

15/04/2013 Issue 2/2013



GLOBEFISH

HIGHLIGHTS

A quarterly update on world seafood markets



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Full year 2012 statistics

About GLOBEFISH

GLOBEFISH forms part of the Products, Trade and Marketing Service 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. 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 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).

This issue of GLOBEFISH Highlights has been prepared by Audun Lem, Paola Sabatini and Karine Boisset with contributions from Shirlene M. Anthonysamy, Nada Bougouss, Santiago Caro, Victoria Chomo, Felix Dent, Fatima Ferdouse, Erik Hempel, Jianwei Lei, Guzmán Mederos, Sudari Pawiro, Ferit Rad, Meyling Tang, Stefania Vannuccini, Katia Tribilustova and Xiaowei Zhou. Hilary Cochrane provided editing services and Turan Rahimzadeh was responsible for the layout. The Norwegian Seafood Council provided data support for the FAO Fish Price Index.

GLOBEFISH Highlights are distributed to the subscribers of: INFOFISH Trade News, INFOPESCA Noticias Comerciales, INFOPECHE Nouvelles Commerciales, through EUROFISH and INFOYU. GLOBEFISH Highlights are also available in electronic form.

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Bibliographic reference:
GLOBEFISH Highlights
2013
FAO/GLOBEFISH Highlights
(2/2013): p. 59

A quarterly update
based on
the GLOBEFISH databank

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Global fish economy

The overall supply of fish and fishery products continued to rise in 2012. Rising aquaculture production boosted overall supply to a new record of 157 million tonnes whereas lower catches in South America of anchoveta reduced landings from capture fisheries. p. 2

Farmed shrimp prices increased worldwide



This year's forecast for the production of farmed shrimp is not very encouraging for Asia - the largest producing region. Harvests in Thailand are forecast to

be 30% lower than in 2012 because of the effect of the early mortality syndrome (EMS). p. 4

Moderate demand, low supplies and rising prices are features of the global tuna market this year



Tuna prices have increased further for delivery to Asian canners, indicating lower supplies than current demand. This rise may influence prices in other regions in Latin America and Africa. Following this trend canned tuna

prices are also on the increase. p. 12

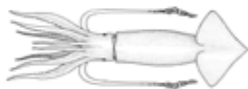
Increased supplies of cod provide a good opportunity to promote fish consumption



Supplies of cod will increase dramatically during the coming year, which means that prices will drop and that groundfish producers will face a

challenging period. However, the picture is mixed. p. 18

Squid sales appear to be declining in major markets, but Japan is still showing some growth



The economic crisis is affecting sales in Europe, where imports are down. The picture is mixed with regard to octopus supplies. p. 23

Tilapia production is expected to increase against steady demand in the global market



Global supplies of tilapia are estimated to end higher in 2012 than in the previous year, although China, supplied less. African markets remain the main focus for whole frozen tilapia from China because demand is strong. p. 28

Pangasius prices will most likely strengthen amidst strong demand and controlled production in Viet Nam



Global production of pangasius in 2012 will most likely show a slow-down resulting from the various problems faced by the industry in Viet Nam, the world's largest producer. p. 31

Rising prices bring relief, easing financial problems for bass and bream producers



Softer demand in traditional markets has forced producers to target new destinations such as the UK, Russia and the USA. Despite positive results, the

overall picture is somewhat uncertain as key markets remain under pressure. Many producers suffer from tight credit and increasing delays in payments. p. 33

Minimal production growth and strong demand in 2013 should see a tighter salmon market balance and a lasting improvement in prices



The recent upward price trend is taking place against a backdrop of one of the largest ever increases in production volume in 2012, evidence of a genuine strengthening of underlying demand. p. 37

Could mackerel stocks also be in danger, just as herring stocks are said to be?



Scientists warn against overfishing of the North Sea mackerel resource. The mackerel dispute between the EU and Iceland/Faroe Islands has come to an apparent impasse. Iceland has reduced its self-imposed quota by 15%, but the EU is not satisfied. p. 43

Fishmeal prices remain strong in 2013



Fishmeal prices remain strong in the first quarter of 2013 as the 2012 supply fell below production levels achieved in 2011. Coupled with strong demand from aquaculture producers, especially supplying Asian markets, fishmeal prices reached levels not seen since the first quarter of 2010. p. 48

High fish oil price expected to remain strong



The average fish oil price in the last quarter of 2012 was USD 2 183 and this was 43% higher than the average price in the last quarter of 2011. Growing demand for fish oil both from high-value aquaculture and human consumption, coupled with weak supply in 2012 are likely to maintain these record fish oil prices into 2013. p. 50

New Consumers for Bivalve Molluscs



the new targets.

How to attract new consumers is a question that the bivalve molluscs industry is asking itself. Young people and the growing middle class in emerging countries (such as China) are p. 51

SPECIAL FEATURES

Value-chain dynamics, the small-scale sector and food security p. 55

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GLOBAL FISH ECONOMY

The overall supply of fish and fishery products continued to rise in 2012. Rising aquaculture production boosted overall supply to a new record of 157 million tonnes whereas lower catches in South America of anchoveta reduced landings from capture fisheries. Although the value of trade was up only 1.5% over the previous year, it set a new record of USD 129.3 billion.

With faltering demand in many key markets, prices during 2012 fell for a number of species and products. The aquaculture sector fared worse than the harvesting sector as long term production decisions make it more difficult to adjust production volumes to market conditions. In fact, prices on wild species rebounded strongly and the price levels at the end of the year were almost at historic record highs.

Farmed salmon and shrimp quotations have also been rising together with those for tuna and a number of small pelagic species from the wild. White fish prices in contrast are low because of abundant supply and weak demand in traditional markets in southern Europe.

Figures for early 2013 saw Japanese imports decline sharply. On the contrary, China's trade is growing strongly again. This is a positive sign showing the strong underlying trend in fish consumption worldwide.

Traceability, horse meat and fish consumption

Although the recent scandal concerning mislabeling of meat in Europe boosted retail sales of fish in some markets, the long term consequences are more important: these are related to supply chain management and traceability. As supply chains have become longer, reliable traceability systems have become crucial to ensure the required product quality and safety levels. One of the most obvious reasons underlying the need for traceability in the first place is to avoid checking and testing the product at each and every stage in the supply chain. This is because a reliable

traceability system allows operators to trace a potential problem back to source.

The necessary legislation for traceability is already in place and the technology widely available: what has been lacking is the necessary focus by operators to ensure compliance with the rules. Therefore, now a much stronger emphasis on enforcement can be expected, as well as more checking and testing of products. Some brand owners can also be expected to look more closely at the design of their supply lines and probably bring some production in-house again.

Protection of Endangered Sharks, Rays and Sawfish adopted by CITES

The Sixteenth meeting of the Conference of the Parties of the Convention on International Trade in Endangered Species of Wild Fauna

World fish markets at a glance

	2010	2011	2012	Change
		estim.	f'cast	2012 over 2011
	million tonnes			%
WORLD BALANCE				
Production	148.0	156.2	156.7	0.3
Capture fisheries	89.0	93.5	90.2	-3.5
Aquaculture	59.0	62.7	66.5	6.1
Trade value (exports USD bill.)	109.0	127.3	129.3	1.5
Trade volume (live weight)	56.7	58.8	59.6	1.4
Total utilization	148.0	156.2	156.7	0.3
Food	128.0	131.4	134.6	2.4
Feed	14.6	18.3	15.6	-15.0
Other uses	5.4	6.4	6.5	1.6

SUPPLY AND DEMAND INDICATORS

Per caput food consumption:				
Food fish (kg/year)	18.6	18.8	19.1	1.3
From capture fisheries (kg/year)	10.0	9.9	9.7	-2.0
From aquaculture (kg/year)	8.6	9.0	9.4	4.9

Totals may not match due to rounding.

GLOBAL FISH ECONOMY

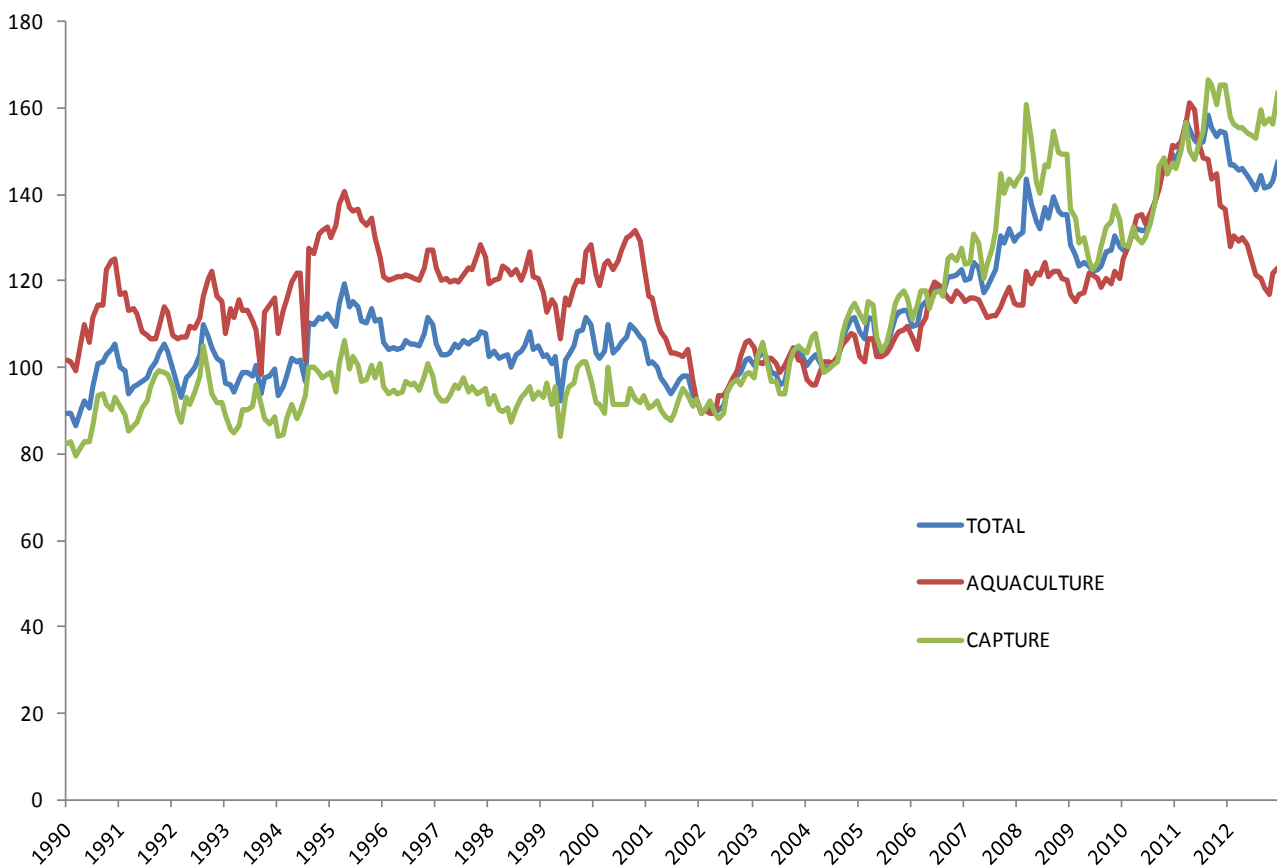
and Flora (CITES) was held in Bangkok in March 2013. The species relevant to fisheries proposed for listing were the oceanic whitetip shark, three species of hammerhead shark, porbeagle shark, two species of manta ray, two species of freshwater stingray from South America and a freshwater sawfish.

Proposals to list certain shark species on Appendix II that had been defeated at a previous CITES Conference in 2010 were among those included. Proposals to list the oceanic whitetip shark, scalloped hammerhead shark (3 species, two of which were proposed as look-alike species), and porbeagle shark had been endorsed by an independent FAO Expert Panel convened in December 2012. In the March meeting, CITES adopted the recommendations

for Appendix II listing of these shark species, as well as those for the two species of manta ray. However, the proposal to list the freshwater stingrays was rejected. Freshwater sawfish was also moved from Appendix II to Appendix I, a listing of species that are most endangered and threatened with extinction as well as being banned from international trade.

Listing these sharks in Appendix II means that evidence will be required that they are harvested sustainably and legally in order to obtain CITES permits for international trade. Listing of marine species on CITES Appendices does not prevent domestic consumption, and they may remain as a source of livelihood for local fishing communities.

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



Data Source: Norwegian Seafood Council

Farmed shrimp prices increased worldwide, following forecast of delayed start of the season in SE Asia and lower supplies for the rest of the year

This year's forecast for the production of farmed shrimp is not very encouraging for Asia - the largest producing region. Harvests in Thailand are forecast to be 30% lower than in 2012 because of the effect of the early mortality syndrome (EMS). Viet Nam is struggling with the same problem as well as the ethoxyquin issue. Production in India could also be lower because of the conservative approach of farmers.

Shrimp prices increased worldwide in 2012 and imports slowed down in the conventional markets. The weakening of the yen has affected both domestic and import trade in Japan. Current import orders are also somewhat sporadic or limited from the USA and European markets, and supply is also forecast to be uncertain for the first half of the year.

Supply

Overall availability of aquacultured shrimp has remained low in Asia since late in 2012. Farmers in East Asia, from China to Malaysia, lost millions of dollars' worth of crops affected by EMS. The problem surfaced in the eastern region of Thailand during late 2012 and has now spread to the southern aquaculture belt of the country. The severity of the problem means that there will be a delay in the new season's first harvest in Thailand, which some predict could be as late as June or July.

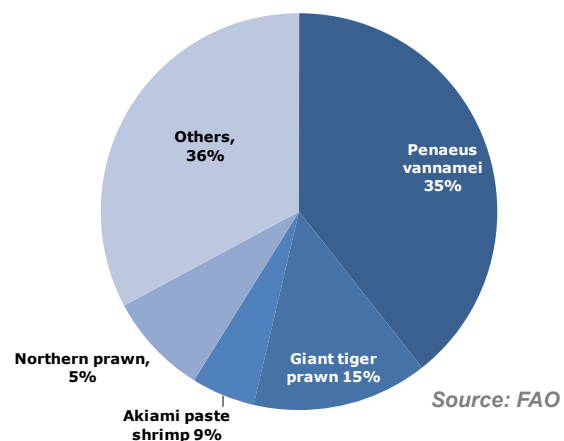
The poor harvest that started last year persists in Viet Nam; nearly 80% of shrimp farms in the Mekong Delta area were affected by EMS, but the lack of adequate bank loans is also a factor. For many months a shortage of raw material has been a serious problem for the export processing industry in Viet Nam. The ethoxyquin issue is also restricting exports to Japan.

