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# GLOBEFISH

## HIGHLIGHTS

A quarterly update on world seafood markets



## About GLOBEFISH

GLOBEFISH forms part of the Products, Trade and Marketing Branch of the FAO Fisheries and Aquaculture Department and is part of the FISH INFOnetwork (see below). It collects information from the main market areas in developed countries, for the benefit of the world's producers and exporters. Part of its services is an electronic databank and the distribution of information through the GLOBEFISH European Fish Price Report, the GLOBEFISH Highlights, the GLOBEFISH Research Programme and the GLOBEFISH Commodity Updates.

The GLOBEFISH Highlights are based on information available in the databank, supplemented by market information from industry correspondents and from six regional services which form the FISH INFOnetwork: INFOFISH (Asia and the Pacific), INFOPESCA (Latin America and the Caribbean), INFOPECHE (Africa), INFOSAMAK (Arab countries), EUROFISH (Central and Eastern Europe) and INFOYU (China).

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A quarterly update  
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the GLOBEFISH databank

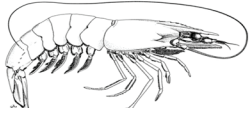
The Globefish Staff would like to say thank you to Hilary Cochrane for her valuable contribution to this publication over the years. Good luck Hilary, working with you has been a privilege. We also would like to welcome onboard to Anna Child, the new editor of the Globefish Highlights.

# INSIDE THIS ISSUE...

## Global fish economy

World fish production continues its steady growth, driven entirely by an expanding aquaculture sector. It now looks as though 2014 will be the landmark year when human consumption of farmed fish surpasses that of wild fish. However, total traded volumes in 2013 were approximately flat, pointing to supply shortages for many key traded species. p. 2

## Worldwide shortfall of farmed shrimp supply, record high export prices and lesser imports in traditional markets for 2013



Global production of farmed shrimp for the first three quarters of 2013 was much lower than in previous years due to the Early Mortality Syndrome (EMS) in Asia and in Latin America. p. 4

## General increase in catches for first three quarters of 2013, though fishing has slowed in some areas



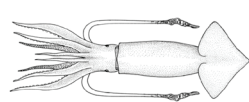
During December 2013-January 2014, raw tuna consumption improved in Japan following increased supplies of farmed bluefin tuna and a general subsequent price weakening. p. 12

## IA stable supply situation and minor price adjustments expected



After several years of increasing supplies from the Barents Sea, it is expected that supplies of cod will be marginally lower in 2014. p. 19

## Demand is improving in most markets



Octopus, which showed signs of improved supplies, is now experiencing an increasing demand in many markets. p. 24

## Lunar New Year perks up demand for tilapia in Asia



January.

Strong festival demand for live tilapia during the Lunar New Year is keeping the current market strong in Asia. Prices at retail and in restaurant trade have strengthened by 50% in p. 28

## Asian demand keeps market steady



Throughout the first nine months of 2013, nearly 350 000 tonnes of frozen pangasius fillets were imported into nearly 70 countries, 20% more than in the same period in 2012. While Viet Nam was the leading exporter, supplies also came from other Asian producing countries. p. 30

## Ample supplies throughout 2013 kept prices low, moving volumes but hurting margins



Oversupply during 2013 made for a difficult year as low prices, rising costs and tight credit caused severe damage to company results. p. 32

## Low production means soaring prices, profits and pressure



The farmed salmon industry continues to break new ground, with export revenues and prices reaching never-before-seen heights. The root cause is a widening gap between production volumes and global demand, and although so far traditional markets such as France and the USA have remained largely unfazed by the exceptionally high prices as they have had to compete with Asian, Brazilian and Russian buyers for a limited supply of fish, the long term effects on markets could be significant. p. 39

## Herring stocks may decline, while mackerel seems to be in good shape



After a few relatively rich years for the herring industry in the North Atlantic, stocks are now expected to decline. On the other hand, mackerel stocks are in good shape, and increased landings are expected, although there is concern about possible overfishing. p. 45

## Rising price trend continues as a result of strong demand for fishmeal



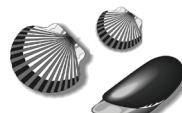
Long-term supplies of whole fish from wild sources available for fishmeal are falling due to political decisions regarding a number of important stocks for which direct human consumption is seen as preferable over reduction to fishmeal. p. 49

## Strong demand and supply constraints are expected to underpin fish oil price



Fish oil price is expected to hold in the first quarter of 2014, based on strong aquaculture demand coupled with supply constraints in the anchovy fisheries of Latin America. The Gulf menhaden fishery is anticipated to maintain its high level of fish oil supply and exports achieved in 2013, based on a recent positive stock assessment that recommends harvests can be kept at current levels. p. 52

## Stable European demand for bivalves with signs of vulnerability in a context of environmental changes



Several signs of the vulnerability of shellfish to environmental changes have been quite visible during 2013. The French oyster farming industry has been hit once more by deadly bacteria fatal to the mollusc, with high mortality of adult shells. p. 53

## SPECIAL FEATURES

Trends in aquaculture in Latin America p. 59  
Tilapia in Egypt: towards new horizons p. 61

Fish and fishery products statistics p. 64

# GLOBAL FISH ECONOMY

World fish production continues its steady growth, driven entirely by an expanding aquaculture sector. It now looks as though 2014 will be the landmark year when human consumption of farmed fish surpasses that of wild fish. However, total traded volumes in 2013 were approximately flat, pointing to supply shortages for many key traded species.

The forecast for overall production in 2013 of 160 million tonnes represents a 1.6% increase compared with 2012. Aquaculture growth, representing 5.1%, has more than compensated for stagnating capture production. The trend towards greater utilization of wild fish for direct human consumption, particularly in the form of omega-3 oil nutritional supplements, continues. In 2013, an estimated 88% of all wild catches was used for human consumption, accounting for 9.9 kg of the total average world fish supply per capita at 19.7 kg per year.

The value of world fish trade grew to USD 136.2 billion in 2013, a significant increase of 5.5% compared with the previous year. For major developed country markets still suffering from economic slowdown or only slowly recovering, this increase in trade value is mainly a reflection of inadequate supply pushing prices upward. In Japan, imports have fallen significantly as the combined dampening effect of the high prices and a weak yen compounds a long-term decline in underlying demand. However, in developing country markets, continuing demand growth has lifted total import value by 12%, to USD 39.3 billion, compared with 2013.

Indicators point to a slow but continuing recovery for most of the major developed economies, which can be expected to revitalize consumer interest in seafood. Demand is also steadily increasing in emerging economies for high value species such as salmon, tuna, bivalves and shrimp. However, with capture production stable and various factors restricting aquaculture supply of shrimp and salmon - two of the world's major traded species - the upward pressure exerted on prices by continued global demand growth may be significant.

Indeed, this upward trend is already evident in the FAO fish price index, which climbed steeply in the 3rd quarter of 2013 to reach a record high of 160 points in October. A rise in prices for farmed species, particularly shrimp, is the major component of this rapid increase, although positive development in prices for some wild species such as cod and certain pelagic species is another important driver. In

notable contrast is the decline in fishmeal and fish oil prices this year, mainly as a result of an improved supply situation. The opposing trends in key input costs and output prices for fish farmers may allow for increased margins in some cases, but in the long-term the consumer will inevitably seek alternatives to more expensive species.

## Aquaculture certification and equivalency

Major seafood buyers, particularly retailers in Europe and the USA, are using certification as part of responsible purchasing strategies and improvement efforts for both farmed and wild seafood products.

In aquaculture there are three major certification organizations, including, in alphabetical order, the Aquaculture Stewardship Council (ASC), Global Aquaculture Alliance - Best Aquaculture Practices (GAA-BAP) and GLOBAL G.A.P. These programs are third party schemes, in contrast to national certification schemes promoted in some countries.

## World fish market at a glance

	2011	2012	2013	Change: 2013 over 2012
		estim.	estim.	
	million tonnes			%
<b>WORLD BALANCE</b>				
<b>Production</b>	<b>156.2</b>	<b>157.5</b>	<b>160.0</b>	<b>1.6</b>
Capture fisheries	93.5	91.0	90.1	-1.0
Aquaculture	62.7	66.5	69.9	5.1
<b>Trade value (exports USD billion)</b>	<b>129.8</b>	<b>129.1</b>	<b>136.2</b>	<b>5.5</b>
<b>Trade volume (live weight)</b>	<b>57.3</b>	<b>57.6</b>	<b>57.8</b>	<b>0.3</b>
<b>Total utilization</b>	<b>156.2</b>	<b>157.5</b>	<b>160.0</b>	<b>1.6</b>
Food	132.3	135.4	140.4	3.7
Feed	17.6	16.1	15.6	-3.1
Other uses	6.3	6.0	4.0	-33.3

## SUPPLY AND DEMAND INDICATORS

### Per caput food consumption:

Food fish (kg/year)	18.9	19.1	19.7	2.9
From capture fisheries (kg/ year)	9.9	9.7	9.9	1.6
From aquaculture (kg/year)	9.0	9.4	9.8	4.3

INDEX	Oct 11	Oct 12	Oct 13	
FAO Fish Price Index 100 = 2002 - 2004	154	142	160	13

Totals may not match due to rounding.

These existing certification schemes differ from each other in the ways they operate, including differences in the scale and scope of issues. As with the various certification schemes in capture fisheries, the specifics of these differences are often obscured, and thus it is seen as vital that stakeholders are able to assess the performance of one scheme relative to another and that there is a common commitment to achieving the fundamental goal of improved aquaculture practices.

An important step toward the realization of this goal was taken in April 2013 when a Memorandum of Understanding (MOU) was signed between ASC, GAA and GLOBAL G.A.P. The organizations recognized that they could more effectively deliver their mutual goal of supporting the development of responsible aquaculture by working together.

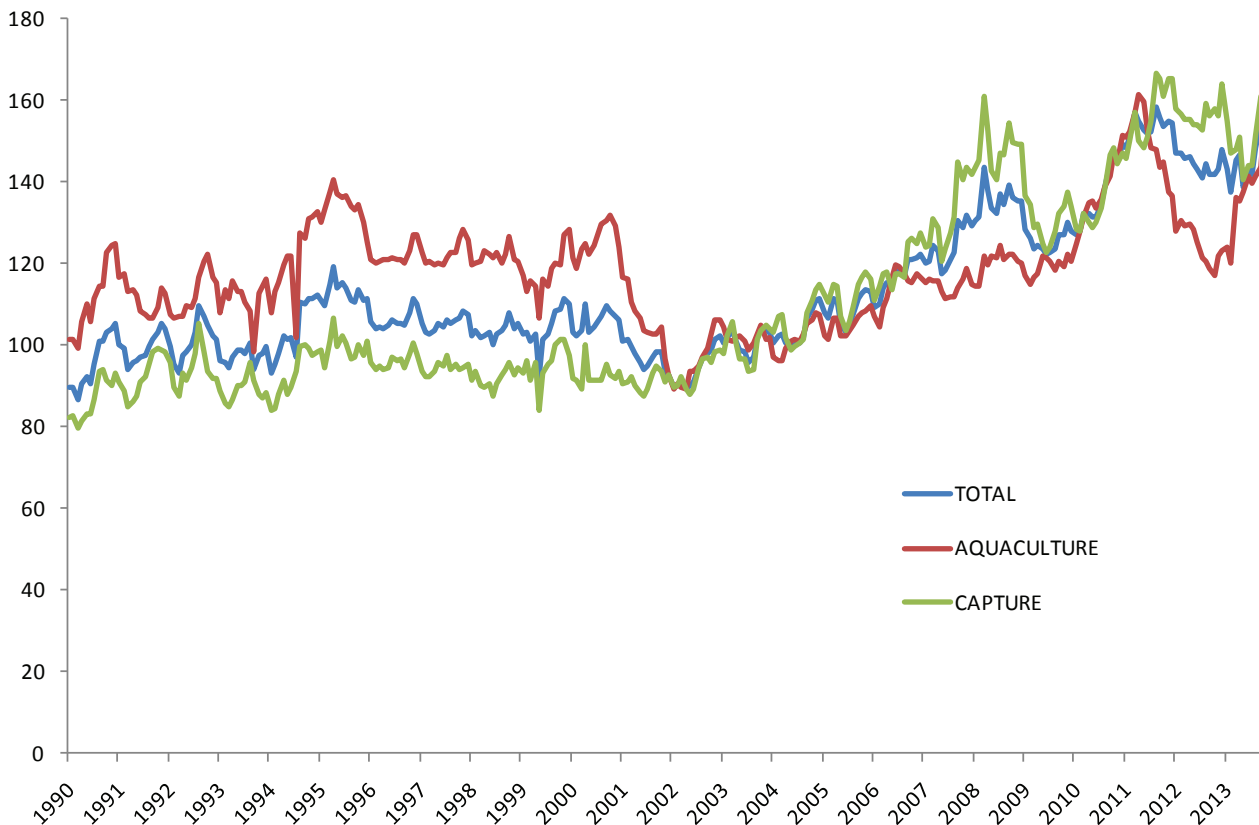
Another move in this direction is the industry-led Global Sustainable Seafood Initiative (GSSI), which aims to benchmark the various certifications schemes using the FAO ecolabelling certification guidelines as a baseline.

### FAO member countries meet in Norway to discuss fish trade issue

On 24-28 February, government representatives from the world's leading exporters and importers will be joined by industry leaders and NGOs in Bergen for the XIV Session of the FAO Sub-Committee on Fish Trade. The oldest of FAO's two sub-committees (the other is the FAO Sub-Committee on Aquaculture), the Sub-Committee on Fish Trade convenes every two years to debate and decide issues of relevance for international trade in fish and fishery products. This year, the programme includes issues such as traceability, certification, the role of small-scale fisheries, fish and nutrition as well as an update on trends in markets and consumption.

To learn more on the meeting and meeting documents, visit: <http://www.fao.org/cofi/ft/en/>

### The FAO Fish Price Index (100=2002-2004)

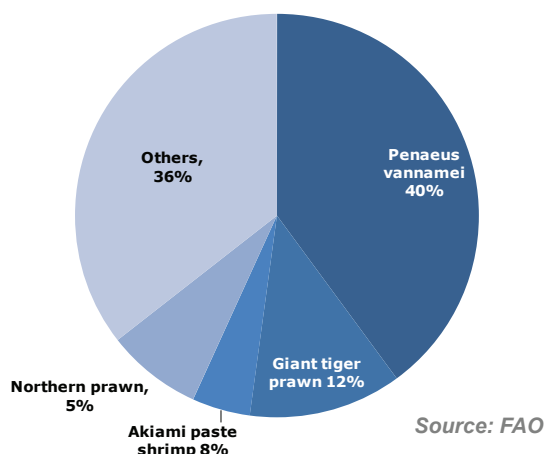


Data Source: Norwegian Seafood Council

## Worldwide shortfall of farmed shrimp supply, record high export prices and lesser imports in traditional markets for 2013

Global production of farmed shrimp for the first three quarters of 2013 was much lower than in previous years due to the Early Mortality Syndrome (EMS) in Asia and in Latin America. Production remained much below 2012 volumes in China, Thailand and Mexico. Increased production did occur in Indonesia, Viet Nam and India, however this was unable to offset the significant declines in production in Thailand, China and Malaysia. Consequently, shrimp prices remained record high worldwide and affected consumption in the traditional developed markets such as Japan, the USA and the EU. Supply shortfalls in East and Southeast Asia prompted strong inter-regional imports as well as imports from Ecuador for domestic re-processing and consumption.

Shrimp production by main species (2011)  
(in tonnes)



the volume in 2012. With these volumes, Thailand ranked fifth in global farmed shrimp production for 2013.

Increased production was reported in Indonesia, producing an estimate of more than 600 000 tonnes. The government of Viet Nam also reported substantial increases with a total estimated volume in 2013 at 548 000 tonnes. This increase is despite the fact that 80% of shrimp farms in the Mekong Delta, the largest shrimp farming area in the country, were affected by EMS and faced inadequate bank loans. India also reported higher volumes in 2013 than 2012 at 320 000-340 000 tonnes.

Raw material shortages in Southeast Asian export processing industries were met through imported shrimp, particularly from Ecuador and India, with frozen shrimp imports noted at record high levels in Viet Nam. China's imports for domestic consumption also increased.

### Supply

2013 aquaculture production trends were mixed in Asia and Latin America. The EMS disease first surfaced in China in 2009 and spread into Thailand, Malaysia and Viet Nam in the subsequent years. In 2013, EMS devastated the Thai shrimp aquaculture sector, bringing down the country's annual farmed shrimp production by half compared with production in 2012. During the fourth quarter of 2013, EMS also surfaced sporadically in an Indian vannamei farming area. However, the Ministry of Agriculture announced "no outbreak" of the disease in the country.

The estimated 2013 farmed shrimp production suggests that China produced less than 1 million tonnes, in which vannamei production was estimated to be 600 000 tonnes. Affected by EMS, production in Thailand was estimated at 250 000 tonnes, which is 50% lower than

In Latin America, Ecuador is the only country producing large volume. Overall production in Mexico has substantially decreased due to EMS and in 2013 could have been as low as 55 000 tonnes compared with 100 300 tonnes in 2012 (-45%). Within the two large farming states, Sonora and Sinaloa, the former area is more affected and production is estimated to be 66% lower. The decline in Sinaloa is estimated to be 30-40% lower in 2013 than the previous year.

### Landings from capture fisheries

In the USA, the 2013 cumulative landings from January 2013 until November 2013 were at a three year low at 49 205 tonnes), which is 1.4% below the same period in 2012. Following general market trends, the average ex-vessel price in November 2013 (USD 5.34/lb) was 40% higher than in November 2012.

Catches of cold water shrimp in Norway were lower in 2013 than 2012.

## SHRIMP



For Argentine red shrimp, landings were stable through 2013 including good catches in November and December.

### Ex-farm shrimp price was incredibly high in Southeast Asia

In Thailand, the ex-farm price of vannamei shrimp during 2013 increased by 42-50% compared with 2012. 70 pieces per kg of fresh, head-on, shell-on shrimp were sold at baht 270 per kg in 2013 compared with baht 180-190 per kg in 2012. With frozen shell-on shrimp exports becoming uneconomical for the export processing industry, processors focused more on value-added exports products to the traditional markets Japan, the USA and Europe.

### Market trend

2014 market indicators show sluggish demand but low inventories in the traditional markets of Japan, the USA and Europe. There is strong demand in East Asia in celebration of the Lunar New Year.

The low production season continues in Asia keeping shrimp prices high and stable along the supply chain. During mid-January 2014, the export price of Vietnamese black tiger shrimp was high at USD 19 per kg for headless shell-on 16/20 count products. Interestingly, Vietnamese re-processors imported the same sized Indian vannamei shrimp at USD 17.80 per kg.

### Japan

### Post New Year demand for shrimp remains low, but firm price trend in the wholesale and import trade continues

Backed by the annual bonus season in December, consumption improved in Japan at the end of 2013 though overall demand for the year was low. High shrimp prices coupled with the weak yen curbed imports of raw frozen shrimp and severely restricted supermarkets' promotional sales in 2013. In the absence of cheaper vannamei shrimp, Japanese supermarkets promoted Argentinean seabob shrimp during the year-end high consumption season, although import and wholesale prices of seabob increased 30-40% compared with 2012.

During the first three quarters of 2013, the cumulative import volume of shrimp declined by 3.7% but the value in yen increased by 5.5%, compared with the same time period in 2012. Frozen shrimp supplies were at a record low for January-September 2013, moving 3.6% below the volume for the same time period in 2012. However, the share of value added shrimp in total imports increased from 28% to 29% due to better demand for cooked-frozen

### Imports

#### Shrimp (by product): Japan

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Live	0.1	0.1	0.1	0.1	0.1	0.1
Fresh/chilled	0.0	0.0	0.0	0.0	*	*
Frozen, raw	140.6	139.8	144.5	139.7	137.0	131.4
Dried/salted/in brine	1.4	2.3	2.1	2.1	1.8	1.3
Cooked, frozen	14.1	14.4	15.4	16.5	17.5	18.1
Cooked & smoked	0.4	0.2	0.2	0.4	0.3	0.2
Frozen <i>ebi</i>	0.2	0.5	0.4	0.3	0.3	0.3
Prepared/preserved*	31.7	30.3	33.5	35.4	35.7	34.1
Sushi (with rice)	0.1	1.4	1.4	2.4	1.7	1.8
<b>Total</b>	<b>188.6</b>	<b>189.0</b>	<b>197.6</b>	<b>196.9</b>	<b>194.4</b>	<b>187.3</b>

\*(incl. tempura shrimp) Source: Japan Customs  
Note: \* < 1 tonne

shrimp and sushi shrimp with rice. Thailand remained the top supplier, with 65% of shrimp from this source consisting of value-added products.

Viet Nam was the second largest importer to Japan, with 63% of their supplies consisting of raw frozen shrimp, shell-on and peeled varieties. China was the top supplier of ready-to-eat sushi shrimp with rice.

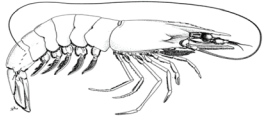
Cost of dining out in Japan increased by 8% from September 2013 to January 2014, and this increase was

### Imports

#### Shrimp (frozen): Japan

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Thailand	41.3	48.5	56.5	56.4	57.7	45.1
Viet Nam	38.2	36.0	39.3	34.2	35.1	38.3
Indonesia	33.4	30.8	28.5	27.1	27.3	28.4
India	16.7	17.3	19.8	19.7	18.2	21.8
China	20.9	17.1	16.9	20.6	17.4	16.1
Argentina	1.4	1.8	1.5	3.1	6.6	7.3
Russia	6.0	5.2	5.5	5.7	4.9	4.8
Myanmar	5.0	5.2	4.3	4.3	4.3	4.3
Canada	6.5	6.5	5.9	4.9	4.7	3.9
Malaysia	3.3	3.7	5.1	7.1	5.4	3.7
Greenland	4.2	5.3	3.8	3.1	2.7	3.2
Bangladesh	2.1	1.8	1.8	1.6	1.5	2.5
Others	9.0	9.4	8.4	8.6	8.2	8.0
<b>Total</b>	<b>188.1</b>	<b>188.5</b>	<b>197.2</b>	<b>196.6</b>	<b>194.1</b>	<b>187.1</b>

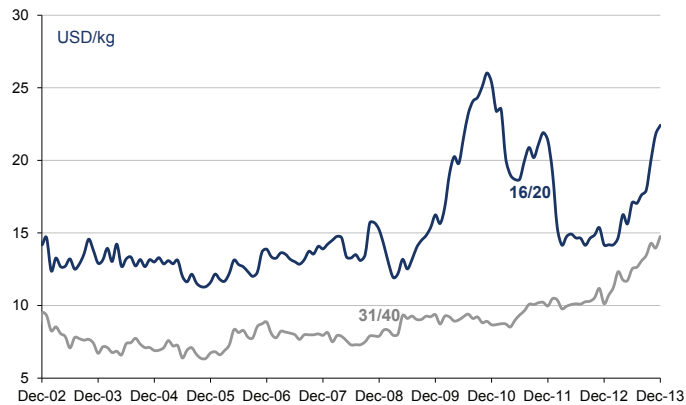
Source: Japan Customs



even higher for sushi products, with an increase of 17%. The catering sector is now adjusting their menu prices in order to accommodate the consumer budget against the rising seafood prices. Due to the exorbitant cost of shrimp, some popular high-end kaiten-sushi restaurants have reduced the number of shrimp items in their menu.

The Japanese market had trouble meeting their vannamei shrimp needs due to the production shortfalls in Thailand. Comparing the first three quarters of 2013 with 2012, combined frozen shrimp supplies from Viet Nam, Indonesia and India increased by 7 900 tonnes, however the decline from Thailand alone was 12 600 tonnes.

**White Shrimp in Japanese market, origin Indonesia**



Source: Infofish ITN

**USA**

In general, January 2014 shrimp sales remain low in the retail and restaurant trade. The situation is even more pronounced this year due to the extreme cold weather conditions in more than one third of the USA. This means restricted and reduced travel outside the home, which usually translates into lower sales. However, wholesale prices are still high due to the seasonal low supply from Asia.

Shrimp imports for the first three quarters of 2013 were less than imports during the same time period in 2012, despite increased supplies from India, Indonesia and Viet Nam. India is currently the number one shrimp exporter to the US market, with interest in Indian products evident at the Indian seafood show held in January 2014. However, India's high import prices make purchases difficult for US buyers since these prices are higher, close to or just slightly above the sales pricing in the US market, which is already facing limited demand. Indian packers are also holding large future orders placed

**Imports Shrimp: USA**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
India	11.0	15.3	18.4	33.2	41.7	67.0
Ecuador	44.6	47.1	51.3	56.0	63.9	60.9
Thailand	126.8	130.5	137.3	130.4	97.9	59.2
Indonesia	66.7	55.6	46.6	53.8	54.4	56.8
Viet Nam	29.8	29.9	30.2	32.0	28.5	38.8
China	37.2	30.1	32.6	29.8	25.3	23.9
Mexico	12.6	21.2	12.4	14.7	17.3	10.7
Malaysia	18.6	12.2	17.6	18.6	16.5	8.6
Guyana	7.7	7.7	7.1	5.2	7.9	7.7
Peru	6.0	6.9	5.4	6.9	6.5	7.3
Others	37.3	33.0	30.3	24.9	22.4	22.1
<b>Total</b>	<b>398.18</b>	<b>389.3</b>	<b>389.2</b>	<b>405.6</b>	<b>382.5</b>	<b>362.9</b>

Source: NMFS

earlier by US buyers, while raw material supplies will be low until April.

**Imports Shrimp: USA**

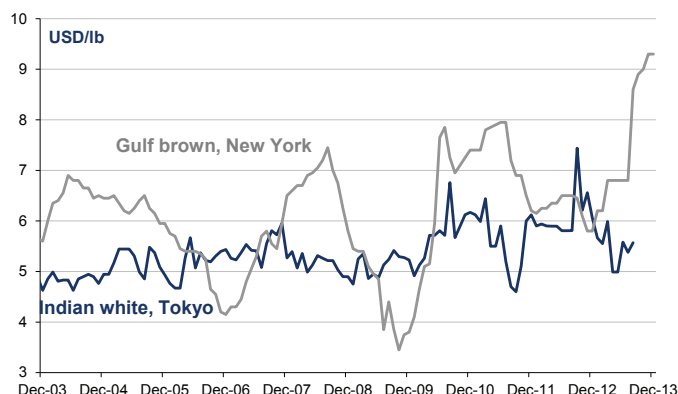
Product	Jan-Sep					
	2011		2012		2013	
	1 000 tonnes	million USD	1 000 tonnes	million USD	1 000 tonnes	million USD
Peeled frozen	149.3	1 390.8	145.6	1 290.2	143.4	1 376.7
Other frozen	64.0	622.4	50.4	479.8	46.4	500.6
Breaded	32.2	213.8	27.4	183.2	26.5	184.9
Other prep	1.6	9.2	1.9	10.3	1.8	10.4
Headless shell-on frozen						
All sizes	154.7	1 136.2	155.6	1 238.2	142.6	1 371.9
< 15	10.2	154.7	12.7	180.7	10.4	161.7
15/20	12.8	147.8	16.2	150.8	13.7	154.9
21/25	20.9	20.8	20.8	173.7	21.4	224.4
26/30	21.0	184.0	24.5	195.9	21.4	207.3
31/40	32.7	253.5	31.1	222.2	27.8	253.6
41/50	20.1	137.5	18.7	124.3	20.1	167.8
51/60	19.9	133.7	15.7	97.5	15.3	117.5
61/70	10.0	62.1	9.2	55.5	7.4	53.0
> 70	7.1	42.1	6.9	37.6	5.1	31.7
Other products	3.8	34.6	1.6	11.5	2.2	27.3
<b>Total</b>	<b>405.6</b>	<b>3 407.0</b>	<b>382.5</b>	<b>3 213.1</b>	<b>362.9</b>	<b>3 471.9</b>

Source: NMFS





## Shrimp prices (16-20 count) in main wholesale markets, USA and Japan



Source: Infofish ITN

The price rise for black tiger shrimp is very significant due to the acute supply shortage in India as well as from other sources in South and Southeast Asia, while demand continues to be strong for this species. Total global supply of black tigers has been much lower in January-September 2013 than the same time period in 2012.

### US domestic supply

From January to November 2013, the cumulative landings were 1.4% lower than the same period in 2012, a total of 49 205 tonnes, the lowest in the last 3 years. The average ex-vessel price was 40% higher at USD 5.30 per lb when compared with the November 2012 average ex-vessel price.

During the January-September 2013 period, shrimp imports were 20 000 tonnes (-5.1%) below the corresponding period in 2012. India increased its shrimp exports to the USA by a 61% rise to 67 000 tonnes, and since July, was the top supplier to the US market. Ecuador was the second in ranking but exported less to the USA and more to the strong Asian markets. The USA also reported higher imports from Indonesia and Viet Nam, though these were not sufficient to offset large supply deficits from Thailand, Mexico and Malaysia.

Imports for January-September 2013 of shell-on and peeled shrimp, the two major categories, fell below 2012 volumes. The decline was significant for the former (-8% or 12 800 tonnes), but was marginal for the latter (-1%). Individual shares of these two product groups in total imports were 39.4% each.

### Europe

Skyrocketing warm water shrimp prices have prompted some buyers to look for alternative sources such as the cold water varieties. However, landings of

## Imports/Exports

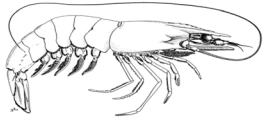
### Shrimp: EU-27 (by country of origin)

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>IMPORTS</b>						
Ecuador	60.1	54.1	56.8	72.1	70.2	62.4
Greenland	57.4	55.3	53.8	51.2	46.1	46.6
India	40.9	45.4	41.4	42.5	40.1	45.9
Argentina	24.6	28.4	34.9	38.3	30.9	35.2
Denmark	38.3	34.7	36.9	33.1	31.3	33.4
Bangladesh	23.7	29.0	28.8	32.5	29.6	30.2
Viet Nam	20.6	23.6	27.8	32.9	25.6	25.1
Netherlands	26.5	26.3	28.4	32.3	30.3	24.7
China	28.5	27.0	27.4	28.6	25.9	24.3
Thailand	25.3	34.8	48.4	45.4	39.9	23.8
Canada	27.2	24.9	26.9	24.4	26.6	22.5
Spain	13.0	14.5	17.3	15.7	19.8	16.3
Belgium	18.1	17.3	17.0	20.8	16.6	16.0
Others	175.3	164.3	151.5	146.1	129.8	121.9
<b>Grand Total</b>	<b>579.6</b>	<b>579.6</b>	<b>597.3</b>	<b>615.8</b>	<b>562.6</b>	<b>528.3</b>
<b>Total Intra Imp</b>	<b>136.4</b>	<b>134.5</b>	<b>144.2</b>	<b>146.2</b>	<b>136.0</b>	<b>129.1</b>
<b>Total Extra Imp</b>	<b>443.2</b>	<b>445.1</b>	<b>453.1</b>	<b>469.6</b>	<b>426.6</b>	<b>399.3</b>
<b>EXPORTS</b>						
<b>Grand Total</b>	<b>267.2</b>	<b>261.4</b>	<b>264.9</b>	<b>273.0</b>	<b>243.3</b>	<b>234.3</b>
<b>Total Intra Exp</b>	<b>188.5</b>	<b>187.5</b>	<b>193.0</b>	<b>207.2</b>	<b>186.1</b>	<b>177.2</b>
<b>Total Extra Exp</b>	<b>78.6</b>	<b>73.9</b>	<b>71.9</b>	<b>65.8</b>	<b>57.2</b>	<b>57.0</b>

Source: EUROSTAT

cold water shrimp in Europe were lower, particularly from the Northern Sea where catches have been declining for the past few years. Recently, European buyers have placed orders for warm water shrimp with Indian packers, but supplies were very limited and were mostly taken by Asian buyers.

The shrinking market in Europe is well mirrored in lower imports in 2013. For the first nine months of 2013, total shrimp imports into the EU-27 declined by 6.1% compared with the same time period in 2012, with shipments from third countries (non-EU countries) dropping by 6.4% in the period. Supplies dropped sharply from Ecuador (-11%), Thailand (-40%) and Canada (-15%); while shipments from India and Argentina increased by 14% and 15% respectively. During the last quarter of 2013, demand from Europe for head-on vannamei shrimp was strong with major supermarket chains aggressively buying vannamei shrimp in preparation for year end sales. Demand for Argentinean red shrimp was also significant during the holiday season, which was supported by stable and competitive prices as well as good supplies.



From January-September 2013, Argentina supplied more shrimp to Spain (+10%) and Italy (+19%) compared with those same months in 2012. Overall imports into Spain, however, were lower (-7%) as a result of less supplies from Ecuador (-23%) and China (-4%). The Italian market was more or less stagnant and higher supplies from Argentina, Spain and Denmark were able to offset lower shipments from Ecuador.

During the first three quarters of 2013, India shipped more shrimp to the major European markets compared with the same time period in 2012, particularly to the UK (+19%), France (+11%) and Belgium (+23%), thanks to a bounty harvest in 2013. France also imported more from Ecuador offsetting lower supplies from Thailand and Madagascar.

In the January-September 2013 period, the UK market bought more coldwater shrimp from Denmark as a substitute for expensive warm water shrimp. Imports

**Imports  
Shrimp: Italy**

	2008	2009	Jan-Sep			2013
			2010	2011	2012	
(1 000 tonnes)						
Ecuador	14.1	16.3	15.1	16.8	15.8	14.2
Argentina	5.1	4.1	7.6	6.8	5.7	6.8
Spain	3.0	4.3	4.4	5.1	5.2	5.8
India	4.2	3.5	3.9	4.7	3.7	3.8
Denmark	5.1	3.6	3.8	3.3	2.4	3.0
Viet Nam	1.5	1.8	1.9	2.5	1.5	1.8
Netherlands	2.2	2.6	3.3	3.8	3.2	1.7
Belgium	1.0	1.2	0.9	1.0	0.6	1.7
Others	11.6	10.9	10.2	9.8	6.5	5.7
<b>Total</b>	<b>47.7</b>	<b>48.5</b>	<b>51.0</b>	<b>53.9</b>	<b>44.6</b>	<b>44.6</b>

Source: ISTAT

**Imports  
Shrimp: Spain**

	2008	2009	Jan-Sep			2013
			2010	2011	2012	
(1 000 tonnes)						
<b>IMPORTS</b>						
Argentina	18.5	22.8	26.6	30.3	24.2	26.7
Ecuador	19.6	14.3	15.0	22.8	22.1	17.0
China	19.9	18.0	15.2	16.4	13.5	13.0
Senegal	2.0	1.2	1.5	2.9	3.9	3.9
Nicaragua	2.9	4.1	3.6	4.7	5.0	3.9
Morocco	5.2	4.1	3.1	3.5	3.0	2.7
Belgium	3.0	3.3	3.1	2.9	2.3	2.5
India	1.3	1.7	1.9	1.6	2.0	2.3
Tunisia	0.9	0.9	1.6	1.6	1.6	2.2
Netherlands	2.4	2.8	2.6	2.6	2.1	2.1
Peru	1.6	1.6	1.4	1.9	1.9	2.0
Venezuela	2.5	3.6	1.4	2.8	1.8	2.0
Others	31.4	29.8	32.3	28.8	19.5	15.5
<b>Total</b>	<b>111.2</b>	<b>108.1</b>	<b>109.2</b>	<b>123.0</b>	<b>103.1</b>	<b>95.7</b>
<b>EXPORTS</b>						
Italy	5.9	7.8	8.5	12.4	10.4	10.7
Portugal	5.4	5.8	6.5	5.9	5.9	5.4
France	2.5	5.3	4.2	5.1	6.4	4.4
Greece	0.7	0.8	0.8	1.2	1.3	1.1
Others	2.2	2.5	1.3	2.7	2.5	2.6
<b>Total</b>	<b>16.6</b>	<b>22.2</b>	<b>21.3</b>	<b>27.3</b>	<b>26.5</b>	<b>24.2</b>

Source: Agencia Tributaria

**Imports  
Shrimp: France**

	2008	2009	Jan-Sep			2013
			2010	2011	2012	
(1 000 tonnes)						
Ecuador	15.1	12.2	17.8	19.4	21.5	24.4
India	6.7	8.7	8.6	8.7	8.8	9.8
Netherlands	4.5	4.7	4.4	4.6	5.3	5.3
Bangladesh	2.3	2.4	3.2	4.4	3.3	4.6
Madagascar	6.8	5.7	5.3	5.2	5.0	4.5
Venezuela	2.9	3.0	2.9	2.6	4.5	4.4
Viet Nam	3.1	2.9	4.6	4.6	3.3	4.1
Spain	1.2	2.5	4.4	3.0	4.2	2.9
Thailand	3.0	4.2	7.5	6.9	5.8	2.5
Belgium	3.9	3.3	3.2	4.4	2.8	2.0
Others	26.9	24.9	20.9	15.3	14.0	12.7
<b>Total</b>	<b>76.5</b>	<b>74.6</b>	<b>82.7</b>	<b>78.9</b>	<b>78.2</b>	<b>77.1</b>

Source: Direction Nationale des Statistiques du Commerce  
Extérieur – DNSCE

from Thailand, the number one supplier, dropped by almost 27% during the first nine month of 2013 compared to the same time period in 2012. Due to low catches and high prices, there were less imports of cold water shrimp from Norway.

