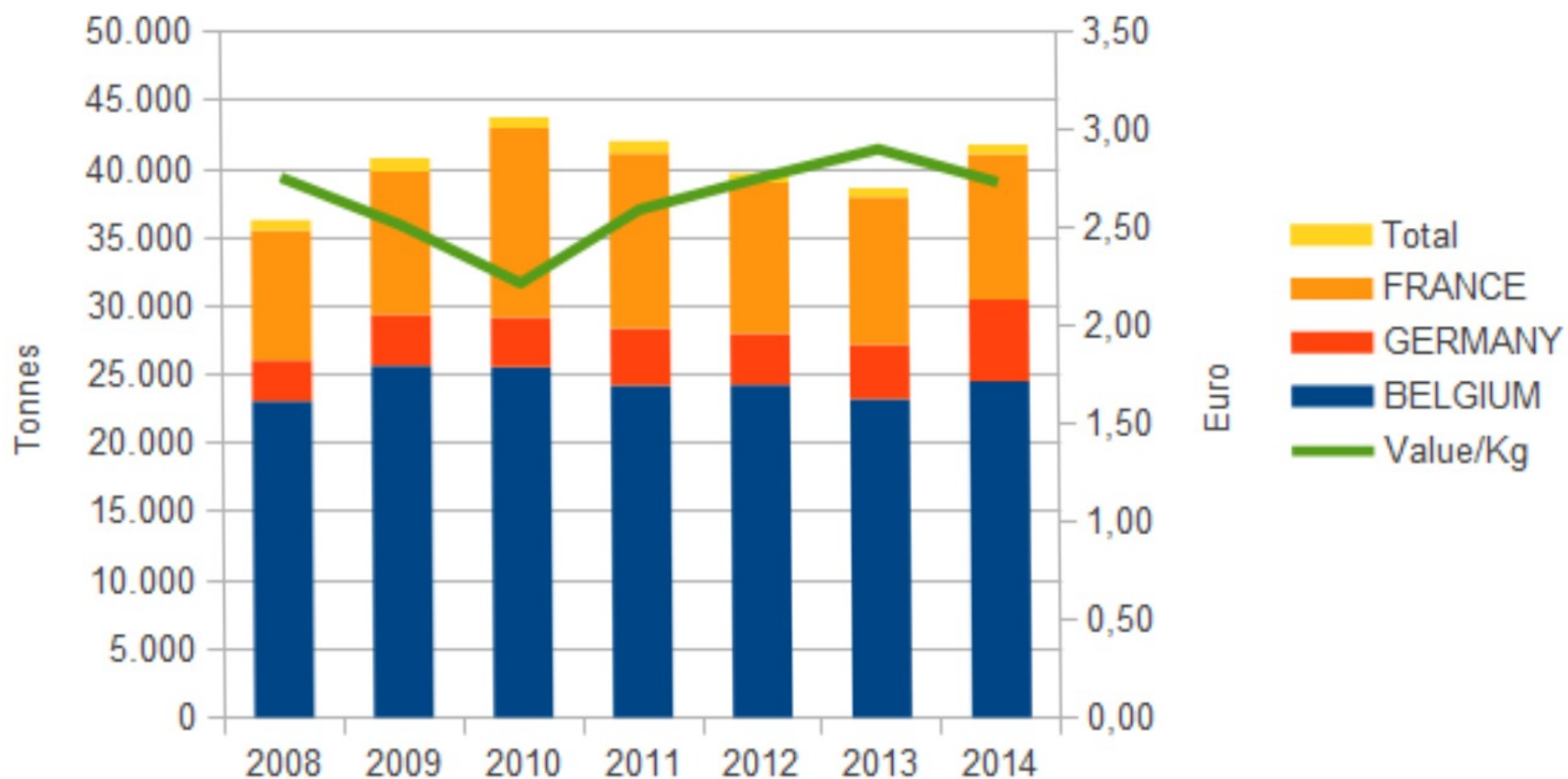
## Greece - exports



## UK - exports



## Netherlands - Exports



# Factors affecting cost

- Uncertainty
- Natural production of sprat
- Production Method (long line, raft, bouchot, bottom)
- Concentration in the sector

A static view of the cost (i.e. 1 year) does not necessarily provide reliable conclusions





# STECF 14-18 Results

- Spain: profit 20% to 40% of the annual turnover
- Italy: profit after 2011 while per kg production value rose
- France: profit 7% to 35% of the annual turnover
- Netherlands: profit 10% to 65% of the annual turnover



# Greece 2014

## Indicators

Average wage	8.887 Euro
GVA	869.151
GVA to Revenues	45%
EBIT	-219.237 Euro
Net profit	-219.237 Euro
Net profit margin	-11%
Return on Investment (ROI)	-9%
Running Cost to Turnover Ratio (in %)	80%
Earnings Before Interest and Tax (EBIT) to Revenue ratio	-11%
Labour productivity (by FTE):	8.660 Euro
Capital productivity	35%
Future Expectations of the Industry indicator	-0,34%



# Greece - Findings

- Mean cost for 2014 more than 0.50 euro/kg
- Producers receive since 2011 0,40 euro/kg
- Exports: per kg value 50% higher (i.e. 25% net profit for exporters) suggesting power of buyers over producers



# Cost structure

## Cost structure

	<i>Mytilus galloprovincialis</i>			<i>Mytilus edulis</i>	
	Spain	Italy	Greece	France	Netherlands
Year	2012	2012	2014	2012	2011
Wages and salaries	18%	23%	21%	18%	27%
Imputed value of unpaid labour	41%	0%	20%	16%	0%
Energy costs	8%	6%	18%	3%	13%
Repair and maintenance	5%	4%	19%	5%	14%
Raw material costs: Livestock cc	10%	49%	1%	4%	15%
Other operational costs	14%	9%	12%	16%	22%
Depreciation of capital	4%	9%	9%	38%	9%
No of enterprises	3000*	392	200-300*	334	58

\*estimate



# Conclusion

- The current condition of the Greek mussel aquaculture indicate that the sector is not viable
- Small and less efficient enterprises will need to merge to larger enterprise schemes or they will exit the sector
- It is expected that the sector will face a concentration process
- The concentration will be in the form of mergers, acquisitions or the formation of producer organizations
- The concentration will provide the means for:
  - Cutting down costs (mainly fixed costs)
  - Improvement of the ex-farm price (it is expected that buyers power will deteriorate when facing larger producers)




# Thank you for your attention

For this presentation, i used the free software

- **LibreOffice**  LibreOffice  
The Document Foundation

Installed on the free operating system

- **Ubuntu 14.04**   
ubuntu.