Production of vannamei and black tiger shrimp in India could also be lower in the coming season. In the southern states farmers produce mainly vannamei shrimp. This year, many farmers have either not re-stocked their ponds or stocked them at a low level because of the limited availability of quality vannamei brood stock and fry. Disease problems are also reported in Andhra and Odisha. The Marine Product Export Development of India (MPEDA) introduced stringent guidelines for obtaining a Pre-harvest Test Certificate (PHTC) and this is another reason for limited farming efforts at the beginning of this season.

The white spot disease has also hit farm production in Latin America and wild shrimp landings have been disappointing along the Pacific coast.

Ex-farm prices are rising throughout Asia, pushing export prices up, although any real demand boost in the major markets is still not apparent.

Shrimp production by main species (2010)
(in tonnes)



International trade

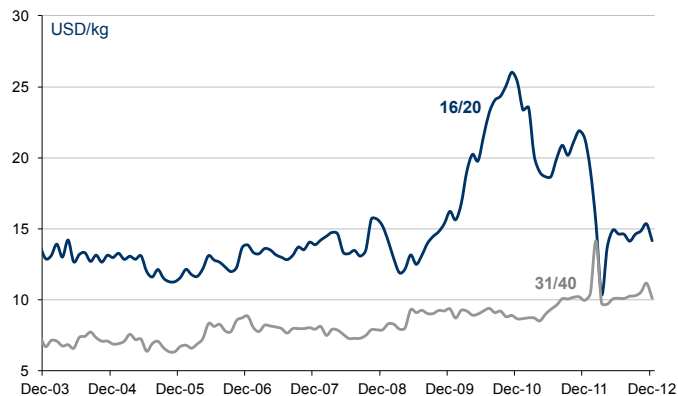
Last year, combined imports of shrimp in the three major markets of Japan, USA and the EU posted a 7.6% decline compared with 2011. In comparison, imports into the emerging markets in East Asia were stable. During the Chinese New Year festival demand for live and fresh shrimp in East Asian markets was strong at good prices, compared with that of frozen shrimp destined for the traditional markets.

The Japanese market has been affected by continuous devaluation of the yen, which has restricted sales opportunities during the Spring festival.

In the USA, fewer than expected solid deals were concluded at the International Boston Seafood Show held in March, an indication of the conservative market trend. The move by the US Department of Commerce to investigate the possible imposition of countervailing duty



White Shrimp in Japanese market, origin Indonesia



Source: Infofish ITN

Imports

Shrimp (frozen): Japan

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Thailand	26.4	25.0	32.1	37.7	36.6	35.3
Viet Nam	40.0	42.2	39.9	40.5	34.1	33.8
Indonesia	37.1	37.4	34.8	32.0	30.8	31.5
India	27.0	24.0	24.3	28.3	30.9	27.7
China	24.0	16.8	14.9	13.8	17.2	15.3
Argentina	1.9	2.6	3.6	4.9	9.1	13.9
Malaysia	4.2	4.5	5.1	7.3	9.1	7.3
Russia	8.9	7.8	7.1	7.9	7.8	6.7
Myanmar	8.0	6.8	6.7	5.9	6.0	6.2
Canada	7.6	7.7	7.2	7.1	6.0	5.9
Greenland	5.4	5.6	6.5	5.0	4.0	3.7
Philippines	4.3	3.5	4.0	3.5	3.3	2.9
Bangladesh	2.6	3.1	2.4	2.5	2.0	2.2
Others	9.9	9.7	9.0	9.0	8.5	8.2
Total	207.243	196.626	197.6	205.3	205.2	200.5

Source: Japan Customs

(CVD) on seven countries is also a factor that is affecting current imports into the USA.

In the EU, some positive movements including import interest were reported in March.

Japan

The yen started to weaken against the US dollar in late 2012, and by February 2013 was down 20% against the US dollar. This has affected higher-end seafood imports, including shrimp, while domestic stocks of shrimp are low.

Imports

Shrimp (by product): Japan

	2008	2009	2010	2011	2012
Live	0.1	0.1	0.1	0.1	0.1
Fresh/chilled	**	**	**	**	**
Frozen, raw	196.6	197.6	205.3	205.2	200.5
Dried/salted/in brine	1.8	2.9	2.6	2.8	2.3
Cooked, frozen	19.7	20.9	21.6	23.6	24.5
Cooked & smoked	0.3	0.3	0.3	0.5	0.3
Prep/pres (incl. tempura)	44	41.1	46.6	49.2	50.3
Sushi (with rice)	0.1	2.2	2	3.2	2.4
Total (incl. Ebi)	262.6	265.2	280.7	285.3	280.4

Source: Japan Customs/INOFISH

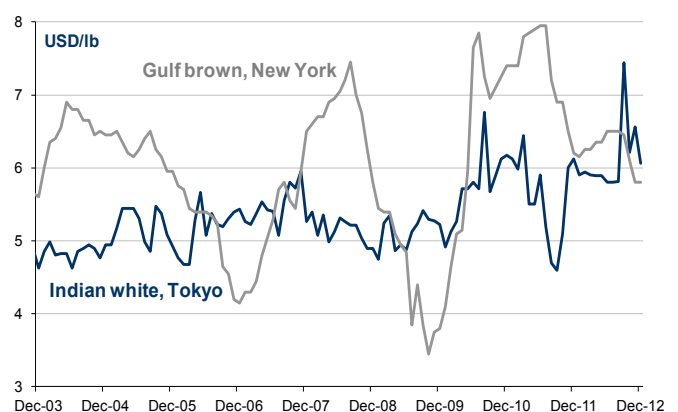
** (less than 50 tons)

(Note: * < 1 tonne)

The situation has created a lot of uncertainty in the market just prior to the Spring festival, when shrimp consumption generally peaks. Wholesale prices of shell-on shrimp have increased by 10-20% for vannamei shrimp and 10% for black tiger shrimp in the first two months of the year, although overall demand has been low during these two months. There was a 10% rise in coldwater shrimp import prices following lower catches in producing countries and the yen depreciation. The export price in Viet Nam for 16/20 counts headless shell-on shrimp increased to USD 12.50/kg CFR Japan. Offer prices from Thailand have increased influenced by the supply shortage, while imports from India are also subject to quarantine because of the ethoxyquin issue.

Importers, wholesalers and distributors are facing price resistance for intermediary and retail trade. Japanese supermarkets are also facing challenges while trying to launch promotional campaigns in anticipation of

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





demand in April/May.

Imports in 2012

Supplies of raw frozen tropical shrimp and dried shrimp were lower in 2012. The 53% rise in imports from Argentina largely compensated for the supply shortage of shell-on products from Thailand, Viet Nam, India, China and elsewhere. On a positive note, imports of prepared/processed shrimp were higher, making up a 27% share of total shrimp imports. This trend falls in line with the Japanese government’s policy to promote “Fast Fish”.

There was a 6.5 % shortfall in imports of raw frozen shrimp during January compared with last year, although domestic stocks in Japan were low.

USA

The subject of imported shrimp and its possible negative effects on local US shrimpers has been a dominant issue in the first months of this year. Initially, claims were made by the Coalition of Gulf Shrimp Industries, not the shrimp fishermen, although subsequently the Southern Shrimp Alliance added its support to the investigation, that “the US shrimp industry has been materially injured or threatened with material injury due to the subsidized shrimp imports”. Seven countries are implicated namely, Thailand, India, China, Viet Nam, Malaysia, Ecuador and Indonesia. The complaint is that governments in these

countries allegedly subsidize their industries by providing shrimp larvae, assisting farmers and processors among others. The products targeted are certain processed warmwater frozen shrimp products. The Department of Commerce and the US International Trade Commission decided on 18 January to initiate countervailing duty investigations with a time frame stretching to early June and into July before final decisions will be made known.

Some dissension has been reported within the US shrimp industry saying that farmed and wild shrimp target two different markets, and therefore should not be considered like products, and for that reason imported cultured shrimp would not cause injury to the domestic product.

Meanwhile, EMS in farmed shrimp in Thailand, Viet Nam and China is a matter of concern for the USA as those three countries account for about 40% of traditional supply to the US market. In Latin American countries, supply is under threat as well. While white spot disease continues to hit farm production hard, wild shrimp landings along the Pacific coast have been disappointing. In the case of Ecuador, the amount of exports to alternative markets in Europe and Asia for reprocessing is another factor that reduces the supply for US importers.

Both issues were dominant during negotiations at the recent Boston Seafood Show, as the possible imposition of countervailing tariffs would certainly have a major effect

**Imports
Shrimp: USA**

Product	2008		2009		2010		2011		2012	
	1 000 tonnes	million USD	1 000 tonnes	million USD	1 000 tonnes	million USD	1 000 tonnes	million USD	1 000 tonnes	million USD
Breaded frozen	37.9	192.1	37.4	198.4	41.6	230.9	43.9	293.6	37.9	250.1
Other froz. prep.	90.5	696.6	96.8	722.3	95.1	745.5	95.5	943.1	71.0	669.3
Other preparations	1.3	6.4	1.2	5.2	1.5	7.1	3.9	22.8	2.6	14.0
Peeled frozen	183.7	1 364.5	184.6	1 303.8	188.9	1 521.3	207.1	1 939.4	204.3	1 772.0
Frozen shell-on	244.5	1 780.2	221.9	1 469.9	226.0	1 727.7	222.9	1 928.0	215.4	1 714.5
< 15	22.8	285.1	18.3	204.2	18.4	242.2	17.8	263.8	19.0	266.3
15/20	21.5	220.3	16.7	147.3	19.8	216.9	20.9	237.2	24.3	222.6
21/25	30.2	260.9	30.7	241.0	28.2	256.6	30.1	295.5	29.5	244.6
26/30	34.4	245.5	35.6	239.0	34.5	270.2	30.3	264.3	32.9	260.2
31/40	42.5	264.4	45.2	266.5	46.9	311.4	45.5	349.9	41.4	296.5
41/50	31.5	181.0	29.1	152.0	28.9	171.8	28.3	194.5	25.9	171.4
51/60	31.7	173.5	24.2	118.0	25.2	138.6	26.8	180.2	21.7	134.4
61/70	18.0	93.1	13.2	63.8	14.5	76.6	13.7	85.8	12.1	72.0
> 70	11.9	56.2	9.1	38.1	9.6	43.4	9.6	56.7	8.6	46.5
Other	6.4	53.0	107.1	800.8	7.8	62.5	3.5	37.4	3.5	44.1
Total general	564.2	4 092.7	552.2	3 778.1	560.8	4 294.9	576.8	5 164.3	534.7	4 464.0

Source: NMFS



Imports Shrimp: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Thailand	188.3	182.4	192.8	203.2	185.8	136.1
Ecuador	59.1	56.3	61.6	65.0	73.8	81.5
Indonesia	59.1	84.0	69.3	61.1	70.3	74.1
India	20.8	15.2	19.9	30.2	48.1	65.6
Viet Nam	39.3	47.9	44.1	48.4	45.5	41.2
China	48.4	47.8	42.2	48.1	43.0	35.7
Mexico	40.6	34.5	41.1	23.5	30.7	26.4
Malaysia	22.8	30.1	18.4	24.3	29.3	23.5
Honduras	7.3	5.7	8.7	10.2	10.4	9.1
Guyana	8.9	9.1	8.9	7.8	6.5	9.0
Peru	7.2	7.5	8.5	7.0	8.3	8.4
Nicaragua	4.2	2.4	4.8	4.4	3.4	4.7
Panama	4.5	3.6	3.6	3.3	3.3	3.2
Bangladesh	14.9	13.7	9.9	8.1	4.5	2.7
Others	31.6	23.9	18.4	16.1	13.9	13.5
Total	556.9	564.2	552.2	560.8	576.8	534.7

Source: NMFS; GLOBEFISH AN 10129

when negotiating shrimp prices for the rest of the year. According to analysts, this year has been slower with little incentive to make hasty commitments by buyers.

As a result of the supply situation and some rise in spot demand (Chinese New Year, Lent period, and others) the market for white farmed shrimp of Asian and Latin American origin has remained steady to firm, with supply shortage for shell-on products. For black tiger shrimp, larger sizes remain in short supply, which has strengthened the market; current prices are high. Wholesale prices have been rising along with increased export prices in producing countries. As a result of added replacement costs, wholesalers and traders prefer to wait for some more weeks before releasing their stocks.

Imports

In 2012, the market imported 534 686 tonnes of shrimp, valued at USD 4 500 million, which was lower by 7.3% in volume and 13.5% in value. This is the largest drop since 1995. While some countries increased their shipments (India, Ecuador and Indonesia) this was not enough to compensate for the sharp drop in Thai exports.

Europe

After being quiet for the past few months, recently European markets began to show signs of improvement. Asian packers have been receiving a good number of

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

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Ecuador	70.0	83.1	74.6	80.6	97.2	92.0
Greenland	81.1	80.3	74.3	72.6	68.3	61.2
India	57.0	61.3	65.2	59.8	59.4	60.7
Argentina	45.2	38.6	47.1	55.5	62.1	54.9
Thailand	32.9	39.9	52.8	68.2	63.1	53.4
Denmark	57.7	50.1	46.3	49.4	44.8	43.1
Bangladesh	29.8	32.5	39.0	41.2	43.2	41.9
Netherlands	39.3	36.7	37.0	41.1	44.2	40.5
China	42.4	39.2	40.0	40.6	38.6	35.8
Viet Nam	23.4	31.8	38.1	42.8	45.2	35.3
Canada	53.8	33.5	31.4	30.5	27.8	30.0
Spain	19.8	19.9	21.8	25.9	25.0	28.1
Belgium	20.4	24.5	24.2	23.4	27.7	20.6
Others	277.5	243.3	231.2	215.4	202.6	175.3
Grand Total	850.1	814.8	822.9	847.1	849.1	772.6
Total Intra Imports	203.4	187.0	187.5	202.4	202.2	181.8
Total Extra Imports	646.8	627.8	635.3	644.7	646.9	590.9

Source: GLOBEFISH

enquiries from European buyers since late February. However, this was mainly driven by the importers' need to re-fill diminishing stocks instead of stimulating consumer demand. Deepening Euro-area recession and rising consumer prices coupled with the austerity measures in some countries have affected the EU shrimp market. Thus, product movement was still relatively slow during the first quarter of this year.

Shrimp imports into the EU-27 posted negative growth last year, down by 9% in volume over 2011 amounting to around 772 648 tonnes. Imports from third countries also declined by 8.7% with fewer shipments recorded from major suppliers such as Ecuador (-5.3%), Greenland (-10.4%), Argentina (-11.6%) and Thailand (-15.4%). Among the top ten suppliers to the EU only India and Canada managed to increase their supplies by 2.2% and 7.9% respectively last year.