Denmark took advantage of the global shortage of warm water shrimp, increasing its export to China, Italy and Sweden significantly.



## Imports

### Shrimp: UK

	2008	2009	Jan-Sep		2012	2013
			2010	2011		
	(1 000 tonnes)					
Thailand	6.2	8.9	11.6	14.1	15.0	11.0
Canada	6.2	6.0	8.1	7.7	8.7	8.5
India	6.0	6.5	5.9	5.9	5.9	7.0
Denmark	7.1	7.3	6.9	6.2	5.1	5.9
Bangladesh	3.7	5.2	4.8	5.6	4.5	5.7
Viet Nam	2.3	3.3	3.8	4.8	4.0	4.5
Iceland	6.3	5.8	5.5	4.4	4.4	3.2
Indonesia	6.5	5.7	5.9	5.1	2.4	2.8
China	1.0	1.1	2.0	2.7	3.0	2.6
Others	12.1	11.3	8.6	9.6	9.9	8.8
<b>Total</b>	<b>57.4</b>	<b>61.0</b>	<b>63.1</b>	<b>66.0</b>	<b>62.9</b>	<b>59.9</b>

Source: Her Majesty's Revenue & Customs

## Imports

### Shrimp: Denmark

	2008	2009	Jan-Sep		2012	2013
			2010	2011		
	(1 000 tonnes)					
<b>IMPORTS</b>						
Greenland	55.2	53.5	52.3	49.6	44.7	45.5
Canada	15.9	14.2	11.8	10.6	13.7	11.0
USA	0.5	0.1	0.4	1.0	1.5	1.3
Iceland	2.8	0.8	1.5	1.6	0.8	1.2
Viet Nam	0.9	1.2	1.0	1.2	1.5	1.2
China	0.8	0.6	0.5	1.0	1.0	1.0
Others	10.2	10.2	9.2	6.4	6.3	7.8
<b>Total</b>	<b>86.4</b>	<b>80.6</b>	<b>76.7</b>	<b>71.3</b>	<b>69.6</b>	<b>68.9</b>
<b>EXPORTS</b>						
Sweden	13.9	14.4	14.2	15.7	16.3	17.1
China	6.3	7.8	7.5	5.4	5.4	8.0
United Kingdom	9.6	9.4	9.3	7.9	7.2	7.4
Italy	6.6	4.3	4.4	4.1	4.1	5.6
Norway	4.9	5.6	5.7	5.8	4.9	5.4
Germany	6.3	5.3	5.0	5.4	4.9	4.7
Russia	24.4	14.5	9.4	7.1	5.0	4.4
Morocco	1.2	2.7	3.3	2.1	2.5	3.7
Greenland	2.0	3.4	2.1	2.1	1.8	2.7
Netherlands	5.3	3.9	3.8	3.0	2.5	2.3
France	2.6	2.4	2.4	1.9	1.6	1.6
Others	16.1	11.1	13.5	14.3	12.0	11.3
<b>Total</b>	<b>99.2</b>	<b>84.6</b>	<b>80.5</b>	<b>74.7</b>	<b>68.0</b>	<b>74.2</b>

Source: EUROSTAT

In Germany, the current global market has negatively affected shrimp imports, with volumes dropping by more than 14% in January-September 2013 when compared with the same months in 2012. Supplies from Thailand, Bangladesh and Viet Nam decline by 27%, 12% and 20% respectively.

High shrimp prices have also affected trading activities into and from the Netherlands and Belgium, with both countries posting negative growths as a result.

Asian markets have been very active as demand for shrimp is picking up with the Lunar New Year Celebration period, when shrimp consumption is high in Southeast and Far East Asian countries.

China and Viet Nam have been aggressively buying vannamei from India. Exports from Viet Nam and Myanmar to China through border trade have intensified. Recently, Chinese authorities lifted the ban on live black tiger shrimp imports from Viet Nam, which was imposed in October 2012. Vietnamese traders estimated that some 300 tonnes of shrimp, mainly live and fresh, go across the border to China every day as buyers from China pay higher prices than the local export processors.

Meanwhile, frozen shrimp imports into China significantly increased (+27%) during the first nine months of 2013 compared with the first nine of 2012, with more supplies coming from India (+194%), Greenland (+59%), Ecuador (+42%) and Canada (+6%). Imports from Thailand dropped by 7% during the period under review.

During January-August 2013, Vietnamese shrimp imports for export processing doubled from Ecuador (>20 000 tonnes) and India (>10 000 tonnes). An Industry source in Viet Nam reported that the country's export

## Imports

### Shrimp: Germany

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Thailand	7.2	8.6	9.2	7.6	7.9	5.8
Bangladesh	2.7	5.2	4.2	5.4	6.6	5.8
Viet Nam	6.3	6.5	6.8	9.2	7.1	5.7
Netherlands	4.4	3.8	4.4	5.2	4.8	4.5
India	4.7	4.6	3.8	3.2	3.2	3.5
Belgium	4.2	2.9	3.5	3.3	2.6	2.6
United Kingdom	1.6	1.5	2.2	1.9	1.7	2.0
Others	10.5	10.4	10.2	9.9	10.1	8.0
<b>Total</b>	<b>41.5</b>	<b>43.6</b>	<b>44.2</b>	<b>45.8</b>	<b>44.0</b>	<b>37.8</b>

Source: Germany Customs



Imports/Exports

Shrimp: Netherlands

	2008	2009	Jan-Sep			2013
			2010	2011	2012	
(1 000 tonnes)						
<b>IMPORTS</b>						
Germany	4.7	6.3	7.0	8.1	7.3	6.1
Bangladesh	1.4	5.5	4.7	5.2	5.6	5.3
Morocco	4.3	5.4	6.0	6.4	6.2	5.2
Belgium	2.4	3.2	3.7	6.7	5.8	4.5
India	6.1	8.2	7.2	5.0	4.0	4.2
Viet Nam	1.8	2.2	2.8	3.5	3.4	2.4
Indonesia	4.2	4.4	3.9	3.1	2.2	2.2
Denmark	4.0	2.9	3.5	2.4	2.2	1.8
China	1.8	2.1	1.2	1.0	1.5	1.6
Others	10.2	12.2	10.0	12.4	12.8	8.9
<b>Total</b>	<b>41.1</b>	<b>52.3</b>	<b>50.0</b>	<b>53.8</b>	<b>50.9</b>	<b>42.2</b>
<b>EXPORTS</b>						
Morocco	14.0	17.7	19.3	20.5	17.3	16.6
Germany	6.8	8.2	9.4	10.7	9.9	8.2
Belgium	10.7	12.7	12.9	13.5	10.9	7.6
France	7.7	10.1	10.9	9.9	9.3	6.6
Spain	2.4	3.4	1.5	1.3	1.6	1.5
Italy	1.6	1.7	2.3	2.8	2.4	1.3
Others	4.9	6.9	3.6	2.4	2.5	2.2
<b>Total</b>	<b>48.0</b>	<b>60.7</b>	<b>60.0</b>	<b>61.1</b>	<b>53.8</b>	<b>44.1</b>

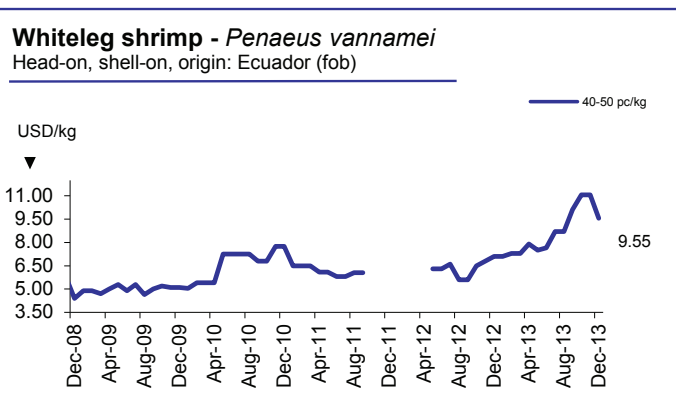
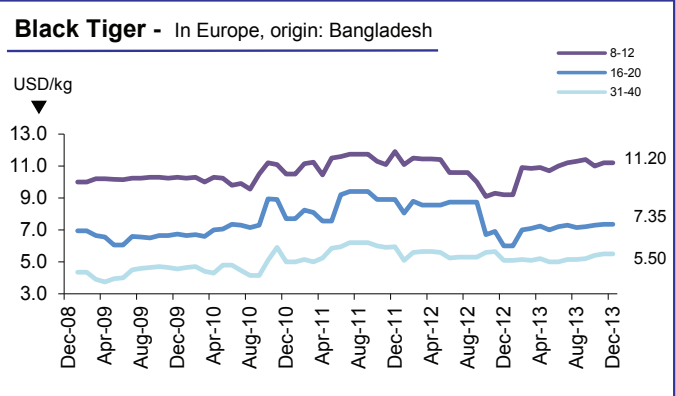
Source: EUROSTAT

Imports/Exports

Shrimp: Belgium

	2008	2009	Jan-Sep			2013
			2010	2011	2012	
(1 000 tonnes)						
<b>IMPORTS</b>						
India	8.3	7.5	6.8	10.1	9.1	11.2
Netherlands	8.9	8.9	9.7	13.1	12.3	8.4
Bangladesh	11.9	8.6	9.1	9.8	6.8	6.3
Viet Nam	2.8	3.3	3.5	3.3	2.3	3.2
Ecuador	6.7	5.2	3.9	7.3	4.6	1.9
Others	17.2	14.1	15.9	12.8	9.0	7.6
<b>Total</b>	<b>55.6</b>	<b>47.5</b>	<b>48.8</b>	<b>56.4</b>	<b>44.1</b>	<b>38.5</b>
<b>EXPORTS</b>						
France	17.3	14.5	14.2	18.4	12.0	9.4
Netherlands	6.3	5.2	5.2	7.9	7.1	6.4
Spain	4.8	4.3	4.3	4.0	3.7	4.0
Germany	3.8	4.1	4.5	4.0	3.7	3.9
Italy	1.1	1.4	0.9	1.2	0.8	1.7
Others	10.9	7.9	6.8	6.2	5.5	5.9
<b>Total</b>	<b>44.2</b>	<b>37.3</b>	<b>35.9</b>	<b>41.8</b>	<b>32.8</b>	<b>31.4</b>

Source: EUROSTAT



Graphs source: European Price Report

revenue from vannamei shrimp increased by 80% during the first nine months of 2013 compared with the same time period in 2012. The export revenue increase for black tiger shrimp exports was relatively marginal in comparison, at 2.1% for the first three quarters of 2013 compared with that time period in 2012.

Imports

Frozen Shrimp: China

	2008	2009	Jan-Sep			2013
			2010	2011	2012	
(1 000 tonnes)						
Canada	7.7	7.1	9.3	9.1	10.1	10.7
Thailand	2.6	3.1	8.2	4.6	7.1	6.6
India	1.0	1.4	1.7	1.7	1.8	5.3
Ecuador	0.0	0.2	1.0	3.7	3.6	5.1
Greenland	3.5	5.2	6.5	4.2	2.9	4.6
Argentina	0.0	0.3	0.1	0.6	1.4	3.2
Denmark	1.3	1.4	1.9	1.7	0.9	1.8
China	0.1	0.0	0.0	0.0	0.0	1.4
Myanmar	1.8	1.4	1.5	0.9	0.5	1.2
Others	6.3	10.2	8.8	10.4	7.3	5.0
<b>Total</b>	<b>24.2</b>	<b>30.3</b>	<b>39.1</b>	<b>36.9</b>	<b>35.6</b>	<b>45.0</b>

Source: China Customs



## Outlook

The EMS disease seems to be under control in the affected countries in Asia. However, shrimp supplies will be seasonally low until March or April. In Thailand, farmers have reduced stocking density to avoid further occurrence of the disease. Official sources forecast improved harvests in 2014 at 300 000 tonnes. Due to the cold weather, shrimp farmers in India delayed pond stocking. As a result of these factors, significant supplies from either of these two sources are unlikely to occur before May.

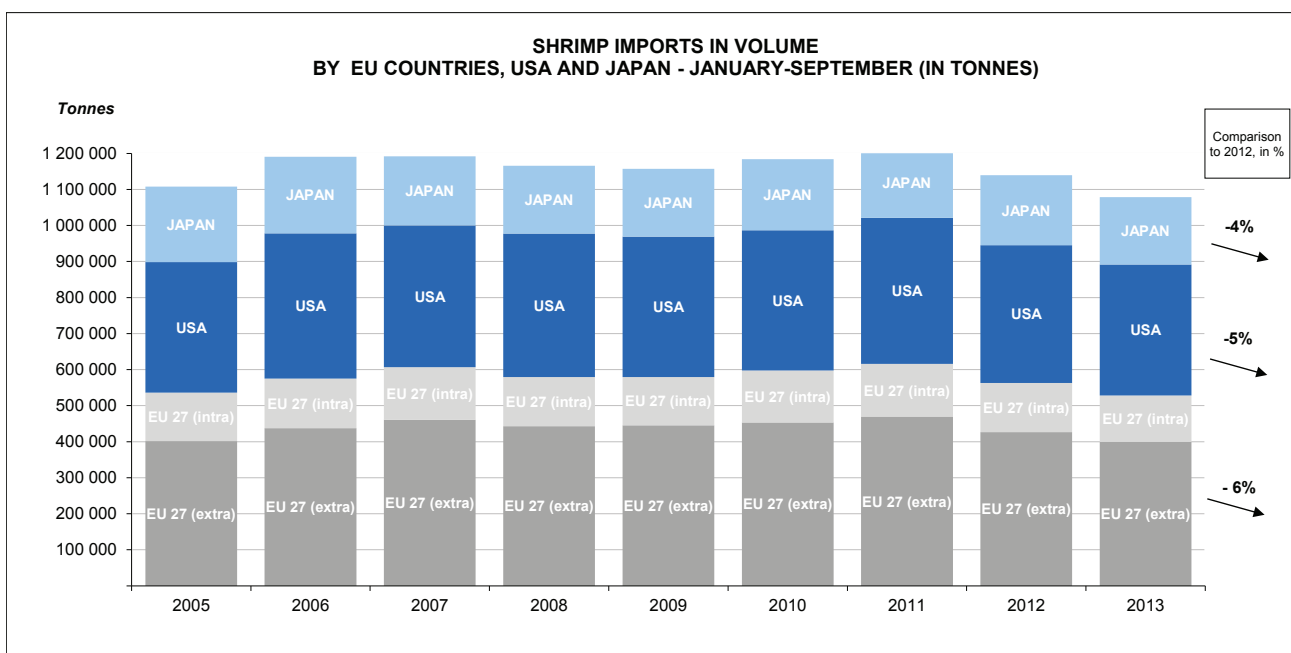
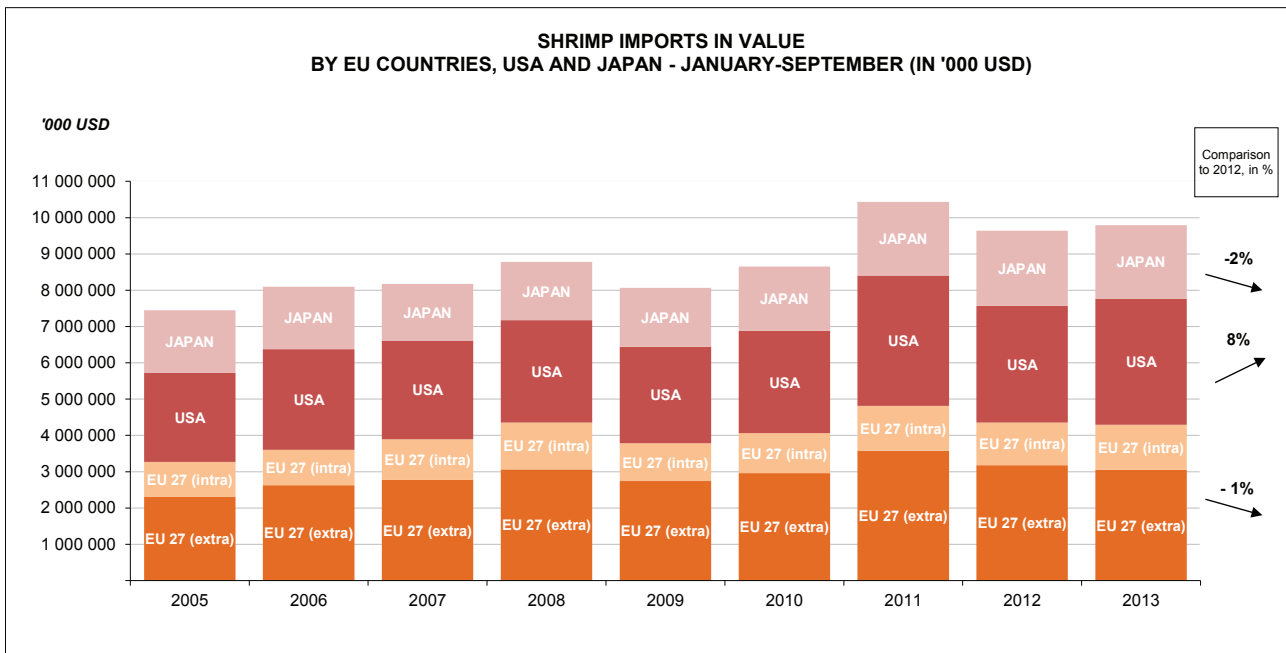
In the US market, stable wholesale shrimp prices are predicted until February or March. Wholesale buyers will continue to purchase as needed, waiting for increased

shrimp offerings from Asia.

In Japan, consumer demand will be better during the spring festival in March and April. Imports however, will be low until the Lunar New Year Celebration is over.

Low consumption and conservative trading will persist in Europe until March with shrimp prices unlikely to soften before April. The Seafood Expo Global to be held Brussels in May will be a good indicator to assess any revival in the European shrimp market.

The strong demand for shrimp in East Asian markets corresponding to the Lunar New Year celebration in February and the low supply situation in the producing countries will keep shrimp prices firm for the time being.



## General increase in catches for first three quarters of 2013, though fishing has slowed in some areas. Overall demand and prices mixed

During December 2013-January 2014, raw tuna consumption improved in Japan following increased supplies of farmed bluefin tuna and a general subsequent price weakening. Tuna for the canned market remains quiet although the price for frozen skipjack fell to a three year low at USD 1 375 per tonne in January 2014.

### Overview: Production and pricing

Since the last quarter of 2013, purse seine caught tuna landings in the Western Pacific improved following the end of the periodic fishing ban. With demand continuing to weaken in Bangkok, frozen skipjack prices dropped to USD 1 375-1 400 per tonne CFR in early January 2014, reaching a three-year low that allowed fishing operations only to break even. Skipjack were exported to Eastern Pacific canners at better prices. Current landings of large sized skipjack (for canning or katsuobushi processing) at the Yaizu port in Japan have been very low.

Fishing in the Eastern Pacific has been mixed with the ex-vessel price of skipjack weakening to USD 1 700 per tonne, Manta, creating concern among importers. Meanwhile, prices for large yellowfin are about USD 2 400 per tonne. Annual IATTC figures for 2013 reveal a 2% (+

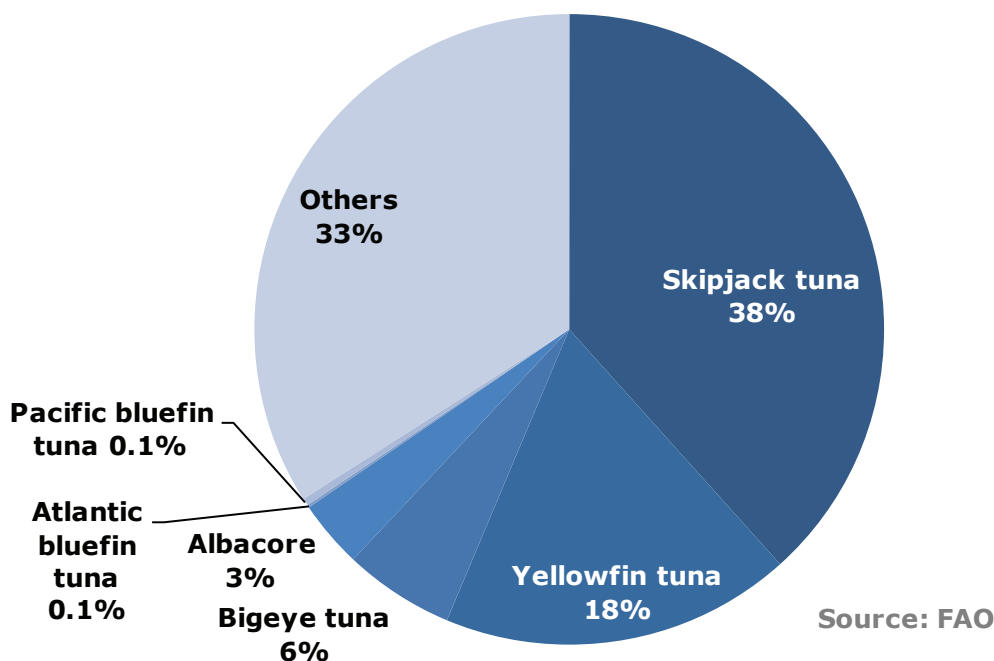
11 170 tonnes) increase in catches for all tuna species compared with 2012.

Vessels in the Indian Ocean have reported mixed results as well, mainly noting catches on FADs. With some processors still closed during the year-end holiday season, vessels were transshipping their catches to other markets. The skipjack price has slipped down to EUR 1 000 per tonne and yellowfin to EUR 1 875 per tonne, FOB Mahe.

Fishing in the Atlantic Ocean has slowed. In Abidjan, though the ex-vessel skipjack price has fallen further to EUR 1 050 per tonne, the ex-vessel yellowfin price has increased to EUR 2 025 per tonne.

As the European markets return from the holidays, price quotes stand at about EUR 1 100 per tonne CFR Spain for skipjack and EUR 2 150 per tonne CFR Spain for

**Tuna production by species (2011)**  
(in tonnes)





yellowfin. The market price for cooked, double-cleaned yellowfin loins remains at USD 8 500 per tonne DDP Italy.

At The Western and Central Fisheries Commission (WCPFC) meeting in December 2013, the following measures were announced:

- From 2014 to 2017, a 40% progressive reduction of bigeye tuna catches by long-liners.
- From 2014 to 2017, a 3-month ban imposed on FAD for purse seiners, followed by a 50% reduction in FAD usages or another 3-month ban on FAD fishing.
- Creation of a framework to reduce large purse seine fishing.

## Japan: General decrease in landings

Half yearly tuna landings from the coastal tuna fishery from January to June 2013 reflect increased catches of fresh bluefin tuna, fresh skipjack and frozen bigeye compared with the same period in 2012. However, landings of all other species decreased. Given these decreases, general supply of tuna was likely to be down during October-December 2013.

## Landings

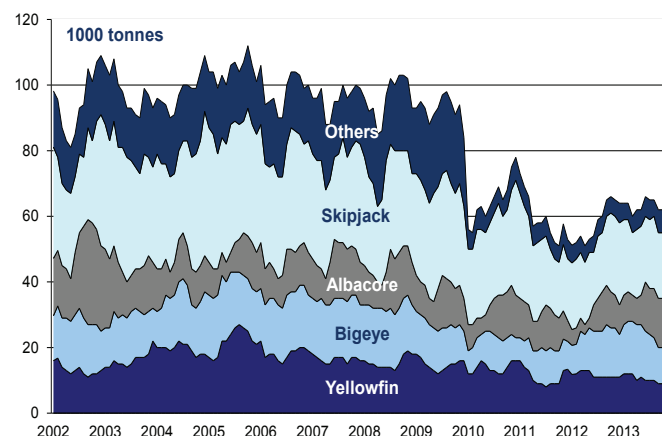
### Tuna: Japan

	2008	2009	Jan-Sep			2013
			2010	2011	2012	
(1 000 tonnes)						
<b>Bluefin</b>						
Fresh	0.4	0.4	1.0	2.5	1.0	1.9
Frozen	2.2	2.2	1.0	0.6	0.9	0.8
<b>Albacore</b>						
Fresh	14.6	14.6	25.6	28.4	37.3	32.4
Frozen	33.5	33.5	15.8	15.4	21.0	19.5
<b>Bigeye</b>						
Fresh	13.2	13.2	2.9	2.8	2.9	2.2
Frozen	4.3	4.3	12.8	11.3	14.9	17.4
<b>Yellowfin</b>						
Fresh	5.7	5.7	8.0	7.3	6.9	6.0
Frozen	6.8	6.8	4.6	4.6	27.4	17.4
<b>Skipjack</b>						
Fresh	154.4	154.4	57.7	39.6	39.1	57.8
Frozen	39.7	39.7	163.6	148.6	165.2	157.6
<b>Total</b>						
Fresh	188.4	188.4	95.1	80.8	87.1	100.3
Frozen	86.4	86.4	197.8	180.5	229.5	212.7
<b>Grand Total</b>	<b>274.8</b>	<b>274.8</b>	<b>292.9</b>	<b>261.3</b>	<b>316.6</b>	<b>313.0</b>

Source: INFOFISH

## Coldstorage holdings

### Tuna: Japan



Source: INFOFISH Trade News

Reports from Japan predict a 10% rise in farmed bluefin tuna production in the Atlantic and Pacific regions for 2014.

## Japan: Strong holiday demand for sashimi, but overall demand and prices mixed, general decline in imports during first three quarters of 2013

December 2013-January 2014 demand for sashimi has been strong and supplies are dominated by bluefin tuna from local and imported sources. Large supplies of bluefin, however, affected prices of fresh/chilled bigeye with bigeye prices declining by 30% during the high consumption season in December 2013, compared with December 2012.

Fresh tuna demand weakened in mid-January but demand for frozen tuna is better. This demand is from supermarkets that sell various sashimi packs for household consumption. During late December 2013, auction price for frozen bigeye was yen 850 per kg, yen 150 per kg higher (+21%) than December of the previous year.

With rising import costs and general falling demand for sashimi grade tuna in Japan, imports have been significantly affected. For instance, the average ex-vessel price of the popular bigeye tuna, which is marketed in frozen form, has increased due to reduced fishing in the Indian Ocean and lower catches in the Western and Central Pacific. These trends have resulted in a 9% decline in total imports of all fresh and frozen tuna, including loins and fillets. In fact, during January-September 2013 total imports were 159 825 tonnes compared with 175 428 tonnes during the same time period in 2012. This decline was most pronounced in the whole/dressed tuna category; frozen loin imports were relatively stable.



**Imports**

**Fresh/chilled tuna: Japan**

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Yellowfin	11.0	11.2	11.6	10.4	9.3	7.3
Bigeye	10.8	11.4	8.5	8.6	9.6	8.1
Bluefin	2.4	3.7	2.8	1.9	2.4	2.9
S. bluefin	1.1	3.3	2.0	1.1	1.3	1.7
Albacore	0.2	0.3	0.2	0.2	0.1	0.1
Skipjack	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>25.5</b>	<b>29.9</b>	<b>25.1</b>	<b>22.2</b>	<b>22.8</b>	<b>20.2</b>

Source: INFOFISH

**Imports**

**Frozen tuna: Japan**

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Yellowfin	36.0	34.7	35.5	38.8	38.1	22.8
Bigeye	59.8	57.8	56.7	47.5	62.7	55.2
Skipjack	23.0	40.7	40.1	27	22.7	13.6
S. bluefin	5.9	30.2	35.4	6.9	5.2	6.1
Albacore	4.9	4.8	13.3	12.1	8.1	13.1
N. Bluefin	4.2	3.9	1.2	1.7	0.7	1.5
<b>Total</b>	<b>133.6</b>	<b>172.1</b>	<b>182.2</b>	<b>134.0</b>	<b>137.7</b>	<b>112.4</b>

Source: INFOFISH

Household expenses on tuna increased in Japan following the rise in average tuna prices, particularly for the popular high quality bigeye tuna. The cost of dining out also increased by 17% in 2013. Sashimi tuna consumption was lower during the summer months due to the unusual hot weather throughout Japan.

In recent news, on the first day of 2014 trading, Tokyo's Tsukiji market auctioned the most expensive fish so far of the year. The 230 kg bluefin caught off Ooma, in Aomori prefecture, was auctioned at yen 7.36 million. The successful bidder was the owner of the large sushi restaurant chain, Sushi-Zanmai, in Japan. General trends at Tsukiji demonstrated a 5% fall in sales volume in September 2013 compared to September 2012, but a 6% rise in prices. Tuna was one of the most important categories in this trade. On average, the wholesale price of tuna increased by 12% per kg in the last two months. The market also imported 17% less seafood during the January-September 2013 period.

**Japan: Frozen tuna loin imports decline in 2013**

Frozen tuna loin imports into Japan during January-September 2013 fell 3% (-557 tonnes) compared with the same time last year due to reduced exports from Fiji, Indonesia, and France who are among the top five suppliers. Imports increased from the top two suppliers, the Republic of Korea and China, as well as from Viet Nam. Loin exports from India, which were mainly yellowfin, also increased compared with 2012. The total number of tuna loin exporting countries to Japan fell from 19 during 2012 to 17 in 2013.

Imports of frozen bluefin loins, mostly from the Mediterranean, were 8 628 tonnes during this period.

**China: Sashimi demand slows, profitability for the processing industry becomes difficult**

Considering the high seafood consumption rate in China, Japanese tuna trading houses (such as Maruha) began efforts to promote consumption of sashimi tuna in China but were met with disappointing results. The market for sashimi tuna in China grew from 1 500 tonnes in 2003 to 10 000 tonnes in 2009 but increased only to 12 000 tonnes in 2012. This more recent slow growth seems to be due to competition from fresh salmon.

China has expanded its tuna fishing fleet in foreign waters. However, the rising fishing and processing costs associated with increased labour, fuel cost and land processing facilities, has increased production costs making the processing industry not as competitive. There are 18 to 19 on-shore plants in China with a capacity to process 40 000 tonnes tuna, which have ultra low (-60 degree Celsius) freezing facilities. However, less than 30% of these facilities are currently being utilized.

China's export's of frozen tuna loins to Japan has increased in recent years. During January-September 2013, Japan imported more than 3 000 tonnes of frozen tuna loins from China compared to 2 300 tonnes during the same time period the previous year.

**USA: Demand for non-canned tuna remains stable**

Over 27 300 tonnes of fresh and frozen tuna (dressed) and tuna loins (excluding cooked loins for canning) were imported into the US market during January-September 2013. Among that volume, 16 600 tonnes were air-flown fresh/chilled, which is a marginal increase compared with the same period in 2013.

The popularity of frozen tuna loins continues in the non-canned market segment, which had an 80% share (8 535 tonnes) in imports of frozen non-canned tuna (10 735





## Imports

## Fresh Tuna: USA

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Yellowfin	12.6	10.0	12.1	12.1	12.3	12.2
Bigeye	4.4	3.4	3.4	2.4	3.0	3.1
Albacore	0.5	0.6	0.4	0.5	0.6	0.6
Bluefin	0.4	0.3	0.4	0.3	0.4	0.5
Skipjack	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.2	0.1	0.0	0.3	0.2	0.2
<b>Total</b>	<b>18.1</b>	<b>14.4</b>	<b>16.3</b>	<b>15.6</b>	<b>16.5</b>	<b>16.6</b>

Source: NMFS

tonnes) during the first three quarters of 2013.

In January-September 2013, the USA also imported 35 546 tonnes of cooked tuna loins for processing pouched/canned tuna, compared with 30 783 in the respective time period in 2012.

## Imports

## Tuna loins: USA

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Thailand	11.2	7.0	22.2	20.7	14.7	18.3
China	4.2	4.8	4.8	4.5	9.3	10.7
Fiji	7.4	9.3	10.4	4.2	7.3	8.5
Mauritius	4.2	6.4	3.2	5.5	3.6	5.5
Ecuador	0.9	0.0	0.1	0.7	2.3	0.7
Others	6.2	6.8	10.2	12.8	12.3	9.7
<b>Total</b>	<b>34.1</b>	<b>34.3</b>	<b>50.9</b>	<b>48.4</b>	<b>49.5</b>	<b>53.4</b>

Source: NFMS

### Recent trends: Canned tuna prices soften as skipjack price falling

In recent months, despite the declining trend of canned tuna prices as a result of falling skipjack prices, the market has been quiet with very little trading activity. As frozen skipjack prices dropped, prices of canned skipjack tuna chunks in oil from ACP countries decreased and in January 2014 were quoted at USD 45 per carton (48x185 g) CFR Europe, USD 4 lower than the price quoted in November 2012. Similar products from Asian countries were quoted at USD 39.80 per carton, FOB General Santos and Indonesia.

## USA: No real growth reported in 2013

The US market for canned tuna remained stagnant in 2013. NOAA reported that in 2012, per capita consumption of canned tuna reached a record low at 2.4 lbs, a decrease from 2.6 lbs in 2011. Optimism about revival of the market diminished as demand weakened further in the second part of 2013. However, during the first six months of 2013, imports of canned and pouch tuna grew by 12.2% in quantity, but the growth slowed in the third quarter. As a result, for the first nine months of 2013, the quantity imported to the USA grew only by 0.5%.

