



# ANNUAL REPORT

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# 2007 - 2008

## DIRECTOR'S REPORT

2008 will be remembered by many people as a poor year for the UK ornamental aquatic trade. The widely publicised 'Credit Crunch' combined with another year of wet weather has resulted in poor trading conditions, particularly in the latter part of the year. Whilst this has had a particularly large impact on the pond business there is also good news with the OATA trade monitoring scheme clearly reflecting the strong growth in the marine sector together with a resurgence in the tropical fish business.

There have been a wide range of issues that have arisen during 2008 which could impact our trade in ornamental aquatic livestock and the products that support their keeping. This Annual Report provides more details of the topics we have addressed over the last 12 months on your behalf. In addition you will have the opportunity to gain further insights into many of the key topics at the OATA AGM and Conference on 26<sup>th</sup> to 28<sup>th</sup> October, 2008, as well as being able to discuss how they will impact your own business with the Board of Directors and employees.

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It has only been possible to address these issues by having a strong team of employees in the OATA office. Keith, Ray and Manue provide excellent support for the UK Ornamental Industry. The relationships they have forged with key individuals within UK governmental organisations, research organisations, national and international trade organisations and groups with related interests allow OATA to represent our industry far more effectively than any single business. OATA's views and comments on any topic that could impact our industry are now actively sought and given careful consideration before decisions are made that could affect your business.

OATA will continue to monitor the many issues that will impact our industry over the coming year. However we need your support and constructive feedback to ensure that we are addressing the issues that impact your business, and reflect your views to the relevant authorities. Thank you for your support during 2008, and we look forward to a busy and productive year in 2009.



## CHIEF EXECUTIVE'S REPORT

OATA has well over 700 members. Therefore it is inevitable that there will be differing views among members on some issues. This has certainly proved to be so over the last 17 years but perhaps never more so than over KHV in the last year.

There are a whole range of views expressed by members but the clearest differences have been between those favouring biosecure production, excluding the virus, and those favouring vaccination. Proponents of both views have invested considerable time, effort and money in pursuing their favoured business model – both taking risks or identifying opportunities and anticipating legislative changes and market needs.

During the summer DEFRA made it clear that after research into the nature and distribution of KHV in farms and fisheries that they were minded to declare England and Wales an eradication zone for the disease. This will now be subject to consultation and if it is concluded that eradication is the way forward then any plan will be subject to EC approval – thus there is still plenty of opportunity for change.

OATA has long warned of the outcomes of such a decision, namely that imports would only be allowed from disease-free sources and no vaccination of imported fish would be permitted. If England and Wales is declared an eradication zone then those who back the vaccination route will be disappointed – if it is declared a

KHV diseased zone then the KHV biosecure supporters may feel let down. In this instance it is inevitable that one group or other of members will be upset.

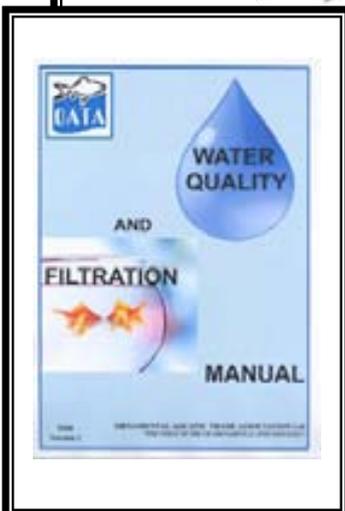
Many comments have been made about OATA's stance in this debate. While these comments have been in the main both legitimate and honest they have tended to miss an essential element. While OATA can advise and indicate where changing legislation may end up we cannot dictate the decisions members make (or the timeliness of them) in their own businesses to anticipate or accommodate those changes. We can inform risk management strategies and contingency planning but we cannot impose it on the management of individual businesses. OATA cannot be a substitute for active and informed management of the risks faced by each member, their business and the staff they employ.

The next risk that needs active management is the selection of sites free of EUS. OATA would urge all members to start addressing the issues that controls on this disease might bring. Waiting until the end of 2010, when the three year breathing space we have been given ends, will be to late.