Shrimp imports into the main EU markets of Spain and Italy suffered double digit drops last year, declining by -15.4% and -12.4% respectively. In these two markets, fewer shipments were reported from traditional suppliers such as Argentina and Ecuador as well as from Asian countries. Exports of Argentinean shrimp will be significantly affected by the EU's new Generalized System of Preferences to be implemented from January 2014, which will impose a 12% import tariff instead of the current rate of 4.5%.



France imported more shrimp from Ecuador (+7.1%) and India (+4.7%) last year, which somewhat compensated for the significant drops in supplies from Thailand (-20.2%), Bangladesh (-16.1%), Viet Nam (-25.4%) and Madagascar (-3.9%).

Meanwhile more shipments from Thailand (+2%) and Bangladesh (+24.3%) into Germany last year were unable to offset the reduced supplies from Viet Nam (-22.1%) and India (-4.3%). Thus, the overall shrimp imports into Germany were marginally down by 4.5%.

Thailand is now the largest supplier to Germany and also the UK market. Supplies from Thailand to the UK market last year increased by 5.6%. Therefore it is understandable that the Thai government is very much concerned about the recent negative reports in the UK press accusing the Thai shrimp industry of using trash fish from highly destructive fishing methods and being involved in human trafficking of its workers from neighbouring countries. Total shrimp imports into the UK declined by 5.2% last year, largely because fewer shipments came from Denmark (-12.2%), Viet Nam (-24.7%) and Bangladesh (-17.1%).

Bangladesh did well in the Netherlands and became

**Imports/Exports
Shrimp: Spain**

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
IMPORTS						
Argentina	33.8	28.5	36.2	42.7	49.2	42.3
Ecuador	21.2	27.9	20.4	23.5	31.5	28.7
China	27.9	27.1	25.4	22.7	22.5	18.4
Nicaragua	6.6	5.8	6.5	5.9	7.0	8.5
Thailand	1.7	5.7	7.7	11.8	11.2	5.4
Senegal	3.4	2.5	1.4	2.1	3.7	4.7
Morocco	6.4	6.4	5.2	4.2	4.8	3.9
Honduras	7.5	4.1	4.5	3.4	3.3	3.4
India	2.3	2.3	2.8	3.3	2.4	3.4
Belgium	3.7	4.7	4.5	4.2	3.9	3.2
Netherlands	5.0	4.0	4.1	4.5	3.8	2.9
France	5.6	3.1	2.0	3.0	2.1	2.7
Others	52.4	45.1	42.4	39.3	34.2	24.5
Total	177.4	167.0	163.2	170.7	179.5	151.9
EXPORTS						
Italy	10.8	8.3	10.7	12.4	16.5	13.8
France	7.8	3.4	6.9	5.8	7.6	7.9
Portugal	7.9	7.7	8.4	9.6	9.3	7.3
Others	4.6	3.8	4.2	3.1	5.2	4.8
Total	31.2	23.1	30.2	30.8	38.6	33.8

Source: Agencia Tributaria

**Imports
Shrimp: France**

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Ecuador	16.2	20.1	17.8	24.4	26.7	28.6
India	9.4	10.4	13.3	12.5	12.8	13.4
Madagascar	9.5	9.4	8.6	7.6	7.7	7.4
Netherlands	5.9	6.3	6.5	6.1	6.5	7.3
Thailand	4.8	5.7	6.4	10.8	8.9	7.1
Venezuela	3.6	3.7	3.9	4.5	4.4	6.3
Spain	2.5	1.7	3.7	5.7	4.3	5.6
Bangladesh	1.7	3.5	3.5	4.6	5.6	4.7
Viet Nam	4.3	4.9	4.9	6.4	5.9	4.4
Belgium	4.8	5.3	4.3	4.2	5.2	3.5
Colombia	3.8	4.7	5.7	4.1	2.6	3.1
Others	42.2	31.3	30.6	24.2	19.4	17.1
Grand Total	108.6	107.0	109.1	115.0	110.1	108.6

Source: Direction Nationale des Statistiques du Commerce Extérieur – DNSCE

the number one supplier to the market last year. The Netherlands, however, imported less shrimp (-15.6%) and its exports also sharply fell by 20%. Similar trends were noticed in Belgium where shrimp imports and exports into and from the country dropped by 18.1% and 17.9% respectively during the reporting period.

Imports of shrimp into Denmark, mainly for reprocessing, marginally declined (-3%) last year mainly

**Imports
Shrimp: UK**

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Thailand	9.6	9.8	13.2	17.0	19.6	20.7
Canada	10.6	8.1	8.3	9.1	9.4	10.2
India	11.2	8.3	8.6	8.1	8.4	8.6
Denmark	10.3	9.6	9.8	9.4	8.2	7.2
Bangladesh	5.7	4.9	6.8	6.1	7.6	6.3
Iceland	9.0	8.2	7.9	7.6	6.1	6.1
Viet Nam	2.3	3.8	5.5	5.8	7.7	5.8
China	1.5	1.6	1.7	3.2	3.5	4.3
Indonesia	9.0	8.7	7.6	8.0	5.9	3.1
Ecuador	3.5	2.1	3.1	2.0	2.5	2.5
Honduras	1.8	2.5	2.7	2.0	2.1	2.1
Norway	2.7	3.2	2.5	2.5	2.7	1.9
Other	10.4	9.4	7.1	5.1	6.5	6.8
Total	87.6	80.2	84.9	86.0	90.4	85.7

Source: Her Majesty's Revenue & Customs
GLOBEFISH AN 010141



Imports/Exports

Shrimp: Denmark

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
IMPORTS						
Greenland	77.9	77.1	71.5	70.5	66.3	59.3
Canada	35.6	18.5	16.6	13.1	11.3	15.4
Viet Nam	0.9	1.5	1.8	1.7	1.7	1.9
United States	0.3	0.7	0.2	0.5	1.6	1.8
China	1.0	0.9	0.9	0.8	1.2	1.3
Others	18.9	17.6	14.8	14.1	10.4	10.0
Total	134.6	116.4	105.8	100.8	92.5	89.7
EXPORTS						
Sweden	19.3	18.3	19.3	19.0	20.5	21.4
United Kingdom	14.4	12.8	13.1	12.9	10.6	9.8
China	9.5	10.5	13.4	12.2	7.0	8.9
Germany	8.7	8.5	7.3	6.8	7.5	6.8
Russia	37.7	30.3	19.8	14.0	8.9	6.5
Norway	6.7	5.8	6.4	7.1	6.7	5.8
Italy	9.1	8.7	5.8	6.1	5.6	5.5
Netherlands	7.8	7.4	4.9	6.0	4.1	4.0
Morocco	0.0	1.7	3.4	4.0	2.3	3.3
Greenland	3.0	3.2	4.1	4.1	3.7	3.2
France	5.1	3.8	3.6	3.4	2.9	2.3
Japan	2.7	3.5	2.4	2.7	2.3	2.1
Estonia	2.5	2.0	1.5	1.9	2.1	1.7
Spain	2.0	2.0	1.8	1.8	2.1	1.6
Others	14.7	14.2	10.1	10.6	11.4	10.8
Total	143.4	132.6	116.9	112.7	97.9	93.6

Source: EUROSTAT

because of lower supplies from Greenland (-10%) despite more shipments arriving from Canada (+36%) and the USA (+12.5%). More imports are expected from North America in the future as the EU has finally agreed to remove the 20% tariff imposed since early 1970's for shrimp from the US West Coast.

Imports

Shrimp: Germany

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Thailand	8.9	9.4	11.5	12.4	10.6	10.8
Viet Nam	5.7	8.6	9.6	11.5	12.2	9.5
Bangladesh	3.1	3.6	6.4	6.7	7.0	8.7
Netherlands	6.0	5.8	5.4	6.0	6.9	6.3
India	6.4	6.1	5.5	5.2	4.7	4.5
Belgium	2.6	4.7	4.1	4.5	4.5	3.4
United Kingdom	2.5	1.8	2.0	2.8	2.5	2.4
China	0.7	0.3	0.6	0.7	1.2	1.9
Honduras	1.0	0.9	1.4	0.7	1.3	1.8
Denmark	2.6	2.7	2.3	3.0	2.0	1.7
Others	10.0	10.6	10.0	9.6	8.8	7.9
Total	49.6	54.7	58.9	63.1	61.7	58.9

Source: GLOBEFISH AN 010146

Imports

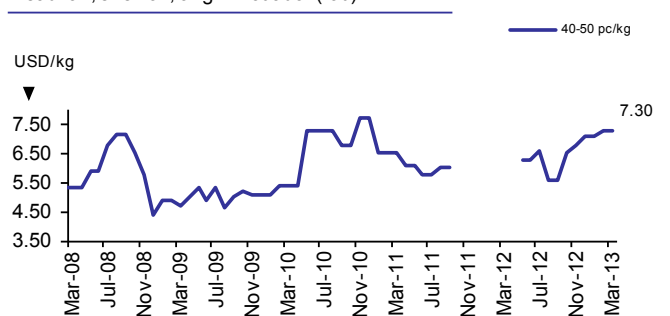
Shrimp: Italy

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Ecuador	19.0	20.4	21.8	21.4	22.2	21.2
Argentina	10.2	8.1	8.2	11.6	11.3	11.2
Spain	7.0	4.1	6.0	6.7	7.5	7.2
India	5.2	6.1	5.9	5.9	6.3	5.5
Netherlands	3.2	3.1	3.9	4.9	5.1	4.1
Denmark	7.5	6.8	4.8	5.0	4.5	3.2
Vietnam	2.2	2.6	2.9	2.6	3.3	2.0
Thailand	1.2	2.0	2.6	3.1	2.7	1.6
China	3.7	1.8	1.9	1.6	1.6	1.3
Others	16.4	13.7	12.2	11.2	9.6	7.6
Total	75.5	68.7	70.2	73.9	74.2	65.0

Source: ISTAT

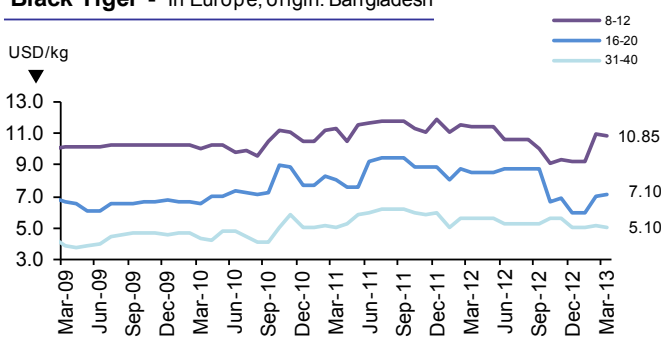
Whiteleg shrimp - *Penaeus vannamei*

Head-on, shell-on, origin: Ecuador (fob)



Source: EPR

Black Tiger - In Europe, origin: Bangladesh



Source: EPR



ASIA

Shrimp demand in Southeast and Far East Asian countries continues to grow both for domestic consumption and also for the reprocessing industry. Shrimp imports into Hong Kong SAR, Singapore, Taiwan Province of China and China in 2012 grew by 22.8%, 2.1%, 1.1% and 3.0% respectively in volume over the previous year. Canada remained the largest shrimp supplier to China followed by Thailand, Ecuador, Greenland and India. In an attempt to boost exports, the Canadian government is providing CAD 165 000 (USD 162 016) to the Canadian Association of Prawn Producers (CAPP) to promote its shrimp in China and Russia.

Malaysia is another important market for shrimp and imported around 41 300 tonnes last year, which was slightly lower (-1.7%) than in 2011. Shrimp imports into Thailand, which are mainly for reprocessing, fell by 13.4% during the reporting period. In contrast, imports of shrimp raw material into Viet Nam have been rising. The country doubled its shrimp imports from Thailand to around 10 500 tonnes last year from 5 200 tonnes recorded in 2011, while shrimp imports from India also increased by 13.2% to 14 357 tonnes.

As a result of supply shortages ex-farm vannamei prices in Thailand increased to THB 164 - 168 (USD 5.5 - 5.6) for 60 pieces/kg and THB 155 - 160 (USD 5.2-5.4) for 70 pieces in March. In the Mekong Delta black tiger raw material prices also went up substantially and shrimp traders paid VND 240 000 (USD 11.5) a kilogram for size

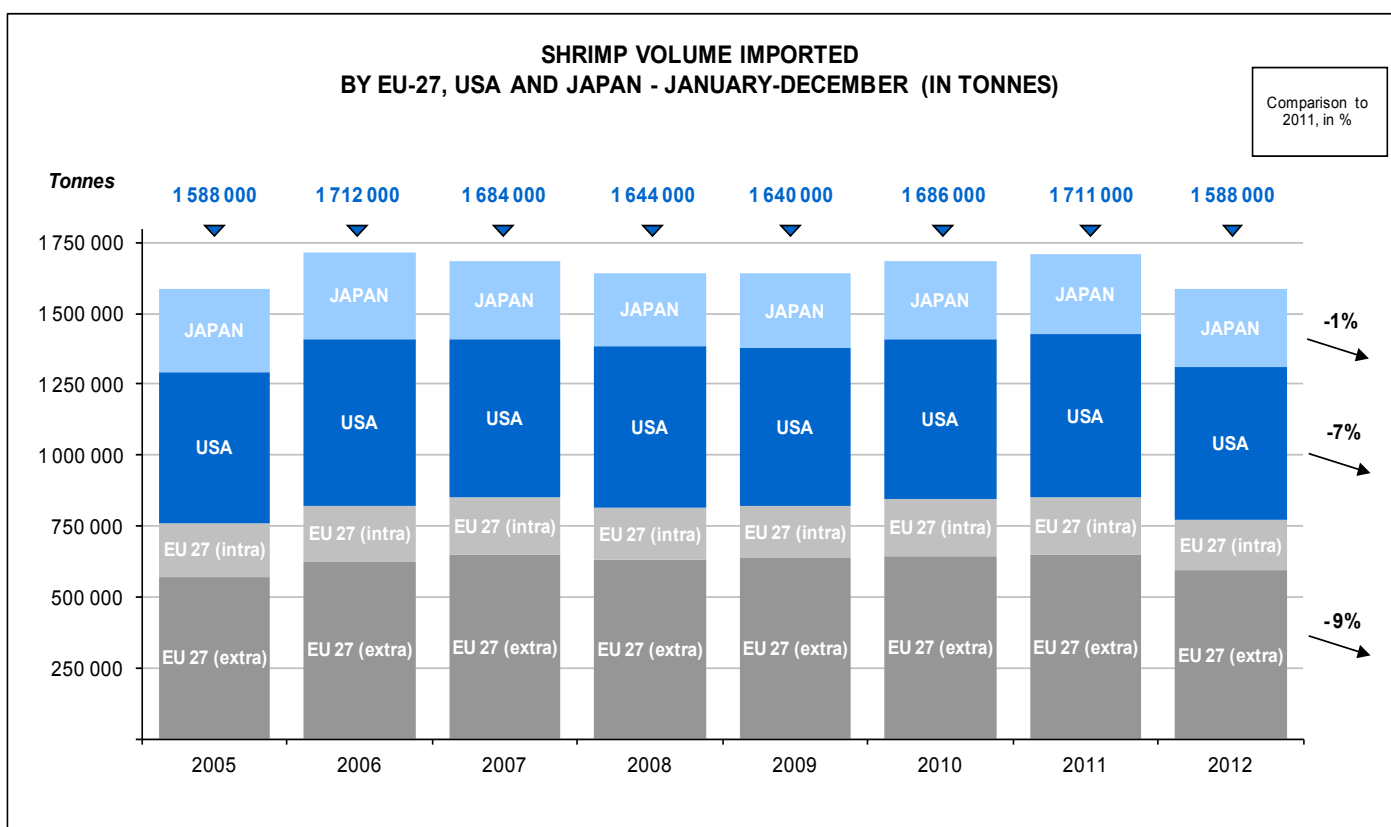
20 and VND 160 000-170 000 (USD 7.7-8.1) a kilogram for size 30 pc/kg, which was the highest in the last year.