## Imports

## Tuna pouches: USA

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Thailand	15.3	17.1	16.7	14.2	16.1	15.5
Ecuador	10.9	8.1	10.8	9.2	9.1	11.2
Others	3.6	4.8	5.4	4.8	2.9	3.2
<b>Total</b>	<b>30.8</b>	<b>30.0</b>	<b>32.9</b>	<b>28.2</b>	<b>28.1</b>	<b>29.9</b>

Source: NFMS

As demand for popular tuna in brine products flattened, tuna packers introduced a variety of convenience products targeting high-end market segments to absorb increasing production costs. StarKist the largest canned tuna marketer in the US, for example, launched a new tuna pouch product called 'Ranch flavoured Tuna Creations', which requires no draining. Growing demand for high value products has also had positive impacts on imports of pouched tuna, which posted positive growth by

## Imports

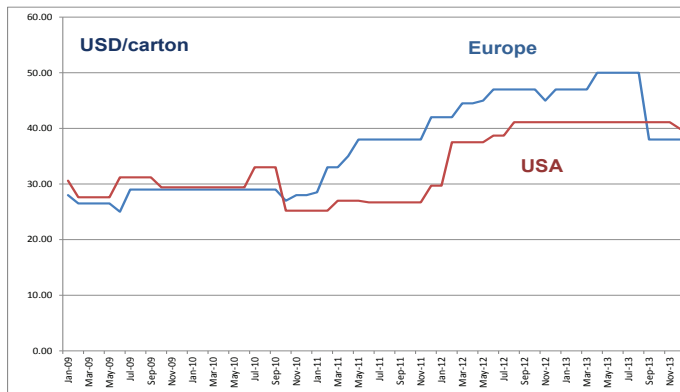
## Canned tuna (excl. pouches): USA

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Thailand	49.6	56.6	80.7	70.5	49.0	54.4
Viet Nam	12.1	10.7	15.2	15.9	16.1	14.4
Philippines	25.3	22.3	15.2	19.4	16.6	12.1
China	4.4	5.1	5.2	5.5	5.9	7.7
Indonesia	13.0	11.0	11.8	8.6	7.4	6.6
Ecuador	0.5	1.2	3.2	5.9	2.1	1.0
Others	3.2	3.3	3.3	3.6	4.8	4.5
<b>Total</b>	<b>108.1</b>	<b>110.2</b>	<b>134.6</b>	<b>129.4</b>	<b>101.9</b>	<b>100.7</b>

Source: NFMS



**CFR Prices**  
**Canned tuna\*: USA, EUROPE**



\* 48x6.5 oz Europe, 48x6 oz USA, chunk, origin Thailand  
 Source: GLOBEFISH

6.4% when comparing January-September 2013 with January-September 2012. Imports of canned tuna category declined by 1.2%.

Meanwhile, there has been an attempt to review the USDA's "Buy American" rules on tuna, particularly for the school-lunch market to allow more suppliers to enter the market. The current rules require that USDA buy only canned tuna that are entirely processed and packed in US run facilities. The USDA annually purchases about USD 20 million worth of canned and pouched tuna.

**Europe: Strong growth continues**

Many European buyers are still waiting for better deals, expecting canned tuna prices to drop further along with the declining skipjack price. In general, the market movement has been slow at the beginning of 2014 but is expected to improve from February onwards when importers, particularly from Germany and France, begin buying.

Across Europe last year, the market posted positive growth reflected by increasing imports. For the first ten months of 2013, canned tuna imports into the EU from countries outside the EU (third countries) increased by 11% in volume and almost 27% in value compared with the same period of 2012, totalling 328 190 tonnes worth around USD 1.91 billion. The top three largest suppliers into the EU were Ecuador, Thailand and Mauritius, with all three countries significantly increasing their shipments by 15.6%, 34.8% and 6.9% respectively.

Ecuador took over the Philippines as the number one exporter in the German market, supplying 66% more during January-September 2013 than the same time period in 2012. Ecuador managed to extend its Generalized System of Preferences (GSP) agreement with the EU and continues to enjoy a 0% duty status for its canned tuna until 31 December 2014.

**Imports**

**Canned tuna: France**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Côte d'Ivoire	23.8	17.0	15.9	12.7	16.7	18.2
Seychelles	10.3	9.4	10.7	14.2	17.6	17.5
Spain	16.7	15.0	17.2	22.3	13.4	15.1
Ecuador	7.5	10.4	10.0	12.0	9.3	11.3
Madagascar	6.8	6.6	4.8	6.9	5.2	5.4
Thailand	4.4	7.0	6.8	8.2	4.3	4.9
Mauritius	0.9	1.4	1.2	2.3	3.7	4.9
Ghana	4.2	4.6	6.0	7.0	4.9	4.0
Others	8.8	11.1	6.5	5.1	4.3	6.0
<b>Total</b>	<b>83.4</b>	<b>82.5</b>	<b>79.1</b>	<b>90.7</b>	<b>79.4</b>	<b>87.3</b>

Source: Direction Nationale des Statistiques du Commerce  
 Extérieur – DNSCE

**Imports**

**Canned tuna: Germany**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Ecuador	20.5	12.4	6.8	12.3	6.5	10.8
Philippines	13.8	15.7	13.2	12.2	10.2	9.7
Papua NG	1.1	4.6	8.2	6.4	9.1	7.8
Vietnam	2.8	3.2	2.4	3.9	4.2	6.6
Netherlands	0.2	3.0	4.6	5.9	4.2	4.0
Thailand	6.3	2.9	3.0	2.5	2.2	3.6
Indonesia	5.2	6.1	5.0	6.0	4.5	3.1
Seychelles	4.0	0.8	2.0	1.0	0.1	0.4
Others	3.2	33.4	3.6	7.0	7.7	9.6
<b>Total</b>	<b>57.1</b>	<b>82.1</b>	<b>48.8</b>	<b>57.2</b>	<b>48.7</b>	<b>55.6</b>

Source: Germany Customs

Thailand is also in the negotiation process to seal a free trade agreement with the EU that will allow its canned tuna to get a preferential tariff, which has been strongly opposed by the Spanish tuna industry. Nevertheless, Thailand managed to ship more products to the EU during the reporting period, especially to Germany (+63.6%), the UK (+69%) and France (+14%).

Major brand owners in Europe aggressively introduced new products in orders to stay ahead of their competitors, particularly supermarket brands. Princes, the UK's biggest producer/marketer of canned tuna, has reported better sales last year as a result of the introduction of new products and market expansion to other countries outside the UK. The French company Saupiquet introduced tuna fillets packed inside a club can available in a choice of natural, extra virgin olive oil, lemon, rosemary and parsley. A canned tuna company in the UK,



## Imports

### Canned tuna: Italy

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Spain	33.3	31.3	34.1	37.1	33.8	30.0
Seychelles	3.6	4.5	5.3	3.7	4.9	6.4
Colombia	8.7	7.6	6.7	8.2	7.0	6.2
Côte d'Ivoire	6.6	8.2	5.6	4.7	6.9	6.0
Ecuador	1.7	3.0	3.6	3.7	4.1	5.4
Mauritius	2.7	3.4	3.6	4.2	4.2	4.4
Portugal	1.6	1.3	1.3	1.5	1.3	1.7
Thailand	2.6	2.0	2.2	2.3	1.4	1.5
France	4.5	4.8	0.5	1.2	0.6	0.1
Others	2.3	2.2	1.9	2.5	2.3	4.3
<b>Total</b>	<b>67.6</b>	<b>68.3</b>	<b>64.8</b>	<b>69.1</b>	<b>66.5</b>	<b>66.0</b>

Source: ISTAT

## Imports

### Tuna loins: Italy

	Jan-Jun					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Ecuador	7.6	11.0	7.3	9.8	8.1	9.7
Thailand	2.2	8.4	4.7	3.7	4.8	2.7
Mauritius	5.2	3.6	3.5	1.0	2.2	2.2
China	0.5	2.4	2.2	2.3	1.5	1.6
Kenya	4.3	1.2	1.8	1.9	2.4	1.6
Madagascar	0.0	0.0	1.8	0.9	0.7	1.2
Others	6.3	3.6	5.4	7.4	5.8	8.0
<b>Total</b>	<b>26.1</b>	<b>30.2</b>	<b>26.7</b>	<b>27.0</b>	<b>25.5</b>	<b>27.0</b>

Source: ISTAT

John West, launched two new 'no drain' canned tuna products with attractive labelling colours: green for basil flavouring and red for garlic.

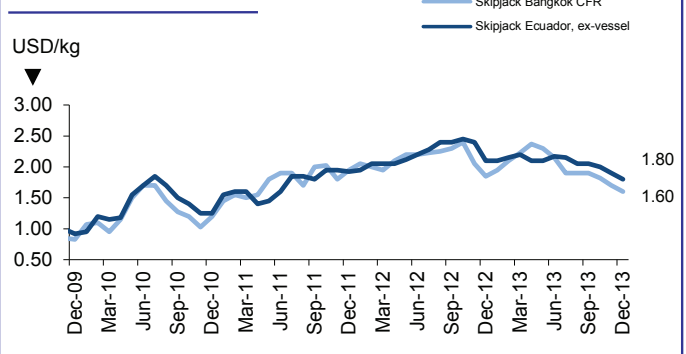
Meanwhile, the long wait for certified MSC's eco-label for canned tuna from the Parties to the Nauru Agreement (PNA) waters has come to an end. Pacifical, a partnership between the (PNA) and a Netherlands based marketing enterprise, has delivered its first certified canned tuna on the shelves of SPAR supermarkets in Austria under its private brand.

In the pre-cooked loin trade, imports into Spain and Italy also posted positive growths last year. Papua New Guinea shipped more loins (+57.5%) to Spain while Italy bought more from Ecuador (+19.8%).

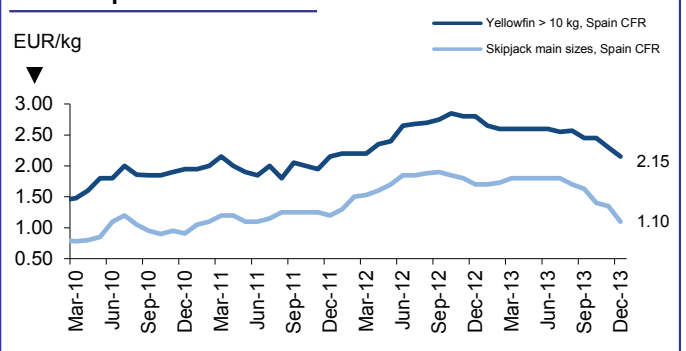
## Thailand: Lower Exports in 2013

Falling skipjack prices and weakening Baht have given some advantages to the Thai Tuna industry; some

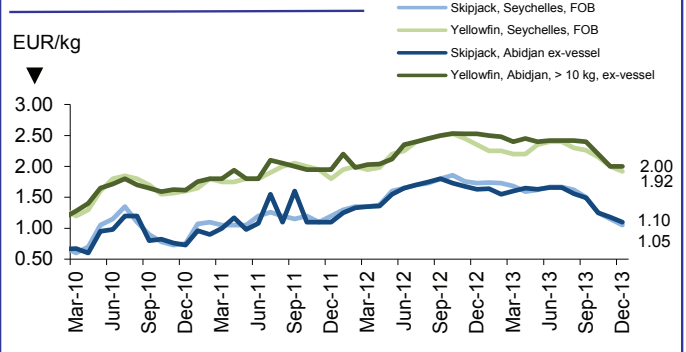
### Tuna - Pacific Ocean



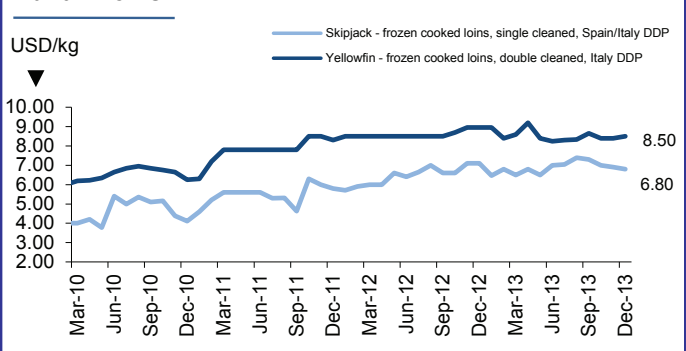
### Tuna - Spanish canneries



### Tuna - Indian/Atlantic Oceans



### Tuna - Loins



Graphs Source: GLOBEFISH European Price Report



**Imports**

**Tuna loins: Spain**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Ecuador	19.2	23.9	20.0	17.2	17.6	17.2
PNG	0.1	0.3	1.4	2.8	4.0	6.3
Guatemala	0.5	4.8	6.6	5.6	6.6	5.5
China	1.2	1.8	2.5	3.6	1.8	5.0
El Salvador	10.2	12.0	6.6	4.7	4.8	4.9
Thailand	3.5	6.6	5.3	11.1	2.5	4.5
Mauritius	1.3	4.4	5.3	8.3	7.4	3.7
Indonesia	0.0	0.0	0.0	1.2	2.4	1.7
Others	2.3	5.6	4.5	4.0	3.1	2.4
<b>Total</b>	<b>38.3</b>	<b>59.4</b>	<b>52.2</b>	<b>58.5</b>	<b>50.2</b>	<b>51.2</b>

Source: Agencia Tributaria

**Imports**

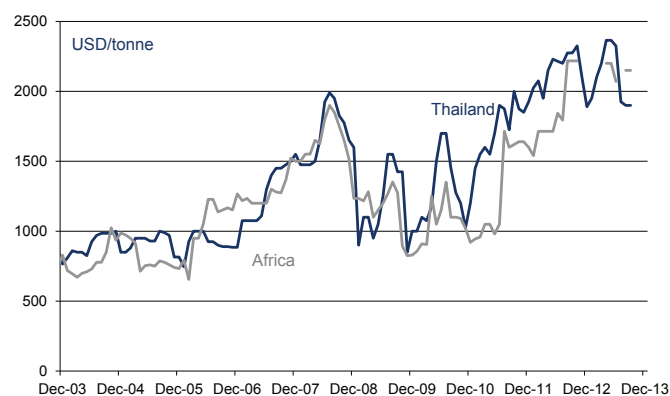
**Canned tuna: UK**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Mauritius	18.2	15.1	22.3	16.7	18.7	18.1
Thailand	11.2	13.8	10.5	19.2	8.4	14.2
Seychelles	11.5	14.0	10.7	10.7	8.9	10.8
Ghana	16.8	13.8	14.7	11.2	11.7	9.5
Philippines	16.6	13.6	11.5	8.5	8.9	8.9
Ecuador	13.8	5.7	3.4	8.8	9.2	8.2
Indonesia	1.0	0.5	1.2	1.8	4.1	6.0
France	3.4	2.1	1.9	1.1	1.1	2.1
Spain	2.6	1.6	2.2	4.7	5.1	6.0
Others	8.4	6.3	4.6	6.3	5.5	7.0
<b>Total</b>	<b>103.5</b>	<b>86.5</b>	<b>83.0</b>	<b>89.0</b>	<b>81.6</b>	<b>90.8</b>

Source: Her Majesty's Revenue & Customs

**CFR Prices**

**Frozen Skipjack: Thailand and Africa**



Source: ITN

**Exports**

**Canned tuna: Thailand**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
USA	79.3	77.0	86.3	75.8	58.4	50.4
Australia	32.7	23.5	30.4	31.6	24.3	23.9
Japan	20.9	18.6	18.7	22.8	20.8	22.6
Libya	30.8	24.9	14.2	6.3	24.3	20.5
Canada	23.4	24.1	21.8	23.9	18.5	19.2
Egypt	32.8	25.9	36.6	31.9	31.9	16.4
Saudi Arabia	18.5	11.7	15.3	15.9	16.8	13.6
UK	13.0	13.8	10.1	19.9	3.2	9.2
Tunisia	*	na	4.2	10.3	7.1	6.1
South Africa	7.4	7.4	8.6	6.6	8.4	7.4
UAE	*	4.2	5.8	7.4	5.8	6.1
Chile	*	3.2	5.1	8.0	5.0	6.8
Argentina	*	5.5	10.1	8.5	4.9	4.5
France	*	7.3	6.2	6.9	3.3	4.2
Others	160.0	131.6	111.1	121.0	78.8	87.0
<b>Total</b>	<b>418.8</b>	<b>378.7</b>	<b>384.5</b>	<b>396.8</b>	<b>311.5</b>	<b>297.9</b>

Source: Thai Customs \* included under "others"

packers have already reported higher profits during the last quarter of 2013. The trend is expected to continue this year provided the country can resolve the current political problem in the near future.

Due to the high raw material cost and sluggish demand in some major markets, canned tuna exports from Thailand posted negative growth by 4.3% in quantity and 5.6% in value during the first nine months of 2013 against the same period of 2012. Exports to the major markets such as the USA, Egypt, Libya, Saudi Arabia and Tunisia were significantly lower, which could not be compensated by higher shipments to Japan (+8.7%), the UK (+188.8), Syria (+85.3%), Chile (+34.9%) and France (+26.9%).

**Outlook**

Lower canned tuna prices are expected to stimulate better demand in the traditional markets this year. Trading activities in Europe will improve as a result of the bettering of the economic climate while the strong euro drives imports. The current status, challenges and prospects of canned in the global market will be thoroughly discussed at the upcoming INFOFISH TUNA 2014 conference, scheduled from 21-23 May in Bangkok, Thailand.

As winter is the main consumption period of raw fish in Japan, sashimi tuna sales, particularly frozen bigeye and yellowfin tuna, are predicted to be stable in the coming months.

# GROUND FISH

## A stable supply situation and minor price adjustments expected

After several years of increasing supplies from the Barents Sea, it is expected that supplies of cod will be marginally lower in 2014. Haddock supplies will be tight. The supply situation is expected to ensure that cod prices will remain relatively stable, while haddock prices will continue to increase.

### Supplies

Norway and Russia have agreed on the groundfish quotas for 2014 in the most important region, the Barents Sea. The cod quota will be set at 993 000 tonnes, a reduction of 7 000 tonnes compared with 2013. The haddock quota has been set at 170 500 tonnes, which is a reduction of 21 500 tonnes compared to 2013.

Iceland set its haddock quota at 38 000 tonnes in August 2013. This represented an increase of 6 000 tonnes.

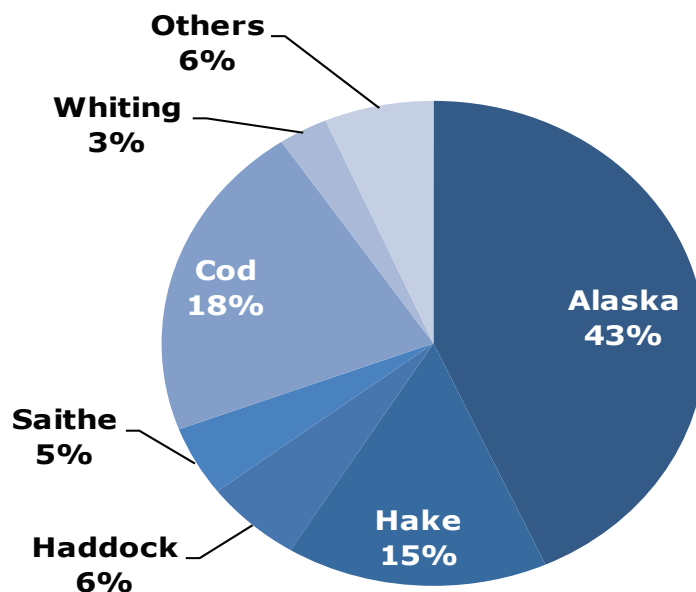
The European Commission set groundfish quotas for 2014 in late October 2013. The hake quota was increased from 70 000 tonnes in 2013 to 98 112 tonnes in 2014, a 29% increase. The haddock quota was reduced by 56% to 8 541 tonnes, while the cod quota was reduced by 32% to 7 156 tonnes. Cod stocks in the Irish Sea and the Kattegat are reported to be in bad condition. However, since these quotas are relatively small compared to the Barents Sea quotas, the reductions will have only a very minor impact

on the market. The lower quotas in the Barents Sea are, on the other hand, expected to push prices up, especially since a further quota reduction is expected for 2015, perhaps by as much as 100 000 tonnes.

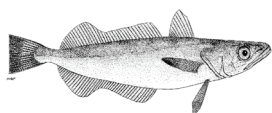
The Groundfish Forum, which met in October last year, predicted stable cod and pollock supplies for 2014, while haddock was expected to be in declining supply. According to the information presented at the Groundfish Forum, the total production of Atlantic cod will amount to about 1.36 million tonnes, which is just marginally more than in 2013 and means that Atlantic cod will be in good supply. The slightly lower quota for cod set by Norway and Russia will be made up for by a higher quota set by Iceland.

Haddock, on the other hand, is not in the same good condition. In fact, the outlook is worse than previously assumed. For 2014, a 6.7% reduction in landings is expected. Thus total landings will go from 298 000 tonnes to 278 000 tonnes. In 2013, landings went down by 30%. This may affect haddock prices in an upward direction.

## Groundfish production by species (2011)



Source: FAO


**Imports**
**Cod-like groundfish: USA**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>Fillets</b>						
China	54.4	56.4	52.4	63.8	55.3	54.1
Iceland	5.8	6.3	7.0	4.2	6.2	8.0
Russian Fed.	*	*	*	3.5	3.2	4.8
Canada	3.3	3.3	3.2	2.9	2.9	1.5
Norway	0.6	0.7	0.5	0.3	0.9	0.2
Thailand	*	*	*	1.0	0.7	1.0
Others	6.1	3.6	9.3	1.5	6.8	11.0
<b>Total</b>	<b>70.2</b>	<b>70.3</b>	<b>72.4</b>	<b>77.2</b>	<b>76.0</b>	<b>80.6</b>
<b>Blocks/Slabs</b>						
China	27.1	29.5	26.8	27.2	24.5	22.3
Iceland	0.6	0.9	0.5	0.4	0.6	1.3
Argentina	0.4	0.9	0.6	0.4	0.8	1.1
Norway	0.0	0.4	0.5	0.6	0.2	0.4
Russian Fed.	2.1	2.4	1.0	0.9	0.3	0.2
Canada	0.3	0.4	0.2	0.2	0.3	0.1
Others	1.4	1.0	1.5	1.3	2.1	1.7
<b>Total</b>	<b>31.9</b>	<b>35.5</b>	<b>31.1</b>	<b>31.0</b>	<b>28.8</b>	<b>27.1</b>
<b>Gr. Total</b>	<b>102.1</b>	<b>105.8</b>	<b>103.5</b>	<b>108.2</b>	<b>104.8</b>	<b>107.7</b>

Source: NMFS

**Imports**
**Frozen cod fillets: Germany**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	10.1	6.1	7.1	11.8	8.1	8.4
Poland	1.8	1.3	4.8	3.0	4.0	5.0
Viet Nam	0.0	0.0	0.7	0.1	1.1	1.7
Denmark	1.6	1.2	1.7	2.0	1.0	0.7
Norway	0.6	0.2	0.5	0.3	0.3	0.5
Russian Fed	0.9	0.5	0.5	0.4	0.4	0.4
Iceland	0.2	0.6	0.5	0.3	0.1	0.2
Others	1.6	1.2	1.0	1.3	1.6	3.1
<b>Total</b>	<b>16.8</b>	<b>11.1</b>	<b>16.8</b>	<b>19.2</b>	<b>16.6</b>	<b>20.0</b>

Source: Germany Customs

Alaska pollock supplies are expected to remain more or less the same for 2014, perhaps with a slight decline. Total landings are expected to be 3.256 million tonnes, with about 1.35 million tonnes from Alaska, and 1.6 million tonnes in Russia.

Pacific cod landings are expected to remain unchanged from 2013 at about 462 000 tonnes.

The wild card in the supply picture is pangasius. Vietnamese production is expected to fall from 850 000 tonnes in 2013 to 750 000 tonnes in 2014.

**Cod**

The Barents Sea cod quota for 2013 was 1 million tonnes divided between Russia and Norway, but fishers from both countries are finding it difficult to fill their quotas. In Norway, the coastal fleet, which received 58% of the total Norwegian quota of 446,740 tonnes, has especially been unable to fill the quota. Consequently, the ocean-going trawler fleet wanted more of the quota. In previous years, whenever the coastal fleet has been unable to catch their full quota, some parts have been reallocated to the trawler fleet.

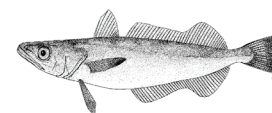
In the North Sea, cod stocks are not in the best shape, and some environmental organisations such as the Marine Conservation Society are advising consumers not to buy this product. However, reactions differ and Seafish in the UK is ensuring consumers that they can safely buy North Sea cod, claiming that this cod on the UK market has been sourced from well-managed fisheries. Seafish also states that the North Sea cod stocks have been recovering for a number of years. The Marine Conservation Society, on the other hand, insists that it is too soon to take this species off their do not purchase list.

Demand for cod in Asia is increasing, and recently a joint venture between Norwegian and Singaporean

**Imports**
**Frozen cod: UK**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	17.4	10.1	9.8	11.8	11.8	16.0
Iceland	9.6	11.7	11.0	11.1	11.3	12.7
Russian Fed.	7.5	8.3	9.1	6.9	9.4	10.6
Norway	4.7	6.2	6.8	7.0	6.1	7.4
Denmark	6.9	5.5	4.6	5.8	5.6	5.8
Faroe Is.	4.7	4.0	4.2	4.4	5.0	5.6
Germany	3.4	1.4	5.3	6.6	5.9	5.1
Greenland	0.8	1.1	1.9	2.0	2.5	2.2
Poland	2.7	3.2	1.8	1.6	1.9	2.0
Others	5.0	2.7	3.4	3.2	2.7	2.2
<b>Total</b>	<b>62.7</b>	<b>54.2</b>	<b>57.9</b>	<b>60.4</b>	<b>62.2</b>	<b>69.6</b>

Source: Her Majesty's Revenue & Customs



## Imports

### Frozen Alaska pollock fillets: France

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	16.9	17.5	16.7	23.4	17.8	16.2
Russian Fed.	6.2	4.6	4.0	4.8	4.6	9.6
USA	6.0	4.5	3.4	6.8	6.6	6.5
Germany	3.3	1.8	2.8	4.3	3.6	4.7
Others	0.2	0.8	1.2	0.3	0.6	0.5
<b>Total</b>	<b>32.6</b>	<b>29.2</b>	<b>28.1</b>	<b>39.6</b>	<b>33.2</b>	<b>37.5</b>

Source: DNSCE

## Imports

### Frozen hake fillets: Germany

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Namibia	1.6	1.7	1.9	2.4	2.5	2.5
Peru	3.0	2.8	3.4	3.0	1.5	2.5
Argentina	2.5	2.7	1.9	0.9	0.9	1.2
USA	5.5	5.1	3.6	2.9	2.9	0.5
Others	3.4	2.4	1.1	1.6	1.0	0.7
<b>Total</b>	<b>16.0</b>	<b>14.7</b>	<b>11.9</b>	<b>10.8</b>	<b>8.8</b>	<b>7.4</b>

Source: Germany Customs

interests is aiming to start cod farming in China. The farm will be part of a USD 70 million investment, and will be based in Hainan in the very south of China. The planned operation will be fully vertically integrated, and will be the first such operation to supply the local and regional markets with cod. According to Undercurrent News, in addition to cod, the farm will also produce salmon and sea cucumber.

## Hake, haddock, pollock and hoki

The US quota for Alaska pollock is likely to be increased slightly for 2014. The TAC for Alaska pollock was recommended at 1.27 million tonnes for the Eastern Bering Sea, which is almost a 2% increase over 2013. In the Aleutian Islands, the quota remains the same as 2013 with 19 000 tonnes.

Quotas for Pacific cod, on the other hand, are being marginally reduced.

The Russian pollock industry has recently been moving to fillet production and pin bone out (PBO) blocks, in direct competition with US producers in the European

## Imports

### Frozen hake: Italy

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Argentina	7.9	8.8	7.5	7.5	5.3	5.6
S. Africa	4.3	4.4	4.0	4.3	4.4	4.6
Namibia	2.0	2.5	3.3	3.5	3.0	4.4
Spain	3.3	3.5	5.2	4.9	3.8	3.6
Uruguay	2.9	2.4	4.4	4.7	2.6	3.2
Peru	0.2	0.0	0.1	0.5	1.1	1.5
Chile	0.2	1.0	1.2	1.0	0.5	0.6
Others	2.1	1.7	3.4	3.9	4.7	4.7
<b>Total</b>	<b>22.9</b>	<b>24.3</b>	<b>29.1</b>	<b>30.3</b>	<b>25.4</b>	<b>28.2</b>

Source: ISTAT

market. Needless to say, this move is disrupting a stable business for American producers and putting some pressure on prices on the European market. A massive addition of Russian product could mean problems for the industry.

According to reports from Spain (Fish Information & Services), the northern hake stocks are record high. This has prompted the Spanish authorities to raise the northern hake quota for 2014. The proposed TAC was set at 14 325 tonnes. The Spanish industry is very happy (or at least “satisfied”) with the 26% increase in the northern hake quota. The increase is confirmation that the resource recovery plan, implemented since 2005, has been a success.

## International trade

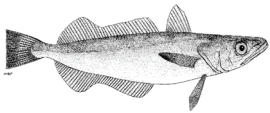
In the first three quarters of 2013, US imports of cod-like groundfish went up slightly to 107 700 tonnes, up by 2.8% compared with the same time period in 2012. For frozen fillets, the largest supplier by far was

## Imports

### Frozen Alaska pollock fillets: Germany

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	68.8	66.0	65.2	65.2	59.2	65.5
USA	40.8	20.0	26.2	34.8	38.4	23.8
Russian Fed	23.5	18.2	14.5	13.7	7.5	9.3
Others	3.7	4.7	3.3	3.0	4.5	2.4
<b>Total</b>	<b>136.8</b>	<b>108.9</b>	<b>109.2</b>	<b>116.7</b>	<b>109.6</b>	<b>101.0</b>

Source: Germany Customs



China, which accounted for as much as over 50% of total imports. Iceland was the second largest supplier. Total imports of fillets for January-September 2013 went up by 6.1% compared with January-September 2012. For this same time period for blocks and slabs, China was also the major supplier, accounting for over 82% of total imports. Imports of blocks and slabs declined by 5.9%.

Germany increased its imports of frozen cod fillets during the first nine months of 2013 by over 20%, to 20 000 tonnes compared with the same months in 2012. The largest supplier was China, which accounted for 42% of total supplies. Poland was the second largest supplier.

Also for the first three quarters of 2013, German imports of frozen Alaska pollock fillets fell by 8 600 tonnes, or 7.8%, to 101 000 tonnes. Again, China was the largest supplier, accounting for almost 65% of total imports, which was an increase of 10.6% over the same period in 2013. The USA shipped 23 800 tonnes of frozen Alaska pollock fillets to Germany during the period, with this representing a 38% decline compared with the same period in 2012. In terms of hake fillets, German imports fell slightly, from 8 800 tonnes in 2012 to 7 400 tonnes in 2013 (-16%).

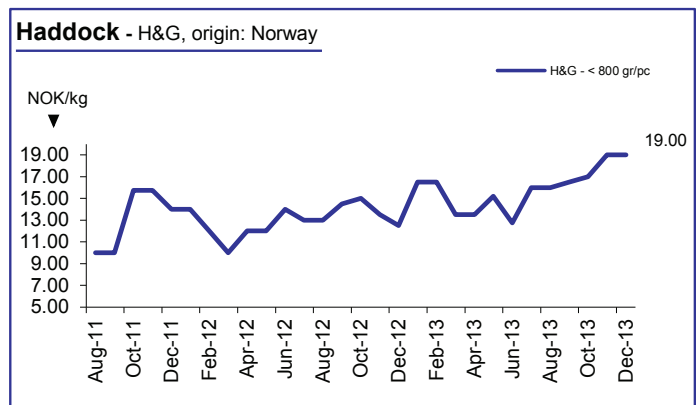
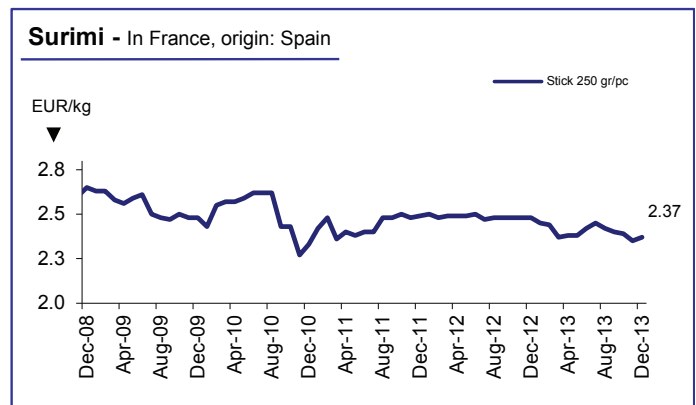
In France, imports of frozen Alaska pollock fillets went up by 13% in the first three quarters of 2013 over the same time period in 2012. The main suppliers were China (43% of the total imports), Russia (26%) and the USA (17%).

The UK's cod markets seem to be improving, with at the very least imports growing. During the first nine months of 2013, UK imports of frozen cod increased by almost 12%, to 69 600 tonnes. The largest supplier was China, followed by Iceland, Russia and Norway.

Italian imports of frozen hake went up slightly, from 25 400 tonnes in the first nine months of 2012 to 28 200 tonnes in the same period in 2013 (+11%). The main suppliers were Argentina, South Africa and Namibia.

Iceland experienced a drop in its haddock exports to the UK last year. During the first eight months of 2013, exports of haddock dropped by more than 4 000 tonnes, or nearly 17% to the UK, as well as by over 6% to the USA. Due to lower prices, the drop was even steeper in value terms. Overall haddock exports from Iceland declined by 7.8% by volume during the period.

French imports of Russian pollock doubled in 2013. Figures for the time period from September 2012 to August 2013 showed a major shift in sourcing for the French market. During the period, imports of pollock from China into France dropped by 17%. French imports of cod also increased during the first nine months of 2013. For chilled cod, the import volume was up by 35%, but weak prices led to an 11% decline in the value of imports.



Graphs Source: European Price Report

**Prices**

Prices during the Russian B season increased as landings were poorer than expected. Headed and gutted Russian pollock (CFR China), went as high as USD 1 650 per tonne in late 2013, about USD 300 higher than a year earlier. This price increase was in response to a shortage of supplies for processing in China. At the same time, cold storage holdings were reported to be very low.

On the US market, Alaska pollock prices have been rather stable, although a slight downturn was registered at the end of 2013. For US pollock processors, prices for fillets and blocks were low in 2013, and in turn affected profitability negatively. Cod prices went up after the summer, and have stayed fairly stable since.

After a period of high inventories and low prices, the Alaska black cod business is doing well. As the inventories were sold off during the last quarter of 2013 and supplies became tighter, prices improved by 15-20%.

In late November 2013, headed and gutted haddock prices continued to rise, and passed the USD 4 500 per tonne mark. Limited supplies and high prices are hurting processors in both Europe and China. At the same time, cod prices are substantially lower, at USD 2 900-3 000 per tonne (headed and gutted).

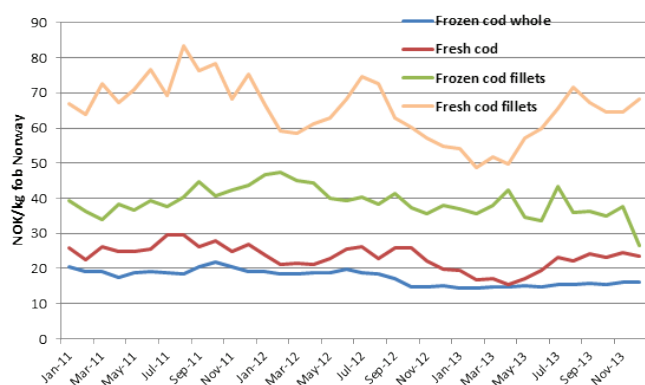




Surimi prices, which had been on a downward trend since the summer of 2013, moved slightly upwards towards the end of 2013, however, depressed prices are the general trend.

In Norway, although there have been some short-term ups and downs, haddock prices have been on an upward trend since early 2012. Yet during the last few months in 2013, prices were flat. With the tighter supply situation though, prices for Norwegian haddock are expected to rise further in 2014.