## Training revamp

During the year both our Certificate and Advanced Diploma distance learning courses have been revised and updated.

Whole new sections on disease and biosecurity have been added to the Advanced Diploma. All courses will have a variety of new exams.



Gold Diploma badge



Silver Certificate badge





# Koi Herpes Virus



Since 1998 when it was first recognised, the disease caused by the koi herpes virus (KHV) has had a profound impact on the cold water sector. It has led to more and tighter controls and a loss of consumer confidence. We have seen many areas of the world from which koi are imported such as Japan becoming infected. Efforts to control the ravages of the disease have included the establishment of bio secure units and at least one vaccine.

KHV is now notifiable in the UK. DEFRA have undertaken research on the distribution of KHV in England and Wales. An interim report has been published on the CEFAS website. Antibodies produced by the body as a reaction to exposure to KHV have been found in fish in numerous angling waters, but not in fish farms. Clinical disease has also been found in a number of waters, but strangely does not seem to persist in them. Almost half of imported koi had no antibodies to KHV and thus may have come from disease free sources.

Though a consultation process will be undertaken of the survey's findings it does seem likely that DEFRA will opt to try to eradicate KHV. A final decision may only be reached in the middle of next year. Until that time imports will be little affected.

If the final outcome is that England and Wales become eradication zones then imports will only be permitted from approved disease free sources and no vaccinated fish will be permitted entry.

Other areas of the UK and Southern Ireland may opt for a higher health status zone which could make fish movements very tricky.

OATA has sent numerous updates to members as new information becomes available and will continue to do so.

## But don't forget EUS

While most of the attention is being paid to the immediate problems presented by KHV it is not the end of the disease controls that will apply to our industry. This summer we narrowly avoided controls on EUS (Epizootic Ulcerative Syndrome caused by a fungus) being implemented without any notice. Without a three year reprieve, won by interventions from OATA and OFI, this measure could have restricted or ended imports of tens of tropical fish species

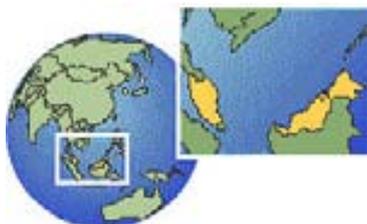
including popular groups like gouramis.

From the end of 2010 species susceptible to EUS will only be permitted from disease free sources. Members are urged to ensure exporters are in contact with their relevant veterinary authorities and undertaking the necessary testing to prove disease freedom. As two years of basic biosecurity measures and testing is required now is the time to act!

## And WSD



There is also confusion over controls on White Spot Disease. This affects a wide range of crustaceans including crabs and shrimps—both freshwater and marine. At the moment it seems unclear exactly what will happen with regard to this disease as there has been some debate whether or not it has been found in the EU previously.



## Trouble and strife for Malaysia

If anyone were in any doubt that EC officials will take action against countries failing to meet the standard they accredit on export health certificates then Malaysia serves as an example. Some might argue two years too late. However a range of problems first identified in 2005 were found in a subsequent inspection in 2007 and led to a ban on the export of all SVC susceptible species to countries like the UK which have strict import controls for that disease.

It could have been more damaging but for interventions by OATA and OFI. The original ban would have meant the loss of a whole range of tropical fish as well. A narrow escape but not one which should lead anyone to conclude that the authorities were soft but merely concentrating in a targeted way on real rather than theoretical problems.

# CITES charges

During the last year DEFRA have consulted on the charges they make for CITES import permits. Increased charges would mainly affect the trade in hard corals, seahorses and to a lesser extent Asian Arowana. The proposal was that the current charges of £5 to £7 be increased to £59 to ensure the full cost of issuing the permits was recovered.

This would have meant an average consignment of corals bought for £400 in Indonesia would require over £900 worth of permits to be imported into the UK. As the charge is to recover costs for the necessary import permits it must be assumed that none of it is used to provide on the ground conservation of the species protected by CITES but rather administrative capacity in Bristol.