Finally, after being absent for many years, shrimp products from Pakistan will be available in EU markets this year. The EU has decided to allow two companies from Pakistan to export shrimp to the EU from 12 March after the ban imposed 6 years ago was lifted.

Outlook

If the yen stays around JPY 100 = USD 1 throughout the year, which is forecast by financial analysts, Japanese importers will have to pay 20-23% more compared with last year. Moreover, offer prices from producing countries are unlikely to ease till May or June. Hence active imports are unlikely before the new season's harvest begins. The market is likely to have to depend on the existing inventories during the April and May high demand period.

For the US market, some believe that prices will remain strong until the beginning of spring and may ease thereafter. However, the forecast of the harvest in Thailand being delayed till June and reduced farming effort in India may not bring enough supply to the market. It is also expected that most of the 7 countries targeted in the countervailing duty investigation will be reducing their shipments to the US market this year. Observers think that this makes the US market vulnerable if shrimp imports from India are disrupted, as other Asian and Latin American producers are already planning to reduce their

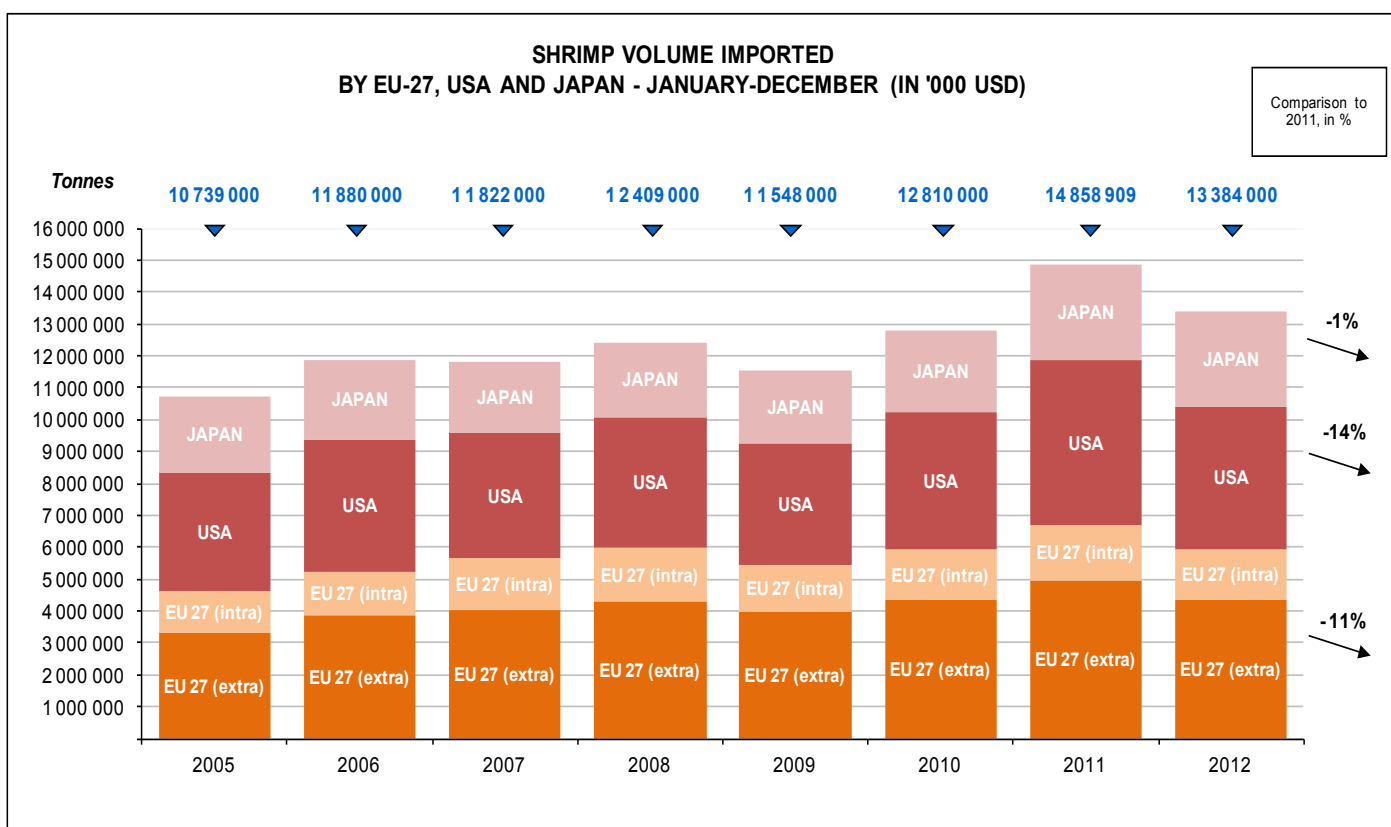
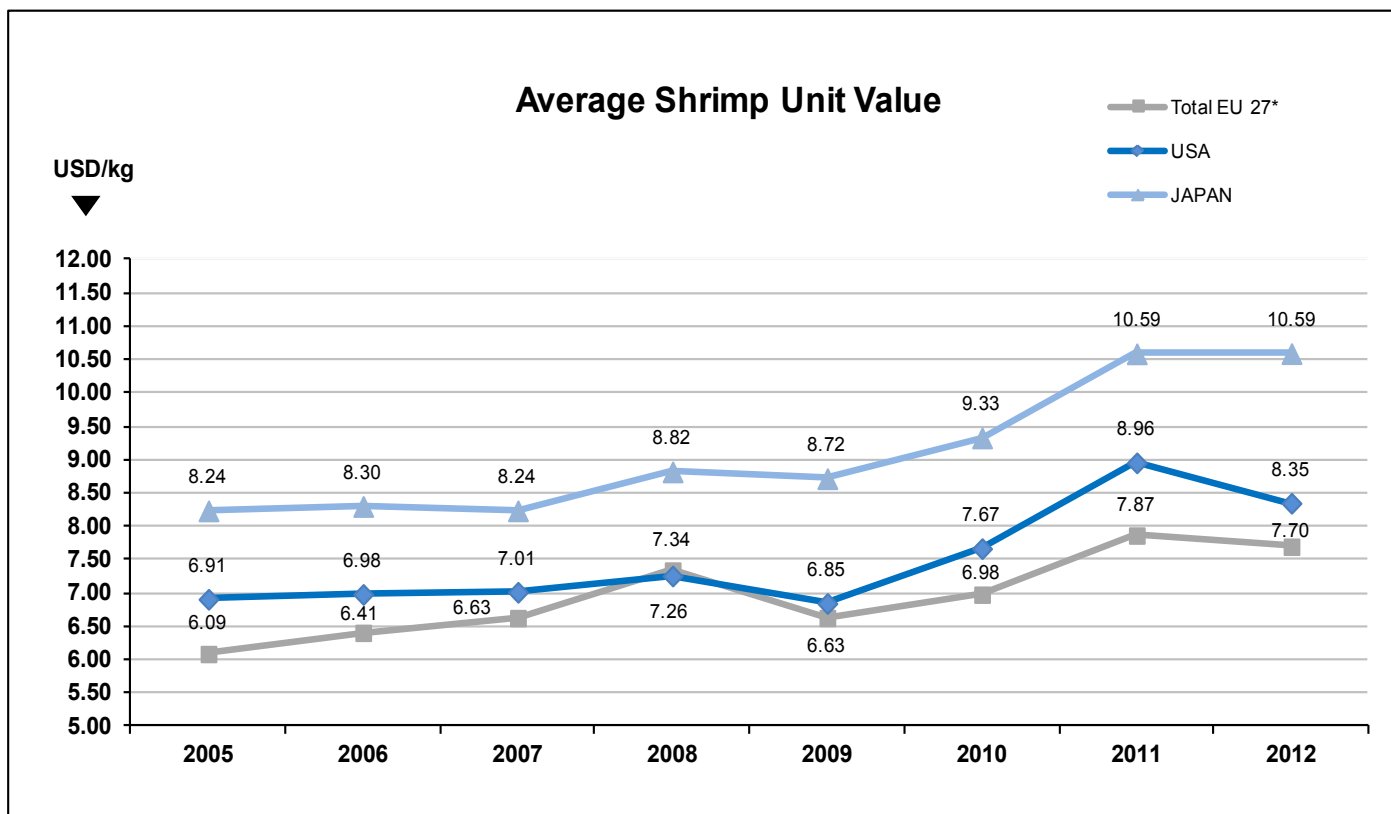




shipments in favour of other markets, mostly those in the Asian region.

Brussels seafood exposition (ESE) in April. Packers, however, do not expect any major deals during the show as the shrimp market in Europe this year will remain as slow as last year.

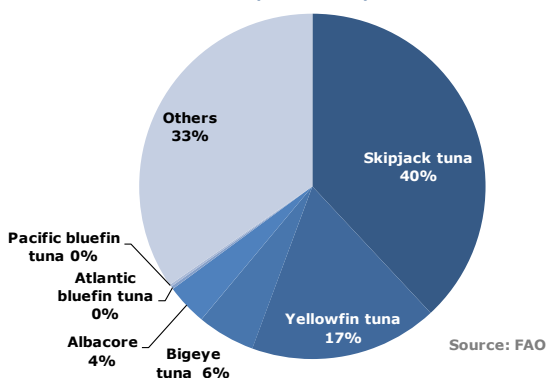
The EU markets are expected to be more active during the second quarter of the year. A clearer picture of the demand trend will be seen during the upcoming



Moderate demand, low supplies and rising prices are features of the global tuna market this year

Tuna prices have increased further for delivery to Asian canners, indicating lower supplies than current demand. This rise may influence prices in other regions in Latin America and Africa. Following this trend canned tuna prices are also on the increase. Meanwhile the sashimi tuna market in Japan is firming up in preparation for the Spring festival in April/May. The USA market for non-canned tuna has also been stable throughout the last year and this trend may continue in 2013 as well.

Tuna production by species (2010)
(in tonnes)



fishing remains good, especially off Peru and Ecuador. Skipjack prices are also stable at USD 2 200/tonne at Manta, Ecuador, but may increase by April.

According to IATTC, 525 068 tonnes of tuna were caught in the Eastern Pacific up to 2 December 2012. Ecuador had the highest catches, accounting for 41%, followed by Mexico at 24%. Skipjack catches were stable compared with the previous year at 254 842 tonnes while yellowfin tuna catches declined by about 5 000 tonnes in 2012 to 200 367 tonnes. Bigeye tuna catches increased by more than 7 000 tonnes in the same period totaling 50 191 tonnes.

Supply

Overall supply from the Western Pacific has been disappointing, pushing tuna raw material prices higher. With fluctuations between USD 2 350 in October 2012 and USD 1 900 in January 2013, the frozen skipjack price for delivery to Thailand was back up to USD 2 300/tonne in late March, a clear indication that low supply is meeting good demand from Asian canners.

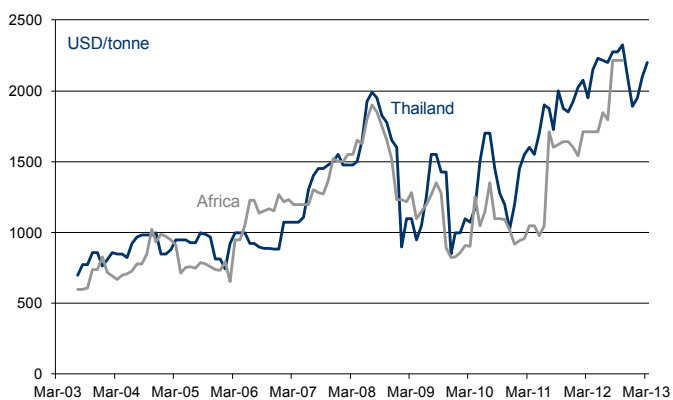
In the Eastern Pacific, the two-month long fishing ban ended on 18 January and 46 tuna purse seiners were allowed to fish again in these regional waters. Current

Improved catches of yellowfin have been reported in the Indian Ocean, which has eased pressure on prices. Reportedly in March the ex-vessel prices in Seychelles softened to EUR 2 200/tonne (10kg and up). Compared with February, prices of skipjack have also declined to EUR 1 680, FOB Seychelles.

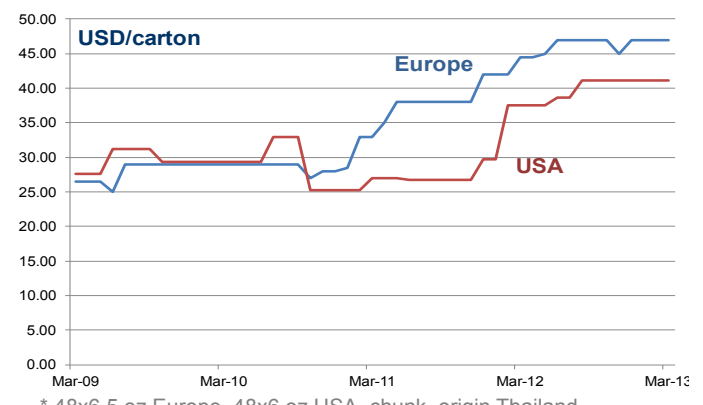
Yellowfin in Italy and Spain is being traded at EUR 2 600 in March, the same as the previous month, whereas skipjack prices have climbed back to EUR 1 800 CFR Spain.