## Norwegian export prices Average export prices in NOK per kg, fob Norway



Whole cod prices in Norway were relatively stable during the last quarter of 2013 and Norwegian export prices for fresh and frozen whole cod changed very little during the last three months. For fillets, the picture was more varied, as fresh fillets saw a price increase towards the end of the year, perhaps as a result of increased demand during Christmas. Frozen fillets took a steep dive, from NOK 37.74 per kg in November 2013 to just NOK 26.41 per kg in December 2013.

## Outlook

The general outlook for 2014 is for marginally lower supplies of cod, while haddock may face tighter supplies. Pollock will probably end up with somewhat higher landings, so that the overall supply situation will remain more or less the same. The unknown may be pangasius supplies, which will probably face a 100 000 tonne reduction in 2014.

Thus, prices should be reasonably stable in the coming months, although it is expected that cod and Alaska pollock prices may be a little weaker, while haddock prices are expected to continue to increase. For hake, prices are expected to go up.

## Market focus: Groundfish in Russia

Constituting one-tenth of the total fish catch in the country, Cod is clearly a vital species for Russia. In 2013, the total landings of cod in the Northern basin reached 420 800 tonnes, which is 95 900 tonnes more than the year before. In the first 11 months of 2013, Russia's export of cod fillets amounted to 39 500 tonnes and the total export of cod reached 139 000 tonnes.

In recent news, during 1-19 January 2014, the landings of cod in the Baltic Sea in the 26th sub-region (the body of water close to Kaliningrad) were caught by 10 small trawlers with stern trawlings and 3 small freezer trawlers. Due to this unstable situation, only 234 tonnes of groundfish species were caught during this time period, of which cod made up 83% and plaice 17%.

The Russian groundfish fishery in the Barents Sea includes 63 medium trawlers and up to 25 smaller trawlers in the Northern basin coastal zone. The main area for the catch was in the Norwegian zone, where 78% of the Russian catch in the Barents Sea was concentrated. The catch in the Norwegian zone amounted to 16 400 tonnes of cod, 2 600 tonnes of haddock and 700 tonnes of other species. The rest of the catch (about 22%) was landed in the Russian zone, where catch included 4 500 tonnes of cod, 800 tonnes of haddock and other species.

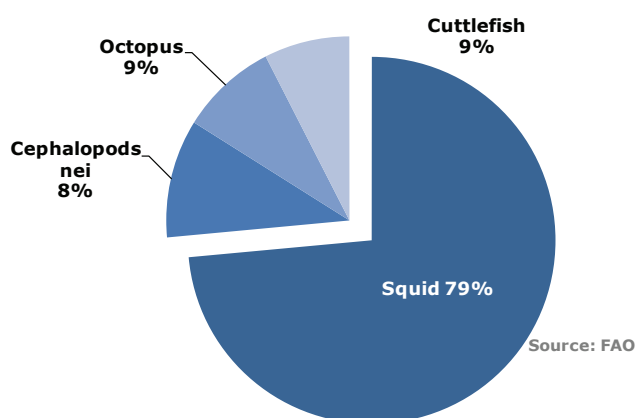
The Northwestern Federal District of Russia undertakes the most significant production of frozen fish fillets. Indeed, in the first 11 months of 2013, the main production of fish fillets (61% or 60 200 tonnes) was done in the Northwestern Federal District. Production of frozen cod fillets is also done in the same district.

# CEPHALOPODS

## Demand is improving in most markets

Octopus, which showed signs of improved supplies, is now experiencing increasing demand in many markets. The same seems to be true for squid, though squid supplies are a bit tighter in some areas. The cuttlefish market remains dull. No great price increases are expected, in spite of the fact that demand is improving with the recovery of world economies.

Cephalopods production by species (2011)



### Imports

#### Octopus: Japan

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Morocco	9.1	9.6	7.8	3.4	4.7	17.6
Mauritania	9.3	18.1	9.7	8.6	11.4	14.7
China	5.5	4.1	7.0	6.2	6.0	4.7
Viet Nam	3.6	2.8	2.2	2.3	2.7	2.7
Thailand	0.9	1.2	0.9	1.0	1.0	0.7
Spain	1.8	1.5	1.0	1.1	2.4	0.6
Others	4.6	1.5	1.1	2.0	2.6	1.9
<b>Total</b>	<b>34.8</b>	<b>38.8</b>	<b>29.7</b>	<b>24.6</b>	<b>30.8</b>	<b>42.9</b>

Source: Japan Customs

### Octopus

In Venezuela, a ban on octopus fishing went into force on 1 January and it is to stay in force until 30 June 2014. The authorities claim that sustainability concerns are behind this move. The Government of Venezuela has further introduced a number of regulatory measures, such as reserving the octopus fishery for artisanal fishers, introducing a minimum catch weight of 400 g and introducing new and stricter reporting requirements.

These measures will affect the market to some extent, but are largely balanced by increases in quotas and catches in other parts of the world. For instance, Morocco and Mauritania earlier increased their octopus quotas, and supplies from Mexico have also improved.

Japan's imports of octopus continued to grow in the third quarter of 2013. Compared with 2012, imports were up by 39% during the first three quarters of the year, to 42 900 tonnes. The main suppliers, Morocco and Mauritania, both increased shipments to Japan. The most dramatic increase was registered for Morocco, which experienced almost a quadrupling of their octopus exports to Japan during the period. Mauritanian exports increased by a more modest 29%. China, on the other hand, reduced shipments to Japan by 21.7%.

Octopus imports into Italy are stagnant. During the

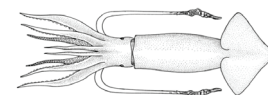
first nine months of 2013, a 1.3% decrease was registered. Again, Morocco was the main supplier, with a 40% share of total octopus imports. Morocco's octopus shipments to Italy increased by over 108% during the period. Spain increased exports to Italy, while all of the other major suppliers reduced sales to Italy during the first three quarters of 2013.

### Imports

#### Octopus: Italy

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Morocco	12.2	13.2	7.8	4.3	5.8	12.1
Spain	6.7	6.2	7.5	6.8	4.7	5.7
Senegal	2.6	3.9	2.1	3.4	4.0	2.2
Indonesia	3.2	2.1	3.2	3.6	3.2	1.8
Mauritania	1.0	4.9	1.6	1.2	1.0	1.4
Viet Nam	3.5	3.3	3.5	3.0	2.2	1.3
Mexico	1.7	0.4	1.4	3.0	1.0	0.7
Tunisia	0.7	0.8	0.7	2.7	2.7	0.6
Thailand	2.4	2.3	1.0	6.0	1.0	0.4
Others	6.7	4.2	4.6	0.7	5.1	4.1
<b>Total</b>	<b>40.7</b>	<b>41.3</b>	<b>33.4</b>	<b>34.7</b>	<b>30.7</b>	<b>30.3</b>

Source: ISTAT

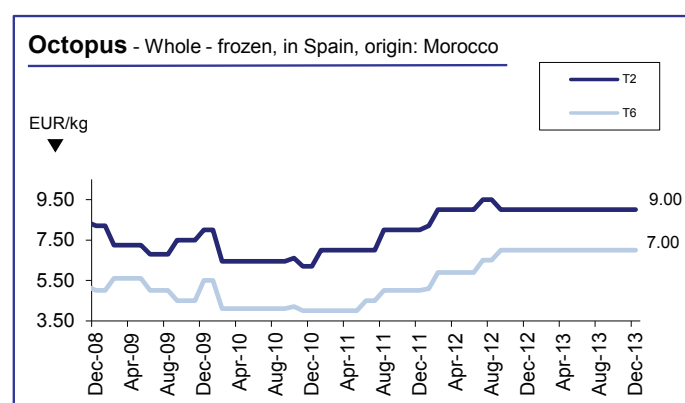


## Imports

### Octopus: Spain

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Morocco	18.8	16.4	14.5	10.7	9.9	17.1
Portugal	2.0	0.8	1.3	1.2	1.1	5.5
Mauritania	3.2	7.2	2.8	3.9	3.4	3.2
China	1.6	3.0	2.7	0.5	0.6	1.9
Italy	0.3	0.6	0.8	0.6	0.8	0.9
Viet Nam	1.1	1.1	1.4	0.9	0.7	0.5
Algeria	1.0	0.3	0.5	0.5	0.6	0.4
Senegal	0.5	6.0	0.9	1.4	1.3	0.4
India	0.6	0.8	0.6	1.0	0.8	0.4
Others	5.1	-3.0	3.1	4.2	2.2	1.2
<b>Total</b>	<b>34.2</b>	<b>33.2</b>	<b>28.6</b>	<b>24.9</b>	<b>21.4</b>	<b>31.5</b>

Source: Agencia Tributaria



Source: European Price Report

Spanish octopus imports are back on track, as the country seems to be turning the economy around slowly. Imports during the first nine months increased by over 47%. Most of this increase was accounted for by an almost doubling of shipments from Morocco, and a significant increase (+400%) in shipments from Spain. Only minor changes were registered for other suppliers.

Octopus prices have been remarkably stable over the past year, at least on the European market. With supplies being more stable, no great changes in octopus prices are expected.

## Squid

Giant squid (or jumbo flying squid as it is also called) has become the object of significant marketing

attention over the past few months. Peruvian landings were increasing, but have recently been hit by La Nina. In 2011, total landings of giant squid amounted to over 900 000 tonnes. This year, it is expected that total landings will be down. However, at the same time, demand for this species is growing.

In the face of decreasing supplies, increased efforts are now going into developing new products based on giant squid in a number of countries.

In Peru, one company has introduced breaded giant squid hamburgers, and squid tentacles are offered as an alternative to octopus tentacles. Other products include innovative cuts of various shapes. It is hoped that these new products may help improve profitability even with lower landings of giant squid.

In Spain, Cabomar is introducing pre-fried giant squid rings as a new product under the name anillas a la romana. Other companies have also offered similar products on the Spanish market.

Peruvian companies are also targeting China as a new market for their giant squid products, and some companies are investing in setting up warehouses and other infrastructure to serve this market.

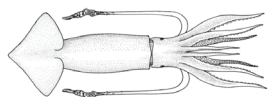
Viet Nam is expanding its markets for cephalopods, including squid, in Southeast Asia. Exports from Viet Nam to other ASEAN countries are up, while exports to more traditional markets like Japan, South Korea and the EU have been slipping lately. Thailand is now the most important market for Vietnamese cephalopods, accounting for about 79% of Vietnamese shipments to

## Imports

### Squid: Japan

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	18.2	16.9	19.0	24.1	25.3	28.7
Peru	9.5	8.9	3.4	9.0	5.7	11.0
Thailand	5.0	4.8	5.7	5.7	5.0	4.8
Chile	0.1	0.0	0.1	2.7	6.3	6.0
Viet Nam	3.9	4.2	4.0	3.5	3.9	3.3
USA	3.9	2.4	2.8	3.8	3.2	5.7
India	0.8	0.8	1.1	1.5	1.2	1.2
Philippines	0.5	0.6	0.9	0.7	0.9	1.0
Argentina	5.4	3.0	0.4	0.6	0.6	2.5
New Zealand	0.7	1.4	0.5	0.2	0.3	0.2
Others	1.7	1.5	2.0	1.7	3.1	3.7
<b>Total</b>	<b>49.7</b>	<b>44.5</b>	<b>39.9</b>	<b>53.5</b>	<b>55.5</b>	<b>68.1</b>

Source: Japan Customs



## Imports

### Squid: Spain

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Falkland/Malv.	23.9	17.8	32.0	24.4	26.7	24.0
India	10.4	10.2	13.0	12.7	13.3	11.6
Peru	6.3	5.7	11.2	8.4	7.6	8.0
China	5.4	5.2	9.9	9.7	7.4	7.8
Morocco	3.6	4.2	3.8	4.8	3.8	6.8
South Africa	3.7	3.0	3.7	2.8	1.5	0.7
UK	1.8	1.1	2.0	1.1	0.3	0.5
New Zealand	2.3	3.1	0.5	1.1	0.5	0.4
Others	13.6	6.9	8.4	12.0	13.8	7.6
<b>Total</b>	<b>71.0</b>	<b>57.2</b>	<b>84.5</b>	<b>77.0</b>	<b>74.9</b>	<b>67.4</b>

Source: Agencia Tributaria

the ASEAN. Malaysia is the second largest market for Viet Nam, while significant growth in shipments to the Philippines has also been registered lately.

Although Japanese imports of giant squid have been reduced, total imports of squid are increasing. During the first nine months of 2013, Japanese imports increased by 22.7%, to 68 100 tonnes. By far the largest supplier to Japan is China, which accounts for 42% of total squid imports. Peru is the second largest supplier, with a 16% share of imports. Both China and Peru registered increases in their exports to Japan during the period.

Italian squid imports are also rising. During the first three quarters of 2013, imports were up by 17.5% compared with the same period in 2012. Spain and Thailand are the dominant suppliers, accounting for

## Imports

### Squid: Italy

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Spain	12.6	14.4	15.3	16.7	15.5	18.1
Thailand	18.5	17.6	15.7	17.0	13.4	12.4
China	1.5	2.6	3.7	4.4	4.0	6.8
India	2.3	3.0	5.8	5.7	2.7	5.0
Viet Nam	7.2	4.6	5.8	5.5	4.3	3.6
Peru	0.2	1.8	1.2	0.5	0.7	2.6
Indonesia	1.1	1.0	1.5	2.3	1.7	1.5
South Africa	2.5	3.7	4.0	3.8	1.7	1.3
Others	8.0	4.3	4.4	4.5	4.5	5.7
<b>Total</b>	<b>53.9</b>	<b>53.0</b>	<b>57.4</b>	<b>60.4</b>	<b>48.5</b>	<b>57.0</b>

Source: ISTAT

18 100 tonnes (32% of totals) and 12 400 tonnes (22% of total, respectively).

However, in Spain the picture is different. Imports of squid during the period decreased by just over 10% in 2013. Imports are totally dominated by shipments from China, which accounted for almost 70% of total imports. Shipments from China increased marginally, from 28 200 tonnes in 2012 to 30 400 tonnes in 2013.

US trade in squid products are fairly high, but somewhat stagnant. Over the past few years, the USA has played a more active role in the squid market, both as an importer and as an exporter. But in 2013, US imports of squid dropped by 4.4% during the first nine months.

## Imports

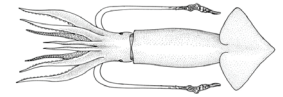
### Squid: USA

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
China	20.0	18.7	26.3	27.6	28.2	30.4
Republic of Korea	6.3	5.2	5.0	3.9	2.7	3.2
India	5.2	2.9	3.2	3.2	4.1	2.9
Peru	2.8	2.3	2.3	2.5	2.6	2.8
Thailand	3.8	3.5	3.1	2.9	3.1	2.6
Taiwan PC	4.1	5.2	3.8	2.8	2.5	2.2
New Zealand	0.0	0.8	2.8	1.5	0.8	1.4
Others	8.1	3.8	3.2	4.4	10.5	6.6
<b>Total</b>	<b>50.3</b>	<b>42.4</b>	<b>49.7</b>	<b>48.8</b>	<b>54.5</b>	<b>52.1</b>

Source: NMFS

China is the main supplier to the USA, accounting for over 58% of total imports. Other Asian countries like the Republic of Korea, India, and Thailand are other important suppliers, as is Peru. US exports of squid during the first three quarters fell slightly, from 61 600 tonnes in 2012 to 60 200 tonnes in 2013 (-2.2%). The export value fell by 2.8%, to USD 92.2 million.

Squid prices, which were on a relatively steady upward trend from early 2010, took a dive in the second half of 2012, but started climbing again in 2013. Over the past six months, prices have been rather stable, but showed some signs of rising at the end of 2013. In view of the improved supplies towards the end of last year, no big increases are expected.



## Cuttlefish

On the cuttlefish market, things are quieter, and international trade is diminishing. Imports into all the major markets were down during the first nine months of 2013.

Japanese cuttlefish imports declined by over 20%, to just 10 000 tonnes. The main supplier, Thailand, shipped 18.6% less in 2013 than in 2012. Viet Nam also exported less cuttlefish to Japan in 2013.

## Imports

### Cuttlefish: Japan

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Thailand	6.0	5.4	5.2	4.2	4.3	3.5
Morocco	1.5	2.2	2.4	1.4	2.2	2.3
Viet Nam	3.2	3.1	2.9	2.5	2.8	1.8
Malaysia	1.2	1.4	1.3	1.0	1.0	1.0
Republic of Korea	0.4	0.5	0.4	0.4	0.4	0.3
Others	1.7	1.6	1.8	1.8	1.9	1.1
<b>Total</b>	<b>14.0</b>	<b>14.2</b>	<b>14.0</b>	<b>11.3</b>	<b>12.6</b>	<b>10.0</b>

Source: Japan Customs

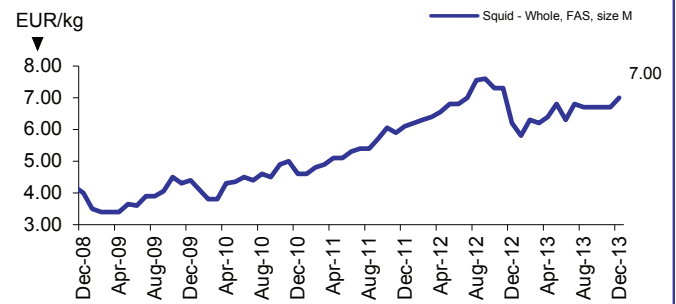
## Imports

### Cuttlefish: Italy

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
France	4.2	2.9	4.5	4.8	5.2	4.1
Spain	3.3	3.6	3.3	2.4	2.9	3.5
Tunisia	2.5	2.2	3.5	3.9	3.3	2.3
Senegal	1.4	1.7	1.7	1.8	1.3	1.6
Morocco	0.4	2.3	1.4	1.6	1.2	1.4
UK	1.0	0.6	0.8	0.4	0.9	1.2
Mauritania	0.7	1.6	0.8	0.4	0.3	0.3
Netherlands	0.5	0.3	0.4	0.3	0.7	0.2
Others	3.6	2.5	2.1	2.6	2.2	0.9
<b>Total</b>	<b>17.6</b>	<b>17.7</b>	<b>18.5</b>	<b>18.2</b>	<b>18.0</b>	<b>15.5</b>

Source: ISTAT

Squid - In Italy, origin: South Africa



Source: European Price Report

## Imports

### Cuttlefish: Spain

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Morocco	9.5	10.4	11.2	12.4	11.6	13.4
Mauritania	1.9	2.7	1.8	1.2	1.9	3.0
India	9.9	11.4	11.1	10.0	7.1	3.0
France	2.5	1.9	2.2	2.6	3.3	2.4
China	5.5	5.7	3.9	2.0	2.0	2.1
Ghana	1.0	1.2	1.3	1.2	0.7	0.2
Others	5.9	3.6	5.9	6.2	4.3	2.3
<b>Total</b>	<b>36.2</b>	<b>36.9</b>	<b>37.4</b>	<b>35.6</b>	<b>30.9</b>	<b>26.4</b>

Source: Agencia Tributaria

On the European markets, imports declined even more. Spain saw a 14.6% reduction in imports, while Italy reduced imports by almost 14%. Morocco was by far the largest supplier to Spain, with a 50% share of total imports, but in Italy, Morocco was a modest supplier, accounting for only 9% of total imports.

## Outlook

The outlook for the coming months is varied. For octopus and squid, the supply situation is not predicted to improve greatly, and based on that, prices are expected to remain relatively stable. But as the world economy is improving, demand may increase in several markets, especially in Europe, and this could mean that the coming summer season could hold some promise. For cuttlefish, imports into all major markets have declined and are generally expected to remain calm in the coming months.

## Lunar New Year perks up demand for tilapia in Asia

Strong festival demand for live tilapia during the Lunar New Year is keeping the current market strong in Asia. Prices at retail and in restaurant trade have strengthened by 50% in January. To support this increased demand, supplies have increased in China, Malaysia, Taiwan PC, Thailand and Indonesia.

### China

Damaging weather, disease and low prices during 2012 forced many farmers out of business. However, production remained stable in Fujian, Guangdong, Guangxi and Yunnan, which are the major producing regions. Since the latter part of 2013, demand for tilapia fry from farmers has increased. Production in 2014 is expected to be an improvement over 2013.

### Exports Tilapia : China

	Jan-Sep				
	2009	2010	2011	2012	2013
	(million US\$)				
Whole frozen	12.5	83.8	150.8	141.3	196.0
Frozen fillets	287.3	459.2	439.6	490.4	509.7
Other tilapia	175.8	112.5	153.8	164.6	220.2
<b>Total</b>	<b>475.6</b>	<b>655.5</b>	<b>744.2</b>	<b>796.3</b>	<b>925.9</b>

Source: China Customs

Total tilapia exports from China during the first nine months of 2013 were up 7% in volume compared with the same time period the previous year, reaching 268 000 tonnes. The most popular category, frozen fillet, declined in volume by 4% while significant increases were noted in whole frozen (+19%) and breaded (+16%) categories. In terms of value, exports experienced a 16% growth to USD 925 900 million.

According to national sources, during the first three quarters of 2013, exports of frozen fillets to the USA, China's largest market, declined by about 18%, while Mexico imported 34% more. Exports of frozen fillets to the EU markets increased, including Spain (+32%), Poland (+62%) and Germany (+19%). Exports in this product category to Costa Rica, Peru and Colombia also grew, while exports to Iran and Southeast Asia (Malaysia, Vietnam and Thailand) increased by a total of 138%.

For the first three quarters of 2013, the whole frozen category experienced a 39% increase in value to USD 196 million. This category also took a larger share of the total export volume at 36% compared with 32% in the same time

last year. This growth was largely facilitated by higher exports to African and Middle Eastern markets.

Alternative markets for China, such as in Africa, are being explored due to the stringent quality requirements the processing facilities must meet for export to the USA and EU. Supply constraints have also led processors to either reduce processing or focus on whole products to gain higher margin returns.

### Exports Tilapia : China

	Jan-Sep				
	2009	2010	2011	2012	2013
	(1 000 tonnes)				
Whole frozen	17.4	53.2	80.4	79.2	94.0
Frozen fillets	86.7	130.6	103.8	125.5	121.0
Other tilapia	71.4	39.1	42.3	45.8	53.2
<b>Total</b>	<b>175.5</b>	<b>222.9</b>	<b>226.5</b>	<b>250.5</b>	<b>268.2</b>

Source: China Customs

### EU

The EU imported 24% more frozen tilapia fillets during the first nine months of 2013 compared with the same time period in 2012. This confirms the positive trend from the first quarter of the 2013 with close to 17 000 tonnes, up 28% from the same period in 2012. Supplies from Indonesia, Viet Nam and Thailand continue to contribute marginally to the EU's imports while China remains the dominant source, supplying 99% of the market. Spain, Poland, Germany, the Netherlands and Belgium are the largest importers of tilapia within the EU.

### USA

Despite the overall decline in per capita fish consumption in the USA, popularity of tilapia continues to grow. According to the National Fisheries Institute, consumption of whitefish in the USA (cod, pollock, tilapia and pangasius) surpassed that of shrimp and rose by 6.2% in 2012. Together with pangasius, tilapia is the main driving force behind the growth in whitefish consumption in the USA in recent years. According to the USDA, the US market consumes



close to 226 000 tonnes of tilapia a year, more than four times the amount only a decade ago. Demand for tilapia, including high value fresh fillets, has grown strongly. Indeed, from January to September 2013, imports of fresh/chilled (air-flown) tilapia fillets into the USA increased significantly by more than 40% in volume and 44% in value compared with the same period in 2012. During the January-September 2013 period, imports from almost all major suppliers were higher except from Ecuador, which dropped its shipments to the USA by 17% compared with the same time period in 2012. Fresh tilapia fillets from Honduras,

were up 17% to USD 693 million. The frozen fillet category, which makes up the largest share of frozen tilapia product, experienced a 12% decline in volume due to significant drop in supplies from China, Indonesia and Honduras. In addition, much of the production in China is being diverted to African markets.

## Imports

### Fresh Tilapia Fillets: USA

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Honduras	6.8	4.9	5.5	6.2	4.5	5.8
Costa Rica	4.3	4.4	4.6	1.7	2.8	5.2
Ecuador	6.6	7.0	5.9	6.0	5.0	4.1
Colombia	1.3	1.2	1.5	1.7	1.9	2.8
Taiwan PC	0.5	0.1	0.2	0.3	0.2	0.4
El Salvador	0.4	0.4	0.3	0.3	0.1	0.3
Brazil	0.4	0.2	0.3	0.1	0.0	0.0
Others	2.2	0.4	0.0	0.1	0.2	2.1
<b>Total</b>	<b>22.5</b>	<b>18.6</b>	<b>18.3</b>	<b>16.4</b>	<b>14.7</b>	<b>20.7</b>

Source: NMFS

## Imports

### Whole Frozen Tilapia: USA

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	23.6	21.0	16.6	18.5	17.6	17.5
Taiwan PC	11.6	10.8	11.4	9.0	7.8	4.0
Thailand	2.8	0.6	1.1	0.4	0.4	0.4
Others	1.1	0.4	0.3	0.9	0.7	7.9
<b>Total</b>	<b>39.1</b>	<b>32.8</b>	<b>29.4</b>	<b>28.8</b>	<b>26.5</b>	<b>29.8</b>

Source: NMFS

now the number one supplier of fresh product, were up by almost 30%. Amounts from Costa Rica and Colombia increased by 86% and 47% respectively.

During the first nine months of 2013, a total of 137 300 tonnes of frozen tilapia were imported, down 8% from the same period the previous year. However, import values

## Imports

### Frozen Tilapia Fillets: USA

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	56.4	69.8	91.8	79.6	108.7	95.6
Indonesia	7.4	6.1	7.2	6.4	9.2	8.6
Taiwan PC	1.6	0.0	1.6	1.1	1.3	1.2
Thailand	0.3	0.5	0.7	0.8	1.8	1.0
Ecuador	0.3	0.8	0.5	0.3	0.6	0.6
Others	0.5	2.4	0.9	1.1	1.2	1.2
<b>Total</b>	<b>66.5</b>	<b>79.6</b>	<b>102.7</b>	<b>89.3</b>	<b>122.8</b>	<b>107.5</b>

Source: NMFS

## Imports

### Tilapia (by product form): USA

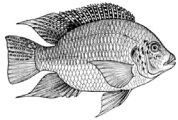
	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Whole frozen	39.1	32.8	29.4	28.8	26.5	29.8
Frozen fillets	66.5	79.6	102.7	89.3	122.8	107.5
Fresh fillets	22.5	18.6	18.3	16.4	14.7	20.7
<b>Total</b>	<b>128.1</b>	<b>131.0</b>	<b>150.4</b>	<b>134.5</b>	<b>164.0</b>	<b>158.0</b>

Source: NMFS

## Asia

In response to the Lunar New Year demand, prices of live tilapia have peaked in retail markets as well as in restaurants in Malaysia, Singapore and Taiwan PC. In Malaysia, live tilapia comes almost entirely from local sources, while Singapore generally imports its supplies. In Malaysia, ex-farm prices of live tilapia have risen from USD 2.8 per kg in November 2013 to USD 3.75 per kg in January 2014.

As part of the Lunar New Year promotion, wholesale live fish retailers in Kuala Lumpur are offering fish



bundle deals, which feature tilapia (sold as Red Pearl) and jade perch sold together. Prices for bundles in January 2014 ranged from USD 37 per kg to USD 105 per kg. Meanwhile, live tilapia are sold at USD 5.60 per kg and are expected to be 10-20% higher during the Lunar New Year week. In seafood restaurants, live tilapia is priced at USD 15-19 per kg.

## Taiwan Province of China

Taiwan PC produces an average of 70 000 tonnes of tilapia annually, 60% of which is exported to the USA, Canada, Saudi Arabia and Republic of Korea. In terms of frozen tilapia, Taiwan PC exported 24 189 tonnes in the January-September 2013 period, a 31% increase compared with the first three quarters in 2012. The majority of the frozen category was taken by whole tilapia at a 90% share. Exports of whole frozen tilapia increased to almost all markets except for Saudi Arabia, Japan and Qatar.

In recent news, the Fisheries Agency announced that Taiwan PC will be taking active steps to promote tilapia raised in the country. Marketing plans include producing “films to introduce Taiwan’s high-quality tilapia production industry” to promote Taiwanese tilapia and help improve the image of the industry. Additionally, several of the Republic of Korea’s importers were invited by the Fisheries Agency and local industry groups to visit tilapia farms in Taiwan and were reported to have approved of the high quality of the fish farms. The Republic of Korea is a major importer of Taiwanese tilapia, mostly as frozen fillets.

## Viet Nam

In recent years, Viet Nam’s tilapia exports have been recorded in small volumes. During January to September 2013, Viet Nam exported about 1 000 tonnes of tilapia to the EU and USA. The EU absorbed the majority, at 80%.

In light of the challenges being faced by the pangasius industry, Viet Nam is now looking to tilapia production as another potential for export. It was reported that the An Giang province will be a hub to develop tilapia farming for export, with the Aquatic Breeding Production Center training farmers to produce fingerlings in the province and ensure sufficient seed supply.

## Brazil

Tilapia production in Brazil is growing at an average rate of 17% annually. According to The Ministry of Fisheries and Aquaculture (MPA), tilapia production exceeded 253 000 tonnes in 2011, showing strong growth compared with 2010 (+63%), when production amounted to 155 000 tonnes. The Ministry of Fisheries and Aquaculture (MPA) plans to invest BRL 252 000 (USD 107 860) in tilapia genetic improvements. The project aims to train research-

ers and develop new products for the Brazilian tilapia industry.

## Trinidad

There has been a significant increase in demand for farm-raised tilapia in Trinidad. This demand has been growing since 2013, after the Ministry of Food Production embarked on a promotion campaign and introduced initiatives to open more markets for local farmers. There are also plans to boost production from farmers with not enough capacity to meet the growing demand. The SugarCane Feeds Centre (SFC) in Longdenville has developed an arrangement to purchase tilapia from farmers and process and market the fish themselves. The SFC report that consumers have been buying more farmed-raised fish because of concerns regarding pollutants following the oil spills in December 2013.

## Outlook

Demand for tilapia, particularly for the live market, has peaked in many Asian markets corresponding to the Lunar New Year’s high consumption period. In China, there is concern over rising competition from lower value species, namely pangasius in the frozen fillet segment. In turn, exporters are targeting alternative markets. However, overall tilapia production is expected to increase in 2014.

### Recent news: World Tilapia Conference 2013

INFOPECSA, with participation of the Food and Agriculture Organization of the United Nations (FAO), of the Ministry of Fisheries and Aquaculture in Brazil (MPA) and of the Government of the State of Rio de Janeiro organized the World Conference on Tilapia. The conference was held in Rio de Janeiro, from the 16 to 18 September 2013.

Market analysts and representatives from the productive and commercial sectors discussed on the main aspects and recent developments in the world market for tilapia, particularly:

- The tilapia world strategy and outlook in the fisheries and aquaculture sector
- Latest developments in main tilapia markets and producing regions
- The contribution of tilapia to development
- The regulatory and environmental challenges of tilapia farming
- Marketing of tilapia and seafood, supermarkets and consumer preferences
- Latin America: a growing producing region and a growing market for tilapia
- Latest developments in production technology
- Certification and sanitary issues

All of the presentations are now available on the INFOPECSA website at <http://www.infopesca.org/tilapia>



## Asian demand keeps market steady

Throughout the first nine months of 2013, nearly 350 000 tonnes of frozen pangasius fillets were imported into nearly 70 countries, 20% more than in the same period in 2012. While Viet Nam was the leading exporter, supplies also came from other Asian producing countries. Import reports comparing the first three quarters of 2013 with the same period in 2012 are mixed. The USA documented higher import volumes though with decreased prices and the EU noted slightly lower volumes. Asian demand keeps the market steady with Singapore, Hong Kong SAR, Thailand, China, Republic of Korea, India and Japan registering a 68% increase. Emerging markets in Eastern Europe also registered growth in imports.

In recent news, at the recently held Global Aquaculture Alliance meeting in Viet Nam, there was a forecast of a 30% prediction of decline in Viet Nam's pangasius production in 2014.

### Viet Nam

Viet Nam continues to be plagued by the growing non-tariff barriers in major markets. The pangasius export industry, which includes the entire supply chain, wishes to supply the US market but must comply with the same standards currently imposed on domestic companies. Failure to comply will result in a ban on imports of pangasius from Viet Nam into the US.

Following this, exporters will need to update information pertaining to the proposed rules set by the US FDA. The proposed rules have been published for all WTO members including Viet Nam, and was made available for public comments until 27 January 2014. If approved, the Vietnamese industry will need five to seven years to upgrade its production and processing chain to meet the standards.

In the first three quarters of 2013, the Viet Nam Association of Seafood Exporters and Producers (VASEP) reported USD 1.2 billion worth of pangasius exports, which is slightly down (-1.4%) from the same period of 2012. The USA remains the single largest market, absorbing 23% of pangasius in value. Export volume to the USA fell marginally (-0.5%). The EU also imported a lesser share.

### USA

According to figures from NOAA, imports of all frozen catfish (fillet and whole) during the January-September 2013 period moved up a marginal 3% from the same period in 2012. Pangasius frozen fillets, mostly from Viet Nam, accounted for 94% of the imports. Meanwhile, imports of frozen *Ictalurus* fillet increased by 82% during the review period. The value of pangasius imports however was down 9% from the first three quarters of 2012, which also

pushed average import prices down by 9% to USD 3.05 per kg during the period under review.

### Imports

#### Frozen Catfish fillets: USA

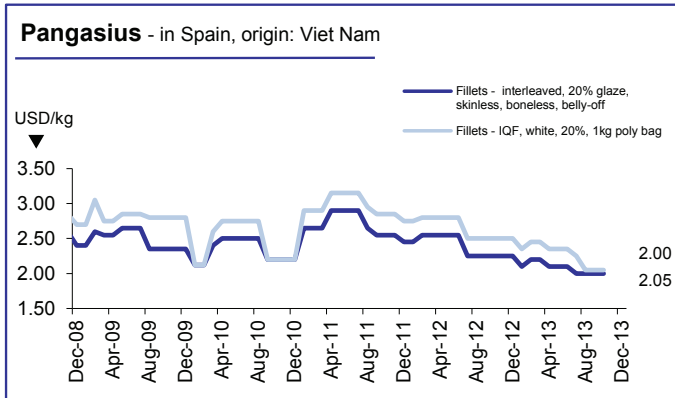
	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Viet Nam	18.2	26.8	32.0	58.6	76.2	76.7
China	11.1	6.6	6.5	2.5	0.3	0.0
Thailand	5.3	5.1	2.3	0.8	0.1	0.0
Malaysia	0.6	0.4	0.3	0.0	0.0	0.0
Indonesia	0.6	0.2	0.0	0.0	0.0	0.0
Others	1.0	2.2	0.8	0.4	0.0	0.4
<b>Total</b>	<b>36.8</b>	<b>41.3</b>	<b>41.9</b>	<b>62.4</b>	<b>76.6</b>	<b>77.1</b>

Source: NMFS

### EU

The EU 27 countries imported 104 700 tonnes of frozen pangasius fillet, slightly down from 106 200 tonnes imported during the same period in 2012. Viet Nam continues as the leading supplier although the volume they supplied to EU markets decreased marginally.

Spain, the largest pangasius fillet market in the EU, continues to buy less (-1%) than in 2012. Imports also slowed down in the Netherlands, Germany, Italy, Poland and some other EU markets. However, the emerging



Source: European Price Report

markets in Eastern Europe namely Slovenia, Slovakia, Lithuania and Estonia, recorded increased imports.

As reported by the EU Finfish Study released recently, fishery imports remained the backbone of EU seafood processing and consumption. Pangasius was reported as one of the key imported whitefish.