## *Where should the benefit from trade go?*



**£400**; export value of the average consignment

**Indonesia?**



**Bristol?**

**£900 +**; cost of import permit in coral consultation paper

That said the UK government isn't entirely to blame. The requirement to issue import permits comes from an EU regulation. In effect the import permit repeats work the exporting country should already have undertaken before issuing an export permit. It goes beyond CITES requirements and is termed a "stricter domestic measure".

OATA estimates the cost to the UK government of these stricter domestic measures (which includes more than just issuing import permits) as £900,000 pa. The administration of these permits and the difficulties they bring adds hundreds of thousands £'s more cost to importing businesses each year. Thus the cost for all concerned of the "stricter domestic measures" in the UK alone exceed 50% of the annual budget for the secretariat based in Switzerland which administers CITES globally.

As there are 27 member states of the EU one can only guess the total annual cost of "stricter domestic measures" across the EU. It would not be unreasonable to think of a figure in the region of £10 million annually (and possibly a good deal more). It therefore seems reasonable to ask for a list of the conservation successes achieved by the expenditure of £100 million in the decade since the current legislation came into force.

Import permit charges vary across the EU. Many countries e.g. France, make no charge at all. Any increases in the UK would merely serve to provide a massive competitive advantage to importers in other EU Member States wishing to penetrate the UK market.



## Access and Benefit Sharing

Access and Benefit Sharing (ABS- for short) may be the next problem to arrive over the industry's horizon. If it does arrive it could do so at a gallop.

ABS underpins a key principle of the Convention on Biological Diversity, which came into force after the Rio summit in 1991, that individual countries have a sovereign right of control over any biological materials, including live animals and plants, within their borders. In effect they own them. That being so the logic runs that exporting countries should have rights including whether, to whom and under what conditions, including restrictions on future use for breeding, they are prepared to sell them.

There are parallels to be drawn with copyright law. If you buy a CD from a shop you are able to listen to that as many times as you wish in the privacy of your home, you do not buy the right to make millions of copies and then sell them on. In the future it could be that fish are bought from exporters on the understanding they are for retail sale and eventually display in the front rooms and gardens of customers-these would be termed a "biological resource" as no attempt to breed them commercially would be undertaken. However, if you want to breed from them, to use them as a "genetic resource", then an internationally binding licensing agreement, possibly including a royalty, could be implemented.

Most of the discussion has been about new drugs from plants identified in local people's traditional remedies. Often the fear is expressed that a pharmaceutical giant will come and use that traditional knowledge, pay a couple of \$'s and take away a handful of leaves, or whatever, and make a trillion \$'s a year turnover drug from it. The country of origin would increasingly and not unsurprisingly want a bigger proportion of the benefits. Here is the bind. Negotiators tend to have just this model for trade in mind.

Some countries e.g. Brazil have already started to institute controls and newspaper headlines have appeared on several occasions in which people exporting fish for business or research without the proper permissions have been branded "Biopirates".