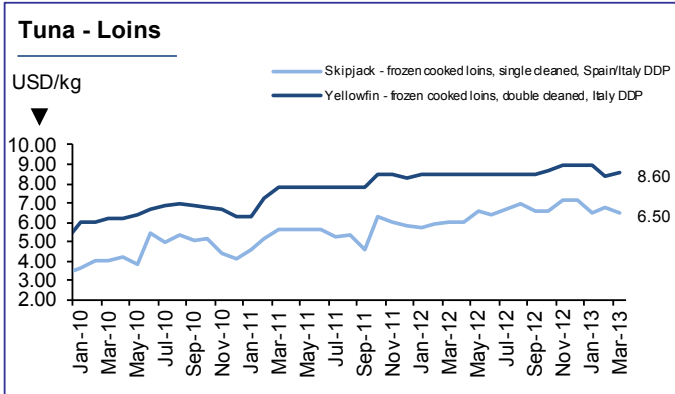
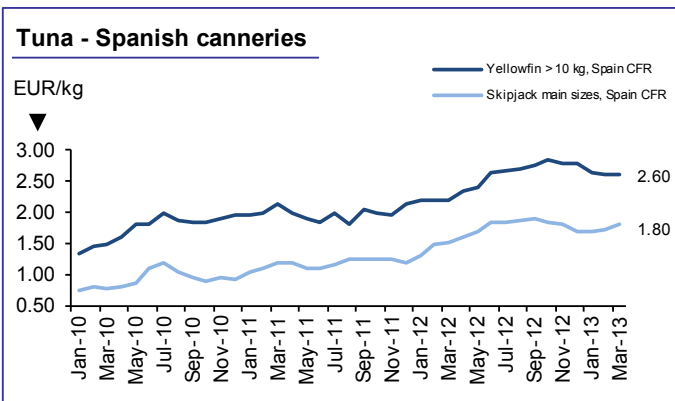
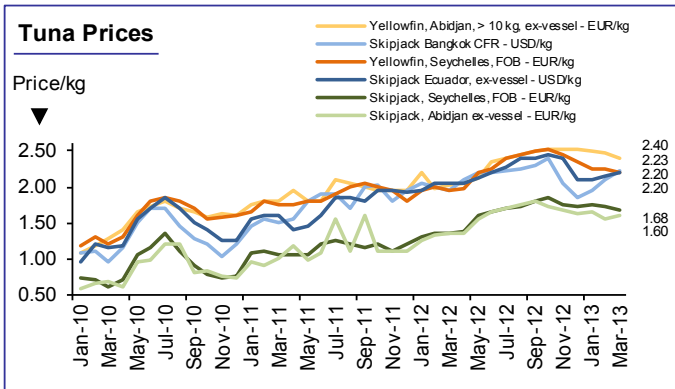
As of 6 March, 14 575 tonnes of cooked and frozen tuna loins have entered the EU under the 2013 zero duty quota of 22 000 tonnes.

CFR Prices Frozen Skipjack: Thailand and Africa



CFR Prices Canned tuna*: USA, EUROPE





Graphs Source: GLOBEFISH EPR

With patchy improvement in catches, fishing in the Atlantic Ocean has remained relatively poor despite the reopening of the ICCAT FAD Fishing Exclusion Zone on 28 February. Catches may improve further, while the March ex-vessel prices in Abidjan are firm at EUR 1 600 for skipjack and EUR 2 400/tonne for yellowfin.

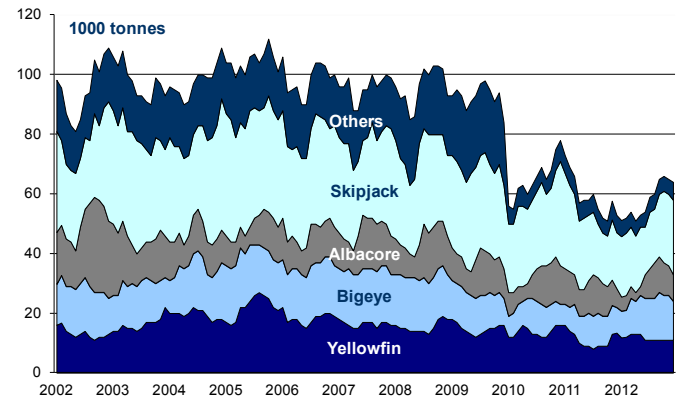
Japan Annual Tuna Landings

In 2012, Japan's tuna landings from local and distant fishing fleets were significantly higher in comparison with the previous two years. Overall landings of frozen tuna went up by 30% compared with 2011. Frozen yellowfin landings, in particular, were significantly higher.

Market Trends

The Tsukiji market is actively preparing for the

Coldstorage holdings Tuna: Japan



Source: INFOFISH Trade News, GLOBEFISH

Spring festival and supplies of fresh tuna have already increased by mid-March. Farmed bluefin tuna from Mexico reached the market at a rate of 150 pieces a day. In terms of current demand, which has not yet picked up, this is a large amount and thus prices of other tuna in the auction market were also affected. The auction price of fresh bigeye tuna was kept down because of this supply.

Sales of frozen bigeye have improved in the auction market in anticipation of higher demand. However, the average price is still low because of high inventories of 'low quality' fish received from the Indian Ocean last year. As of late March the auction price weakened to JPY 500-550/kg. Fish caught in the Western Pacific is still preferred by the market and fetches at least JPY 100 more per kg than that caught off Somalia in the Indian

Landings Tuna*: Japan

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Bluefin						
fresh	3.4	2.7	2.2	1.0	2.0	1.1
frozen	0.9	1.0	0.7	1.3	1.2	1.5
Bigeye						
fresh	11.9	9.3	7.9	5.7	6.1	5.4
frozen	20.0	20.4	17.9	17.5	15.3	20.4
Yellowfin						
fresh	6.4	10.2	7.6	8.9	7.9	7.0
frozen	9.8	9.0	8.1	6.4	5.7	24.5
Albacore						
fresh	48.7	31.3	40.0	30.6	33.6	42.1
frozen	14.9	9.5	16.7	16.9	16.7	23.8
Skipjack						
fresh	72.9	76.0	43.3	68.2	46.0	45.2
frozen	224.2	208.0	200.9	212.6	182.2	217.6
Total	413.2	377.4	345.2	369.4	316.6	388.6

Source: MAFF, Japan; * including distant water catches



Ocean.

However, this high inventory is likely to disappear by mid-year, as this year many Taiwanese tuna boats have shifted from bigeye to albacore fishing.

With fluctuating and seasonal demand for sashimi tuna, the market is also favouring frozen products, particularly loins. Imports of red meat quality frozen tuna loins increased from various sources last year reinforcing this trend.

Consumer demand for tataki (roasted and sliced skipjack) started in March and usually continues until June. Raw material shortage is already reported as a result of lower catches from this season's pole and line fishing off the Solomon Islands. Domestic inventory is low for tataki raw material and prices at Yaizu are up, ranging from JPY 196 to JPY 230/kg. As for purse seine caught skipjack, the ex-vessel price at Yaizu port increased by 10% compared with last month. While the weaker yen has contributed to higher landing prices in Japan, competition is strong from canners in Thailand at better prices.

Annual Tuna imports in 2012

The total import volume of fresh and frozen tuna into Japan last year was 247 160 tonnes, which was close to the volume imported in 2011 (246 889 tonnes). However, the recovery in imports of fresh bluefin and bigeye tuna

Imports

Frozen tuna: Japan

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Yellowfin	58.7	47.4	44.1	50.1	47.8	48.0
Bigeye	86.8	77.8	77.1	73.9	62.1	79.1
Skipjack	31.3	33.5	53.3	59.6	42.2	32.0
S. bluefin	8.4	7.4	6.9	6.7	7.4	7.4
Albacore	6.0	8.3	8.5	23.2	18.0	15.2
N. Bluefin	6.3	4.2	4.0	1.8	3.2	0.4
Total	197.5	178.3	193.9	215.3	180.8	182.2

Source: INFOFISH

Imports

Fresh/chilled tuna: Japan

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Yellowfin	16.9	15.5	15.5	16.1	13.6	12.2
Bigeye	14.5	15.0	15.2	11.6	12.1	13.3
Bluefin	5.1	4.4	5.8	4.0	2.6	3.4
S. bluefin	1.2	1.2	3.4	2.1	1.2	1.5
Albacore	0.3	0.3	0.3	0.3	0.2	0.2
Skipjack	0.1	0.0	0.0	0.0	0.0	0.0
Total	38.1	36.3	40.2	34.1	29.8	30.0

Source: National Statistics

is significant, whereas supplies of frozen northern bluefin were particularly low. The positive trend in the frozen tuna loin market continued with higher imports in 2012 compared with the previous years.

Last year's improved catches in the Western Indian Ocean (particularly by Taiwanese longliners) resulted in a 30% rise in frozen bigeye supplies (imports) compared with 2011, which pushed auction prices lower in the Japanese market. It was a good opportunity to increase sales volume at affordable prices. Imports of frozen bluefin were the lowest in the decade, with an 86% decline compared with 2011.

USA - Non-canned Tuna

It is evident from import data that demand for non-canned tuna in the USA improved in 2012 compared with previous years. Imports of fresh/chilled dressed tuna and frozen loins were higher by 7.8% and 32% respectively, showing distinct consumer preference for the shelf-stable frozen tuna loins.

US annual imports of frozen tuna loins for non-canned usage increased from 17 316 tonnes in 2011 to 22 837 tonnes in 2012; the leading suppliers were Indonesia, the Philippines and Viet Nam. The canning industries in the US also imported cooked loins, which brought the total volume of loin imports to 65 000 tonnes last year.

Frozen yellowfin tuna steaks and loins treated with carbon monoxide (CO) and sent to the US market could face a tariff charge, if the US Customs change the classification of treated tuna to a prepared or preserved product, Seafood.com reports. The US Customs and Border Protection (CBP) are looking at making the change nationwide, which would raise the tariff from virtually zero to 12.5%.

US Customs have already implemented the change at one port, where an American importer, Sea Delight, received an invoice for duty owed. Currently, yellowfin tuna imports, both treated and untreated, are considered to be raw fish or fillets, which are duty free.

Canned tuna

With the skipjack price expected stay above USD 2 000 for the rest of the year, many tuna packers have started adjusting their selling prices or reducing the product content to absorb increasing production costs. The largest canned tuna producer and exporter, Thai Union, has already announced that it will increase its canned tuna price slightly this year to offset the higher raw material prices, higher labour wages and the strengthening Baht. Japan's market leader, Hagoromo Foods, will raise the prices of its 165 gram canned tuna products by up to 6.1% from May this year while it will also reduce the content of its 80 gram canned tuna to 70



Imports

Tuna pouches: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Thailand	16.5	19.3	16.5	21.6	18.9	19.9
Ecuador	10.8	13.5	11	13.3	12.2	12.9
Others	3.8	5.9	3.6	6.2	5.6	3.5
Total	31.1	38.7	31.1	41.1	36.7	36.3

Source: NFMS

Imports

Canned tuna (excl. pouches): USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Thailand	66.1	64.7	78.8	96.8	83.1	62.8
Philippines	26.6	25.9	25.1	22.4	21.6	18.6
Indonesia	14.1	13.5	13.1	13.7	9.5	8.3
Ecuador	1.9	0.7	1.6	3.4	6.7	2.5
Others	25.3	27.8	23.4	23.3	29.8	34.4
Total	134.0	132.6	142.0	159.6	150.7	126.6

Source: NFMS

Imports

Fresh Tuna : USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Albacore	0.9	0.7	0.7	0.5	0.7	0.7
Yellowfin	18.0	15.9	14.2	16.0	16.9	17.9
Bigeye	5.6	5.5	5.5	4.0	4.5	5.3
Bluefin	1.1	0.4	0.4	0.5	1.2	1.5
Skipjack	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	0.2	0.0	0.2	0.4	0.3
Total	25.7	22.7	20.8	21.3	23.7	25.7

Source: NFMS

Imports

Tuna loins: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Thailand	7.8	14.9	10.1	26.8	24.7	20.1
Fiji	11.0	10.7	12.7	14.9	4.6	10.3
Trin & Tob	10.5	9.7	9.4	7.6	5.6	0.0
Ecuador	1.2	0.9	0.1	0.1	0.9	2.7
Others	13.3	9.0	16.4	15.4	25.7	32.7
Total	43.8	45.2	48.7	64.8	61.5	65.8

Source: NFMS

grams from June while maintaining the price. In France, Adepace, the country's association of seafood processors, has urged retailers to push up lagging retail prices.

USA - Canned Tuna

With canned tuna consumption declining in the US over the years, major suppliers have been facing challenges in finding a balance in pricing. Industry players estimated that American tuna consumption shrank by about 12% last year as a result of economic uncertainty, higher retail costs, overall consumer dissatisfaction with product quality and mercury related issues. The recent voluntary product recall by Bumble Bee and Chicken of the Sea because of packaging problems could further erode consumer confidence.

The latest civil class action against Starkist filed in the federal court in California may also bring negative publicity to the industry. In the suit Starkist is accused of systematically under filling and selling short-weighted chunk light tuna in water based on "pressed tuna cake weight", which is still the standard applied in the USA. For many years tuna packers, including Starkist, have requested the US authority to amend the canned tuna standard to "drained weight", as is the case in Europe, Japan and elsewhere. However, the use of additives to increase the moisture content of tuna meat in the US complicates the issue.

The downward trend in the US canned tuna market is apparent in the declining imports, which dropped by 14.3% in volume in 2012. The import value (USD 761.3 million), however, went up by 5.8% as a result of increasing tuna prices worldwide. Imports of normally popular canned light meat tuna in brine went down sharply by 20.4% while imports of tuna in pouch dropped only slightly by 1.1%. Thailand remained the top supplier of canned and pouched tuna to the USA but its shipments to the market were down by almost 18% last year.

Europe

The rising canned tuna price has prompted EU importers to look for cheaper alternatives, including products from ACP countries that have 0% import duty. As a result, there were sharp increases in supplies of canned tuna last year from countries such as Mauritius, Côte d'Ivoire and Papua New Guinea, while imports from Asia, particularly from Thailand and the Philippines, dropped significantly. In 2012, canned tuna supplies from Côte d'Ivoire to the EU increased by 31% while from Papua New Guinea they were up by 38.5%, which somewhat offset lower imports from Thailand (-44.3%) and the Philippines (-7.8%). Thus, the overall imports of canned and prepared/preserved tuna into the EU (HS 160414) in 2012 were only down by 3.5% in quantity, but the value went up by more than 14.4% over that of 2011, amounting to 447 579 tonnes valued at USD 2.47 billion.