### Asia

Taking advantage of the Lunar New Year Celebration, pangasius have been able to sell at strong prices in January 2014, particularly within restaurants. Other New Year promotions are also in effect; wholesale live fish retailers in Kuala Lumpur are offering fish bundle deals, which feature local pangasius together with other freshwater fish. Prices for these bundles ranged from RM 188 (USD 37) to RM 338 (USD 105) per kg in January 2014.

Locally farmed pangasius have been extremely popular in the live fish market. In January 2014, wholesale markets sold live pangasius at USD 4.05 per kg and this price is expected to be 10-20% higher during the Lunar New Year week. Seafood restaurants sold live pangasius at rates between USD 23-28 per kg.

During the first nine months of 2013, imports of frozen pangasius fillets into Singapore, Hong Kong SAR, Thailand, China, Republic of Korea, India and Japan reached 41 300 tonnes, up by 68% from the same period in 2012. Pangasius is popular for household consumption as well as for catering.

### Outlook

Demand is expected to remain stable although the EU market has slowed down. Consumption in the US market will possibly pick up in March 2014 because of Lent. During late January-mid-February demand for locally produced pangasius in Southeast Asian restaurant trade is foreseen to increase during the celebration of the Lunar New Year.

## PANGASIOUS NEWS

### Brazil leader of growth for Vietnamese pangasius imports

FIS reports that among Viet Nam's eight major markets for pangasius, Brazil has posted the highest growth. During the first three quarters of 2013, Vietnamese pangasius exports to Brazil reached USD 106.04 million, which is a rise of 56% (Source: Vietnam Customs). According to VASEP, Vietnamese pangasius makes up the third largest segment of imported frozen whitemeat fish fillets in Brazil after Alaska pollock and hake. Brazil is considered a high potential market for Vietnamese seafood products in general, due to its economic stability and government's work to boost fish consumption among its citizens. Source: FIS.com

### Barriers on catfish imports in the new US Farm Bill

At the end of January, the US House of Representatives and Senate finally came to an agreement over the new five-year Farm Bill. The Bill fails to repeal the US catfish inspection programme, which critics say is not only costly and wasteful, but will also create further barriers to catfish imports. Originally written into the 2008 Farm Bill, the programme is to be funded at USD 14 million per year and assigns inspection of catfish imports to the USDA (currently the FDA provides inspection). A repeal of the programme was strongly lobbied by the National Fisheries Institute (NFI) out of concern for the US catfish import industry. Its passing was a significant disappointment to these groups, which points to the considerable challenges overseas catfish already has, including low market prices and duties. The Catfish Farmers of America on the other hand, whose product directly competes with low priced foreign catfish imports, say the program is vital for food safety. Though the programme was first put in place in 2008, it has yet to be implemented, leaving the question of when its roll out will take place. Source: Undercurrent News

# EUROPEAN SEABASS AND GILTHEAD SEABREAM

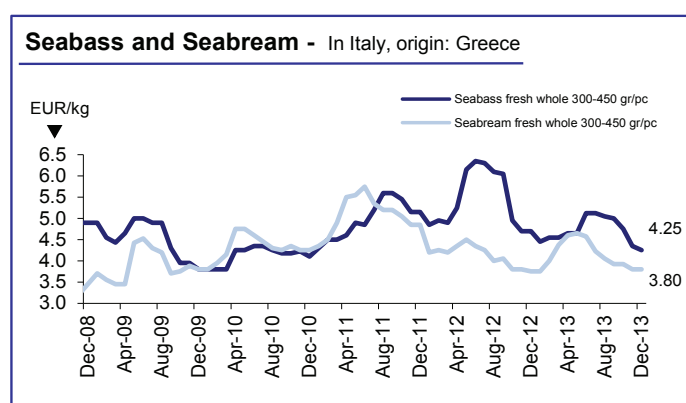
## Ample supplies throughout 2013 kept prices low, moving volumes but hurting margins

Oversupply of seabass and seabream during 2013 made for a difficult year as low prices, rising costs and tight credit caused severe damage to company results. In most markets, the attractive prices led to increased consumption and imports. Italy, the largest market for bass and bream imports, was stagnant, whereas non-traditional markets were extremely positive including the UK, the USA, Eastern Europe and the Middle East.

### Prices

With a surplus of supply depressing prices and margins, 2013 was a difficult year for producers. However, during the final weeks of the year and in January, prices have been strengthening somewhat as some producers are out of market sized fish. Given the growth cycle of the fish, this is a general pattern that is repeated most years, following a trend in which prices firm during the first two quarters and then decline as the new production comes to market.

What changes from year to year is therefore not so much the cyclical price trends throughout the year but the absolute level of prices. During the last couple of years, the average prices have been low and insufficient to cover all costs for many producers. In a situation of weak demand, tight credit and rising feed costs, this has pushed many of the industry players into the red, or worse.



### Overall supply likely to contract in 2014

As a reaction to the low prices during 2013, many producers in both Greece and Turkey have decided to stock less for the 2014 harvest. This should lead to a market with a better balance between supply and demand, allowing prices and margins to improve.

### Production

#### Seabass (*Dicentrarchus labrax*): World

	Jan-Dec					
	2008	2009	2010	2011	2012*	2013*
	(1 000 tonnes)					
Turkey	49.3	46.6	50.8	47.0	60.0	70.0
Greece	35.5	33.9	40.2	44.4	40.0	40.0
Egypt	5.5	6.7	17.6	18.7	20.0	20.0
Spain	10.3	13.3	12.2	18.4	8.0	7.0
Italy	7.0	6.9	7.0	7.0	7.0	6.0
France	7.4	9.6	8.0	6.0	6.0	6.0
Others	8.2	5.3	9.7	12.2	15.0	19.0
<b>Total</b>	<b>123.2</b>	<b>122.2</b>	<b>145.6</b>	<b>153.7</b>	<b>156.0</b>	<b>168.0</b>

Source: FAO (until 2011) (\*) Estimate

### Production

#### Seabream (*Sparus aurata*): World

	Jan-Dec					
	2008	2009	2010	2011	2012*	2013*
	(1 000 tonnes)					
Greece	52.2	60.7	57.4	71.1	68.0	67.0
Turkey	33.2	29.5	29.3	33.0	35.0	35.0
Spain	23.5	24.4	21.4	16.4	16.0	14.0
Egypt	7.2	8.1	17.1	15.9	9.0	10.0
Italy	5.8	5.7	6.6	6.7	5.0	5.0
Tunisia	1.8	2.0	2.8	4.6	5.0	4.0
Cyprus	1.9	2.6	2.8	3.1	4.0	3.0
France	1.7	1.5	2.6	2.4	2.0	2.0
Others	12.3	11.7	12.0	11.0	11.0	14.0
<b>Total</b>	<b>137.8</b>	<b>144.1</b>	<b>150.9</b>	<b>162.2</b>	<b>155.0</b>	<b>154.0</b>

Source: FAO (until 2011) (\*) Estimate

During 2013, Turkey saw both production and exports grow rapidly whereas Greece, traditionally the largest producer, saw volumes and shipments decline. It is likely that both countries will see exports drop slightly during



## EUROPEAN SEABASS AND GILTHEAD SEABREAM

2014 as the number of juveniles and average harvest weights are expected to fall.

The recent depreciation of the Turkish Lira, will increase the relative competitiveness of Turkish producers although higher costs on imported feed must also be considered.

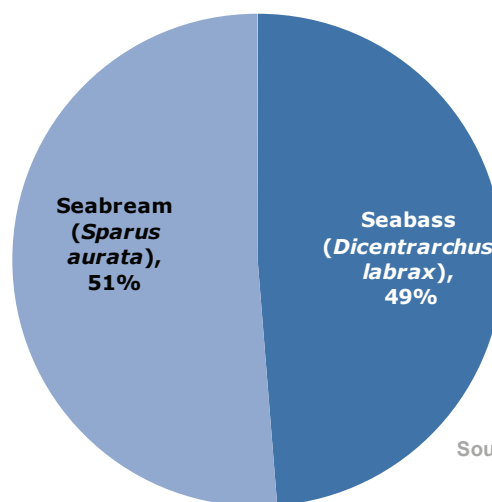
Bass and bream should still remain attractive for consumers despite some increases from previous levels seen during 2012 and 2013.

### Markets: Attractive prices move volumes during 2013

#### Italy: Flat market as low prices fail to attract consumers

Italy confirms its position as the major market for bass and bream species in Europe. However, there is no volume growth over the last few years, and despite low prices, consumers seem unwilling to take advantage of

### Seabass and seabream production (2011) (in 1 000 tonnes)



Source: FAO

the situation to increase their consumption. This is a reflection of the general weakness of the Italian market and other seafood species have suffered the same impact.

### Imports

#### Fresh Seabream and Seabass: Italy (value)

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(million Euro)					
<b>Seabream</b> ( <i>dentex/pagellus</i> )						
Spain	3.5	4.1	4.2	4.2	4.4	3.9
Greece	5.1	4.2	4.6	3.5	4.1	1.2
Portugal	1.6	2.0	2.3	1.5	1.9	2.0
<b>Total</b>	<b>11.4</b>	<b>11.7</b>	<b>12.3</b>	<b>10.9</b>	<b>11.2</b>	<b>8.0</b>
<b>Seabream</b> ( <i>gilthead</i> )						
Greece	37.8	42.7	55.2	66.3	61.8	60.8
Turkey	3.3	4.5	5.8	6.2	5.6	7.8
Malta	2.9	2.7	4.8	7.2	6.1	4.0
Spain	2.9	3.4	3.4	3.7	4.7	3.5
<b>Total</b>	<b>50.7</b>	<b>57.6</b>	<b>74.9</b>	<b>90.9</b>	<b>84.9</b>	<b>83.6</b>
<b>Seabass</b>						
Greece	39.0	38.4	55.6	64.9	66.8	58.3
Turkey	10.4	12.0	6.6	6.4	8.4	9.1
France	10.7	8.7	7.4	10.2	5.5	5.8
Croatia	2.8	2.8	3.3	5.8	4.6	4.5
Spain	1.3	0.9	1.6	2.2	2.4	3.9
<b>Total</b>	<b>66.7</b>	<b>65.0</b>	<b>77.2</b>	<b>94.8</b>	<b>90.6</b>	<b>83.7</b>
<b>Gr.Total</b>	<b>128.8</b>	<b>134.3</b>	<b>164.4</b>	<b>196.6</b>	<b>186.7</b>	<b>175.3</b>

Source: ISTAT

### Imports

#### Fresh Seabream and Seabass: Italy (quantity)

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
<b>Seabream</b> ( <i>dentex/pagellus</i> )						
Spain	0.3	0.4	0.4	0.4	0.4	0.4
Greece	1.2	0.9	0.9	0.6	0.7	0.2
<b>Total</b>	<b>1.8</b>	<b>1.7</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>0.9</b>
<b>Seabream</b> ( <i>gilthead</i> )						
Greece	11.0	11.4	12.8	12.9	14.4	14.4
Turkey	1.1	1.4	1.6	1.3	1.5	2.0
Malta	0.9	0.8	1.2	1.4	1.5	0.9
<b>Total</b>	<b>13.8</b>	<b>14.7</b>	<b>16.7</b>	<b>16.9</b>	<b>19.0</b>	<b>19.1</b>
<b>Seabass</b>						
Greece	8.1	8.4	12.5	12.7	11.7	11.2
Turkey	2.4	3.4	1.8	1.4	1.7	2.2
Croatia	0.6	0.6	0.8	1.3	0.9	0.9
France	1.3	1.0	0.8	0.7	0.6	0.7
<b>Total</b>	<b>12.9</b>	<b>13.7</b>	<b>16.3</b>	<b>17.1</b>	<b>15.5</b>	<b>15.7</b>
<b>Gr.Total</b>	<b>28.5</b>	<b>30.1</b>	<b>34.3</b>	<b>35.3</b>	<b>35.9</b>	<b>35.7</b>

Source: ISTAT



## Imports

### Fresh Seabream and Seabass: Spain (value)

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(million Euro)					
<b>Seabream</b>						
<i>(all species)</i>						
Greece	18.8	23.6	25.4	29.7	21.8	29.5
Turkey	3.3	1.2	0.5	7.2	5.9	4.6
Morocco	1.1	1.2	0.9	2.8	2.8	2.6
Portugal	2.3	0.9	0.7	0.7	2.1	2.1
France	2.3	2.3	2.2	1.4	1.1	1.4
<b>Total</b>	<b>29.1</b>	<b>30.3</b>	<b>31.1</b>	<b>42.8</b>	<b>33.7</b>	<b>40.5</b>
<b>Seabass</b>						
Greece	15.9	12.0	15.3	14.3	13.1	17.8
Turkey	8.1	8.2	7.4	6.9	2.0	7.9
France	4.3	3.6	3.0	2.1	2.3	2.4
<b>Total</b>	<b>30.6</b>	<b>25.6</b>	<b>27.2</b>	<b>25.2</b>	<b>17.9</b>	<b>29.3</b>
<b>Gr. Total</b>	<b>59.7</b>	<b>55.9</b>	<b>58.3</b>	<b>68.0</b>	<b>51.6</b>	<b>69.8</b>

Source: Agencia Tributaria

## Spain: Imports rebound giving rise to cautious optimism

After a number of years with declining import volumes, shipments to Spain showed a positive trend in 2013 with imports up almost 40% compared with the same

## Imports

### Fresh Seabream and Seabass: Spain (quantity)

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>Seabream</b>						
<i>(all species)</i>						
Greece	5.4	6.5	6.0	5.7	4.8	6.2
Turkey	1.0	0.4	0.1	1.5	1.4	1.2
Morocco	0.3	0.3	0.2	0.3	0.3	0.3
France						
<b>Total</b>	<b>7.7</b>	<b>7.8</b>	<b>7.0</b>	<b>7.9</b>	<b>6.8</b>	<b>8.0</b>
<b>Seabass</b>						
Greece	3.2	2.7	3.6	2.8	2.6	3.7
Turkey	1.8	2.2	2.0	1.5	0.4	1.9
France	0.4	0.3	0.3	0.2	0.2	0.3
<b>Total</b>	<b>5.8</b>	<b>5.5</b>	<b>6.1</b>	<b>4.7</b>	<b>3.3</b>	<b>6.1</b>
<b>Gr. Total</b>	<b>13.5</b>	<b>13.3</b>	<b>13.1</b>	<b>12.6</b>	<b>10.1</b>	<b>14.1</b>

Source: Agencia Tributaria

## Imports

### Fresh Seabream and Seabass: France (quantity)

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>Seabream</b>						
<i>(dentex/pagellus)</i>						
Spain	0.3	0.3	0.3	0.5	0.4	0.2
Greece	0.6	0.5	0.5	0.7	0.3	0.1
<b>Total</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.5</b>	<b>0.9</b>	<b>0.4</b>
<b>Seabream</b>						
<i>(gillthead)</i>						
Greece	3.5	4.2	3.7	3.6	3.3	4.7
Spain	1.1	1.4	1.1	0.6	1.6	2.0
<b>Total</b>	<b>4.8</b>	<b>5.8</b>	<b>5.4</b>	<b>4.6</b>	<b>5.3</b>	<b>7.5</b>
<b>Seabass</b>						
Greece	2.4	2.5	2.7	3.0	2.1	2.4
Spain	0.1	0.2	0.5	0.6	0.8	1.1
<b>Total</b>	<b>3.5</b>	<b>3.8</b>	<b>4.1</b>	<b>4.3</b>	<b>3.7</b>	<b>4.6</b>
<b>Gr. Total</b>	<b>9.4</b>	<b>10.7</b>	<b>10.7</b>	<b>10.4</b>	<b>9.9</b>	<b>12.5</b>

Source: Direction Nationale des Statistiques du Commerce  
Extérieur – DNSCE

## Imports

### Fresh Seabream and Seabass: France (value)

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(million Euro)					
<b>Seabream</b>						
<i>(dentex/pagellus)</i>						
Spain	1.1	1.2	1.1	2.1	1.6	1.0
Greece	2.0	1.8	2.3	4.2	1.6	0.4
<b>Total</b>	<b>3.9</b>	<b>4.0</b>	<b>4.7</b>	<b>7.8</b>	<b>3.7</b>	<b>1.9</b>
<b>Seabream</b>						
<i>(gillthead)</i>						
Greece	12.6	15.4	16.7	19.0	16.5	17.8
Spain	4.0	5.4	5.1	3.4	8.4	9.6
<b>Total</b>	<b>17.5</b>	<b>21.7</b>	<b>24.0</b>	<b>24.5</b>	<b>26.8</b>	<b>31.4</b>
<b>Seabass</b>						
Greece	11.9	11.4	13.5	16.2	13.5	11.1
Spain	0.7	1.1	2.7	3.5	5.0	6.9
Netherlands	1.8	1.3	1.4	1.3	1.4	1.8
Turkey	1.5	1.9	0.9	1.1	1.3	1.9
UK	1.0	1.4	1.6	1.7	1.4	1.4
<b>Total</b>	<b>18.6</b>	<b>18.3</b>	<b>21.6</b>	<b>24.5</b>	<b>24.1</b>	<b>25.3</b>
<b>Gr. Total</b>	<b>40.0</b>	<b>44.0</b>	<b>50.3</b>	<b>56.8</b>	<b>54.6</b>	<b>58.6</b>

Source: Direction Nationale des Statistiques du Commerce  
Extérieur – DNSCE



## EUROPEAN SEABASS AND GILTHEAD SEABREAM

period during the previous year. Bass in particular caught renewed interest with shipments from Turkey up 375% and Greece 42%. Spanish domestic production declined somewhat in 2013 but could rise again in 2014 also thanks to increased exports to neighbouring countries, including Portugal.

### France: Positive market after weak 2012

French consumers reacted favourably to the attractive prices offered during most of 2013 with import volumes for the first nine months up by 26% to reach 12 500 tonnes for the two species, an all time high record. Imports are dominated by Greece and Spain.

### UK: Sustained demand keeps market growing

The UK market for bass and bream continues its extremely positive long-term trend with import volumes up 8% during the first 9 months of 2013. Consumption is 66% bass, demonstrating the UK consumer's slight preference of bass over bream.

### Germany: Strong demand boosted by attractive prices during 2013

The price sensitive German market has welcomed the lower prices during 2013 with sustained growth in

### Imports

#### Fresh Seabream and Seabass: Germany

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>Seabream</b>						
<i>(dentex/pagellus)</i>						
Greece	0.3	0.3	0.4	0.3	0.3	0.3
<b>Total</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>
<b>Seabream</b>						
<i>(gilthead)</i>						
Greece	0.6	0.5	0.7	0.6	1.0	0.9
Italy	0.1	0.1	0.1	0.1	0.1	0.2
Turkey	0.0	0.1	0.0	0.1	0.3	0.9
<b>Total</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>0.1</b>	<b>1.5</b>	<b>2.4</b>
<b>Seabass</b>						
Greece	0.2	0.2	0.4	0.4	0.5	0.4
France	0.1	0.1	0.1	0.1	0.1	0.1
Italy	0.0	0.1	0.2	0.3	0.1	0.1
<b>Total</b>	<b>0.6</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>1.6</b>
<b>Gr.Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.4</b>	<b>1.4</b>	<b>3.1</b>	<b>4.4</b>

Source: Germany Customs

### Imports

#### Fresh Seabass: UK

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Greece	2.1	1.4	2.4	3.3	3.9	3.5
Netherlands	0.6	1.1	1.6	1.2	1.0	2.0
France	0.6	0.4	0.3	0.5	0.4	0.3
Others	0.8	0.9	0.4	0.7	0.9	1.3
<b>Total</b>	<b>4.1</b>	<b>3.8</b>	<b>4.7</b>	<b>5.7</b>	<b>6.2</b>	<b>7.1</b>

Source : Her Majesty's Revenue & Customs

### Imports

#### Fresh Seabream: UK

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Greece	0.2	0.8	0.9	1.2	2.8	2.6
Netherlands	0.2	0.4	0.4	0.4	0.3	0.6
France	0.2	0.3	0.2	0.2	0.2	0.1
Others	0.3	0.2	0.2	0.3	0.4	0.2
<b>Total</b>	<b>1.9</b>	<b>1.8</b>	<b>1.8</b>	<b>2.2</b>	<b>3.8</b>	<b>3.7</b>

Source : Her Majesty's Revenue & Customs

imports and consumption of bream in particular. Greece remains the main supplier but Turkey is gaining market share rapidly. Total imports for the first three quarters reached 4 400 tonnes, up 1 300 tonnes from the previous year.

### US: Robust growth in demand for fresh imports

The growth of the US market for fresh bass and bream species is remarkable. Fresh bass dominates imports with Greece and Turkey as the main suppliers, reaching 2 000 (+16%) and 600 (+249%) tonnes respectively for the first 11 months of 2013 with total bass imports now at 3 700 tonnes, up 61% from the same period in 2013. Bass shipments from Spain to the US were up 68% reaching 250 tonnes. Interestingly, some volumes are being supplied by Central American producers such as Guatemala, El Salvador as well as Trinidad and Tobago. Fresh bream imports for the period were more modest at 400 tonnes with 250 tonnes coming from Greece. However, this was 38% more than the previous year.

Frozen bass imports for the same period reached 3 000 tonnes but with very little coming from Europe. It is likely that this product category includes different bass species than those found in the European market.



## Ukraine: An emerging market concentrated in and around Kiev

Ukrainian imports of bass and bream in 2013 increased impressively, largely due to the opening of new restaurants, retail chains and specialized fish stores in Kiev, increasing consumer awareness and sales of these two species. Though consumption of bass and bream has increased, demand is mostly concentrated in Kiev and the Kiev region, where the species are marketed as upper-income status symbols. These areas account for almost 70% of all bass and bream consumption in the country.

In 2013, bream imports grew 2.4 times compared with the previous year, reaching 1 000 tonnes. Bass imports grew nearly 2 times to 500 tonnes. Turkey was the number one supplying country, due to their attractive prices and lower transport costs when compared to other producing countries. There is also a certain niche for ultra-premium bass and bream species, which includes high-quality bass and bream from Croatia and large bass and bream (600+ g) imported from the Netherlands.

Following the recent migration trends of consumers leaving the Ukrainian regions to move to Kiev or abroad, the consumption of bass and bream in the Ukrainian regions is decreasing, while it is generally growing in Kiev and the Kiev region.

## Outlook

With an expected fall in output in 2014, prices should recover from 2013 levels with a better balance between supply and demand. The economic recovery under way in both Europe and the USA should also improve the situation for producers.

## Exports

### Fresh Seabream: Greece

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Italy	16.4	20.0	20.4	20.0	15.7	16.4
Spain	4.2	7.7	6.9	6.6	6.1	6.7
France	3.2	5.1	5.4	5.3	4.9	4.9
Portugal	1.5	2.3	2.9	2.1	3.2	3.6
Germany	1.0	1.5	2.3	1.6	1.5	1.8
Others	2.8	4.0	4.5	4.3	4.0	4.5
<b>Total</b>	<b>29.1</b>	<b>40.6</b>	<b>42.4</b>	<b>39.9</b>	<b>35.4</b>	<b>37.9</b>

Source : EUROSTAT

## Exports

### Fresh Seabass : Turkey

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Italy	2.6	3.4	1.9	1.4	1.7	2.2
Netherlands	1.7	1.8	1.5	1.3	0.9	2.8
Spain	1.5	2.1	2.0	1.5	0.5	1.7
Russian Fed	0.1	0.1	0.4	1.1	0.9	1.8
UK	0.0	0.5	0.3	0.3	0.7	1.1
Greece	3.4	2.5	1.4	0.6	0.4	0.0
Others	0.5	0.9	1.4	1.6	0.9	2.7
<b>Total</b>	<b>9.8</b>	<b>11.3</b>	<b>8.9</b>	<b>7.8</b>	<b>6.0</b>	<b>12.3</b>

Source : State Institute of Statistics

## Exports

### Fresh Seabass : Greece

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Italy	9.9	10.9	11.3	13.5	13.5	12.5
Spain	4.3	3.4	2.7	3.7	2.6	2.0
France	2.2	2.5	2.6	2.9	3.2	2.6
Portugal	1.5	1.6	1.7	2.2	1.9	1.9
UK	2.0	2.1	1.6	2.5	2.6	1.9
Others	1.9	2.0	2.2	2.9	3.6	2.9
<b>Total</b>	<b>21.8</b>	<b>22.5</b>	<b>22.1</b>	<b>27.7</b>	<b>27.4</b>	<b>23.8</b>

Source : EUROSTAT

## Exports

### Fresh Seabream : Turkey

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Lebanon	0.9	1.5	1.6	1.4	1.0	2.3
Italy	1.1	1.4	1.6	1.3	1.5	2.0
Netherlands	0.9	0.8	0.7	0.8	0.9	2.1
Russian Fed	0.1	0.1	0.4	1.1	1.3	1.7
Spain	0.9	0.3	0.2	1.5	1.2	1.1
Others	1.4	1.1	0.7	1.1	1.6	3.5
<b>Total</b>	<b>5.3</b>	<b>5.2</b>	<b>5.2</b>	<b>7.2</b>	<b>7.5</b>	<b>12.7</b>

Source : State Institute of Statistics



### Market focus: Seabass and Seabream in Turkey

After several hard years, Turkish producers now know that increasing supply without developing markets will lead to reduced prices. For this reason, production planning and regulating supply is seen as key to stabilizing markets and prices. Major Turkish producers have chosen not to increase their production volumes for 2014. Accordingly, to balance supply and demand patterns and prices for 2014, the number of juveniles stocked in cages in 2013 was reduced and estimated to be around 290-300 million.

According to the CEO of Agromey (a major Turkish bass/bream producing company), Mr. Taner Ciğer, both Turkey and Greece have put less fish in cages in 2013 compared with previous years (Source: Su Dünyası Journal). He estimates that the number of fish put in cages in 2013 in Turkey (roughly 90 million) and Greece (roughly 100 million) is 190 million less than the figure for 2012. In turn, and with regards to balancing supply and demand patterns for marketable fish, the positive reflections of this reduction will start to be seen in 2014 harvests. Accordingly, Mr. Taner Ciğer is expecting a reduction of 50 000 tonnes in supply of the 2013 generation of marketable fish in the market during 2014 and 2015.

### Domestic Market

With the opening of the capture fisheries season and the low tourism season in the last quarter of 2013, domestic consumption of farmed bass and bream dropped sustainably compared to the third quarter of 2013. Domestic consumption of bass and bream during the last quarter of 2013 was estimated at 2 000 tonnes.

Prices for 200-300 g, 300-400 g and 600-800 g farmed bream were weaker than compared with prices during the third quarter. For farmed bass, prices in the domestic market did not change much compared with the third quarter of 2013. Only the price of 800-1 000 g bass increased by 15%.

In the last days of December 2013, ex-farm price of bream in the domestic market did increase, reaching TRY 10-11 per kg (EUR/TRY parity, 1:2.96), which is nearly a 30% increase compared with the average price for the overall last quarter of 2013. This upward trend in bream is expected to also strengthen the price of bass in domestic market.

Average ex-farm prices for domestic market, October-December 2013 (prices in Turkish Lira):

Seabass		Seabream	
200-300 g	TRY 7.5/kg	200-300 g	TRY 7.0/kg
300-400 g	TRY 10/kg	300-400 g	TRY 8.5/kg
400-600 g	TRY 11.5/kg	400-600 g	TRY 12.9/kg
600-800 g	TRY 15/kg	600-800 g	TRY 10/kg
800-1 000 g	TRY 23/kg	-	-

EUR/TRY parity: 1 EUR/ 2.72-2.97 TRY (October-December 2013)

### Export Markets

According to figures by The Aegean Union of Exporters, exports of bass during October-December 2013, were estimated at about 4 671 tonnes of which 3 517 tonnes were exported as whole/chilled and 1 154 tonnes as fillets. Exports of bream were reported as 4 557 tonnes. 4 058 tonnes were exported as whole/chilled and 499 tonnes as fillets.

Average export prices of bass and bream for the last quarter of 2013 were as follows:

Seabass		Seabream	
200-300 g	EUR 3.4/kg	200-300 g	EUR 3.5/kg
300-400 g	EUR 4.0/kg	300-400 g	EUR 3.8/kg
400-600 g	EUR 4.3/kg	400-600 g	EUR 3.8/kg
600-800 g	EUR 5.9/kg	600-800 g	EUR 4.5/kg
800-1 000 g	EUR 7.0/kg	-	-

Nearly all prices for both species were lower than the third quarter of 2013.

Weakening of the Turkish Lira against major foreign currencies (USD and EUR) continued and intensified in December 2013. Weak Turkish Lira has favored exports of bass and bream but has also increased the price of fish feed, due to its dependency on imports of fishmeal and oil.

### Outlook

Reduction in the total number of juveniles put into cages in 2013 in the main producing countries (i.e. Turkey and Greece) has created a strong expectation for better supply demand patterns and improved prices for both bass and bream in the Mediterranean in 2014 and even 2015.

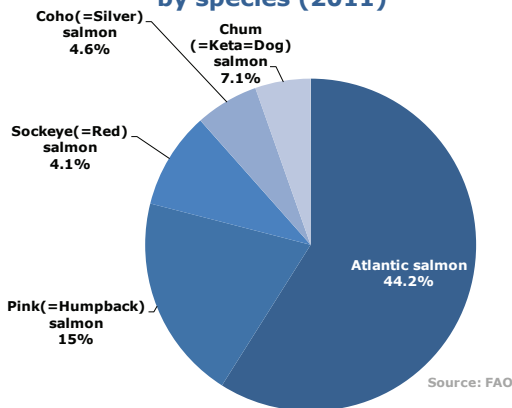
Accordingly, Turkish Producers seem to be optimistic about better prices and more stable markets for 2014.



## Low production means soaring prices, profits and pressure

The farmed salmon industry continues to break new ground, with export revenues and prices reaching never-before-seen heights. The root cause is a widening gap between production volumes and global demand, and although so far traditional markets such as France and the USA have remained largely unfazed by the exceptionally high prices as they have had to compete with Asian, Brazilian and Russian buyers for a limited supply of fish, the long term effects on markets could be significant. It is still the Norwegian producers that are successfully turning high product prices into record profits, while Chilean farms continue to suffer from disease problems and high feed costs that compound an overall production efficiency disadvantage. Moves to cut back Chilean production in 2014, part of an attempt to improve the profitability of the industry, will contribute to another year of tight supply to come.

**Salmon (farmed and wild) production by species (2011)**



6.1 billion higher than for the same period last year. A decrease of 36 700 tonnes in volume, to a total of 673 200 tonnes, reflects tight Norwegian supply, which was a key factor behind the record price levels.

With supplies limited, and the Kroner weakening against the euro, Norway concentrated more on the lucrative EU market in 2013. Total EU-destined exports amounted to 461 000 tonnes worth NOK 18.3 billion, representing a decrease of 1% and an increase of 37% respectively compared with the same period in 2012. Within the EU, exports to France, the largest market for Norwegian salmon, were down 6% in volume, to 90 400 tonnes, and up by 29% in value, to NOK 3.7 billion. In contrast, exports to Poland, the second largest market

### Prices

After trending strongly upwards for the first half of 2013, prices turned at the end of the summer as Norwegian farmers began harvesting greater volumes. In contrast to 2012, however, the slump was soon halted and reversed, and by the end of the year prices for Norwegian fresh whole Atlantics had unexpectedly surpassed previous levels and broken the 50 NOK per kg mark to reach an all-time record high. The weakening of the NOK against the EUR, by 15% over the year, was another contributing factor. Prices for Chilean product were slower to catch up, but positive export price development was seen for the major markets of the USA, Japan and Brazil in the second half of 2013. The forecast for continued high prices is good news for farmers, but many processors are uneasy about the price level, as high raw material costs tend to build up at the processing stage when large, consolidated retailers are slow to raise prices for consumers.

### Norway

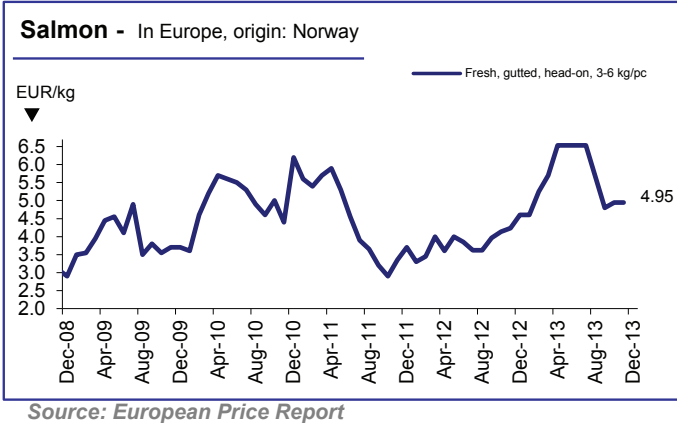
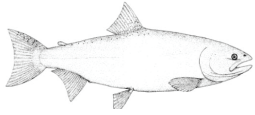
The Norwegian industry has been setting record after record in recent months, and export figures for the first nine months of 2013 continued this trend. The total value for this period of NOK 27.3 billion, as reported by the Norwegian Seafood Council, is the highest ever, NOK

### Production

#### Farmed salmon: World

	2008	2009	Jan-Dec			
			2010	2011	2012*	2013*
(1 000 tonnes)						
<b>ATLANTIC SALMON</b>						
Norway	737.7	862.9	927.9	1060.0	1075.0	1050.0
Chile	388.8	233.3	123.2	264.3	415.0	515.0
UK	128.7	133.4	154.6	158.0	160.0	155.0
Canada	104.1	100.2	101.4	102.1	120.0	115.0
Faeroe Is.	38.5	51.4	45.4	60.5	60.0	60.0
Australia	25.7	29.9	31.8	35.2	31.0	31.0
Ireland	10.0	12.0	15.0	15.0	15.0	15.0
USA	16.7	14.1	19.5	18.6	16.0	15.0
Others	1.0	5.0	2.0	2.0	3.0	3.0
<b>Total</b>	<b>1451.3</b>	<b>1440.0</b>	<b>1426.0</b>	<b>1721.0</b>	<b>1895.0</b>	<b>1959.0</b>
<b>PACIFIC SALMON</b>						
Japan	12.8	15.8	14.8	0.1	8.0	8.0
Chile	92.4	157.6	123.4	160.7	145.0	155.0
New Zealand	9.1	12.4	12.9	14.0	12.0	12.0
<b>Total</b>	<b>114.3</b>	<b>185.7</b>	<b>151.1</b>	<b>174.8</b>	<b>165.0</b>	<b>175.0</b>
<b>Gr. Total</b>	<b>1565.6</b>	<b>1625.7</b>	<b>1577.1</b>	<b>1895.8</b>	<b>2060.0</b>	<b>2134.0</b>

Source: FAO (until 2011) (\*) Estimate



**Exports (value)**

**Salmon and Trout: Norway**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(bill. NOK)					
<b>Salmon</b>	<b>12.5</b>	<b>16.7</b>	<b>21.8</b>	<b>21.7</b>	<b>21.1</b>	<b>27.3</b>
Fresh	9.8	12.6	16.1	16.4	16.3	22.0
Frozen	0.7	0.8	1.0	1.2	0.9	0.8
Fresh fillet	1.1	1.9	2.7	2.2	2.1	2.6
Froz. Fillet	0.6	1.2	1.7	1.7	1.6	1.6
<b>Trout</b>	<b>1.3</b>	<b>1.4</b>	<b>1.1</b>	<b>1.0</b>	<b>1.3</b>	<b>1.6</b>

Source: Norwegian Seafood Council

**Exports (quantity)**

**Salmon and Trout: Norway**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>Salmon</b>	<b>437.0</b>	<b>490.1</b>	<b>551.0</b>	<b>572.5</b>	<b>710.0</b>	<b>673.2</b>
Fresh	364.5	397.2	433.8	466.3	591.4	564.2
Frozen	28.6	28.0	33.4	35.4	36.1	28.0
Fresh fillet	24.8	39.5	50.0	39.4	47.7	48.4
Froz. Fillet	17.6	24.0	32.1	30.2	33.5	31.4
<b>Trout</b>	<b>54.6</b>	<b>44.4</b>	<b>27.0</b>	<b>25.0</b>	<b>39.5</b>	<b>40.0</b>

Source: Norwegian Seafood Council

this year - and the leading salmon processor - increased by 9% in volume and 54% in value to 85 700 tonnes worth NOK 3.3 billion.

