



Methodology for compensation of excess costs of aquaculture fish producers caused by the Russia- Ukraine war

Csaba PESTI

Information Systems Directorate

AKI Institute of Agricultural Economics

Budapest, Hungary

FAMENET Online Channel Session on Simplified Cost Options
26th April 2023

● Compensation of excess feed costs caused by the Russia-Ukraine war

- Type of SCO: retroactive compensation of excess costs
- Costs components covered: excess feed costs occurred by the Russia-Ukraine war
- Target group: all aquaculture fish farmers meeting the eligibility criteria:
 - pond farms - those who had operating pond area in the year 2022 and carried out feeding in a verifiable manner in either 2020, 2021 or 2022
 - intensive fish farms - those who produced fish in 2022
- Documents to be attached:
 - Statement based on Article 10. of Regulation (EU) No 508/2014
 - Statement that gives access for Managing Authority to official statistical data in Fish Harvest Report (hectares of ponds, fish feeding, produced tons of fish)
 - Other official documents (tax return, land use documents etc.)

Amount and type of specific feed consumption

- Pond farms: carp (~83%); both mixed fodder and compound feed are used; statistical data available for yearly amount of feed
- Intensive farms: African catfish (~93%); literature: feed coefficient 1.0-1.5 kg/kg; market size of 1-1.5 kg fish can be achieved in 8-10 months; on average 1,200 kg of compound feed is used to produce 1,000 kg fish

Increase in feed prices

- The mean of sales prices for the period after the start of the war was compared with the price data of the same period of the previous year
- Mixed fodder: weighted mean of monthly sales prices of wheat and corn
- Compound feed: prices were determined based on price lists of manufacturers and distributors

Calculation of the increase in total feed cost

- The flat-rate feed consumption multiplied by the net mean price difference;
 - pond farms: HUF 101,237 per hectare; compensation payment is calculated by multiplying the size of the operated pond area (hectare) in 2022 by the amount of feed cost increase per hectare
 - intensive farms: HUF 138,000 per tonne, compensation payment is calculated by multiplying the quantity of fish (tonne) produced in 2022 by the amount of feed cost increase per tonne

Provisions to avoid overcompensation

- flat rate -> some farmers are undercompensated, other farmers are over compensated, but increase in other cost element (eg. energy costs) are not compensated

Main issues in preparing the SCO

- Different scenarios (total hectares and tons claiming for compensation)

Thank you for your attention!



Csaba PESTI

pesti.csaba@aki.gov.hu