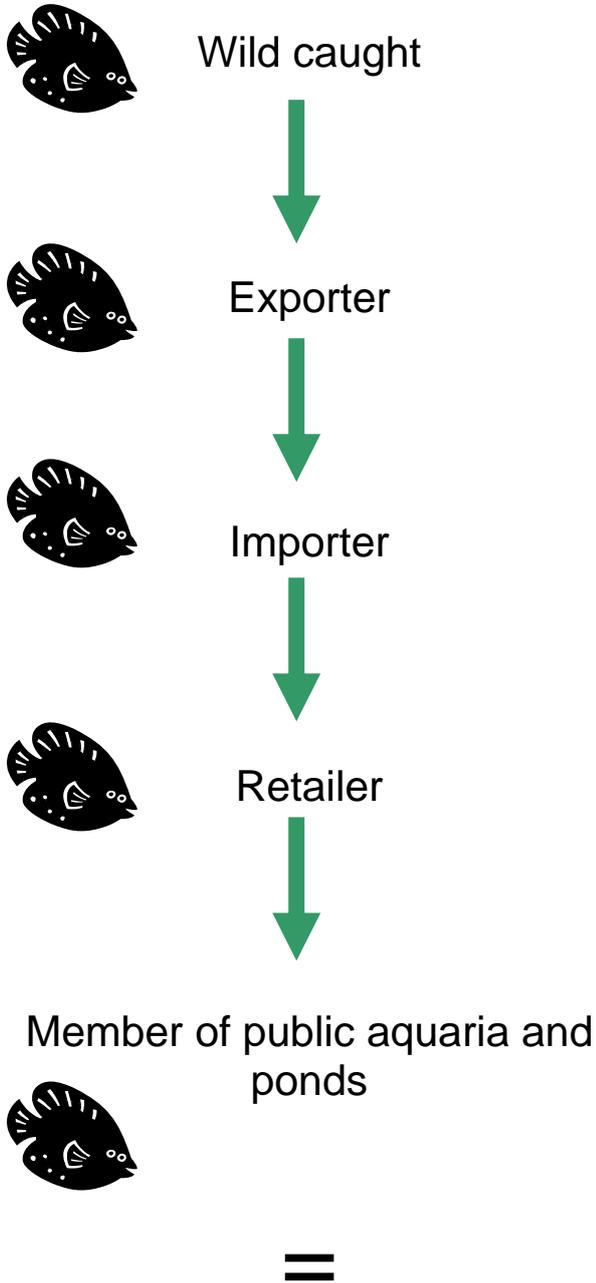
Of course there are many smaller businesses reliant on biodiversity, not just our own. The importance of smaller sectors such as ours has a chance for recognition. Instead of one all encompassing agreement, which might work for pharmaceuticals but not for us, the process will look at the possibility of sectoral relevant approaches.



OATA is active in informing the process about our industry and the adverse impacts that an ill advised scheme could have on it.

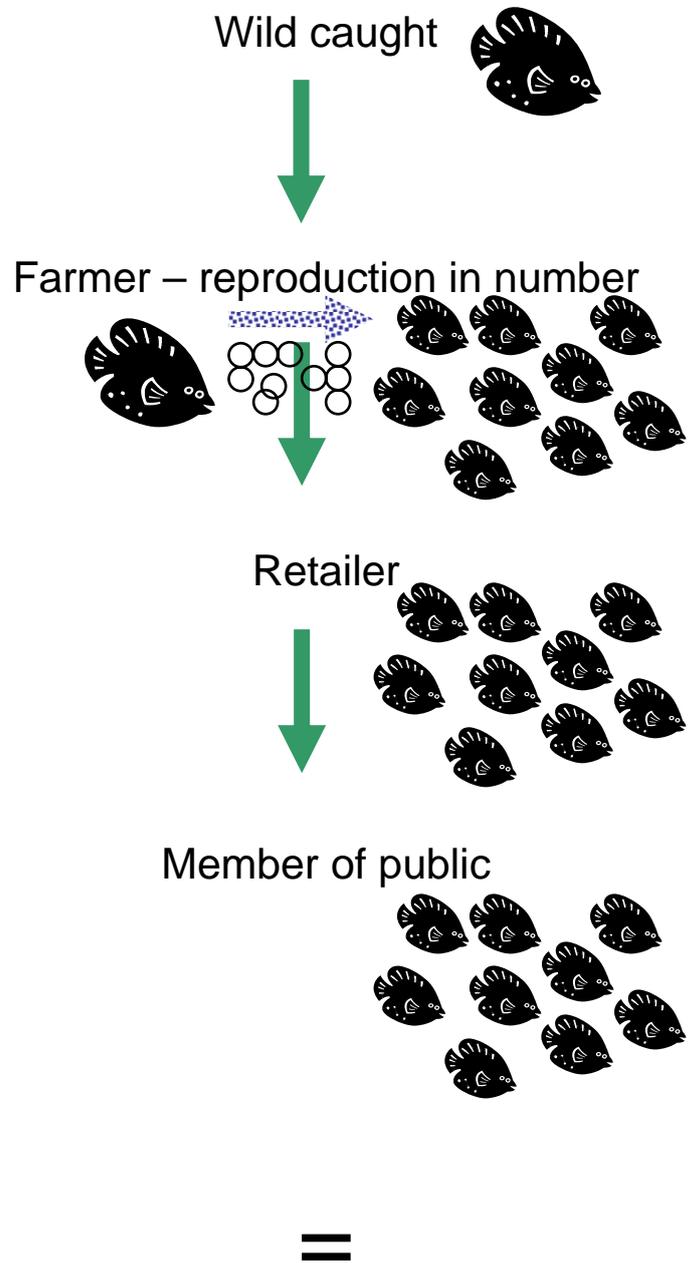
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## Biological Resources