Norway's trading relationship with Russia was somewhat tense in 2013, and salmon and trout imports were the one exception to a ban on imports of chilled fish products from Norway imposed at the beginning of 2014 for sanitary reasons. However, a number of Norwegian salmon firms have been subject to Russian controls, while Russian processors have expressed their displeasure at Norwegian prices. These developments have seen January-September export volumes to Russia fall by 21% in 2013 compared with the same period in 2012. However, thanks to the high prices, export revenue was up by 11% over the same timeframe.

Meanwhile, exports to Asia declined by 13% in the first three quarters, partly explained by a lack of the big fish that Asian markets generally prefer. The drop was most pronounced in the cases of Taiwan PC, Japan and China. China is another country that has had a strained trading relationship with Norway in the past, and its growing demand for salmon is currently met mainly by imports of wild Pacific salmon from Russia and the USA rather than farmed Norwegian product.

**Trout**

Norwegian exports of trout were up 30% in value to a total of NOK 1.6 billion. The fact that the corresponding increase in exported volume was only 1%, to 40 000 tonnes, reflects strong demand growth for trout in parallel with that for salmon. Russia is by far the biggest market for Norwegian trout, taking half of the total export volume in 2013. However, the Russian share of Norwegian trout exports is getting smaller, as it appears that importers are now shifting more towards Chilean product. Norway's trout exports to Japan, China and Thailand were all up.

**Chile**

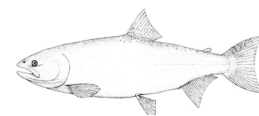
The Chilean salmon industry is starting to recover, partially due to higher prices being achieved by their

domestic products in international markets. Some of these markets, such as Brazil and Russia, have been consolidated.

During the period January-September of 2013, total exports of salmonids came to 398 400 tonnes, a 16% increase if compared with the same period in 2012. On average, FOB price for salmonid exports decreased by 2% compared with the same period in 2012, to USD 6.2 per kg.

In the first nine months of the year, Atlantic salmon was the most exported salmon species, amounting to 224 000 tons of exports for a total of USD 1.62 billion, with an average FOB price of USD 7.2 per kg. In terms of quantity, a substantial increase of 39% was recorded while value was up 52% versus last year. Coho salmon was the second most important exported species, with 85 600 tonnes traded (+8%), which were valued at USD 302 million (-29%) compared with 2012, with an average FOB price of USD 3.6 per kg. In the case of rainbow trout, exported volume in the reporting period reached 87 600 tonnes, which means a 13% decrease in comparison with 2012. In terms of value, a 15% fall was registered. By volume, frozen salmon and trout were the main products exported, followed by fresh and chilled products.

In terms of volume, Japan was the main destination throughout the period for both Chilean salmon and trout,



## Exports (quantity)

## Salmon and Trout: Chile

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
<b>Salmon</b>	<b>243.8</b>	<b>202.5</b>	<b>109.8</b>	<b>161.8</b>	<b>239.2</b>	<b>310.8</b>
Frozen	160.2	145.5	70.7	101.7	138.2	194.8
Fresh	77.7	52.8	35.0	56.5	96.3	112.1
Canned	2.7	2.0	0.9	0.4	0.6	0.4
Salted	0.7	0.2	1.4	1.1	1.7	1.4
Smoked	2.4	1.9	1.9	2.2	2.4	2.2
<b>Trout</b>	<b>97.9</b>	<b>77.9</b>	<b>87.8</b>	<b>99.5</b>	<b>103.8</b>	<b>87.6</b>
Frozen	90.6	70.1	73.4	86.6	92.4	77.1
Fresh	4.4	4.1	9.6	7.7	5.9	5.9
Canned	0.2	0.1	0.1	0.0	0.0	0.0
Salted	0.1	1.3	2.6	2.6	2.4	1.7
Smoked	2.6	2.3	2.2	2.6	3.1	3.0
<b>Total</b>	<b>341.6</b>	<b>280.4</b>	<b>197.6</b>	<b>261.3</b>	<b>343.0</b>	<b>398.4</b>

Source: Boletín de Exportaciones del IFOP

## Exports (value)

## Salmon and Trout: Chile

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(million USD)					
Japan	477.3	556.8	325.7	782.0	892.0	563.1
USA	602.3	453.9	542.3	528.0	620.0	833.7
EU (25)	216.0	132.1	48.5	87.0	77.8	168.4
Lat.America	202.9	203.8	247.4	309.0	326.0	461.1
Others	266.5	212.8	194.8	355.0	275.0	459.6
<b>Total</b>	<b>1765.0</b>	<b>1559.3</b>	<b>1358.7</b>	<b>2061.0</b>	<b>2190.8</b>	<b>2485.9</b>

Source: Boletín de Exportaciones del IFOP

## Exports (unit value)

## Salmon and Trout: Chile

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(in USD/kg)					
<b>Salmon</b>	<b>5.47</b>	<b>5.50</b>	<b>6.78</b>	<b>7.76</b>	<b>6.24</b>	<b>6.21</b>
Frozen	4.94	4.99	5.86	7.07	6.23	5.27
Fresh	6.31	6.56	8.26	7.70	7.67	7.68
Canned	6.22	6.64	7.73	11.51	9.69	9.34
Salted	6.83	8.12	6.05	14.88	13.14	3.46
Smoked	12.60	12.85	13.88	13.32	13.86	15.69
<b>Trout</b>	<b>4.40</b>	<b>5.73</b>	<b>6.99</b>	<b>8.10</b>	<b>6.70</b>	<b>6.35</b>
Frozen	4.18	5.46	6.74	7.87	6.32	5.89
Fresh	5.49	6.98	7.86	8.86	7.90	8.50
Canned	6.62	7.24	9.52	14.62	0.00	0.00
Salted	5.20	5.74	6.24	7.05	6.80	5.70
Smoked	10.03	11.76	12.47	10.73	14.80	14.36
<b>Average</b>	<b>5.17</b>	<b>5.56</b>	<b>6.88</b>	<b>6.70</b>	<b>6.36</b>	<b>6.24</b>

Source: Boletín de Exportaciones del IFOP

and Japan destined exports came to approximately 113 000 tonnes for a total value of USD 563 million. The USA followed, importing 93 000 tonnes from Chile worth USD 834 million, making it the top market in terms of value. Meanwhile, exports to Brazil were about 57 000 tonnes, 23% more than the same period in 2012. The value of these exports increased from USD 222 million to USD 340 million.

According to the executive vice president of Multiexport Foods, José Ramón Gutiérrez, the Chilean salmon industry is undergoing a crisis that differs greatly from the previous one. Despite full employment, good prices and a high level of production, producers are losing money. In fact, the Undersecretary of Fisheries and Aquaculture, Pablo Galilea, said the industry is losing a dollar per kg produced. Galilea said that though health issues have been brought under control after the "successful" regulations implemented after the crisis of the ISA virus, this has resulted in an increase in costs. Improving sanitary conditions will continue to be a focus

## Exports (quantity)

## Salmon and Trout: Chile

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(1 000 tonnes)					
Japan	121.8	106.5	33.3	108.0	138.0	113.3
USA	83.4	57.7	86.5	49.0	77.9	93.1
EU (25)	32.9	21.3	6.1	9.0	12.8	26.4
Lat.America	39.0	42.0	37.2	42.0	60.0	73.1
Others	64.5	52.9	34.6	53.0	54.2	92.3
<b>Total</b>	<b>341.6</b>	<b>280.4</b>	<b>197.6</b>	<b>261.0</b>	<b>342.9</b>	<b>398.3</b>

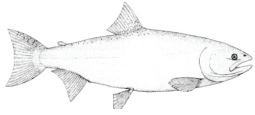
Source: IFOP

## Exports (value)

## Salmon and Trout: Chile

	2008	2009	Jan-Sep			
			2010	2011	2012	2013
	(million USD)					
<b>Salmon</b>	<b>1334.2</b>	<b>1112.8</b>	<b>744.6</b>	<b>1255.5</b>	<b>1493.3</b>	<b>1929.8</b>
Frozen	791.9	726.4	414.3	709.9	829.7	1026.1
Fresh	489.8	346.3	288.7	499.4	610.2	861.0
Canned	17.0	13.2	7.1	4.6	5.9	3.6
Salted	4.9	1.9	8.2	7.4	12.0	4.7
Smoked	30.6	24.9	26.2	34.2	35.5	34.5
<b>Trout</b>	<b>430.8</b>	<b>446.5</b>	<b>614.1</b>	<b>806.0</b>	<b>697.5</b>	<b>556.2</b>
Frozen	379.2	382.9	494.1	681.3	587.1	454.0
Fresh	24.0	28.7	75.4	68.2	47.7	50.0
Canned	1.2	0.9	0.6	0.1	0.0	0.0
Salted	0.5	7.5	16.1	18.4	16.8	9.7
Smoked	25.9	26.5	27.8	37.9	45.9	42.6
<b>Total</b>	<b>1765.0</b>	<b>1559.3</b>	<b>1358.7</b>	<b>2061.5</b>	<b>2190.8</b>	<b>2485.9</b>

Source: Boletín de Exportaciones del IFOP



**Salmon fillet prices (FOB Miami, chilled, C-trim, Alt. fresh, 3-4 bs)**



Source: EPR

for the sector, with the “vital” aim of relocating a third of the aquaculture concessions for salmon by 2015, as this affects 30% of the total.

**Russia**

According to data from the System Center for Monitoring of Fisheries and Communication, from January to November 2013, the Russian catch of salmon species decreased in 2013 by 8% compared with the same period in 2012, to 364 800 tonnes. During this period, exports of wild-caught salmon from Russia increased by 36% or 70 800 tonnes to reach a total of 114 000 tonnes. Approximately 30% of the salmon catch during January-November 2013 was exported to East Asia. Following demand trends worldwide, salmon species are in high demand in East Asia despite the global price increase for those species. The average export price of sockeye salmon for January-November 2013 increased by 4.2%, to USD 4.5 per kg. For other salmon species (pink salmon and chum salmon), the average export price went up by 4.6% to USD 1.9 per kg, compared with the same period in 2012.

**UK**

The UK exported 8% more salmon in the first nine months of 2013 than in the same period in 2012, for a total of 80 400 tonnes. UK suppliers also benefited greatly from the high price level, which saw a 27% increase in the corresponding value, to USD 645 million. The USA is the major destination, accounting for 36% of the export volume - almost entirely fresh whole Atlantics. Meanwhile, efforts to establish UK salmon in East and Southeast Asia have met with some success, and export volume to these regions increased by 64% compared with the same period in 2012.

The growth in UK exports has been matched by its growth in imports, as demand for salmon on the domestic market continues to strengthen. Import volume was up by 13% in the reporting period, to 60 000 tonnes, while value

**Exports**

**Salmon: UK (by product and country)**

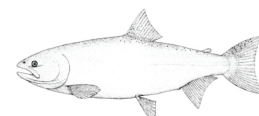
	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>FRESH</b>						
USA	9.7	14.3	18.1	22.9	23.9	28.3
France	11.2	11.7	15.9	11.7	13.2	12.2
Poland	0.2	0.5	1.5	4.3	5.3	3.9
Ireland	2.0	2.3	1.7	2.4	2.9	3.1
Germany	1.6	1.3	1.3	1.1	0.7	0.5
Others	3.6	4.0	4.4	6.9	11.5	17.4
<b>Total</b>	<b>28.3</b>	<b>34.1</b>	<b>42.9</b>	<b>49.3</b>	<b>57.5</b>	<b>65.4</b>
<b>FROZEN</b>						
France	3.1	0.7	1.4	1.5	1.0	0.9
Russian Fed.	0.0	0.8	1.6	1.0	2.4	0.6
Ireland	0.4	0.1	0.1	0.2	0.1	0.0
Others	1.7	3.4	0.8	2.0	2.1	3.2
<b>Total</b>	<b>5.2</b>	<b>5.0</b>	<b>3.9</b>	<b>4.7</b>	<b>5.6</b>	<b>4.7</b>
<b>CANNED</b>						
Ireland	0.6	0.7	0.6	0.7	0.6	0.5
Others	0.5	0.3	0.3	0.2	0.7	0.7
<b>Total</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>1.3</b>	<b>1.2</b>
<b>SMOKED</b>						
France	0.7	0.6	0.6	0.5	0.6	0.6
Italy	0.3	0.4	0.4	0.5	0.5	0.6
Belgium	0.2	0.2	0.3	0.5	0.3	0.3
<b>Total</b>	<b>2.5</b>	<b>2.9</b>	<b>4.3</b>	<b>3.6</b>	<b>3.3</b>	<b>3.2</b>
<b>Gr. Total</b>	<b>37.1</b>	<b>43.0</b>	<b>52.0</b>	<b>58.5</b>	<b>67.7</b>	<b>74.5</b>

Source: Her Majesty's Revenue & Customs

went up by 32% to USD 470 million. The Faroe Islands is UK's main supplier, and Faroese salmon, mainly fresh whole Atlantics, made up 42% of the import volume in the first three quarters of 2013. The UK also consumes large quantities of canned pink salmon, mainly from the USA. Good catches in Alaska have seen the price drop for this product in the second half of the year.

**Markets**

Demand remains strong in major markets, and even where high raw material costs have made their way to the consumer, the dampening effect on demand has been much less than anticipated. The USA and Japanese markets were somewhat slower to gather momentum than the EU, but the upward trend in prices in the second half of the year points to firming underlying demand there as well. Consumers will inevitably begin to look for other protein sources when prices are too high, but salmon benefits from being largely distinct from other seafood in terms of substitutability, which means more direct competition with increasingly expensive terrestrial meats.



## Imports

### Salmon: France

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>Fresh whole</b>	<b>64.4</b>	<b>70.3</b>	<b>76.4</b>	<b>73.0</b>	<b>81.6</b>	<b>73.5</b>
Norway	46.2	48.5	55.4	51.0	57.5	51.8
UK	12.0	12.1	13.7	14.4	15.0	14.0
<b>Frozen Pac</b>	<b>2.7</b>	<b>2.8</b>	<b>2.9</b>	<b>2.5</b>	<b>1.5</b>	<b>2.0</b>
USA	1.8	2.3	2.6	2.5	1.4	1.7
<b>Frozen Atl</b>	<b>2.4</b>	<b>2.1</b>	<b>3.5</b>	<b>2.4</b>	<b>0.8</b>	<b>0.6</b>
UK	0.5	0.8	1.5	1.2	0.2	0.1
Norway	0.7	0.7	0.6	0.4	0.2	0.1
<b>Smoked</b>	<b>3.6</b>	<b>3.9</b>	<b>4.7</b>	<b>4.8</b>	<b>6.0</b>	<b>5.9</b>
UK	0.6	0.6	0.5	0.5	0.6	0.4
Poland	2.0	2.4	3.5	3.6	4.3	4.5
<b>Fresh fillets</b>	<b>4.3</b>	<b>6.8</b>	<b>7.9</b>	<b>8.5</b>	<b>13.6</b>	<b>14.1</b>
Norway	3.8	5.9	7.2	7.9	12.2	12.3
<b>Frozen fillets</b>	<b>14.4</b>	<b>16.3</b>	<b>15.0</b>	<b>15.5</b>	<b>13.8</b>	<b>17.0</b>
Chile	6.6	7.1	2.9	3.1	4.4	7.0
China	3.6	4.3	6.0	6.5	4.1	3.6
<b>Prep and pres</b>	<b>1.4</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>1.2</b>	<b>1.6</b>
Thailand	0.3	0.2	0.4	0.2	0.3	0.4
Denmark	0.4	0.5	0.3	0.5	0.5	0.4
Germany	0.1	0.2	0.2	0.0	0.0	0.2
<b>Grand Total</b>	<b>93.2</b>	<b>103.7</b>	<b>111.7</b>	<b>108.1</b>	<b>118.5</b>	<b>114.7</b>

Source: DNSCE

The EU is by far the largest single market for salmon, consuming more than all other markets combined. However, analysts predict that the balance will shift in favour of other markets within four to five years. Thailand is showing good growth, while Indonesia and India have been identified as having significant potential for the future. China, Russia and Brazil are already major players in the world market with combined imports of 342 000 tonnes in the first nine months of 2013. Of the producers looking to establish themselves in these markets, Chile has a clear geographical advantage in the case of Brazil and supplies essentially all of its salmon, and has also taken advantage of Norway's lack of supply and continuing trade disputes to increase its share of the Chinese and Russian markets in 2013. However, the predicted cutback in Chilean production next year may halt this expansion.

### France

In the first three quarters of 2013, France imported 114 700 tonnes of salmon, a 3% drop compared with the same period in 2012. The value of these imports, however, was up 22% versus 2012, a result of the substantial rise in prices. Norway remains the number one supplier, taking a 59% share of the volume, followed by the UK and Chile with 13% and 7% respectively. Soaring raw material costs are squeezing margins for French smokers, and there are

reports that some have been put out of business. The high Norwegian prices, and the lack of fish, has prompted more importers to look towards Chilean salmon, with Chilean-origin imports increasing by 63% in January-September 2013 compared with 2012.

### Germany

Germany has shown good growth this year, importing 11% more than in the first 9 months of 2012, to a total of 99 200 tonnes. As in the case of France, high prices meeting with firm demand made the increase in value significantly larger, at 26%. Much of the increase has been driven by higher imports of value-added products, in particular frozen fillets and smoked, which made up 23% and 27% of the import volume respectively. This is good news for Polish smokers, who supply the major proportion of German smoked salmon imports, and also for Chile, which supplies frozen fillets. In fact, German imports of Chilean frozen fillets quadrupled compared with the same period in 2012, and Chile's share of this market segment is now approaching that of China, the lead supplier.

### Russia

The Russian salmon market in 2013 was characterized by the decreasing catch of salmon species in the Russian far east, increasing exports of salmon species from the same region and decreasing imports of fresh and chilled salmon into the Russian market. At the same time, increasing imports of frozen salmon and trout into Russia has prevented a deficit on the Russian market and helped to balance the overall supply. The potential market capacity for salmon species in Russia is estimated to be between 450 and 470 000 tonnes.

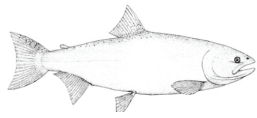
In parallel with the increasing average export prices of salmon, the global average import prices of salmon and trout have also been driven significantly upwards. During January-November 2013, the average import prices of fresh and chilled salmon went up by 40% to USD 6.9 per kg compared with the same period of 2012. For fresh and chilled trout, the average import prices increased by 34%

## Imports

### Salmon: Germany (by product)

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Fresh salmon	27.3	36.0	34.8	35.8	33.2	33.1
Frozen salmon	3.9	4.0	3.9	3.2	2.8	5.0
Smoked salmon	17.4	22.4	22.3	24.8	23.2	26.4
Fresh fillets	4.3	5.6	5.7	5.0	5.4	6.3
Frozen fillets	24.4	23.2	24.1	23.0	19.2	23.1
Salted	0.5	1.2	1.3	2.6	4.0	2.9
Canned	2.6	2.1	1.9	1.8	1.8	2.5
<b>Total</b>	<b>80.4</b>	<b>94.5</b>	<b>94.0</b>	<b>96.2</b>	<b>89.5</b>	<b>99.2</b>

Source: Germany Customs



Imports

Salmon: Japan

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
<b>Fresh *</b>	<b>14.9</b>	<b>15.3</b>	<b>15.0</b>	<b>15.6</b>	<b>21.4</b>	<b>16.6</b>
Norway	11.0	13.3	13.0	13.3	19.4	14.0
Australia	0.7	0.8	0.9	1.2	0.8	0.6
UK	0.3	0.3	0.3	0.4	0.4	0.5
<b>Frozen**</b>	<b>110.9</b>	<b>98.3</b>	<b>97.3</b>	<b>103.8</b>	<b>118.8</b>	<b>117.2</b>
Chile	73.5	63.8	55.2	69.3	92.7	84.6
Russian Fed	20.3	14.7	19.0	18.1	16.6	25.9
USA	14.9	17.1	19.0	13.4	7.5	3.4
N. Zealand	0.6	1.5	1.4	0.8	0.5	1.7
Canada	0.4	0.4	1.9	1.2	0.5	0.9
<b>Fresh fillets</b>	NA	NA	NA	NA	<b>4.3</b>	<b>5.4</b>
Norway	NA	NA	NA	NA	3.8	5.3
<b>Frozen fillets</b>	NA	NA	NA	NA	<b>12.6</b>	<b>9.3</b>
Chile	NA	NA	NA	NA	7.8	5.4
<b>Norway</b>	NA	NA	NA	NA	3.6	2.5
<b>Grand Total</b>	<b>125.8</b>	<b>113.6</b>	<b>112.3</b>	<b>119.4</b>	<b>157.1</b>	<b>148.5</b>

Source: Japan Customs

\* mainly Atlantic \*\*mainly Pacific

Note: 2008-2011 grand totals do not include fillets

to USD 6.9 per kg and for frozen trout by 10% to USD 5.4 per kg. As a result of the global price increase for salmon species, exports of Russian salmon species grew, and salmon and trout imports into Russia decreased. Indeed, in January-November 2013, imports of fresh and chilled salmon and trout went down by nearly 22% to 115 600 tonnes, compared with the same period in 2012. At the same time, imports of frozen salmon and trout (mainly from Chile) increased by 1.9 times reaching 71 100 tonnes. An important factor behind this was a fall in the import fee for frozen fish, from 5% to 3.75%, from 1 September 2013.

Japan

Japanese salmon imports follow a cyclical pattern, whereby farmed Chilean salmon is imported in large quantities between December and mid-summer, before being replaced by Russian and US catches of wild sockeye from then onwards. From January to September, of the total 148 700 tonnes imported - 5% less than 2012 - 60% consisted of Chilean-origin fish. Another particular characteristic of the Japanese market is that it imports the vast majority of its salmon in frozen form, with the result that leftover stocks can delay the transmission of consumer side demand to import prices. Following an influx of cheap surplus Chilean salmon in 2012, initially low prices began to rise steeply for both farmed and wild salmon in the third quarter of 2013, suggesting that these stocks have finally been used up. However, the delayed price response meant that the value of Japan's imports

Imports

Salmon: USA

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>Fresh fillets</b>						
Chile	58.8	35.0	15.4	29.6	48.0	60.6
Canada	4.7	3.1	5.6	4.0	3.3	4.6
Norway	1.8	13.1	18.9	6.4	2.9	3.5
Other	2.8	6.3	5.3	9.3	8.0	8.8
<b>Tot fresh fillets</b>	<b>68.1</b>	<b>57.5</b>	<b>45.2</b>	<b>49.3</b>	<b>62.2</b>	<b>77.5</b>
<b>Frozen fillets</b>	<b>35.5</b>	<b>40.2</b>	<b>45.4</b>	<b>46.1</b>	<b>43.4</b>	<b>49.2</b>
<b>Smoked</b>	2.7	2.9	3.1	3.3	3.8	3.8
<b>All salmon</b>	<b>181.7</b>	<b>181.4</b>	<b>176.9</b>	<b>174.5</b>	<b>206.9</b>	<b>220.6</b>

Source: NMFS

was 22% less than 2012 in the first three quarters, for a total of USD 800 million.

USA

According to NOAA.gov, exports of salmon to the USA during the first nine months of the year were led by Chile, with 84 800 tonnes for a value of USD 833 million, and followed by Canada, with 62 400 tonnes worth USD 428 million. Over the first nine months of the year, the USA imported 220 600 tons of salmon products, which represents a 7% increase when comparing it with the same period in 2012. Total value of imports from January to September rose by 21% by the same comparison.

Meanwhile, over the same period, the USA exported 182 400 tonnes of salmon worth USD 713 million. Compared with the first three quarters of 2012, these figures represent increases of 35% and 19%. China and Canada are the major markets for US exports, respectively taking 34% and 24% shares of the export volume over this period, and 24% and 36% of the value.

Outlook

Although forecasts are somewhat varied, most analysts predict that improved growing conditions will allow for higher production growth in Norway in 2014. In Chile, however, the threat of sanitary problems and tight margins is driving industry efforts to reduce farm density and focus on profitability rather than growth. As a result, flat or negative growth is expected in Chile in 2014. While the net result is an increase in global production growth this year compared with 2013, demand is considered more than adequate to keep prices at relatively high levels for the foreseeable future, although they are likely to fall somewhat as higher volumes hit the market later in the year. The industry will also be encouraged by the decrease in feed costs resulting from improved production in Peru.

# SMALL PELAGICS

## Herring stocks may decline, while mackerel seems to be in good shape

After a few relatively rich years for the herring industry in the North Atlantic, stocks are now expected to decline. On the other hand, mackerel stocks are in good shape, and increased landings are expected, although there is concern about possible overfishing. The market has been quiet for a few months, and no major changes are expected in the short term. Prices are expected to be quite stable.

### Mackerel

The EU pelagic industry is concerned about the future sustainability of the mackerel fisheries in the North Sea. In a meeting in London in October last year, several participating countries (the Faroes, Norway, Iceland and the EU) expressed their concern. ICES had recommended increases in quotas for 2014, but this was not agreed on by all countries. As usual, there was also disagreement on the allocation of quotas to individual countries. Negotiations continued in London this January, and surprisingly, negotiators seemed hopeful that agreement may soon be reached.

The ongoing dispute involving Iceland, the Faroe Islands, the EU and Norway is by no means over. The Faroes began dispute settlement proceedings against the EU under the WTO in order to challenge EU's trade sanctions against Faroese herring and mackerel. The sanctions, which came into effect at the end of August last year, ban all imports of herring and mackerel from the Faroes into the EU. The Faroes claim that these sanctions are in contravention of basic provisions of the WTO agreement. As for the Northeast Atlantic Fisheries Commission parties – Norway, the EU, Iceland and the Faroes – are still unable to reach an agreement on quotas for mackerel and herring fishing, Norway has set a preliminary quota of 150 000 tonnes of mackerel for its vessels in 2014.

Undercurrent News reports that Norway has also decided to allow fishing of 5 000 tonnes of mackerel in the northern part of the country during the summer period, as a result of the stock's increasingly wide distribution. The move will boost fishing vessels and onshore plants.

Scientists have recommended a cutback in South Pacific jack mackerel catches. This would affect fishing within national waters in Peru, Ecuador and Chile. The scientists recommend that catches should not exceed 440 000 tonnes in 2014, and that catches should be maintained at this level for the next three years.

Namibia, which is one of the largest fishing nations in Africa, has a low consumption of fresh fish. Over the years, the government has launched several campaigns to boost fish consumption, and finally, in the last two years there has been a marked increase in consumption, which

### Imports

#### Frozen Mackerel: Germany

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
UK	1.9	1.0	1.4	5.1	7.2	7.8
Ireland	2.9	3.5	4.1	3.2	2.4	2.8
Netherlands	3.0	3.6	3.8	4.4	3.9	2.5
Denmark	3.6	3.2	2.6	2.6	1.1	1.0
Poland	2.2	2.3	2.2	2.5	0.3	0.8
Others	1.7	1.4	2.4	7.1	4.4	4.3
<b>Total</b>	<b>15.3</b>	<b>15.0</b>	<b>16.5</b>	<b>24.9</b>	<b>19.3</b>	<b>19.2</b>

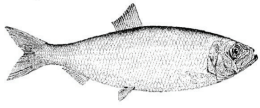
Source: Germany customs

### Exports

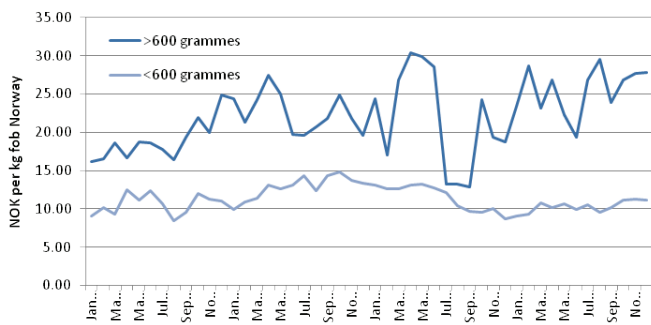
#### Frozen Mackerel: Norway

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	9.4	11.0	33.3	31.8	19.7	14.7
Russian Fed.	10.3	16.5	13.5	14.4	16.3	12.3
Japan	8.3	9.8	45.6	25.1	13.1	11.9
Turkey	6.6	10.5	17.9	12.0	11.5	9.5
Ukraine	5.2	5.9	4.9	5.6	4.3	6.4
Poland	2.0	5.2	5.7	4.6	4.5	5.5
South Korea	0.3	5.3	5.2	9.3	4.7	5.1
Lithuania	0.6	1.9	0.8	2.1	4.5	4.5
Netherlands	1.2	0.3	2.2	6.3	8.6	2.8
Ghana	0.1	0.0	0.9	0.1	0.6	2.8
Thailand	0.0	0.9	0.8	1.9	1.8	2.5
Taiwan PC	0.1	1.5	1.2	2.4	3.7	2.1
USA	0.3	0.9	1.3	0.7	1.2	1.8
Romania	0.8	2.4	2.0	0.3	0.9	1.6
Nigeria	0.8	0.3	24.9	3.0	7.5	1.1
Belarus	1.7	1.3	2.5	1.3	1.2	1.1
Others	4.3	4.8	13.6	7.2	11.6	11.3
<b>Total</b>	<b>52.0</b>	<b>78.5</b>	<b>176.3</b>	<b>128.1</b>	<b>115.7</b>	<b>97.0</b>

Source: Statistics Norway



Norwegian frozen mackerel export prices



Source: NSC/Central Bureau of Statistics, Norway

increased from 1 570 tonnes in 2011 to 3 826 tonnes in 2012. One of the reasons for the success is thought to be the introduction of new and innovative products on the Namibian market. One such product is canned horse mackerel in chili or tomato sauce. Previously, canned anchovies had been a well-established product in the market.

International trade

Norwegian exports of frozen mackerel declined by 16% during the first nine months of 2013, to 97 000 tonnes. All the top four markets (China, Russia, Japan and Turkey) showed a decline. On the other hand, shipments to Ukraine, Poland and South Korea, went up.

Imports into Germany were flat in the third quarter of 2013 at 19 200 tonnes. The main suppliers were the UK and Ireland, which both saw slight increases in shipments.

Mackerel prices were relatively stable during the last quarter of 2013. Prices for large sizes (>600 g) have been on an upward trend since the end of 2012, although there have been several ups and downs. However, now prices seem to have leveled off. For smaller sizes (<600 g), there has been less fluctuation, and prices have been relatively flat for almost two years.

Herring

The winter herring fishery in Norway started well in January, with good catches and generally large sizes. In the first week of January, a total of 8 200 tonnes were landed. Fishermen reported that there was a significant amount of herring in the sea before Christmas.

Norwegian export statistics for 2013 were presented in early January, and showed that Norwegian exports of small pelagics had declined for the year. Exports of herring amounted to NOK 3.1 billion (USD 505 million). This represented a 26% reduction compared to 2012.

The largest market for Norwegian herring was

Exports

Frozen Whole Herring: Norway

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Russian Fed.	82.3	89.9	84.5	47.9	46.9	38.9
Ukraine	50.0	47.9	39.9	39.3	33.6	19.1
Lithuania	8.2	11.7	14.8	11.8	13.0	13.3
Netherlands	12.8	13.5	17.4	14.9	8.8	12.1
Egypt	15.2	10.0	21.8	16.2	14.2	9.7
Poland	1.7	3.5	3.5	2.3	2.4	3.2
Latvia	1.0	1.9	3.2	1.9	2.1	3.1
Nigeria	88.0	83.3	69.3	44.7	5.8	2.9
Others	37.0	29.1	29.8	24.2	15.5	12.1
<b>Total</b>	<b>296.2</b>	<b>290.8</b>	<b>284.2</b>	<b>203.2</b>	<b>142.3</b>	<b>114.4</b>

Source: Statistics Norway

Exports

Dutch Frozen Herring

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Nigeria	61.0	42.3	36.1	34.4	29.2	43.0
Egypt	9.2	11.7	22.9	10.8	9.2	21.7
China	4.9	5.5	10.0	10.1	7.1	7.0
Lithuania	0.8	1.4	0.9	0.2	0.6	2.3
France	0.9	0.6	0.3	0.7	0.9	2.1
Germany	1.7	2.6	1.0	1.6	1.6	1.9
Others	16.8	6.3	5.8	4.9	6.5	8.1
<b>Total</b>	<b>95.3</b>	<b>70.4</b>	<b>77.0</b>	<b>62.7</b>	<b>55.1</b>	<b>86.1</b>

Source: Eurostat

Imports

Frozen Herring Fillets: Germany

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Norway	3.3	6.6	9.9	7.3	8.7	4.9
Denmark	3.0	2.0	1.3	1.2	4.2	3.3
UK	0.2	0.3	0.0	0.1	8.2	2.6
Ireland	0.3	0.3	0.1	0.1	0.4	1.6
Iceland	0.0	0.0	0.8	1.3	0.6	1.5
Netherlands	1.2	1.1	1.0	0.9	0.8	0.7
Others	0.1	0.7	0.5	0.3	0.2	0.2
<b>Total</b>	<b>8.1</b>	<b>11.0</b>	<b>13.6</b>	<b>11.2</b>	<b>23.1</b>	<b>14.8</b>

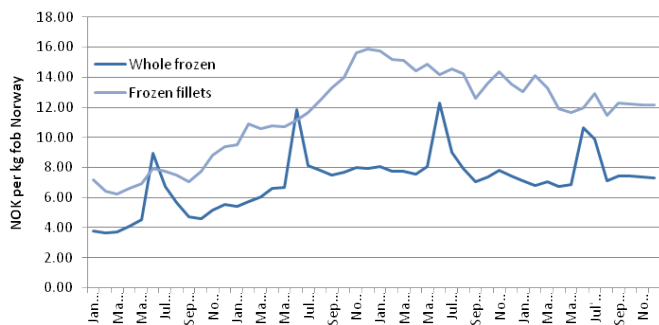
Source: Germany customs

Russia, which accounted for over 25% of total Norwegian herring exports. Exports to Russia actually fell by almost 50% in 2013, from NOK 250 million in 2012 to NOK 128 million in 2013. Norwegian herring exporters are losing their market share in East European and Asian markets.





Norwegian frozen herring export prices



Source: NSC/Central Bureau of Statistics, Norway

Imports

Fresh and Frozen Herring: Japan

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
USA	21.4	21.9	26.4	23.3	17.5	21.8
Russian Fed	0.5	4.3	5.0	4.1	4.0	4.8
Norway	3.9	2.7	2.8	3.1	1.8	2.3
Netherlands	0.6	0.6	0.6	0.2	0.4	0.3
Others	7.0	0.7	0.6	0.2	0.3	1.8
<b>Total</b>	<b>33.4</b>	<b>30.2</b>	<b>35.4</b>	<b>30.9</b>	<b>24.0</b>	<b>31.0</b>

Source: Japan Customs

Norwegian exports of frozen herring declined significantly in the first three quarters of 2013, from 142 300 tonnes in 2012 to 114 400 tonnes in 2013 (-20%). Most of this decline was due to reduced shipments to Ukraine and Russia. Shipments to Nigeria went down by 50%. Despite these trends, exports to the Netherlands went up by 37.5% during the period.

