Mussel Meal Procurement

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About

Baltic Blue Growth is a three-year project financed by the European Regional Development Fund. The objective of the project is to remove nutrients from the Baltic Sea by farming and harvesting blue mussels. The farmed mussels will be used for the production of mussel meal, to be used in the feed industry. 18 partners from 7 countries are participating, with representatives from regional and national authorities, research institutions and private companies. The project is coordinated by Region Östergötland (Sweden) and has a total budget of 4,7 M€.

Partners

- Region Östergötland (SE)
- County Administrative Board of Kalmar County (SE)
- East regional Aquaculture Centre VCO (SE)
- Kalmar municipality (SE)
- Kurzeme Planning Region (LV)
- Latvian Institute of Aquatic Ecology (LV)
- Maritime Institute in Gdansk (PL)
- Municipality of Borgholm (DK)
- SUBMARINER Network for Blue Growth EEIG (DE)
- Swedish University of Agricultural Sciences (SE)
- County Administrative Board of Östergötland (SE)
- University of Tartu Tartu (EE)
- Coastal Research and Management (DE)
- Orbicon Ltd. (DK)
- Musholm Inc (DK)
- Coastal Union Germany EUCC (DE)
- RISE Research institutes of Sweden (SE)

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1 Introduction
The purpose of the procurement was to find a company willing to lyse Baltic mussels to produce 200 kg pure mussel meal, in accordance with the goals and output of GoA 4.2.

2 Procurement step 1: Bid-of-six
A survey was made among the participants in the project to find possible candidates for the procurement. According to the project application, it had to be at least a bid of three. As GoA 4.3 will not provide any information on the lysing-process of mussels, it was highly desirable that the process used in the procurement process was lysing. After the survey six companies had been named and assessed to have the capability of production. These were:

- Bioceval, Germany
- Köster Marine Proteins, Germany
- Hedeselskabet/Blue Biomass, Denmark
- Triple Nine Fish Proteins, Denmark
• Nofima, Norway
• Musselfeed, Sweden

A request for procurement tenders (Appendix 1) was discussed among the GoA 4.2 project group including representatives for the test sites for the chicken feed trial. After discussions, the tender was sent to the six companies in early 2017 with the procurement period beginning in February 2017 and ending at the 13th of March 2017.

Two replies followed, one from Blue Biomass saying that they could not deliver using our mussels but could if they were to use their own mussels; and one reply from Musselfeed saying they had the capability, but the cost was approximately three times the budget for the procurement.

Representatives from RISE and SLU met and evaluated the responses in late March. At a follow-up meeting the decision was made not to accept the tender from Blue Biomass as we wanted project mussels used and to not accept the tender from Musselfeed for mainly budgetary reasons, but also because of a lack of data delivery on the process (see minutes, Appendix 2).

3 Procurement step 2: Negotiation

The group decided to instead enter the negotiation phase and discuss with the companies directly to see if project mussels could be used for lysing at a price closer to the procurement budget. Firstly reaching out to Blue Biomass and Musselfeed, and then to the remaining companies. The prices below are after the first round of negotiations in the spring of 2017.

• Musselfeed: Lysing with project mussels – 330,000 SEK (34,700 €)
• Nofima: Lysing with project mussels – 127,000 NOK (13,700 €)
• Hedeselskabet:
  o Lysing with project mussels – 200,000 DKR (26,900 €)
  o Lysing with their own mussels – 25,000 DKR (3,360 €; 125 DKR/kg)

Hedeselskabets own mussels in this case are mussels from western Denmark (Limfjorden in 2017, Esbjerg and Thyboron later) which would mean the mussels would not be from the Baltic proper. However, the size of the mussels would be up to 4 cm and would be comparable to mussels from the inner Baltic Sea.

In all cases all the costs, including transport and paperwork should be included in the project procurement budget of 12,000 €.

During discussion with Blue Biomass, they said that they for mussel meal production were hiring equipment from Triple Nine and were therefore quite short on time.

4 Procurement step 3: Decision and logistics

After discussions with Nofima it was decided to accept their offer, as they could use project mussels regardless of if they were feed-grade, food-grade or not graded and their offer was approximately only slightly above the budget while many other offers were well above it. RISE will pay for the actual cost of the process; including work, personnel, consumables and electricity, but only up to a certain
amount which is decided beforehand. This is to avoid an unexpectedly high price, but also to get
detailed information on the cost of the different parts of the process for GoA 4.1.

At the same time, discussion on the transport of the mussels began. After contacting several
transport companies and getting negative or no reply, RISE internal logistic section got a price of
28.180 SEK (2.180 €) from Bring for the transport of mussels to Nofimas facility in Tromsö, Norway.
The return trip with the mussel meal is less bothersome as it is a normal dry-goods transport.

The transport was set to be picked up in week 5 from Freezing Food AB, Titanvägen 22, 382 45
NYBRO and sent to Nofima in Tromsö so that they arrive on the 1/2 or 2/2. The return transport
was then scheduled for the 13/2 and sent back to Nybro.

The process start was delayed for two different reasons; firstly there were difficulties in booking the
Nofima facility for the process and secondly there was a shortage on suitable mussels. At first
mussels from Musholm was going to be used, but due to eider bird predation there were not enough
mussels to harvest. Instead, the process will use mussels from Västervik that are already harvested
and in frozen storage.

Due to these delays the process have been booked preliminary to start on the 5th of February and the
transport with the mussels from Västervik to arrive a few days before that. The delivery to GoA 4.2 is
set for week 7 in 2018. A contract with Nofima is in writing and should be sent to RISE in early
January 2018.

5 Annexes

Annex 1: Request for tender
Annex 2: 2017-03-23 Meeting minutes
Annex 3: Mussel Meal Tender
Annex 4: Evaluation matrix GoA 4.2