Supplies from Africa, however, could be disrupted as the EU authorities have recently tightened up on shipments from West African countries that are suspected of engaging in illegal, unreported and unregulated (IUU) fishing. These measures could cause delays and rejections, driving buyers to seek other sources, unless a speedy solution is found.

Côte d'Ivoire increased its shipments to France by almost 42% overtaking Spain as the number one supplier. Imports from Spain dropped by more than 36% last year. Seychelles also managed to send more (+23.3%) products to France while supply from Thailand was reduced by half.

More canned tuna from African countries also reached the Italian market with supplies from Côte d'Ivoire and Seychelles going up by 35% and 14.5% respectively. Spain remained the number one supplier but its shipments fell by 8.5% resulting in overall imports into Italy declining slightly by 2.5% in 2012.

Germany bought more products from Papua New Guinea (+40.2%) but this still could not compensate for the sharp drop in supplies from Ecuador (-39%), Indonesia (-27.3%) and the Philippines (-9.7%); however, the latter retained its position as the top supplier to the market.

Canned tuna imports into the UK also declined by 6.7% largely as a result of lower supply from Thailand (-46.6%), although more shipments were recorded from the Philippines (+12.7%), Mauritius (+2.6%) and Ghana (+2.0%).

Early this year the EU finally agreed to increase the annual import quota for pre-cooked tuna loins to 22 000 tonnes from 15 000 tonnes at zero duty for three years. European canners, mainly in Spain, quickly snapped

Imports

Canned tuna: France

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
C. d'Ivoire	27.0	28.0	19.8	18.6	15.3	21.7
Seychelles	13.6	12.3	12.8	13.3	17.2	21.2
Spain	19.9	14.2	18.2	21.3	25.9	16.4
Ecuador	10.2	9.8	12.4	12.0	13.6	11.6
Ghana	5.2	5.3	5.8	7.7	8.2	6.2
Madagascar	11.0	7.5	8.2	5.5	7.1	5.6
Mauritius	2.0	1.5	2.1	1.4	2.9	4.8
Thailand	6.1	5.1	9.6	7.6	9.4	4.7
Belgium	1.2	1.3	1.6	1.8	1.7	1.6
Philippines	2.7	2.6	5.6	2.6	1.7	0.3
Senegal	1.7	1.3	1.8	0.8	0.2	0.2
Italy	3.5	2.4	0.3	0.2	0.1	0.1
Others	2.4	9.6	3.3	2.3	3.2	3.2
Total	106.5	100.9	101.5	95.1	106.5	97.6

Source: National statistics

Imports

Canned tuna: Germany

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Philippines	24.1	18.5	19.9	17.3	15.5	14.0
Papua NG	5.7	6.1	6.8	11.3	8.7	12.2
Ecuador	21.2	29.4	16.2	8.9	16.4	10.0
Vietnam	3.9	3.4	4.0	3.3	5.4	6.1
Netherlands	0.4	0.3	4.3	6.3	7.7	5.6
Indonesia	8.1	6.8	8.2	6.7	8.1	5.6
Spain	0.6	0.8	0.5	0.7	0.6	4.1
Thailand	11.9	8.2	4.3	4.2	3.2	3.2
Italy	1.7	1.3	1.0	1.0	1.2	1.5
Cote d'Ivoire	0	0.6	1.0	0.2	0.7	1.4
Others	7.5	6.4	3.5	7.0	6.5	3.3
Total	85.1	81.8	69.6	66.8	74.0	67.0

Source: National statistics

Imports

Canned tuna: UK

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Mauritius	27.9	26.9	23.0	28.6	22.9	23.5
Ghana	18.5	22.6	19.3	18.6	14.8	15.1
Seychelles	24.4	19.0	19.7	14.5	15.9	13.3
Ecuador	8.2	19.1	7.4	4.0	12.2	12.1
Thailand	14.9	14.8	17.2	14.2	21.9	11.7
Philippines	13.7	20.5	16.5	14.4	10.2	11.5
Spain	1.4	3.3	2.2	3.7	7.0	6.3
Indonesia	1.4	1.3	0.7	1.3	2.5	6.1
PNG	4.9	1.0	2.4	1.3	2.8	3.2
France	3.0	4.0	2.7	2.3	1.4	1.7
Portugal	1.0	0.2	0.2	0.3	1.4	1.0
Maldives	2.2	1.1	1.0	1.2	0.5	0.9
Germany	2.7	2.0	1.1	1.4	1.0	0.7
Others	6.3	8.2	2.7	2.0	2.5	2.1
Total	130.5	144.0	116.1	107.8	117.0	109.2

Source: National statistics

almost all the allotted duty-free quota within the first quarter of the year, mainly from Thailand, Viet Nam, China, Indonesia and the Philippines. Last year Spain imported close to 57 000 tonnes of tuna loins, 16.8% less than the previous year, while Italy imported around 31 000 tonnes, down by 8.8% during the period under review.

Asia

The Republic of Korea company Dongwon F&B has established a partnership with Chinese Bright Food Group, which has a distribution network of over 10 000 outlets, to market canned tuna in China. Even though the Chinese canned tuna market is currently quite small, it is growing.



Imports

Tuna loins: Italy

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Ecuador	11.9	10.4	13.2	9.9	12.7	10.5
Thailand	3.9	2.3	8.7	5.2	3.7	4.8
Solomon Isl	2.1	2.2	2.2	1.9	3.6	3.9
Kenya	7.6	4.8	1.5	2.3	3.5	3.1
Mauritius	3.6	6.8	5.0	4.4	1.9	2.6
China	0.7	0.7	2.5	2.2	2.5	1.5
Others	8.1	5.6	4.1	7.1	6.0	4.5
Total	37.9	32.8	37.2	33.0	33.9	30.9

Source: National statistics

Imports

Tuna loins: Spain

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	0.0	1.3	1.9	2.8	3.7	1.8
Indonesia	0.0	0.0	0.0	0.0	1.4	2.4
Thailand	2.9	3.5	6.6	5.6	11.2	2.5
El Salvador	14.8	12.4	13.1	7.6	5.8	5.4
PNG	0.2	0.2	0.5	1.7	4.5	5.5
Guatemala	0.0	1.5	5.7	8.7	6.5	7.9
Mauritius	3.1	2.1	5.5	7.5	9.6	8.5
Ecuador	13.1	22.4	28.7	25.7	21.4	19.4
Others	4.3	2.8	6.9	6.5	4.3	3.5
Total	38.4	46.2	68.9	66.1	68.4	56.9

Source: National statistics

Last year China imported 6 193 tonnes of canned tuna valued at USD 30.4 million, up 19.1% in volume and 32.6% in value compared with 2011. Thailand was the leading supplier but its shipments to China declined by almost 5% while the Republic of Korea increased its shipments by more than 92% last year.

Thai canned tuna exports also suffered major setbacks in other markets. Last year the country's tuna exports dropped significantly by 20.5% in quantity over 2011. In value terms, however, the exports were only slightly lower by 1.5%. The US remained the largest buyer for Thai canned tuna but shipments to this market were down by more than 30% in 2012. Shipments to European destinations also posted negative growth except to Italy, which grew by 16.3%. Other destinations that showed positive export growths in volume were Libya (+167.5%), Papua New Guinea (76.8%), South Africa (23.6%) and Lebanon (+7.7%).

Outlook

This year the competition from fresh salmon in the

Exports

Canned tuna: Thailand

	2007	2008	2009	2010	2011	2012
	(1000 tonnes)					
USA	87.7	94.9	112.7	117.3	99.3	81.6
Egypt	25.1	34.6	39.8	51.5	44.2	40.4
Australia	33.3	39.7	32.4	41.0	42.3	34.1
Canada	26.4	28.1	30.8	28.8	28.8	22.7
Japan	25.7	28.3	24.3	23.5	29.9	26.8
Libya	28.8	33.8	33.7	20.5	11.4	30.5
Saudi Arabia	21.2	19.5	17.0	18.7	20.8	20.1
UK	13.4	15.8	17.0	13.9	22.8	4.4
South Africa	9.8	8.4	9.8	11.3	7.7	9.5
UAE		10.0	6.0	7.4	10.2	7.6
Syrian AR	*	4.6	13.0	9.2	9.9	4.1
Chile	*	4.3	4.6	7.6	9.5	8.9
Netherlands	*	4.0	5.1	7.4	7.4	3.5
France	*	6.2	9.4	7.4	8.1	3.7
Yemen	*	*	*	6.3	7.4	7.6
Papua N.Guinea	*	4.3	3.6	5.5	5	8.9
Tunisia	*	*	*	5.5	12.7	8.3
Others	196.2	169.6	126.2	152.7	140.9	89.2
Total	467.6	506.1	485.4	535.5	518.3	411.9

Source: GLOBEFISH AN 10080

Japanese sashimi market seems to be less pronounced because of lower salmon imports - a situation that favours fresh tuna sales.

As for canned tuna, demand in the major markets, particularly the US and EU, will remain flat this year. As the skipjack raw material price is likely to stay at levels above USD 2 000/tonne, tuna packers are expected to make further price adjustments for their canned tuna products to absorb the increasing costs. Meanwhile more eco-labeled canned tuna sourced from pole and line fisheries and FAD free fishing are expected to become available in major supermarkets in Europe and North America in the coming months.

FAO has recently published on its website an information leaflet, entitled "*Tuna: A global perspective*". The document, compiled from inputs by several FAO staff, gives an overview of tuna, including the economic importance of tuna production and management of tuna fisheries. The main focus is on FAO's role and activities in this area, as well as listing sources where tuna statistics and other information about tuna can be found on the FAO website.

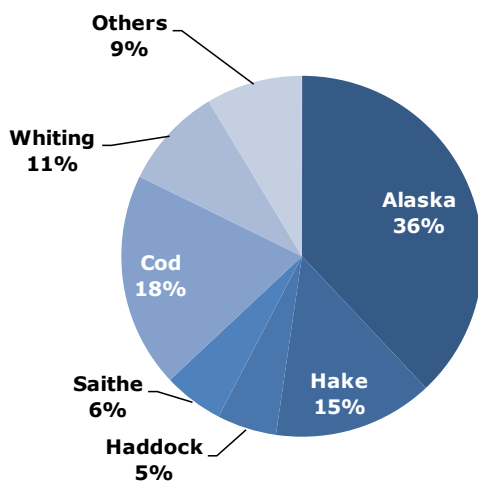
The leaflet can be downloaded at <http://www.fao.org/docrep/017/ap939e/ap939e.pdf>.

Other useful information on tuna resources, fisheries and utilization can be found in the thematic areas section of capture fisheries on the FAO Fisheries and Aquaculture website at <http://www.fao.org/fishery/capture/en>.

Increased supplies of cod provide a good opportunity to promote fish consumption

Supplies of cod will increase dramatically during the coming year, which means that prices will drop and that groundfish producers will face a challenging period. However, the picture is mixed. While quotas in the Barents Sea have been increased, quotas in the United States north east have been slashed by up to 77%, and New England fishermen are once again facing serious problems.

Groundfish production by species (2010)



Source: FAO

In the UK, some fishermen are asking whether the successful management of resource sustainability in the groundfish sector is threatening the economic sustainability of the fishery. The abundance of cod has put such strong pressure on prices that many fishermen are unable to turn a profit on their operations. Consequently, the large quotas may paradoxically force some fishermen out of business.

The lower cod prices are having a negative effect on fishing companies' bottom line already. Aker Seafood announced that their catch value per operating day had decreased by 10% during the fourth quarter of 2012. However, the company was not overly concerned about the situation, as the large increase in cod quota and the lower prices represented an opportunity to enter new markets.

There has been considerable debate over the possibility of Russia obtaining MSC certification for their pollock fishery. It is expected that the initial reaction to such certification might be some turbulence in the market and a downward pressure on prices. This, in turn, may force Russian producers to turn to markets other

than the EU and the USA, including Russia, China, and perhaps Africa.

However, in the long term, less pollock may be channelled into the European and US markets, which in turn could lead to prices increasing again after some time. Initially, though, the situation is likely to be rather turbulent.

In times of economic depression, consumers may change their purchasing and consumption behaviour. Prices will play an important part in this. From the point of view of the fisheries sector, the fishing industry may be in a good position in relation to the meat business. Over the last five years, prices of meat as well as fish have increased significantly, according to the FAO food prices index. But since 2011, fish prices have declined, while meat prices have remained high. Thus, fish is competing with meat on price, and apparently winning.

Supplies

The supply picture in the groundfish industry is very mixed. While Norway and Russia have increased their quotas dramatically as a result of very successful fisheries management over the past decades, the cod fishery in the north east USA and Canada is facing disaster. The cod quota in the Gulf of Maine was cut by 77%, while the quota for Georges Bank was cut by 61%. Consequently, North American fishermen are extremely upset, and prices in the area are expected to skyrocket. Catches of other species, such as haddock and pollock, are also expected to be reduced because too much cod is mingled in the catches, and this by-catch will not be allowed.

In Europe, on the contrary, supplies will be more than plentiful in 2013. Norway and Russia increased the cod quota to 1 million tonnes, and prices are falling already. In Russia, the fishermen are worried that the domestic cod market will collapse completely. The Russian quota was increased to 430 000 tonnes, while domestic consumption is estimated to be around 200 000 tonnes per year.

In 2012, Russian pollock landings increased by 2.8%



to 1.675 million tonnes. Catches varied from area to area, though. In the western Bering Sea catches rose by almost 16%, while in the Kamchatka - Kuril area and in the northern part of the Sea of Okhotsk catches fell by 6.2% and 7.2%, respectively.

Russian pollock quotas for 2013 were reduced by 5%, to 1.7 million tonnes. This year's quota is still the third largest since 2004.

The US Pollock A season opened in January with a quota of 1.258 million tonnes, slightly higher than last year. The season was off to a good start in terms of weather.

In spite of great expectations, the Lofoten "skrei season" (cod fishing season) had varied conditions at the beginning of the year. Landings have been good in some places, but prices are low, and because of the cold weather, producers of stockfish (air-dried groundfish) and clipfish (salted and dried) have been holding back so far. Expectations are pessimistic with regard to both demand and prices, and consequently producers are being cautious. As a result, much of the fish landed during the early season is being sold fresh or whole frozen.