No commercial reproduction

## Genetic Resources



Commercial scale reproduction

This is similar to buying CD. You may buy a CD for personal usage but if you reproduce it you owe royalties to the composer or author. OATA has argued that biological resources and species farmed currently should not be included in any ABS agreement.

OATA will be putting its views forward including:

- Benefits are not always monetary. 
- An efficient means of collecting any fees or whatever will be needed if a level playing field is to be created.
- The benefits must outweigh the costs.
- We sell into a market in which prices are not very elastic. Any ABS scheme that increases prices may end the market for a particular species or all species from a particular area. If there is no trade there will be no benefits for anyone!
- The number of many species traded is very small and the value very low. The cost of collecting any charges may far exceed their value. Though there are notable exceptions to this general point e.g. the Neon Tetra from South America that is so widely bred in South East Asia it is sometimes called the Hong Kong tetra.
- Unless a species is endemic to a single country there is every possibility that a competitive market will arise.
- “Biological resources” that are not used for breeding should not be included in the international regime
- Certificate of origin for individual specimens could produce a blizzard of paper - 200 million for the animal imports of ornamental fish into the EU.

If nothing formal has been put in place since 1991 it is reasonable to ask why the hurry now? It is because there are growing demands to resolve the issues by 2010. Small sectors might get trampled in the stampede, ending any potential benefits to exporters and seriously hampering the trade in both wild collected marine and freshwater items.

## Fish treatments

By now all members should be aware that over the last two years a system that allows fish treatments to be marketed and sold fully in accordance with the veterinary medicines regulations has been introduced. Since October 1st these controls have been fully operational. These controls are known as “Schedule 6”.

From that date you must only sell products that are fully compliant with the law. They must be of a maximum size (to treat a pond or aquarium of no more than 25,000 litres), only contain active ingredients from an approved list, be labelled correctly and have been made using Good Manufacturing Practice. Given the costs incurred and hoops jumped through by the manufacturers meeting these standards it should help assure members of the quality of the product they are selling.

Selling any other product might cause problems for you and your customers. Also using an unauthorised treatment, even on animals you own, is generally a criminal offence.

# Garra ruffa

This little fish was the subject of possibly the most unusual, some might say bizarre, set of phone calls to the OATA office during the year. Beauticians around the country are seemingly desperate to provide their customers with pedicures undertaken not by humans but by *Garra ruffa* and tilapia.



*Garra ruffa*'s principal place in the public eye is in documentaries about skin disease sufferers who flock to bathe in the pools in which they live in Turkey. The fish swim over the bathers' bodies eating any flakes of dead skin they find.

It appears beauticians from the far south west of England to the north of Scotland are working on the idea that if the person seeking a pedicure can't get to Turkey then bring the Turkish fish to them.

We have expressed concern that unless people's feet are carefully washed and rinsed athletes' foot treatments, anti-perspirants and even nail varnish fragments might compromise the fishes' welfare. One local government official pointed out that for hygiene reasons, the containers the bathers put their feet in would have to be cleaned and washed between customers- who



wants someone else's verruca? That being so, could it mean a water change every 15 minutes for the fish. Regular water changes are usually regarded as essential, but you can get too much of a good thing.

In the US tilapia are used as an alternative, but what will the beauticians do with these quick growers when they become too big?