Dutch herring exporters fared much better. During the first nine months of 2013, Dutch exports of frozen herring went up by over 56%, to 86 100 tonnes. The largest market for Dutch herring was Nigeria, which accounted for a massive 50% of total Dutch exports, followed by Egypt (25%). Both of these countries showed very strong growth, while other markets were more stable.

Worldwide imports of frozen herring fillets into Germany dropped by 36% during the first nine months of 2013. Norway was the largest supplier, but experienced a 44% drop in shipments. The UK fared even worse, with their shipments of frozen herring fillets to Germany declining by 68%.

On the other side of the globe, the Japanese herring market showed strength as imports grew by 29% during the first three quarters of 2013. A total of 31 000 tonnes were imported during this period, and the largest supplier was the USA, supplying 21 800 tonnes (70% of the total).

Herring prices were relatively stable over the past three to four months. For whole frozen herring there has been a very slight downward trend, while for frozen fillets, the downward trend is more pronounced. However, since September last year, prices for fillets have also been relatively stable. The outlook now is that these prices will remain stable until about June, when a peak for whole frozen herring is usually experienced.

Recent trends: Russian herring market

The herring market in Russia experienced some turbulent developments in the course of the past year as well as in the beginning of 2014. The market, which was previously estimated to average 450 000 tonnes per year over the past ten years, has since experienced a decline to some 370 000 tonnes in 2012. According to various sources, 2013 witnessed a continued slow down to an estimated 330-350 000 tonnes. The main reasons for this decrease included reduced quotas for Atlantic herring as well as increased exports of Pacific herring, with both factors causing supplies to be lower. The predicted lack of herring as raw material for use by the processing industry has been accelerated by the import ban on Norwegian herring into Russia from 1 January 2014, which is resulting in the further shortage of Atlantic herring on the market.

Stocks of domestically caught Pacific herring are good in the Russian Far East. In fact, the catch of Pacific herring in the period 1 January–19 December 2013 increased to 434 000 tonnes, which is 3 000 tonnes more compared with the respective period in 2012. The total quota for Pacific herring for 2013 was previously set at up to 392 000 tonnes, of which 373 000 tonnes were for the commercial quota and the rest for research. In terms of specific Pacific herring species, in October 2013, the total quota for Korfo-Karaginskaya herring was revised down by 50 000 tonnes to 74 500 tonnes for the remainder of the year. Korfo-Karaginskaya and Oluterskaya herring are some of the largest populations of Pacific herring, and are very similar to Atlantic herring in term of their quality, size and fat content. For 2014, the quota for Korfo-Karaginskaya herring is estimated at 75 200 tonnes.

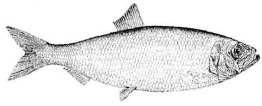
Capelin

The capelin fisheries in Iceland started in early January, and there have been reports of catches up to 1 200 tonnes. However, bad weather has hampered fishing activities at times. The Icelandic vessels are using trawl, whereas the Norwegians are not allowed this gear type and will have to wait until late January/early February to start fishing for capelin with nets only.

Canned sardines

In Peru, anchovy fishing amounts to about 6 million tonnes a year. However, it is now said that as much as one million tonnes is illegally caught.

The Chilean ban on fishing sardines in certain areas



**Imports**

**Canned sardine: Germany**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Morocco	6.7	4.9	4.1	2.9	3.4	3.4
Peru	0.3	0.3	0.7	0.6	1.3	0.9
Netherlands	0.4	0.6	0.5	0.6	0.3	0.4
Others	1.0	0.3	0.4	0.6	0.5	0.2
<b>Total</b>	<b>8.4</b>	<b>6.1</b>	<b>5.7</b>	<b>4.7</b>	<b>5.5</b>	<b>4.9</b>

Source: Germany customs

**Imports**

**Canned sardine: USA**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Poland	1.0	0.9	2.5	3.6	2.8	4.0
Thailand	3.4	4.4	3.5	4.0	5.0	3.4
Morocco	2.5	2.7	2.7	2.4	2.6	3.1
Ecuador	1.9	2.3	2.2	1.7	3.1	3.0
Canada	4.8	5.0	5.2	4.9	2.9	2.6
China	0.0	0.6	1.0	1.1	1.7	1.3
Philippines	1.2	1.3	1.2	1.9	1.5	1.1
Others	5.3	7.6	6.0	2.0	2.4	2.3
<b>TOTAL</b>	<b>20.1</b>	<b>24.7</b>	<b>24.3</b>	<b>21.6</b>	<b>22.0</b>	<b>20.8</b>

Source: NMFS

(between the regions of O'Higgins and Los Lagos) was extended towards the end of last year. The ban will now remain in effect until March 2014. This measure was deemed necessary to protect the spawning stock in this region. The Chilean company Corpesca SA commissioned a scientific report on the status of the anchovy stocks in Northern Chile last year, and in January the report was published. The findings support the decision of the company to suspend its anchovy fishing in the region. However, a follow-up study is being carried out at the end of January, and this will be used to decide whether or not to reopen the fishery.

Chile is in for a tough year, as several species have faced quota cuts. In the south of the country, the anchovy quota was cut by almost 65% compared with the 2013 season. The sardine quota was also cut drastically, by 38% to 373 000 tonnes.

In the USA, the sudden and rather drastic fall in landings of sardines on the west coast has caused a lot of concern about the state of the stocks. The sardine population is estimated to have been reduced by over 70% since 2006, and this has led to dramatic reductions in harvest limits. It is not clear whether this drop in the sardine population should be blamed on overfishing, climate changes or perhaps both.

**Imports**

**Canned sardine: UK**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Morocco	4.2	3.5	3.4	1.9	2.7	3.3
Portugal	4.6	3.4	3.7	3.8	3.6	2.9
Thailand	1.4	0.6	2.6	1.9	3.8	2.4
Others	1.1	1.1	0.7	0.4	0.1	0.6
<b>Total</b>	<b>11.3</b>	<b>8.6</b>	<b>10.4</b>	<b>8.0</b>	<b>10.2</b>	<b>9.2</b>

Source: Her Majesty's Revenue & Customs

Namibia announced in January that it has put the pilchard quota to zero for 2014. Pelagic operators will now concentrate on sardinella, anchovy and inshore horse mackerel, all classified as industrial fish species. Namibia's government has long pursued a cautionary policy in the interest of conservation and sustainability, and apparently the pelagic sector is in line with this.

The canned sardine market is rather calm at the moment. Imports into Germany were slightly down (-11%) during the first three quarters. Morocco is the number one supplier, as it has been for years. In France, imports grew during the period, from 11 000 tonnes in 2012 to 13 200 tonnes in 2013 (+20%). Again, Morocco is the main supplier, and Morocco seems to have strengthened its position on this market over the past year. The UK canned sardine market is stagnant, and imports fell by 10% during the first nine months of 2013, to 9 200 tonnes. Morocco is the main supplier, but its position is not as dominant as in some other European markets.

The US market for canned sardines is interesting in the sense that imports are rather high, though the leading suppliers are different from most European markets with suppliers including Poland, Thailand, and Morocco, though Canada and Ecuador are also important. Imports from January through September 2013 fell by 5.5% compared to the same period in 2012.

**Outlook**

The supply situation for mackerel remains optimistic, while there is concern that supplies of herring may decline somewhat in the coming year. For other species, such as horse mackerel and sardines, supplies will be tighter, as Namibia has introduced a zero quota on small pelagics in inshore waters, and South American countries have also reduced quotas. There is good demand in most markets, and particularly Japan seems to be in the market for herring; imports have increased substantially, and are expected to remain high.

Prices have been rather stagnants over the past three or four months, and this is expected to continue. If any changes occur, they would include a slight increase in herring prices and a slight decline in mackerel prices. Prices for horse mackerel are expected to rise moderately.

## Outlook strong for fishmeal demand and prices in 2014

Long-term supplies of whole fish from wild sources available for fishmeal are falling due to political decisions regarding a number of important stocks for which direct human consumption is seen as preferable over reduction to fishmeal. However, the increased use of by-products from filleting operations, which currently makes up about 25% of fishmeal (though some recent estimates indicate it is between 30 and 40%), has insured a steady supply for fishmeal producers. Thus, demand side pressures from a growing aquaculture sector and steady demand for terrestrial animal feeds is maintaining pressure on fishmeal prices. Eventually, aquaculture and terrestrial animal farmers will likely substitute more plant-based meals into animal and fish feeds, especially as the price differential between fishmeal and soybean meal continues to grow.

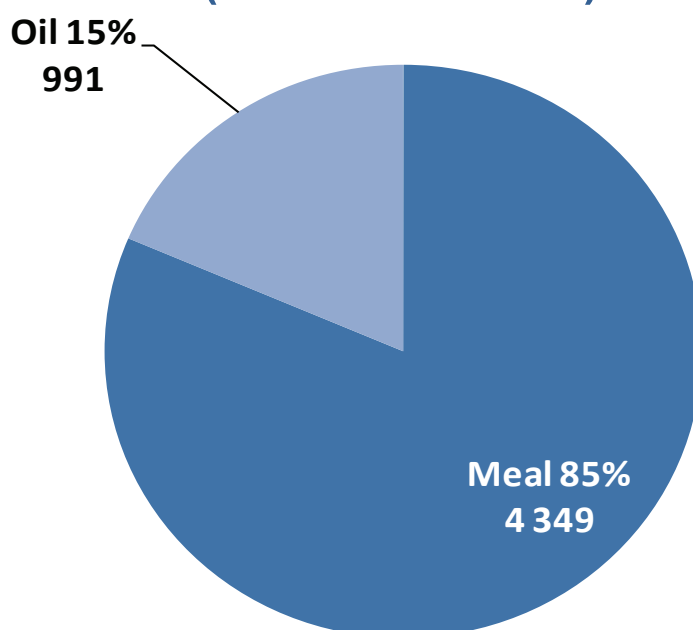
### Production

Fishmeal production by the top five producers fell 11% during the first nine months in 2013 compared with the same period in 2012. This was mainly due to a decline in Latin American production from the El Nino effects and quota restrictions. Total fishmeal production of Peru and Chile in 2013 dropped to 799 000 tonnes, the lowest level over the last five years. Higher production in Northern Europe only slightly offset the decline in Latin America production due to the importance of Peru and Chile in the global fishmeal supply chain. Adverse weather conditions continued to hinder fishing in Iceland, Denmark and

Norway at the end of 2013. Though stocks of standard fishmeal were available through the end of the year, high quality fishmeal has been limited.

Chile announced lower fishing quotas for 2014. In the north, there is a slight decrease in the quota for anchovies, set at 750 000 tonnes, while in the south, the anchovy quota is set significantly lower, at 42 200 tonnes. The sardine quota was also reduced, from 605 000 in 2013 to 373 000 tonnes in 2014. It is anticipated that the Peruvian anchovy quotas will return to more normal levels in 2014.

## Meal and oil processed production (2009) (in 1 000 tonnes)



Source: FAO



## Production

### Fishmeal: 5 major producers

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Peru/Chile	1451	1442	1281	1502	1066	799
Denmark/ Norway	253	230	381	183	80	177
Iceland	213	178	202	92	158	133
<b>Total</b>	<b>1917</b>	<b>1850</b>	<b>1751</b>	<b>1808</b>	<b>1390</b>	<b>1235</b>

Source: IFFO

\* these figures refer only to IFFO member countries

## Exports

### Fishmeal: Peru

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	751.3	670.1	527.2	678.7	590.6	400.1
Germany	143.7	206.9	121.0	104.2	164.5	78.1
Japan	114.6	101.6	102.3	75.2	94.3	37.9
Taiwan PC	35.3	54.4	28.8	34.1	45.6	12.5
Viet Nam	55.3	61.4	34.8	40.5	50.7	11.6
UK	NA	48.4	26.3	23.0	18.4	8.9
Others	239.2	193.6	135.3	151.9	176.4	96.7
<b>Total</b>	<b>1339.4</b>	<b>1336.4</b>	<b>975.7</b>	<b>1107.6</b>	<b>1140.5</b>	<b>645.8</b>

Source: Produce

## Exports

### Fishmeal: Chile

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
China	210.5	291.5	110.3	109.1	93.4	78.4
Japan	39.1	52.1	47.0	26.6	24.4	19.7
Spain	19.1	23.4	20.7	14.5	2.0	13.0
Republic of Korea	20.0	25.1	16.2	12.9	16.4	10.6
Italy	18.2	19.9	14.2	11.1	9.9	9.0
Taiwan PC	27.9	19.1	5.1	10.9	9.4	2.6
Germany	11.8	30.2	11.5	15.3	15.7	0.5
Others	46.7	72.2	51.8	38.6	65.5	45.5
<b>Total</b>	<b>393.3</b>	<b>533.5</b>	<b>276.8</b>	<b>238.9</b>	<b>236.7</b>	<b>179.2</b>

Source: Produce

## Exports

### Latin America

Peruvian fishmeal exports were reported at 645 800 tonnes in 2013, a drop of 43% compared with 2012 production. Peruvian exports to Germany reported a 53% decline. Exports to Asian countries, notably China, Japan, Taiwan PC and Viet Nam also fell significantly.

Chilean exports declined by 24% with decreased exports spread over its major importers.

## Markets

### Germany

Germany reported total fishmeal imports of 172 400 tonnes in 2013, a 71% increase over 2012 imports. Major suppliers continued to be Peru, Chile, and Morocco, which combined accounted for 80% of German fishmeal imports in 2013.

## Imports

### Fishmeal: Germany

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Peru	150.3	106.6	203.8	113.0	54.7	98.1
Morocco	0.0	1.8	0.0	26.6	19.2	22.2
Chile	4.0	2.0	15.5	3.5	10.1	17.8
Panama	0.5	2.9	2.2	0.2	0.0	7.9
Denmark	2.9	2.6	8.8	12.8	11.0	6.0
S. Africa	0.0	0.0	0.0	0.0	0.0	5.5
France	1.7	2.9	3.2	2.6	3.0	3.6
Iceland	0.0	7.5	0.0	0.0	1.5	1.3
Others	2.6	2.9	13.8	9.6	1.5	10.0
<b>Total</b>	<b>162.0</b>	<b>129.2</b>	<b>247.3</b>	<b>168.3</b>	<b>101.0</b>	<b>172.4</b>

Source: Germany Customs

## USA

US demand for fishmeal was up slightly in 2013. Imports from traditional markets of Chile, Mexico and Canada remained steady in the face of robust US demand for terrestrial meat products, which relates back to strong derived demand for fishmeal used in terrestrial animal feeds.



## UK

UK fishmeal imports declined 21% in 2013, most significantly from Peru due to strict quotas and decreased product availability in 2013.

### Imports

#### Fishmeal\*: USA

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Mexico	17.5	14.9	5.0	9.0	11.4	14.1
Chile	4.0	5.2	11.4	8.1	13.2	11.3
Canada	3.4	4.8	5.0	4.4	3.6	3.2
Others	4.7	3.8	6.8	3.0	4.3	5.0
<b>Total</b>	<b>29.6</b>	<b>28.7</b>	<b>28.2</b>	<b>24.5</b>	<b>32.5</b>	<b>33.6</b>

Source: NMFS \* excluding solubles

### Imports

#### Fishmeal: UK

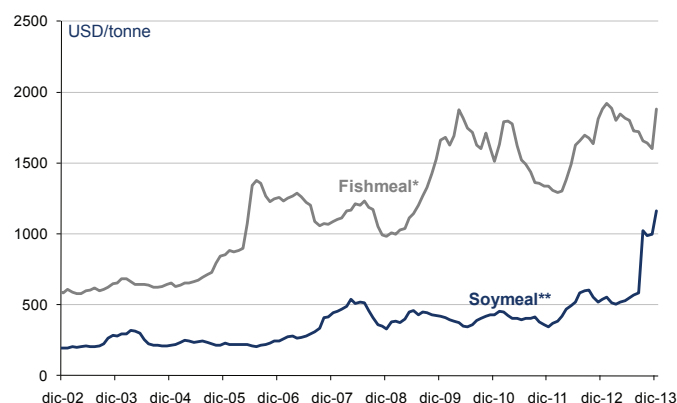
	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Denmark	20.9	11.6	23.1	18.3	7.2	9.9
Ireland	11.1	18.7	10.2	2.1	5.7	8.6
Peru	18.2	41.5	23.6	21.9	21.6	6.9
Germany	8.3	2.3	11.3	11.5	7.4	5.8
Norway	2.6	1.3	3.7	3.1	0.0	2.2
Iceland	7.1	na	2.7	2.5	7.3	0.7
Others	11.3	7.8	4.4	6.2	10.1	12.9
<b>Total</b>	<b>79.5</b>	<b>83.2</b>	<b>79.0</b>	<b>65.6</b>	<b>59.3</b>	<b>47.0</b>

Source: Her Majesty's Revenue & Customs

## Prices

Although the fishmeal price of USD 1 800 per tonne recorded in December 2013 remained level with the fishmeal price for December 2012, it is expected that the steady rise of fishmeal prices since 2004, totaling 175% between December 2004 and December 2013, will continue into the future. This is primarily due to static supply of wild marine resources used to produce fishmeal facing steadily rising demand. Although there has been an increased utilization of by-products, especially by

## Prices Fishmeal and Soymeal



Source: Oil World, GLOBEFISH

\* all origins, 64-65% cif Hamburg; 44% cif Rotterdam

aquaculture producers in northern Europe and some fish farmers in Asia, this has not been enough to match the steady rise in global fishmeal demand. It is anticipated that the growing divergence between fishmeal price and soybean meal price will encourage further substitutions of plant based materials into terrestrial animal feeds, thus freeing limited supplies of fishmeal to meet the growing demand from the aquaculture sector.

## Outlook

Demand for fishmeal remains strong both from terrestrial animal producers and aquaculture. Some substitution has occurred between fishmeal and plant sources such as soybean meal, in response to the growing divergence between fishmeal and soybean meal prices. However, the growing global demand for farmed seafood, both due to population growth and rising acceptability of farmed fish by consumers, is expected to drive the fishmeal market in the future. Generally, consumers are becoming more aware of the health benefits of fish, including farmed fish and the more efficient feed conversion ratio of farmed fish relative to other protein sources such as beef and pork.

It remains to be seen what role quotas will play in the coming season, as well as reforms of the European Union's Common Fisheries Policy, especially as it relates to requirements for traceability of wild caught fish. Currently, the IFFO Responsible Supply Standard certifies 40% of fishmeal production, and this percentage is likely to increase in the coming years. The impact of EU reforms to take force in 2014 with a complete ban on discards for quota stocks by 2019 will prove especially interesting. However, given the growing importance of Asian aquaculture producers, especially China, in the market for fishmeal, the new EU regulations are not likely to have any significant impact on the global fishmeal trade.

## Strong demand and supply constraints are expected to underpin fish oil price

### Production

#### Fish oil: main exporters

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Peru/Chile	285	310	193	306	257	193
Denmark/Norway	70	55	83	57	30	53
Iceland	57	30	56	42	62	58
<b>Total</b>	<b>400</b>	<b>395</b>	<b>331</b>	<b>408</b>	<b>353</b>	<b>386</b>

Source: IFFO

\* these figures refer only to IFFO member countries

Fish oil price is expected to hold in the first quarter of 2014, based on strong aquaculture demand coupled with supply constraints in the anchovy fisheries of Latin America. The Gulf menhaden fishery is anticipated to maintain its high level of fish oil supply and exports achieved in 2013, based on a recent positive stock assessment that recommends harvests can be kept at current levels.

### Production

Production of fish oil was up 9% between 2012 and 2013, with a total of 386 000 tonnes reported for the first nine months of 2013. Latin America remained an important source of Omega-3 production, especially for human consumption, as this product is highly dependent on anchovy fisheries. With recent announcements of major quota reductions in 2014 for anchovy fisheries in northern and southern Chile, this could have implications for the supply of fish oil later in the year, especially for omega-3 producers and fish farmers. However, Peru slightly raised its anchovy quota for 2014 back to more normal levels, following last year's El Nino reductions.

### Exports USA

The USA's fish oil exports of 55 400 tonnes in 2013 are up 66% compared with 2012. The bulk of this increase came from the Gulf menhaden fishery, which posted a 143% increase in fish oil exports in 2013 compared with the year before. Recently, the results of a three year stock assessment provided good news about the status of the Gulf menhaden fishery, with findings demonstrating that the menhaden stock is healthy at current harvest levels.

### Latin America

Peruvian exports of fish oil fell 70% in 2013 compared

### Exports

#### Fish oil: USA

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Menhaden	31.5	24.9	44.7	34.0	17.1	41.5
Other	9.5	14.2	11.2	15.9	16.2	13.9
<b>Total</b>	<b>41.0</b>	<b>39.1</b>	<b>55.9</b>	<b>49.9</b>	<b>33.3</b>	<b>55.4</b>

Source: NMFS

### Exports

#### Fishoil: Peru

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Denmark	22.0	64.7	30.6	52.8	80.3	28.1
Belgium	46.3	59.6	36.1	40.1	49.1	19.8
Chile	48.5	16.5	50.2	10.6	37.0	11.8
Australia	6.0	8.2	8.1	5.2	4.1	4.5
China	0.4	22.4	10.9	8.9	0.7	3.0
Norway	31.4	15.2	11.7	5.9	17.3	1.4
Canada	16.5	15.3	16.8	10.6	30.4	0.5
Others	17.2	28.0	22.7	50.8	46.9	9.6
<b>Total</b>	<b>188.3</b>	<b>229.9</b>	<b>187.0</b>	<b>184.9</b>	<b>265.8</b>	<b>78.6</b>

Source: Produce \* included under "others"

with 2012 levels. This was the result of an El Nino year and related quota restrictions. Denmark and Belgium imported significantly smaller amounts of Peruvian fish oil exports in 2013, the lowest levels in the last five years. Chilean fish oil exports rose only 7% compared with the previous year, with exports to Denmark and Belgium falling, while China increased its uptake of Chilean fish oil in 2013.

### Outlook

Strong salmon prices at the end of 2013, which were significantly higher than in 2012, coupled with warmer than usual temperatures in northern Europe in the beginning of 2014, may drive up demand for fish oil by salmon farmers in Northern Europe. This could exert more pressure on the already high price of fish oil. Although the price of fish oil has not risen significantly over the last year, the December 2013 price of USD 2 350, is notably 57% higher than the price of December 2011. Given expected supply constraints in Latin America in 2014 and continually rising demand for fish oil by aquaculture and direct human consumption, it is unlikely that price of fish oil will return to 2011 levels anytime soon.

## Stable European demand for bivalves with signs of vulnerability in a context of environmental changes

Several signs of the vulnerability of shellfish to environmental changes have been quite visible during 2013. The French oyster farming industry has been hit once more by deadly bacteria fatal to the mollusc, with high mortality of adult shells. To address the impact of global warming on shellfish, researchers from several EU nations have gathered in a multi-million euro funded program called CACHE (Calcium in a Changing Environment). In terms of markets, international trade remains quite strong. China's imports of shellfish have increased and US imports have increased as well, other than for mussels. In Europe, imports and consumption have proved stable. Globally, certification for environmentally sustainable practices and organic production is rising.

### Mussels

During the first nine months of 2013, total imports of mussels in the EU-27 market reached 152 700 tonnes, which reflects a stabilization compared with the same period in 2012. However, 2013 imports demonstrate a severe drop of 11% when compared with the same period in 2011, when imports were at 171 600 tonnes. Given that the average per annum over this six year period (2008-2013) is estimated at 154 000 tonnes, it is likely that 2011 was an exceptional year and as such is an outlier, with 2013 considered to be a more normal year.

Chile is the leading supplier, with a 22.6% market share having supplied 34 500 tonnes during the first 9 months of 2013. Chile is by far the leading non-European supplier with an 88% share of total non-European imports. Chile performed exceptionally well in the first nine months of 2013, supplying a record of 46 400 tonnes into the EU-27. The Netherlands is the second largest supplier, and for the first nine months of 2013 was responsible for a 21% share of all imports.

As part of total mussel imports, internal EU-27 mussel supplies declined slightly from 75.5% in 2012 to 74.2% in 2013.

France is EU's number one import country and holds a 28% market share. Purchases have slightly dropped from 44 700 tonnes during the nine first months in 2012 to 42 500 tonnes during the same period in 2013. By contrast, Italy's imports increased by 3 400 tonnes, to reach 28 800 tonnes, giving Italy a 19% market share and making it the second largest import country. Spain's imports have increased by 4 600 tonnes, importing a total of 20 500 tonnes and ranking third for imports, sharing this position with Belgium. The Netherlands come next in imports, holding a 13% market share. These numbers demonstrate that demand for mussels is rather concentrated, as five countries out of 27 are responsible for roughly 85% of total imports.

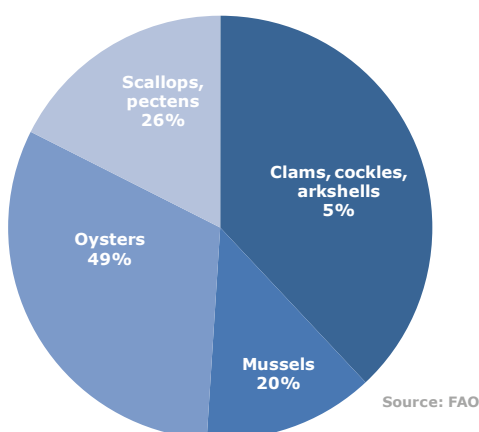
In France, a new investigation to understand the position of mussels on the domestic market and consumers' motivation to buy the product was commissioned by FranceAgriMer, the public body in charge of seafood promotion. Results will be released in September 2014.

Globally, volumes imported dropped modestly by 3 200 tonnes, equivalent to a 1.5% decline when comparing the first nine months of the year with the same period in 2012. This was observed in France (-2 200 tonnes) Germany (-4 100 tonnes) and Russia (-400 tonnes), which is a newly targeted country by Chile (see GH July 2013). By contrast, purchases increased in Spain and Italy, as mentioned above.

From an export perspective, the most noticeable changes were observed in New Zealand, which showed a drop of 4 600 tonnes (+18.4%), and a sharp increase in Denmark exports of 5 300 tonnes (+56.2%).

In sustainability news, The Norlantic Processors Ltd. (NPL) plant in New Foundland, Canada, is the first

**Bivalves production (2010)**  
(in tonnes)




**Imports/Exports  
Mussel: World**

	Jan-Sep	
	2012	2013
	(1 000 tonnes)	
<b>IMPORTS</b>		
France	44.7	42.6
Italy	25.4	28.8
USA	26.5	24.8
Spain	15.9	20.5
Belgium	21.1	20.4
Netherlands	19.6	17.8
Germany	13.6	9.4
Russia	6.9	6.5
UK	4.9	4.4
<b>Total</b>	<b>213.0*</b>	<b>209.8*</b>
<b>EXPORTS</b>		
Chile	50.7	55.9
Netherlands	32.4	32.6
Spain	29.2	26.7
New Zealand	25.1	20.5
Denmark	9.5	15.1
Canada	12.6	12.4
Italy	8.1	10.2
Ireland	11.8	9.7
Greece	9.9	9.5
China	5.1	6.3
UK	9.3	5.9
<b>Total</b>	<b>223.9</b>	<b>223.0*</b>

Source: GTIS

\* estimates

in the world to receive the Best Aquaculture Practices (BAP) certification for mussels (January 2014). The NPL plant had gone through a rigorous process, and officially received the certification in late November, as announced by the Global Aquaculture Alliance. In addition to the processing plant, the company also has three mussel farm sites totalling 728 hectares and is considering pursuing BAP certification for its mussel farms in the future. The company currently produces around a million pounds of blue mussels per year, and the product is marketed to customers throughout North America under the NPL brand. (Source: CBC News).

On 29 October 2013, the blue mussel *Mytilus edulis* fishery in the Wadden Sea of Lower Saxony was awarded MSC certification. The fishery combines mussel dredge and suspended ropes and nets. The mussels harvested from beds and nets are grown to maturity in designated "culture plots" before being marketed. Though the

**Imports  
Mussels: EU-27**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
France*	44.9	43.7	51.8	48.7	44.7	42.6
Italy*	26.0	26.5	22.4	24.9	25.4	28.8
Spain*	15.0	13.0	15.5	22.4	15.9	20.5
Belgium	21.5	22.4	22.3	21.4	21.1	20.4
Netherlands	20.4	13.9	15.2	26.4	19.6	17.8
Germany*	9.2	8.7	7.1	11.4	13.6	9.4
UK*	4.8	4.6	5.4	6.0	4.9	4.4
Portugal	3.2	2.4	2.5	3.4	2.1	2.9
Others	8.9	9.7	6.9	6.9	6.2	5.9
<b>Total</b>	<b>153.9</b>	<b>145.0</b>	<b>149.0</b>	<b>171.6</b>	<b>153.5</b>	<b>152.7</b>

Source: EUROSTAT and Customs\*

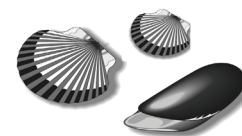
**Imports  
Mussels: EU-27 (by country of origin and destination)**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>IMPORTS</b>						
Chile	34.7	23.4	31.4	46.4	31.9	34.5
Netherlands	30.5	34.1	34.3	34.6	33.7	32.0
Spain*	24.1	27.0	24.3	21.4	26.2	25.6
Denmark	10.9	8.9	8.2	10.3	13.0	12.4
Italy*	3.9	4.8	7.2	6.6	7.0	10.9
Greece	9.9	12.0	6.7	7.8	9.4	9.9
Ireland	13.3	10.0	14.1	12.1	10.6	8.0
UK*	6.3	6.3	7.2	4.8	8.4	6.8
Others	20.3	18.5	15.7	27.7	13.5	12.5
<b>Grand Total</b>	<b>153.9**</b>	<b>145.1**</b>	<b>149.0**</b>	<b>171.7**</b>	<b>153.5**</b>	<b>152.7**</b>
<b>Total Intra</b>	<b>108.8</b>	<b>111.6</b>	<b>109.6</b>	<b>116.6</b>	<b>115.9</b>	<b>113.3</b>
<b>Total Extra</b>	<b>45.1**</b>	<b>28.5**</b>	<b>39.4**</b>	<b>55.1**</b>	<b>37.6**</b>	<b>39.4**</b>
<b>EXPORTS</b>						
France*	36.1	33.2	41.1	37.4	38.8	32.3
Italy*	21.1	20.8	15.5	16.5	20.0	21.4
Belgium	17.6	17.5	18.9	17.0	18.0	18.0
Netherlands	18.5	17.7	14.7	25.7	19.8	17.3
Germany*	5.5	5.9	6.3	5.2	5.8	8.1
Spain*	5.0	5.4	5.7	7.6	5.8	6.9
Others	14.6	11.3	19.6	10.7	12.2	12.6
<b>Grand Total</b>	<b>118.4</b>	<b>111.9</b>	<b>121.8</b>	<b>120.1</b>	<b>120.5</b>	<b>116.6</b>
<b>Total Intra</b>	<b>115.8</b>	<b>110.0</b>	<b>119.8</b>	<b>118.1</b>	<b>117.7</b>	<b>114.1</b>
<b>Total Extra</b>	<b>2.6</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	<b>2.8</b>	<b>2.5</b>

Source: EUROSTAT and Customs\*

\*\* estimates





## Imports

### Mussels: France

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Netherlands	9.6	9.7	11.0	11.6	10.4	9.7
Spain	10.7	12.3	10.8	10.5	11.2	8.7
Italy	2.7	2.4	5.2	4.6	3.6	6.5
Chile	8.5	6.7	9.1	11.0	9.9	7.8
UK	1.6	1.9	2.0	1.6	2.0	2.8
Ireland	5.0	4.1	7.6	5.2	3.2	1.9
Greece	3.0	3.8	2.8	2.3	2.4	2.3
Denmark	1.9	1.3	1.7	0.6	0.9	1.5
Others	1.9	1.5	1.6	1.3	1.1	1.3
<b>Total</b>	<b>44.9</b>	<b>43.7</b>	<b>51.8</b>	<b>48.7</b>	<b>44.7</b>	<b>42.5</b>

Source: Direction Nationale des Statistiques du Commerce Extérieur – DNSCE

## Imports

### Mussels: Italy

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Spain	9.6	11.5	9.4	7.7	12.0	13.6
Chile	6.5	3.8	5.9	8.6	5.2	6.1
Greece	6.2	7.1	3.4	5.5	6.8	7.1
Ireland	0.7	0.7	1.0	0.6	0.4	0.7
Others	3.0	3.4	2.7	2.5	1.0	1.3
<b>Total</b>	<b>26.0</b>	<b>26.5</b>	<b>22.4</b>	<b>24.9</b>	<b>25.4</b>	<b>28.8</b>

Source: ISTAT

Wadden Sea of Lower Saxony is a national park and has restrictions on commercial activity, the MSC reported that fishers landed 1 070 tonnes of mussels in 2010.

According to FIS.com, a new research project involving Aarhus University, Danish Shellfish Centre and Lumino A/S is looking into whether starfish and mussels could be used as alternative protein sources for laying hens and young pigs and whether it is economically viable. Mussels and starfish fished from the bottom of Danish fjords were trialed in the feed for six fistulated pigs at Aarhus University's research center. Researchers note that because mussels remove nutrients from fjords, they have the potential to make an important contribution in reducing the impact of pollution on the fjords while providing an important protein source. This potential is also significant as mussel production has been modernised and production costs have declined, making it a more viable option.

In December, the EU commission amended specific

## Imports

### Mussels: Spain

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Chile	8.7	7.7	9.5	16.7	10.4	13.7
New Zealand	1.9	1.8	2.1	2.3	1.4	1.0
France	1.7	1.0	1.7	1.1	1.1	1.2
Others	2.7	2.5	2.2	2.3	3.0	4.6
<b>Total</b>	<b>15.0</b>	<b>13.0</b>	<b>15.5</b>	<b>22.4</b>	<b>15.9</b>	<b>20.5</b>

Source: Agencia Tributaria

regulation and softened conditions relating to organic shellfish aquaculture due to the difficulties producers meet in obtaining organic shellfish seed. According to regulation (EU) No 1364/2013 of 17 December 2013, the maximum percentage of seed from non-organic bivalve shellfish hatcheries that can be introduced in organic production units was designated at 50% until 31 December 2014. By 31 December 2015, all seed must be organic.

## Scallops

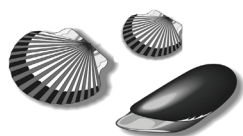
### EU Imports

With 36 300 tonnes imported in the first nine months of 2013, the EU shows stabilisation (+0.9%) compared with the same period in 2012. The UK is the main supplier, providing 8 400 tonnes. France is the second supplier, having sold 5 100 tonnes to the EU. Peru and the USA are the third and fourth respective suppliers. Total non-EU supplies account for 46.5% of total imports.

Globally, scallop imports have jumped by 18.8% over the first nine months in 2013 compared with the same period in 2012, meaning an increase of almost 120 000 tonnes. China is the number one importer, recording an 81% increase of 10 000 tonnes compared with same period in 2012.

France, the third largest importer, remained rather stable in 2013, importing 14 300 tonnes. Interestingly, China and the USA, both main importers, are also the largest exporters, responsible together for 37% of total world exports over the first 9 months of 2013.

Spain is a moderate importer of scallops and in the first nine months of 2013 showed signs of recovery with a 30.6% increase compared with the same period in 2012, an increase of 1 500 tonnes. 2013 was still far from Spain's 2008 peak year when 9 300 tonnes were imported. Spain's main suppliers remain France and the UK, with Italy only providing 800 tonnes, a fifth of the amount compared with five years earlier.