In early March, haddock arrived off the Norwegian coast for the spawning season, but the haddock fishery had a slow start, according to reports. The main reason for this is that prices are low, and when cod prices are low, the fishermen get even less for haddock. Few processors are buying fresh haddock at the moment, while haddock frozen on board is much more acceptable, so prices for frozen haddock are still relatively good.

Hake

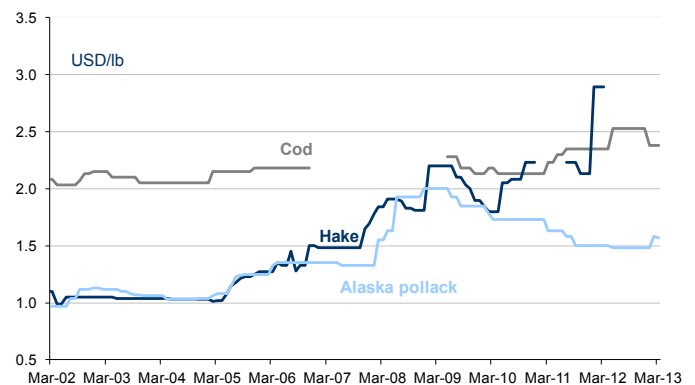
The hake fisheries in southern Africa (mainly Namibia and South Africa) are on an upward trend. Although there has been some confusion about the TAC in South Africa, it is now set at 156 000 tonnes for this year. To place this in an historical perspective, the Namibian TAC for 2012 was 170 000 tonnes - up from 60 000 tonnes in 1990 but down from 180 000 tonnes in 2005.

South African hake companies are optimistic about the immediate future. One of the leading suppliers, Oceanfresh, saw sales soar by 179% in the third quarter of 2012. The main reason for this is that the company managed to establish good retail relationships in Africa as well as in international markets.

Namibian companies are also turning to new markets in Africa and Asia. Whereas Namibian hake went mainly to Spain in the past, more products are now being shipped to African markets and to several markets in Europe. In 2004, 73% of Namibia's hake exports went to Spain. In 2011, Spain's share was reduced to 40%, while African markets took about 20%.

Hake prices have been on a slowly downward sliding trend in Europe for some time, and this is expected to continue this year. With good landings in southern Africa, coupled with good demand in the southern African region, Europe may have to depend on supplies from South America and from domestic landings.

CFR prices Groundfish blocks: USA



Source: GLOBEFISH AN 010805, 010806, 010834

Farmed cod

In spite of a great deal of talk and expectation, cod farming has not been the great success that was hoped a few years back. In fact, it has proven very difficult to achieve profitability in cod farming. The reason is quite simple: supplies of wild-caught cod of high quality are now so great that farmed cod cannot compete. The prices needed to create profits are just not high enough.

As a consequence, a number of cod farming companies have closed down. Now one of the largest producers of farmed cod in Norway, Codfarmers, estimates that they have spent up to NOK 1.5 billion on trying to create a cod farming industry. One of the problems they have identified is that the cod grows too slowly in the northernmost farming locations. Consequently, they are closing down operations in the north, but continuing in the southern part of Norway. At the same time, they are also showing some optimism in their expectations for the future. The high supplies of wild cod will decline eventually, they say, as this is a cyclical phenomenon. While they may be right, it should be recognised that the objective of fisheries management is to create a stable, sustainable fishery. Cod may just be the wrong species for aquaculture in that case.


Imports
Frozen Alaska pollock fillets: Germany

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
China	78.5	90.9	86.6	88.2	84.2	87.5
USA	55.2	53.4	28.1	36.3	48.1	53.4
Russian.F.	25.4	28.9	21.4	17.6	17.6	9.9
Others	5.3	5.0	6.4	4.5	5.2	6.0
Total	164.4	178.2	142.5	146.6	155.1	156.8

Source: National statistics

Imports
Frozen Alaska pollock fillets: France

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
China	18.7	21.8	22.2	23.1	30.5	23.8
USA	10.3	7.9	6.0	5.2	9.8	9.0
Russian Fed.	4.0	7.1	5.8	5.3	6.2	6.6
Germany	4.4	4.2	2.7	4.0	5.7	4.4
Others	0.6	0.5	1.0	2.0	0.5	0.7
Total	38.0	41.5	37.7	39.6	52.6	44.5

Source: National statistics

Imports
Frozen cod fillets: Germany

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
China	12.2	12.1	7.0	9.7	15.0	10.4
Poland	3.8	2.3	2.6	5.6	4.3	4.7
Vietnam	0.0	0.0	0.2	0.7	0.2	1.7
Denmark	1.5	2.1	1.5	2.2	2.7	1.2
Russia	1.1	1.1	0.7	0.6	0.5	0.5
UK	0.7	0.2	0.3	0.2	0.5	0.5
Others	2.9	3.0	2.3	2.8	2.8	2.0
Total	22.2	20.7	14.6	21.8	26.0	21.0

Source: National statistics

Imports
Frozen cod: UK

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Iceland	15.8	12.7	15.9	14.5	15.5	14.6
China	21.0	21.3	14.3	13.6	15.7	14.6
Russian Fed.	7.7	8.9	10.8	11.1	9.7	12.7
Germany	5.0	4.0	1.5	6.3	8.7	7.6
Denmark	12.4	9.0	7.3	5.9	7.5	7.2
Faroe Is.	5.8	6.0	5.5	5.6	6.2	6.0
Greenland	1.2	1.1	1.1	1.9	2.0	2.5
Norway	7.4	6.0	8.0	8.8	9.3	7.9
Others	10.0	10.4	7.9	6.7	6.9	5.9
Total	86.3	79.4	72.3	74.4	81.6	79.0

Source: National statistics

Imports
Frozen hake fillets: Germany

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
USA	6.1	6.3	6.9	4.8	3.7	3.0
Namibia	2.0	2.2	2.2	2.5	3.1	3.0
Peru	4.1	3.7	4.1	4.4	3.5	2.5
Argentina	5.6	3.6	3.6	2.5	1.3	1.3
Sudafrica	0.1	0.8	1.5	0.4	0.4	0.4
Spain	0.1	0.1	0.2	0.1	0.1	0.3
Others	5.6	4.2	1.3	0.7	1.7	0.5
Total	23.6	20.9	19.8	15.4	13.8	11.0

Source: National statistics

Imports
Frozen hake fillets: Italy

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Argentina	9.7	8.5	9.5	10.2	9.5	6.6
S. Africa	2.7	3.7	3.6	3.7	4.3	4.1
USA	0.0	0.0	0.0	2.5	3.3	3.5
Uruguay	3.8	3.1	2.7	4.6	5.1	3.3
Namibia	1.1	1.8	2.2	3.3	3.5	3.3
Spain	1.5	1.4	1.8	2.3	2.4	2.4
Germany	1.6	1.9	1.6	1.0	0.9	1.0
Others	0.8	0.7	1.2	2.2	2.7	2.5
Total	21.2	21.1	22.6	29.8	31.7	26.7

Source: National statistics



Imports

Cod-like frozen groundfish: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Fillets						
China	74.5	71.0	74.8	74.6	87.0	73.4
Iceland	11.1	6.6	6.5	9.2	6.7	7.0
Canada	5.5	2.3	2.4	5.3	3.8	2.5
Norway	0.2	0.8	0.8	0.8	0.5	1.5
Others	6.4	5.9	4.7	10.8	8.7	14.4
Total	97.7	86.6	89.2	100.7	106.7	98.8
Blocks/Slabs						
China	41.7	35.2	38.9	35.9	36.6	33.6
Argentina	2.0	2.3	1.4	0.7	0.6	1.6
Iceland	0.8	0.9	1.0	0.7	0.7	1.1
Russian Fed.	0.8	1.3	2.9	1.2	1.1	0.5
Norway	0.1	0.2	0.6	0.8	0.7	0.4
Canada	2.1	0.7	0.5	0.4	0.3	0.3
Others	1.7	1.4	1.4	1.8	1.4	1.9
Total	49.2	42.0	46.7	41.5	41.4	39.4
Gr. Total	146.9	128.6	135.9	142.2	148.1	138.2

Source: NMFS

Demand

In 2013 there is likely to be less pangasius on the market, which should increase demand for other whitefish species, such as cod. From Viet Nam it is reported that production will drop below 1 million tonnes in 2013. According to the latest forecasts, Vietnamese pangasius production will probably only reach 800 000 tonnes. This may help push pangasius prices back up a bit. In 2012, imports of pangasius to the major markets fell. Less pangasius on the market may benefit producers of other whitefish such as cod, haddock and hake.

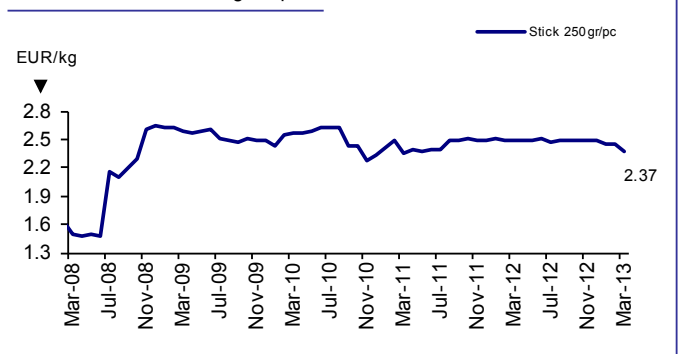
Surimi

Surimi production in 2013 is expected to be more or less the same as in 2012. In 2012, the US production was 167 000 tonnes, up 13% compared with 2011. In 2013, production is expected to reach about 170 000 tonnes. Surimi prices in Europe are still flat, as they have been over the past year. However, it can be expected that now they will go down slightly.

International trade

European imports of groundfish declined slightly in 2012 compared with 2011. UK imports of frozen cod fell from 81 600 tonnes in 2011 to 79 000 tonnes in 2012. The relative position of the various suppliers was maintained more or less at the status quo, except that Russia increased shipments by some 31% and Norway shipped

Surimi - In France, origin: Spain



Source: EPR

15% less frozen cod to the UK.

German imports of frozen cod fillets fell by almost 20%, to just 21 000 tonnes. Most of the decline were due to lower exports from China (-30.7%).

German imports of frozen Alaska pollock fillets was very slightly higher than last year's figure, but France saw a decline in frozen pollock imports by just over 15%. The main supplier to both markets was China. However, on the French market China lost ground (-22%), while China gained some ground in Germany (+3.9%). Russia lost market share in Germany, but made a slight gain in France.

US imports of groundfish were fairly stable in 2012 compared with 2011. A very slight decline in import volume was registered. Total imports fell from 148 900 tonnes in 2011 to 147 500 tonnes in 2012 (-0.9%). The major changes registered were lower imports of fillets from China, while Iceland increased its market share with regard to fillets. A number of new suppliers of fillets came into the marketplace, and imports from these unspecified countries increased from 2 200 tonnes to 11 200 tonnes.

Prices

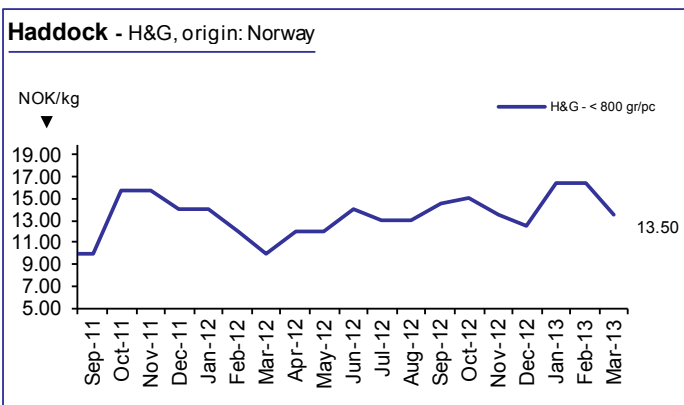
As mentioned, cod prices have dropped all over Europe, and Scottish fishermen are now worried about their future because of this situation. Some are asking whether the successful management of resource sustainability in the groundfish sector is now threatening the economic sustainability of the cod fishery. Although Scottish fishermen are blaming Norway and Iceland for this, it is a situation common to all of Europe. It is simply a matter of the law of demand and supply.

In Europe groundfish prices can be expected to decline further throughout the year. This trend will be global, although observers in the US north east are predicting that groundfish prices will increase substantially



because of the reduction in their local quotas.

Haddock prices are generally expected to increase to a level above cod prices because of the likely large increases in cod landings. Haddock landings, in contrast, are not expected to increase. Suppliers in Europe are expecting that haddock prices will more than match cod prices soon.



Source: EPR

Prices for clipfish (salted and dried whitefish) and wet-salted fish have dropped significantly during the first two months of 2013. Norwegian export prices (FOB Norway) for cod clipfish fell from NOK 51.96 per kg during the first two months of 2012 to NOK 40.30 during the same period in 2013, and they are still falling. In February, the price dropped to NOK 36.36 per kg. For wet-salted fish there was a similar decline in prices: wet-salted cod fell from NOK 31.62 per kg in 2012 to NOK 24.81 in 2013. The main reasons for this price reduction are much better supplies and weaker purchasing power in the traditional markets (Portugal, Spain and Brazil). Prices for these traditional products are expected to decline further.

Outlook

It will be a hard year for the groundfish industry. Cod prices are falling, and it must be expected that prices for competing products will also decline. Supplies will be more than abundant (unless some fishermen decide to leave the industry), and this abundance could even affect other species such as salmon, halibut, seabass, seabream and tilapia.

With the generally low whitefish prices at present, and relatively high meat prices at the same time, perhaps it is an opportune moment to promote fish as an alternative to meat. Fish can now compete both on the health issue and on price.

GROUNDFISH NEWS: SOUTH AFRICA

NO FISHING CRISIS - COMPANY BOSSES

Major fishing company bosses on 20 March described a meeting with Fisheries Minister Tina Joemat-Pettersson as a watershed moment

It was the first time the group had sat around one table discussing problems facing the industry.

This included last year's hake certification fiasco, as well as the fisheries research and patrol vessels which remained docked at Simon's Town. The SA Navy took over the management of the vessels, but failed to maintain or operate them.

Joemat-Pettersson assured the company CEOs that processes were underway to address problems in the hake industry.

"We are certain the MSC (Marine Stewardship Council) hake certification will not be lost," she said.

Last year, the hake industry came close to losing its MSC certification, which meant fish caught in South African waters could not be sold under the MSC logo. This would have threatened South Africa's exports to Europe.

Criteria for MSC certification included a hake biomass survey, which was delayed as fisheries research vessels were not seaworthy. The department eventually chartered a privately-owned fishing trawler so the department's scientists could do the survey.

Joemat-Pettersson told CEOs she was working hard to improve access for the industry to alternative markets.