## Animal by-products

If you think of this subject at all you may think of the blood and guts left over when animals are slaughtered. While that is true it is not the whole truth as invertebrates of all sorts from shrimps, worms and insect larvae may be left out of what is regarded as an animal and hence a by-product.

So what? Any animal by-product must be fit for human consumption if it is to be included in pet foods and if a product is not listed as an animal then it can't be produced by products.

This is just one of the difficulties thrown up by rejigging of the law. Luckily the proposals will be subject to consultation later this year. We will cooperate with the Pet Food Manufacturers' Association to ensure the widest range of fish food types and ingredients remain available.

## Manifestos for the next election

The political parties are already limbering up for the next general election whenever that may be. OATA has provided comments to both the Labour and Conservative parties about issues concerning our industry and fish welfare. It would not be giving away secrets, as we have consistently stated over many years, that a key need is for a single and consistently applied pet shop licence standard across the country. The oft used cliché “post code lottery” comes to mind when looking at the variation of standards and resources used in pet shop licensing across the country.

Among the other matters we raised were our opposition to the sale of dyed fish and micro or very small aquaria.



## Just how closely does trade need to be monitored?

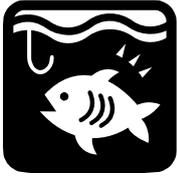
Do we need to separately report all ornamental fish imports by species and number? That in a nutshell the idea behind a consultation document prepared by the World Conservation Monitoring Centre on behalf of the EC Scientific Review Group (SRG).

The report was commissioned following fierce criticism, by OATA among others, of the SRG's proposal that 14 species be listed on Annex D of the Wildlife Trade Regulations- which would have required individual separate declarations for consignments at the point of import.

Whether using Annex D or some other mechanism only where there is an established identified need, for instance for conservation purposes, would it be justifiable to create even more records of what is imported. OATA has been very clear in its response that the need must be established publicly and the gains are to be proportionate to the costs that would be incurred by both government and traders. It is not acceptable that the SRG, whose proceedings are far from transparent, decide more records are needed on a “Nice to know” basis.

There are some 20,000 consignments of ornamental fish imported into the EU annually. It is probably reasonable to estimate that there might be an average of 50 species in each. Thus approximately 1 million records would need to be collected, filed, collated and reported annually – a process that EU wide could easily cost £10 million per year.

When sums like that are involved the justification must be transparent and the benefits clear. An attitude of it would be “Nice to know” cannot possibly justify such an outlay of scarce resources from either government or industry.



## PET FISH AS BAIT? An own goal for anglers!



In recent years our industry has been accused of releasing invasive species and diseases to fisheries. Whilst we cannot say that none of the estimated four million fish keepers ever release any of their pets we can say anglers do not help themselves.

Over the years there have been many tales of white vans delivering stock to fisheries and bills settled with cash. These may be true or urban (rural?) myth though given comments on official websites the link between some SVC outbreaks and illegal imports and stockings we may be being too kind.

What is absolutely clear is that despite warnings from both OATA and fishing groups some anglers still look upon ornamental fish outlets as a source of bait. Incidents of goldfish bought for use as bait alive or dead have been brought to our attention. In turn we have raised the issue with relevant angling groups and press and the practice has been roundly condemned.

When, and possibly only when, anglers stop using ornamental fish as live bait and fishery owners stop introducing fish illegally will we see the extent of the threat, if any, posed by ornamental fish keeping to the native stocks in the rivers and lakes in this country.

## Co-operation reaps results



Throughout the year OATA has continued to promote co-operation between and with other trade related bodies. We have continued arranging meetings to which representatives of seven UK trade bodies with pet related interests are invited to attend. These meetings help to co-ordinate positions or indicate areas of difference and even disagreement.

OATA has joined the European Pet Organisation (EPO) and continued to work closely with Ornamental Fish International (OFI). This means we usually have two routes to comment on EU legislative proposals i.e. via the UK government by direct contact and via EPO or OFI in Brussels. That said OATA has and will continue to lobby in Brussels as we feel appropriate.