**Imports/Exports  
Scallop: World**

	Jan-Sep	
	2012	2013
	(1 000 tonnes)	
<b>IMPORTS</b>		
China	12.4	22.4
USA	11.2	19.6
France	13.6	14.3
Hong Kong	5.5	8.0
Republic of Korea	7.3	6.8
Spain	5.0	6.5
Taiwan	4.6	5.3
Ukraine	3.5	5.3
Italy	4.5	4.5
Canada	4.0	4.2
<b>Total</b>	<b>101.2*</b>	<b>120.0*</b>
<b>EXPORTS</b>		
China	20.6	21.4
USA	10.9	9.2
Peru	3.5	8.5
Ukraine	10.0	8.4
Canada	4.1	5.6
Argentina	3.5	4.6
Japan	4.2	3.5
Belgium	2.5	2.9
Taiwan	1.8	2.2
Hong Kong	1.4	2.1
<b>Total</b>	<b>83.3*</b>	<b>82.7*</b>

Source: GTIS

\* estimates

**Imports  
Scallops: France**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
UK	2.3	3.3	2.6	2.9	2.7	3.2
Peru	2.2	3.4	5.1	4.4	2.4	3.3
USA	2.7	4.0	2.6	3.2	2.3	2.2
Argentina	4.3	3.7	4.7	3.7	2.7	2.5
Canada	1.6	1.1	1.2	1.1	0.7	1.0
Viet Nam	0.4	0.2	0.8	0.4	0.6	0.3
Chile	1.4	1.6	0.8	0.5	0.4	0.1
Others	2.8	1.5	2.1	2.3	1.7	1.4
<b>Total</b>	<b>17.7</b>	<b>18.8</b>	<b>19.9</b>	<b>18.5</b>	<b>13.5</b>	<b>14.0</b>

Source: Direction Nationale des Statistiques du Commerce  
Extérieur – DNSCE

**Imports  
Scallops EU**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
France*	17.7	18.8	19.9	18.5	13.5	14.0
Spain*	9.3	8.6	7.6	7.2	4.9	6.4
Italy*	4.2	3.8	4.6	4.8	4.5	4.5
Belgium	3.4	2.5	3.6	3.9	2.9	2.9
Denmark	0.6	0.6	0.7	1.6	2.0	2.0
Netherlands	1.7	1.8	2.4	1.8	3.5	1.8
Others	4.8	5.6	5.7	5.3	4.7	4.6
<b>Total</b>	<b>41.6</b>	<b>41.8</b>	<b>44.5</b>	<b>43.1</b>	<b>35.9</b>	<b>36.3</b>

Source : EUROSTAT and Customs\*

**Imports  
Scallop: EU-27 (by country of origin)**

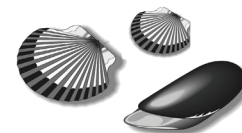
	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
<b>IMPORTS</b>						
UK*	5.8	6.6	6.5	7.4	9.6	8.4
France	4.1	4.2	4.3	4.3	3.2	5.1
Peru	3.5	4.6	7.3	6.0	3.3	4.6
USA*	5.1	6.7	5.6	6.7	5.1	4.5
Argentina	5.3	4.0	5.1	4.0	2.7	2.6
Others	17.8	15.7	15.8	14.7	12.0	11.3
<b>Grand Total</b>	<b>41.6</b>	<b>41.8</b>	<b>44.5</b>	<b>43.1</b>	<b>35.9</b>	<b>36.3</b>
<b>Total Intra</b>	<b>19.3</b>	<b>20.1</b>	<b>18.6</b>	<b>19.5</b>	<b>18.7</b>	<b>19.4</b>
<b>Total Extra</b>	<b>22.3</b>	<b>21.7</b>	<b>25.9</b>	<b>23.6</b>	<b>17.2</b>	<b>16.9</b>
<b>EXPORTS</b>						
<b>Grand Total</b>	<b>20.3</b>	<b>20.4</b>	<b>25.4</b>	<b>27.4</b>	<b>22.5</b>	<b>19.5</b>
<b>Total Intra</b>	<b>19.7</b>	<b>19.9</b>	<b>24.8</b>	<b>26.3</b>	<b>21.0</b>	<b>18.2</b>
<b>Total Extra</b>	<b>0.6</b>	<b>0.4</b>	<b>0.6</b>	<b>1.0</b>	<b>1.5</b>	<b>1.2</b>

Source : EUROSTAT and Customs\*

**Imports  
Scallops: Italy**

	Jan-Sep					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
UK	1.8	2.0	2.3	2.6	2.7	2.6
France	0.8	0.6	0.9	0.8	0.7	0.6
Peru	0.4	0.3	0.3	0.4	0.3	0.3
Spain	0.4	0.1	0.2	0.3	0.2	0.1
Others	0.8	0.8	0.9	0.7	0.6	0.9
<b>Total</b>	<b>4.2</b>	<b>3.8</b>	<b>4.6</b>	<b>4.8</b>	<b>4.5</b>	<b>4.5</b>

Source: ISTAT



## Imports

### Scallops: Spain

	2008	2009	Jan-Sep		2012	2013
			2010	2011		
	(1 000 tonnes)					
France	2.0	1.8	2.2	2.3	1.5	3.5
UK	1.1	0.7	1.0	0.8	1.1	1.1
Italy	4.7	4.2	3.0	2.6	1.3	0.8
Netherlands	0.3	0.2	0.5	0.2	0.2	0.2
Others	1.2	1.7	0.9	1.3	0.8	0.8
<b>Total</b>	<b>9.3</b>	<b>8.6</b>	<b>7.6</b>	<b>7.2</b>	<b>4.9</b>	<b>6.4</b>

Source: Agencia Tributaria

Regarding certification, in October 2013, a Faroe Island's queen scallops (*Aequipecten opercularis*) fishery was certified sustainable by the MSC. This fishery operates in zone FAO statistical area/s 27, ICEA area Vb1b. Their main products are the shells (calcium) sold in the Netherlands, the mussels sold in France and other by-products also sold in France. Their scallop production reached 4 667.7 tonnes in 2011.

## Imports/Exports

### Oyster: World

	Jan-Sep	
	2012	2013
	(1 000 tonnes)	
<b>IMPORTS</b>		
USA	6.3	7.5
Japan	6.2	6.2
Hong Kong	4.1	4.9
Italy	3.7	3.5
France	2.2	2.3
Canada	1.8	2.0
Singapore	1.0	1.1
Belgium	1.0	1.1
<b>Total</b>	<b>34.9*</b>	<b>36.1*</b>
<b>EXPORTS</b>		
Republic of Korea	6.0	8.1
China	6.8	6.7
France	4.8	5.3
Canada	2.5	2.8
USA	2.6	2.7
Ireland	1.8	2.5
Netherlands	1.8	1.4
<b>Total</b>	<b>33.9*</b>	<b>37.2*</b>

Source: GTIS

\* estimates

## Oysters

Production in France, Europe's largest oyster producing and market country, is facing difficulty. After the dramatic appearance in 2008 of the oysters' herpes virus type 1 (OsHV-1), which caused mortality in juvenile oysters and spread along the French coast, another bacteria (*Vibrio aesturianus*), has proven deadly for oysters, causing mortality in several basins during the summer 2013.

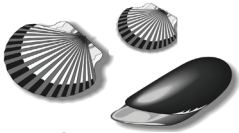
As a result, France has experienced a severe drop in production, from officially declaring 126 000 tonnes in 2006 to 84 000 tonnes in 2011, and a subsequent severe increase in price. According to the National Statistical Body INSEE, the retail price for an average size live oyster increased from EUR 6.4 per kg in December 2008 to EUR 9.6 in December 2013, a 50% price increase.

### Bivalves news

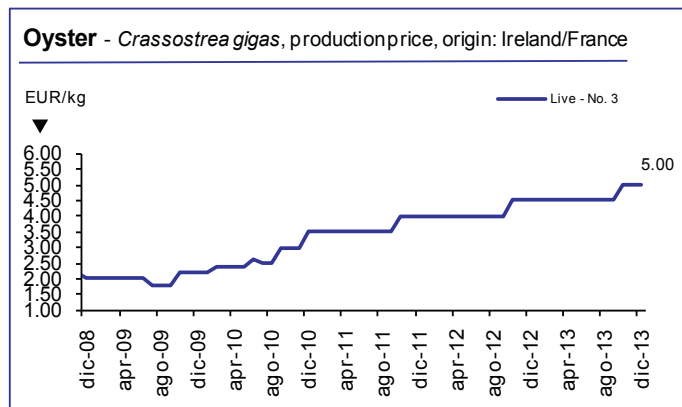
In 2013, FranceAgriMer, the French public body in charge of seafood promotion, commissioned a study on the public perception of oysters and consumer behaviour on behalf of the oyster industry. The study was motivated by the dramatic drop in supply due to a virus that struck producers in 2008 and in the following years, with a subsequent price increase to the consumer. It examined whether customers were willing to accept such a rise in price and sought to address the message that should be marketed in order to initiate purchasing.

Research was undertaken for nine months and findings classified consumers in three categories, based on distinct attitudes towards the product. Each group represented about one third of the French population, with the first group never eating oysters. The second were found to eat oysters rarely (at most twice a year) yet on a regular basis, for special occasions based on tradition. The third group, which were found to be the crucial target group, ate oysters on a more regularly basis, and were quite knowledgeable about the production methods, regions of origin, etc.

The research also found that the sharp price increase has not had much affect on consumers' consumption, besides a slight drop in demand for the regular consumers. The main change is within the retail sector, as the research found a clear drop in promotional campaigns with oysters being viewed as too expensive to be promoted. On the other hand, producers and retailers have made efforts to upgrade the quality of the product in order to justify the price increase. (Source: FranceAgriMer).



In recent news, in November 2013, the UK's Cornish Fal Oyster received the European Commission's confirmation for the Protected Designation of Origin status for the flat oyster, *Ostrea edulis*, caught by dredgers in Cornwall, Southwest England. It is hoped this will provide a financial boost for the 30 or so fishermen involved. (Source: Undercurrents News). This achievement is significant as it means that this oyster fishery, renowned for its ethical and environmentally friendly fishing methods, is the first of its kind to achieve this status in Europe (Source: DOOR).



Source: European Price Report

**Outlook**

With our oceans becoming warmer and more acidic, the bivalve sector is being impacted directly. Scientists still do not fully understand how shellfish, such as oysters, mussels, scallops and clams, produce their shells, or how environmental changes will affect their populations. Research is trying to address these issues and on 19 December 2013, the EU launched CACHE, a new research programme funded at EUR 3.6 million, aimed at understanding how shellfish react to environmental changes. The international research team will examine how these changes affect several species vital to the European fishing economy as well as marine biodiversity as a whole. The programme will further study how shells are produced and controlled in four of Europe's most important commercial marine shellfish species. Specifically, the species will include the king scallop, Pacific oyster, blue mussel and soft shell clam.

**Imports/Exports  
Clam/Cockle/Ark shell**

	Jan-Sep	
	2012	2013
	(1 000 tonnes)	
<b>IMPORTS</b>		
Japan	46.1	48.8
Republic of Korea	45.3	41.9
Spain	7.7	17.8
USA	15.7	16.7
Portugal	0.6	6.9
China	3.7	6.3
Thailand	6.3	5.5
Ukraine	3.4	5.2
Italy	3.6	5.1
Singapore	4.1	4.0
Taiwan	3.0	2.9
Canada	2.4	2.7
Hong Kong	2.7	2.3
<b>Total</b>	<b>153.7*</b>	<b>171.9*</b>
<b>EXPORTS</b>		
China	99.0	99.2
Republic of Korea	9.7	8.3
USA	5.4	7.5
Italy	6.0	7.0
Thailand	5.4	6.6
Canada	6.8	6.6
Netherlands	2.5	3.5
Portugal	1.5	3.4
UK	2.7	2.4
Taiwan	1.8	2.2
<b>Total</b>	<b>153.8*</b>	<b>157.0*</b>

Source: GTIS

\* estimates

In 2013, several bivalves fisheries and aquaculture sites all over the world have been certified as environmentally friendly or organic, including production operations in Canada, Ireland, Denmark and France, among others. Furthermore, according to the data available in December 2013, one clam, one cockle, two mussels, one oyster and two scallop fisheries are in the process of being assessed by the MSC.

## Trends in aquaculture in Latin America

The key for the future development of aquaculture in Latin America seems to be a trend towards diversification. Currently, aquaculture is mainly based on salmon, trout, whiteleg shrimp, tilapia and mussels. After a number of severe sanitary crises that led to significant losses, governments and private initiatives have realized the importance of also farming additional species. These crises include the White Spot Syndrome (WSS) in Ecuador during the 1990s, which caused the loss of 50% of whiteleg shrimp production, the infectious salmon anemia virus (ISA) virus in Chile in the 2007-2010 that resulted in a loss of 60% of their Atlantic salmon, and more recently, in 2013, the Early Mortality Syndrome (EMS) in Mexico, which caused the loss of 70% of whiteleg shrimp production.

Peru, Colombia and Ecuador signed an agreement in 2013 to address EMS and reduce the industry's risk of economic losses by establishing a sanitary barrier for whiteleg shrimp imports. The aim of the barrier is to contain infected live whiteleg shrimp, at any stage and in any product form.

In general, there is consolidation in Latin America's aquaculture sector for introduced species such as salmon, trout and tilapia. The production of salmon and trout is led by Chile, with an annual production of around 800 000 tonnes. Tilapia has a regional production of around 400 000 tonnes. In the Andean region of Peru, trout production increased significantly by 70% reaching 29 000 tonnes in the Puno Region in 2013, with 20% exported and 80% traded in the local markets.

Another important trend in Latin America is the focus on developing aquaculture for endemic species, such as Amazonian fish. In the north of Peru around the city of Iquitos, the production of farmed Amazonian fish was only 51 tonnes in 2000, but this volume has grown significantly. In 2011, endemic species with common names such as Gamitana (*Colossoma macropomum*) Paco (*Piaractus brachypomus*), and Sábalo cola roja (*Brycon cephalus*), reached 1 176 tonnes. Also in 2011, paiche (*Arapaima gigas*) exports were 32 tonnes in volume with a commercial value of USD 380 000.

With recent projects that involve local communities in the development of farming these Amazonian species, it is estimated that 4 000 tonnes of endemic species will be produced in Peru in 2015 and this will grow to 7 000 tons in 2018. In 2013, the development of a hatchery for the production of paiche juveniles will help to ensure the cultivation of these fish for human consumption as well as for ornamental purposes. Peru has already started working to develop a geographical indication of origin for fish farmed in Amazon countries, such as in Colombia,

Brazil and Peru.

Companies in Peru and Brazil have developed value-added products from Amazonian fish for export, promoting them at international fairs such as the European Seafood Exposition. Paiche, for example, is currently sold for USD 11.9 per kg and its rapid growth allows farmers to have a fish ready for the market in less than a year.

Issues to be faced by the aquaculture sector in Latin America were discussed during the First Council of Ministers of the Aquaculture Network for the Americas, which was held in Chile in August 2013 with the participation of 15 countries. The Council concluded that main issues to be addressed included strengthening the domestic market for consumption of aquaculture products and increasing cooperation between countries to improve monitoring of transboundary diseases.

### Regional Production and Demand Development

#### Chile

In Chile, innovative farming technologies are being integrated, particularly for the small-scale sector. For instance, farming of macroalgae is being promoted in benthic resources management areas, and are managed by small-scale fishers. Additionally, the Nodo de Acuicultura in the Coquimbo Region is enhancing scallop and algae farming through use of technology. There are also some initiatives being developed for small-scale aquaculture within marine protected areas in the north area of the country. Chile is recovering its scallop sector, with expectations of tripling its production in 2014 to reach 4 000 000 units of scallops, mainly for the national market. This goal is thought to be achievable due to a 2013 seed collector project implemented by fishermen that has had positive results. In 2011, the Chilean scallop industry on the coast of north Chile was devastated by waves from the Japanese tsunami. Waves destroyed farming facilities and after a period of low collection of seeds, the activity was not feasible. The scallop industry is now recovering. The Chilean government, with public funding, is aiming to generate annual returns for exports in the range of USD 250–300 million by promoting aquaculture diversification. This estimated return will be an addition to the returns already made by the salmon and trout industry. According to the Chilean Central Bank, for the first eleven months of 2013, salmon exports reached USD 3 525 million, equivalent to a 23% increase over the same period in 2012. With a new regulation as of January 2014, the salmon industry will be subject to a restriction in the production volume that aims to improve sanitary practices. The regulation mandates new and lower densities in salmon farming cages and will penalize

those not following with a restriction on stocking volume as low as 60% in the following farming period.

In terms of cooperation between industry sectors, a positive development has occurred between the salmon and mining industry as they have worked together to develop copper alloy net pens for aquaculture, bactericidal copper surfaces for salmon farms and transportation, copper filters for recirculating water for fish farms, as well as other devices. Regarding platforms, the development of a Chilean offshore aquaculture research center is being evaluated according to the Chilean Agency for Economic Development's Centers of Excellence. For the first time, cobia has been farmed in land-based ponds in the north of Chile and will be in the market during the first quarter of 2014. This unprecedented pilot project used temperate waters from a thermoelectric plant. Ecuador is committed to develop offshore aquaculture projects to farm cobia in cages using private investments of USD 8 million. Ecuador is already producing 200 000 cobia juveniles on a monthly basis at one hatchery. With the possibility of another disease in the Chilean salmon sector, diversification in aquaculture will be key, and it is advised that experimental aquaculture of Chilean seabass, which has thus far provided good results, continues. Other species, such as kingclip, southern hake and eel should also continue to be developed. It is expected that these species will reach commercial scale in 2020.

### Colombia

In Colombia, public and private research bodies have made progress towards the adaptation of marine fish species to captive breeding and farming production systems. In some cases, aquaculture entrepreneurs and government have developed these initiatives by working together. Some of the species farmed include snapper from the Caribbean and the Pacific, cobia, sabalo and grouper. So far, only cobia has reached the commercial farming stage. Production of aquaculture in Colombia in 2011 was 82 733 tons, with over 50% consisting of red and silver tilapia, 20% white and black cachama, 7% trout, 10% shrimp, about 0.13% cobia and the rest other native and exotic species. Traditionally, fish farming in Colombia has been oriented towards the national market, but since 2008 exports have been increasing significantly. Production of farming shrimp until 2008 was mainly for exports but post-2008, problems associated with the external reduction of prices caused a significant reduction in the market for local production. The number of aquaculture producers in the country has been calculated at around 29 400, with an estimated 90% producers being small-scale with limited resources.

### Brazil

In Brazil, the first national aquaculture census was presented in September 2013. The census highlights that

the nation's aquaculture sector includes 62 freshwater and 15 marine aquaculture species. Production in the country was at 479 000 tonnes in 2010. Tilapia sales have been consolidated in the fresh Brazilian market, with the exception of regions such as Río Grande do Sul and Paraná, where over 50% of the production is sold alive, mainly at "fish and pay" facilities where there are restaurants, fishing venues and fish farms in the same place. The 2014 Football World Cup and 2016 Olympic Games make Brazil a very attractive market for seafood products. In fact, the Organizing Committee of the 2016 Olympic and Paralympic Games along with the MSC and ASC, announced a global agreement to promote certified seafood during the celebration of these international competitions. This announcement means that all seafood served to athletes, officials and press at hotel restaurants will be certified as sustainable. It is estimated that over 14 million dishes will be served during the 27 days of games.

### Peru

In terms of general volume in the aquaculture sector, Peru has demonstrated an annual 20% increase for its aquaculture production, generating 87 000 jobs, and consolidating its farming of both shrimp and scallops.

### Outlook

Within the continental coasts of Panama, Colombia and Venezuela, governments are interested in farming bivalve molluscs. This is still in the very early stages of development due to the limited technology, infrastructure and perhaps most significantly, investment.

Despite successes, Latin America faces several challenges in aquaculture development. According to the Latin American Fisheries Development Organization, one of the main limitations is in research and development and more efforts are needed to develop local technologies to support these areas. Another challenge is the current lack of appropriate governance, with clear and stable regulations needed from governments in the development of aquaculture.

Lessons learned thus far indicate that Latin America will continue to have success with salmonids, tilapia, whiteleg shrimp and mussel farming, with future growth predicted for mostly marine species although, given its vast freshwater resources, inland aquaculture also has large potential. Opportunities also exist in establishing joint ventures with more developed countries, mainly in the field of technology.

Other areas to focus on for aquaculture development in Latin America include integrating ecosystem-based approaches, developing the farming of native species, improving technologies in the sector and finally, supporting marketing activities.

## Tilapia in Egypt: towards new horizons

### History of Tilapia in Egypt

Archaeological investigations of Egypt's prehistoric economy have demonstrated that prehistoric Egyptians were well acquainted with their environment and made good use of the indigenous animals of the Nile Valley and desert for subsistence. In particular, the skeletal remains of tilapia from Egypt's prehistoric period attest to the importance of this fish as a means of sustenance and allow the history and development of tilapia farming in the Middle East region to be traced. The analysis of these remains, along with a limited number of fishing implements, allows for the reconstruction of Egypt's early fishing industry and eating habits. It is evident that the farming of Nile tilapia was practiced as far back as Ancient Egypt (dates from around 3200 BC), where it was represented by paintings in Pharos tombs.

Tilapia goes by many names and was one of the three main types of fish caught in Biblical times from Lake Tiberius (Sea of Galilee) in historic Palestine. It is called "*musht*", or is commonly now known as "St. Peter's fish". The common name tilapia is based on the name of the cichlid genus tilapia, which itself is a Latinisation of *thiape*, the Tswana word for "fish".



The Tomb of Nakht, 1500 BC, contains a tilapia hieroglyph just above the head of the central figure

### Present status

Egypt is the world's eighth largest aquaculture producing country. Notably, Egypt is the world's second largest for tilapia production after China and the first in Africa. Currently, most of Egypt's production is sold into the domestic market. Though production levels have risen in the past three years, the sector is highly fragmented and still has several challenges to grow global leadership in tilapia production.

It was only during the 1990s that Nile tilapia was rediscovered as an important aquaculture species, marking the beginnings of intensive-pond aquaculture in the country. In the following years, this resulted in a boom in the development of privately owned hatcheries and feed mill construction, with the gradual ramping up of production following. While in 2007, tilapia production amounted to 266 000 tonnes, this increased to 390 000 tonnes in 2009, 557 000 tonnes in 2010 and 611 000 tonnes in 2011. Global tilapia production may top 4.5 million tonnes by 2014 and Egypt hopes to become a significant player internationally. The Egyptian General Authority for Fisheries Resources Development's (GAFRD) has set a goal to grow from its current 1 million tonnes of total aquaculture production to 1.5 million by 2017 with tilapia playing a leading role.

Currently there are 19 demonstration fish farms run by the government as well as 143 government-run hatcheries. There is no official count available on the number of private farms, but it is estimated that numbers are in the hundreds. The technology used in the private sector fish farming varies significantly and ranges from the primitive (basically shallow ponds) to intensive types.

As in many places in the world, Egypt faces a growing population and shrinking supplies of water. The Ministry of Agriculture recognizes that increasing crop and livestock production per unit of water and land is an essential priority to food and nutrition security. Fish has been identified as one of the two most important livestock sub-sectors for future national food security. However, to meet the growing demand for fish in the face of static returns from capture fisheries, new supplies will have to come from aquaculture, specifically by increasing the productivity of already existing fish farms.

### Recent Research Developments

While Egypt has struggled with violence and political unrest over the past year, the country's aquaculture sector has experienced stability and growth with the introduction of a new fast-growing strain of Nile tilapia (*Oreochromis niloticus*).

The strengthening of aquaculture's technological foundations have been identified as an essential element of Egypt's aquaculture growth strategy. To achieve that end, the development and effective use of genetically improved strains is considered one of the most powerful technologies available. Since 2002, scientists from the Central Laboratory for Aquaculture Research (CLAR) and from the WorldFish Center have been working at the Abbassa Regional Research Station on a genetic improvement programme for Nile tilapia. Research examined how the Abbassa strain compared with breeding stock currently being used in industry and thus far, results have been encouraging. Findings have reported a favorable performance of the Abbassa selection line relative to the Kafr El Sheikh strain, the Nile tilapia (*Oreochromis niloticus Linnaeus*) selection that is currently widely used and perceived as one of the best performing in Egypt.

Building on this research development, a project entitled "Improving Employment and Income through the Development of Egypt's Aquaculture Sector (IEIDEAS)," between CARE Egypt and the Ministry of Agriculture and Land Reclamation is utilizing this fast-growing Nile tilapia to boost employment. The project began in 2011 and will continue through 2014 with funding donated by the Swiss Agency for Development and Cooperation.

The IEIDEAS project, now entering its fourth year, is helping to strengthen the aquaculture industry and generate employment for the 100 000 men and women who depend on the sector. Developed through the selective breeding programme noted above, the Abbassa Strain is expected to bring much needed economic, food and nutrition security benefits to millions of Egyptians. One of the beneficiaries of the project noted that there was a huge demand for the new strain from fish farmers once they knew that there was an improved strain on the market.

So far, the major outcomes of this project include:

- fifty fish farms and 130 hatcheries supplied with the Abbassa strain;
- at least 2 000 fish farms to be stocked with the Abbassa strain in 2014;
- a demonstrated 28% increase in growth in the Abbassa strain compared with non-improved Nile tilapia.

Private sector businesses are playing a key role in disseminating the highly productive fish to farmers, who will in turn receive a significant boost in productivity. While political instability has restricted the project's on-farm growth trials of the Abbassa strain, fish farmers are already reporting a clear improvement in their growth rates.

Boosting aquaculture productivity will increase food and nutrition security by making Nile tilapia more available and affordable to the growing population, which is demanding low-cost animal protein sources that are alternatives to meat and poultry. The small but cumulative generation-by-generation responses to selection shown in the new strain can then be passed over to a multiplier tier of hatcheries and in turn, from hatcheries to farmers. The potential for expression of small changes in thousands or millions of fish is what makes genetic improvement programmes one of the most powerful and least expensive means of increasing the efficiency of aquaculture.

Additionally, the project is building scientific and management capacity among Egyptian scientific staff at CLAR for the long-term management of a genetic improvement programme. WorldFish will also assess the technical and human capacity challenges and produce an investment plan for the development and management of a national breeding center.

With the project producing a faster growing strain of farmed tilapia and a development plan to meet present and future needs for aquaculture, it is facilitating an increase in farmed fish supplies to meet national food security needs while reducing demands on land and water.

### Challenges to be met

Several challenges, however, need to be met to continue to achieve significant progress in Egyptian aquaculture. These challenges are summarized below.

Water availability is the main factor affecting the growth of the industry, as well as the "seasonality effect" in farming and fish diseases. Limited water resources are highest on the list. Currently, only aquaculture drainage water is used for fish farms but farmers are requesting fresh water as they reuse this water for crops as well. If fresh water is allowed for use, the effluents from fish farms will contain nutrients that will greatly benefit agriculture crops and reduce the need for fertilizers. Furthermore, farmers argue that the drainage water used for fish farms negatively affects the farmed fish due to bio-accumulation of pollutants.

At this time, Egyptian regulations do not allow exports of tilapia. According to Egyptian government regulations, all farmed products, especially the cheaper varieties such as tilapia, are entirely for local consumption and no exportation is permitted.

Water contamination is yet another major problem for fish farmers in Egypt. Several times, large quantities of fish have been confiscated due to contamination, especially in remote markets that face higher risk of this problem.



The availability of land is yet another major challenge. Leases for land to establish farms recently increased from five years to ten but farmers still think that investors would not have enough security to upgrade their farms or start new projects within only a decade. Farmers are now urging the government to increase leases to 25 years and to implement a fair credit system to not constrain development. Legislation will require modification in order to increase the terms of aquaculture leases for appropriate periods and to establish safeguards to ensure that land and water are used in accordance within the terms of each lease.

Low market prices for tilapia are yet another issue, with many entrepreneurs shying away from farming due to the high input costs, which makes it unprofitable for farmers to increase their production and/or expand in their investments. Improving the handling, marketing and processing of tilapia, as well as improving the quality of retail are other issues to be tackled.

There is a need for Egyptian aquaculture to develop its fish farming systems to more modern standards by introducing new farming technologies, new strains of Nile tilapia and other species that are more productive to

help increase output while using the least amount of water and reducing input costs. There are always attempts to start new farms to increase production but the challenges farmers face have been and will continue to be a hindrance to effectively start new projects.

Ultimately, the private sector will be responsible for the increase of tilapia production in Egypt. If the challenges listed above are met or at least eased, then tilapia production in Egypt could expand and develop further in the future, though the sector will have to improve its practices.

References available with the author,  
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A hatchery worker holds an Abbassa Nile tilapia grown at a hatchery in Egypt

## Fish and fishery products statistics

	Capture fisheries production		Aquaculture fisheries production		Exports			Imports		
	2010	2011	2010	2011	2011	2012	2013 <i>estim.</i>	2011	2012	2013 <i>estim.</i>
	Million tonnes (live weight equivalent)					USD billion				
<b>ASIA</b>	<b>48.7</b>	<b>48.8</b>	<b>52.4</b>	<b>55.5</b>	<b>50.2</b>	<b>51.3</b>	<b>53.4</b>	<b>42.5</b>	<b>44.0</b>	<b>42.1</b>
China <sup>2</sup>	16.4	16.8	37.0	38.9	19.8	21.0	22.5	12.2	12.3	12.9
of which China, Hong Kong SAR & Taiwan Province of China	0.2	0.2	0.0	0.0	0.0	0.0	0.0	3.5	3.7	3.8
India	4.7	4.3	3.8	4.6	3.5	3.4	4.5	0.1	0.1	0.1
Indonesia	5.4	5.7	2.3	2.7	3.2	3.6	3.8	0.4	0.4	0.4
Japan	4.1	3.8	0.7	0.6	1.9	1.8	2.0	17.3	18.0	15.0
Korea, Rep. of	1.7	1.7	0.5	0.5	2.0	2.0	1.8	3.9	3.7	3.6
Philippines	2.6	2.4	0.7	0.8	0.6	0.8	1.1	0.2	0.2	0.2
Thailand	1.8	1.9	1.3	1.0	8.1	8.1	7.1	2.7	3.1	3.1
Viet Nam	2.4	2.5	2.7	2.8	6.2	6.3	6.4	0.7	0.8	0.9
<b>AFRICA</b>	<b>7.7</b>	<b>7.6</b>	<b>1.3</b>	<b>1.4</b>	<b>5.2</b>	<b>5.4</b>	<b>5.5</b>	<b>5.4</b>	<b>5.3</b>	<b>7.6</b>
Ghana	0.4	0.3	0.0	0.0	0.1	0.1	0.1	0.3	0.2	0.3
Morocco	1.1	1.0	0.0	0.0	1.4	1.6	1.9	0.1	0.1	0.2
Namibia	0.4	0.4	0.0	0.0	0.8	0.8	0.8	0.0	0.0	0.1
Nigeria	0.6	0.6	0.2	0.2	0.1	0.1	0.1	2.0	1.5	3.4
Senegal	0.4	0.4	0.0	0.0	0.3	0.3	0.3	0.0	0.0	0.0
South Africa	0.6	0.5	0.0	0.0	0.6	0.6	0.5	0.3	0.4	0.4
<b>CENTRAL AMERICA</b>	<b>2.5</b>	<b>2.4</b>	<b>0.3</b>	<b>0.3</b>	<b>2.1</b>	<b>2.3</b>	<b>2.1</b>	<b>1.4</b>	<b>1.7</b>	<b>1.9</b>
Mexico	1.5	1.6	0.1	0.1	1.1	1.1	1.0	0.6	0.7	0.8
Panama	0.2	0.2	0.0	0.0	0.1	0.1	0.2	0.0	0.1	0.1
<b>SOUTH AMERICA</b>	<b>9.5</b>	<b>14.0</b>	<b>1.6</b>	<b>2.1</b>	<b>12.6</b>	<b>12.7</b>	<b>13.3</b>	<b>2.8</b>	<b>2.8</b>	<b>3.3</b>
Argentina	0.8	0.8	0.0	0.0	1.5	1.3	1.5	0.2	0.2	0.2
Brazil	0.8	0.8	0.5	0.6	0.2	0.2	0.2	1.3	1.2	1.5
Chile	2.7	3.1	0.7	1.0	4.5	4.4	5.0	0.4	0.4	0.4
Ecuador	0.4	0.5	0.3	0.3	2.5	2.9	3.6	0.3	0.2	0.1
Peru	4.3	8.2	0.1	0.1	3.1	3.3	2.6	0.1	0.1	0.2
<b>NORTH AMERICA</b>	<b>5.6</b>	<b>6.2</b>	<b>0.7</b>	<b>0.6</b>	<b>10.4</b>	<b>10.4</b>	<b>10.7</b>	<b>20.1</b>	<b>20.3</b>	<b>21.7</b>
Canada	0.9	0.9	0.2	0.2	4.2	4.2	4.3	2.6	2.7	2.8
United States of America	4.4	5.2	0.5	0.4	5.8	5.8	6.0	17.5	17.6	18.8
<b>EUROPE</b>	<b>13.8</b>	<b>13.3</b>	<b>2.5</b>	<b>2.7</b>	<b>46.4</b>	<b>44.0</b>	<b>48.2</b>	<b>55.9</b>	<b>53.4</b>	<b>57.6</b>
European Union <sup>2</sup>	5.4	5.0	1.3	1.3	30.1	28.7	31.1	49.8	47.0	50.5
of which Extra-EU	"	"	"	"	5.3	5.6	6.2	26.7	24.9	26.1
Iceland	1.1	1.1	0.0	0.0	2.2	2.2	2.3	0.1	0.1	0.1
Norway	2.7	2.3	1.0	1.1	9.5	8.9	10.4	1.3	1.4	1.3
Russian Federation	4.1	4.3	0.1	0.1	3.3	3.2	3.5	2.7	2.7	3.2
<b>OCEANIA</b>	<b>1.2</b>	<b>1.2</b>	<b>0.2</b>	<b>0.2</b>	<b>2.9</b>	<b>3.1</b>	<b>3.0</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>
Australia	0.2	0.2	0.1	0.1	1.0	1.0	1.0	1.5	1.6	1.6
New Zealand	0.4	0.4	0.1	0.1	1.2	1.2	1.2	0.1	0.2	0.2
<b>WORLD <sup>3</sup></b>	<b>89.0</b>	<b>93.5</b>	<b>59.0</b>	<b>62.7</b>	<b>129.8</b>	<b>129.1</b>	<b>136.2</b>	<b>129.9</b>	<b>129.4</b>	<b>136.3</b>
World excluding Intra-EU	"	"	"	"	104.9	106.1	111.2	106.8	107.4	111.9
Developing countries	64.3	69.2	54.9	58.7	68.6	70.4	72.8	34.1	35.1	39.3
Developed countries	24.6	24.3	4.1	4.0	61.2	58.7	63.4	95.9	94.2	97.0
LIFDCs	21.0	20.7	9.7	11.3	10.5	11.0	12.4	5.2	4.8	7.0
LDCs	9.1	9.3	2.5	2.7	2.7	2.6	2.5	0.8	0.9	1.1
NFIDCs	17.0	21.2	3.7	4.0	9.8	10.1	9.3	3.3	3.9	4.4

<sup>1</sup> Production and trade data exclude whales, seals, other aquatic mammals and aquatic plants. Trade data include fish meal and fish oil. <sup>2</sup> Including intra-trade. Cyprus is included in Asia as well as in the European Union. Starting with 2013 data, EU includes Croatia. <sup>3</sup> For capture fisheries production, the aggregate includes also 19 214 tonnes in 2010 and 19 566 tonnes in 2011 of not identified countries, data not included in any other aggregates. Totals may not match due to rounding.



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