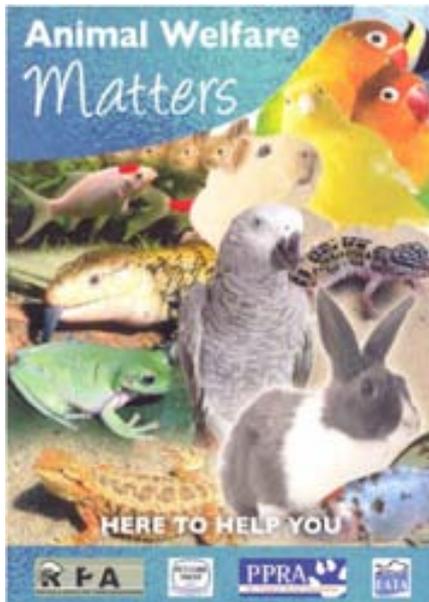
By working with OFI we have ensured that imports of tropical species were not unnecessarily hindered by the problems in Malaysia or the immediate introduction of controls on EUS.



# ProPets



The ProPets group of trade related organisations, OATA, Pet Care Trust, Pet Product Retail Association, REPTA and the Horticultural Trades Association (several hundred of their members have self owned or franchise pet outlets on their sites) have continued to work together this year.

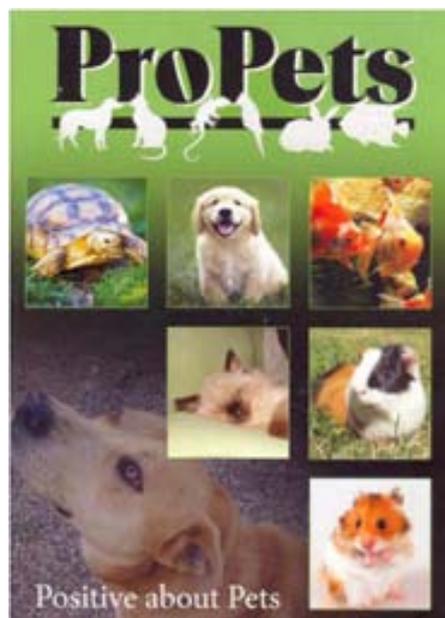


Two of the key missions of the ProPets group are to act as source of information and to circulate positive information about pets and pet keeping. Two full colour pamphlets have been produced:

- The first entitled “Animal Welfare Matters” was circulated to all pet shop licensing authorities offering free expert advice from ProPets Group members as and when required.
- “Positive about Pets” included information about the benefits of pet ownership both in social and financial terms. This was circulated to all Westminster MP’s, members of the

devolved administrations in Cardiff, Edinburgh and Belfast, MEP’s and local authorities. It is hoped that this can become an occasional series so that all these decision makers are aware of the positive contribution pets make every day in over half the households in the UK.

In the early stages of planning is a scheme to promote the presence of pets in schools. Of course many animal welfare and health & safety issues would have to be addressed. That said the ProPets group believes there are many benefits to engaging young peoples’ interest in pets, not least those identified in the “Positive about Pets” pamphlet. A longer term benefit will be that as young people who come in contact with pets in school grow to adulthood they will make well informed choices about whether to own pets or not.



# CONFERENCE 2008

The 4<sup>th</sup> OATA conference will be held 27<sup>th</sup> and 28<sup>th</sup> October. The speakers will be drawn from all over the UK as well as Brazil and Belgium.

The conference gives delegates the opportunity to meet and discuss a wide range of issues with experts including:

- importing anything from fish feeds through live fish to electrical items
- the industry's contribution to a sustainable future by collecting from the wild and save carbon emissions to providing homes in garden ponds for the UK's wildlife, especially amphibians
- the future of animal welfare legislation. In 1999 the RSPCA wrote to every District Council saying that live animals should not be sold from pet shops. Has this remark been misunderstood? John Rolls Director of Animal Welfare of the RSPCA will address the issues surrounding their approach to implement the new Animal Welfare Act.
- what will happen with regard to KHV and where will imports be permitted from in the future? Will the fish health legislation have any other impacts on our sector?

Not all the talks will be addressing weighty issues. Talks from Professor Labbish Chao of Project Piaba and international photographer Dos Winkel will allow us to see superb pictures of the most beautiful aquatic organisms on the planet. A chance to remember what brought many of us into the industry?

Not least it provides the opportunity to meet colleagues from the biggest retail chains, manufacturers and wholesalers and build contacts over two days in a relaxed convivial environment not in a snatched business meeting.



## Animal Welfare

We still await any proposals from government on establishing a modernised coherent pet shop licensing system. Given other events and DEFRA's lack of resource this may be a long wait.

To avoid a vacuum that others antagonistic to the pet trade might fill we are helping a Pet Care Trust driven initiative to provide standards that could be adopted country wide.

We are also working with another DEFRA group on developing codes for keeping fish.

The Welsh Assembly has been particularly active and has established CAWES (Companion Animal Welfare Enhancement Scheme). Funding has been provided for each local authority to employ extra staff to look at animal welfare matters in their locality. Groups of local authorities and welfare groups, based on the four police areas (South, North, Gwent and Dyfed), have been established and are due to meet quarterly. OATA is trying to attend as many meetings as possible or watch developments outlined in meeting notes so that we can monitor developments. What happens in Wales could, for good or ill, be copied by others.

In the meantime OATA has updated our own code. As a new initiative we provided a table to demonstrate how applying the code would meet the "needs" of any fish kept by members. This table is designed to help members meet the obligation in the animal welfare legislation introduced in 2006 to protect the welfare of animals in their control.

## INVASIVES

Invasive species issues are still bubbling away in the background. We await the outcomes of consultations regarding the possibility of banning some species from retail sale both in Scotland and England & Wales. We understand that any sales bans proposed as a result of these consultations may need EC approval before they could come into affect.

OATA continues to participate in many key meetings on this subject both with government departments and conservation groups.



*Motherless minnow*



*Top mouth gudgeon*

# Things to Watch Out for Over the Next Year

|   |  |
|---|--|
| <p><b>Implementation of the Aquatic Animal Health Regulations</b></p> | <p>Due in August and now delayed until at least November. This regulation will have a major impact on the industry as controls are implemented for KHV (possibly) in mid 2009 and for EUS at the end of 2010. Watch out for moves concerning white spot disease (WSD) of crustacean.</p> |
| <p><b>Sales bans on invasive species?</b></p>                         | <p>It is now almost two years since the first consultation on this issue closed in Scotland. The results both for their consultation and the one held in England and Wales might see the light of day this year. Could have big impact on aquatic plants available.</p>                  |
| <p><b>Fish treatment controls fully implemented</b></p>               | <p>From November 1<sup>st</sup> only fish treatments that meet all of the requirements of Schedule 6 of the Veterinary Medicines Regulations should be sold.</p>   |
| <p><b>CITES charges</b></p>   | <p>The consultation this year failed to come to a conclusion. Given current circumstances will government be even keener to fully recover the costs of such documents as import permits.</p>   |
| <p><b>Pet shop licensing</b></p>                                      | <p>Any signs of a coherent consistent system of pet shop licensing across the UK.</p>  |
| <p><b>Political parties</b></p>                                       | <p>Though it may still be some time away, possibly over eighteen months, the political parties could start jostling for position and votes on animal welfare issues.</p>   |
| <p><b>Access and benefit sharing</b></p>                              | <p>As 180 governments try to conclude a deal on access to genetic resources by 2010 look out for the impacts any regime might have on our sector.</p>  |



# Computer Communication

- ❖ Don't forget that all members have access to information by log-in on the OATA's website : [www.ornamentalfish.org](http://www.ornamentalfish.org)  
If you don't have your log-in please contact the office as more and more information will be put under the members' secure area.



- ❖ If you have your own web address, the link could be put on OATA's website. Please contact the office if you are interested.



- ❖ In order for you to receive information faster than by post, tell the office your email address and we will email you with the OATA's updates. Please let the office know as soon as you change your email address.