The minister was set to sign an important agreement during next week's summit of Brics (Brazil, Russia, India, China, South Africa) countries.

"During the summit the department will be signing a trade agreement with the Russian government to export South African fish stocks to the Russian market."

The CEOs described the meeting as constructive.

Oceana Group CEO Francois Kutel said they managed to touch on some important points.

"We've had an agreement on future dialogue about long term rights, about how we can accommodate each other in relation to the small scale policy," said Kutel.

Chairman of the Black Rights Holders Association, Xola Madabula, said the meeting with the minister convinced him there was no crisis in the fishing industry.

"We fully support the minister in this regard, and she has touched on various issues that have been in the press lately on the research vessels and so forth, and she's adequately addressed all those issues," he said.

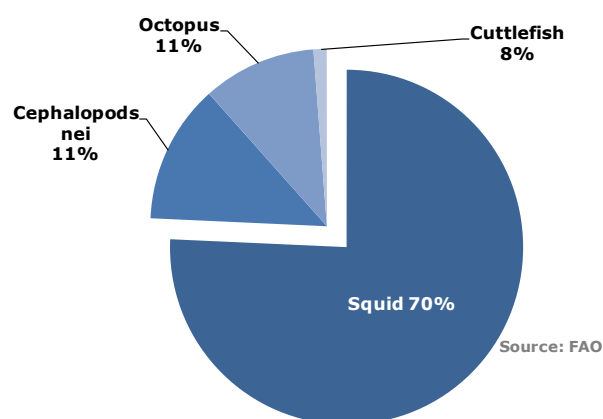
Source: Sapa

CEPHALOPODS

Squid sales appear to be declining in major markets, but Japan is still showing some growth

The economic crisis is affecting sales in Europe, where imports are down. The picture is mixed with regard to octopus supplies. The EU claims stocks off north west Africa are over-exploited, but at the same time octopus shipments from Morocco and Mauritania are up. The Japanese market picked up in 2012.

Cephalopods production by species (2010)



is over exploited. On the other hand, recent shipments of frozen octopus, particularly from Mauritania, seem to suggest that landings are good at the present time. The facts may be disputed, and it may all come down to a game of political positioning. The new fisheries agreement between the EU and Mauritania does not include the operation of the Galician cephalopod fleet in the local fishing grounds “due to overexploitation”. Some sources say that the catches are made by Mauritanian flagged vessels, but the country’s industrial fleet is registered in third countries, mainly China. In other words, it may be that Chinese interests are moving in on the Mauritanian octopus industry.

According to Chinese statistics, imports of octopus into China during November last year increased dramatically to 672 tonnes valued at USD 4.3 million. Compared with imports in November 2011, this represents a threefold increase by volume and a fourfold increase by value. Spain was the main supplier, followed by Morocco.

Octopus

The situation regarding the octopus fishery off north west Africa (Mauritania and Morocco) is somewhat ambiguous. On the one hand, the EU Commissioner of Fisheries, Maria Damanaki, has claimed that this fishery

However, China exported much more than it imported. Figures for November 2012 show that China exported 5 248 tonnes of octopus during that month, at a value of USD 36.5 million. The main destinations for these shipments were the Republic of Korea, which took 69% of Chinese exports and Japan, which reduced its imports from China. Prices paid for Chinese octopus were quite variable, though. The Republic of Korea paid USD 4.74 per kg in November, while Japan paid USD 12.40 per kg (FOB China).

Imports

Octopus: Japan

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Mauritania	14.0	12.6	26.5	16.2	13.6	21.4
China	7.2	6.7	5.5	9.4	9.4	7.7
Morocco	10.3	10.9	13.8	10.8	5.3	6.5
Viet Nam	4.8	5.5	3.7	3.4	3.6	3.6
Spain	1.8	2.7	3.0	1.8	1.9	3.0
Senegal	1.5	1.7	1.1	1.1	1.6	2.2
Thailand	1.8	1.2	1.4	1.0	1.2	1.2
Others	5.4	3.4	1.2	1.0	1.8	1.8
Total	46.8	44.7	56.2	44.7	38.4	47.4

Source: National statistics

Japanese imports of octopus increased significantly in 2012, from 38 400 tonnes to 47 400 tonnes (+23.4%). Mauritania shipped considerably more octopus and increased its importance as the main supplier to Japan. In 2012, Mauritania exported 21 400 tonnes to Japan, an increase of 57% over 2011. Morocco also had a slight increase in shipments to Japan. China, on the contrary, lost market share and shipped 18% less octopus to Japan.

Spanish imports of octopus in 2012 declined by 12.3%, mainly because of the supply situation, although most probably the economy should bear its share of the responsibility for this development. The main suppliers to Spain were again Morocco, Mauritania and Portugal,



and shipments increased from all three sources. Imports declined from India, Senegal, Mexico and Viet Nam.

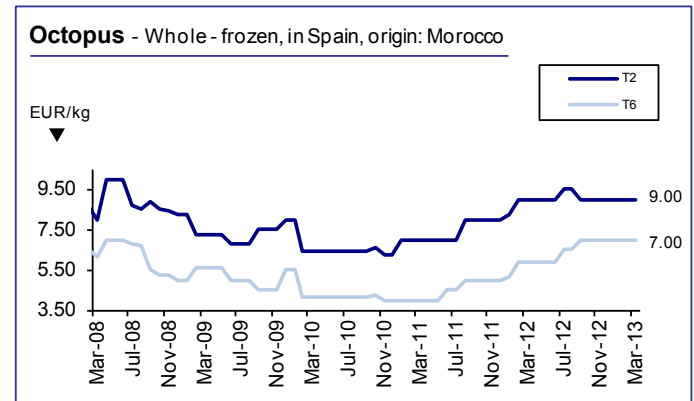
Octopus prices now seem to have stabilized both in Japan and in Europe. Since September last year there has been no movement in either market. With the present supply situation, it is expected that this stability will continue for some time.

Imports

Octopus: Spain

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Morocco	21.1	23.3	20.0	16.6	13.6	14.2
Mauritania	5.2	4.5	9.2	3.9	5.2	5.4
Portugal	1.9	2.5	1.1	2.0	1.6	2.1
Senegal	0.5	0.6	1.0	1.1	2.3	1.8
China	1.6	1.8	3.7	3.0	0.9	1.4
Italy	1.1	0.4	1.0	1.3	1.0	1.1
India	1.2	1.1	1.2	1.0	1.7	0.9
Mexico	2.7	0.8	0.9	2.5	2.9	0.8
Vietnam	2.3	1.6	1.7	1.7	1.6	0.8
Others	4.9	6.6	3.7	3.2	5.0	2.9
Total	42.5	43.2	43.5	36.3	35.8	31.4

Source: National statistics



Source: EPR

Italian imports of octopus also declined in 2012, by 16.7%. Morocco took over as the main supplier and increased its shipments to Italy by 43%, while Spain and Mexico saw reductions in their shipments to Italy by 22% and 45% respectively.

Squid

Argentinian vessels have reported good catches south of latitude 44o at the beginning of the season. According to data provided by the industry, jiggers are catching about 20 - 25 tonnes each per day. However, the sizes caught were rather small (S and SS). Despite the good catches, fishing companies are apprehensive about the market and also about the increase in operational costs.

Imports

Octopus: Italy

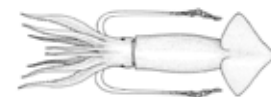
	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Morocco	12.3	14.5	16.2	9.2	5.3	7.6
Spain	7.5	8.4	7.7	9.6	8.2	6.4
Senegal	4.2	3.4	4.9	2.9	5.2	5.8
Mexico	4.6	2.2	3.1	5.8	7.6	4.2
Indonesia	2.5	4.0	2.8	4.1	5.3	3.7
Tunisia	2.0	0.8	1.0	1.9	5.0	2.9
Viet Nam	3.3	4.5	4.2	4.3	4.6	2.9
India	1.6	2.2	2.6	1.8	2.7	2.2
Mauritania	2.7	1.4	6.6	2.2	1.4	2.0
Others	8.3	9.8	5.8	5.4	6.7	5.6
Total	49.0	51.2	54.9	47.2	52.0	43.3

Source: National statistics

Peru has reported that its exports of squid, jumbo flying squid and cuttlefish have exceeded expectations. In 2012, exports reached a record value in spite of the global economic crisis. The main reason given for this positive result is diversification of markets. Growth in Asian markets is pointed out as very important for the export growth. However, exports to traditional markets such as Spain also grew. The main destinations for Peruvian cephalopods were China (34.8% of the total), Spain (16.8%), Republic of Korea (14.3%) and Thailand (5.7%).

Peruvian squid exports went up by an impressive 87.1% during the first eleven months of 2012, to reach USD 370.4 million. The expected forecast was only USD 260.2 million for the whole year.

Japan increased its imports of squid slightly (+1.6%)



in 2012 compared with 2011. This was the highest import figure since 2007. However, in January, imports dropped by 20% in volume and 15% in value. Imports in January 2013 amounted to 2 168 tonnes valued at USD 15.9 million (CIF Japan).

Imports

Squid: Japan

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	30.2	26.1	23.7	26.6	33.7	33.8
Peru	7.8	12.8	10.5	4.8	11.2	8.5
Chile	0.1	0.3	0.0	0.9	3.8	7.9
Thailand	8.1	7.1	6.8	7.6	7.7	6.9
USA	5.4	3.9	4.0	6.3	5.9	5.1
Viet Nam	6.8	5.5	5.5	5.4	5.0	5.1
India	1.0	1.2	1.3	2.1	1.7	1.4
Philippines	1.2	0.8	0.8	1.1	1.0	1.2
Mexico	0.1	0.4	0.2	0.4	0.5	1.0
Korea Rep.	0.9	0.8	0.4	1.0	0.7	0.8
Argentina	10.4	6.3	3.0	0.4	0.6	0.6
Others	5.1	2.6	2.9	2.8	2.1	2.8
Total	77.1	67.8	59.1	59.4	73.9	75.1

Source: National statistics

The main suppliers to the Japanese market in 2012 were China (45% of total imports), followed by Peru (11.3%) and Chile (10.5%). While shipments from China were stable compared with 2011, there was a decline in shipments from Peru and Thailand, and a significant increase in shipments from Chile (+108%).

Imports

Squid: Italy

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Spain	17.9	15.6	17.9	20.2	20.8	19.7
Thailand	22.8	23.6	22.2	20.6	20.7	17.9
China	2.8	2.4	3.9	8	6.6	6.9
Vietnam	7.9	9.5	6.6	8.6	7.6	6.6
India	2.9	3.6	4.1	9.3	7.9	4.8
Indonesia	1.6	1.4	1.5	2.2	3.4	2.8
Others	24.1	14.2	13.9	14.6	12.1	11.7
Total	80.0	70.3	70.1	83.5	79.1	70.4

Source: National statistics

Italian imports of squid fell by 11% in 2012. Lower shipments from the main suppliers Spain (-5.3%) and Thailand (-13.5) were registered. Most suppliers had to accept lower shipments, except China, which increased slightly (+4.5%).

In February, prices for South American squid on the Madrid market went up. Prices for fresh squid also went up in early February. For all other products, prices were stable.

Thai imports of squid fell significantly in December. Imports were down by 30%, to 6 308 tonnes during the month. Total Thai squid imports for 2012 amounted to 60 805 tonnes (all product varieties), worth more than USD 138 million. The average import price per kg was USD 2.27 CIF Thailand. The main suppliers of squid to the Thai market were Myanmar, China, Viet Nam and Peru.

Thai exports of squid in 2012 amounted to 34 500 tonnes worth USD 228 million. The average export price was thus USD 6.61 per kg FOB Thailand. The main markets for Thai squid were Taiwan Province of China, Italy and Japan.

Imports

Squid: Spain

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Falkland/Malv.	39.7	42.3	31.6	48.5	33.3	46.8
India	14.5	15.7	15.1	22.3	18.0	20.4
Peru	12.0	7.8	9.3	12.4	9.7	11.1
China	7.9	6.6	8.1	12.0	13.5	10.6
USA	1.7	2.2	1.4	2.4	5.7	5.5
Morocco	2.4	5.4	6.3	5.0	5.7	5.2
Chile	0.0	0.0	0.0	0.4	2.1	2.4
France	2.2	1.9	1.3	1.9	2.0	2.3
Others	23.8	24.1	16.0	15.4	14.4	10.4
Total	104.2	106	89.1	120.3	104.4	114.7

Source: National statistics

Spanish squid imports rose by 10% in 2012. Most of this increase was due to a strong increase in imports from the Falkland Islands (Malvinas) (+40.5%), while other suppliers such as China, the USA and Morocco had to register declining exports to Spain. The number two and three suppliers (India and Peru) registered slight increases in shipments to Spain in 2012.



USA imports of squid continued to grow in 2012, albeit at a modest pace. Imports increased by 5.3%. There were only minor changes in shipments for the main suppliers, but new suppliers appear to have entered this business. China is still by far the main supplier, accounting for over half of all US squid imports.

the end of 2012. On the Japanese market squid prices were more stable. Japanese cold storage holdings are still very low, although they vary seasonally. Nevertheless, Japanese buyers seem to be holding back and avoiding building up inventory.

Cuttlefish prices in Japan are still high, but over the past few months they have stabilized a bit. Although there were some ups and downs, the trend now is flatter.

Imports

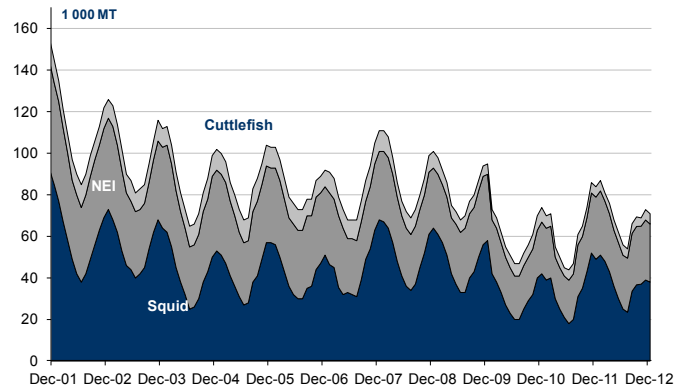
Squid: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	28.8	27.7	26.1	37.4	38.8	38.3
India	4.5	6.9	3.8	5.1	5.5	5.5
Thailand	7.2	8.2	4.7	4.1	4.0	4.0
Rep. Korea	3.1	5.4	5.9	5.4	4.8	3.6
Taiwan PC	5.9	5.4	6.9	4.5	3.3	3.4
Peru	0.1	2.0	3.2	2.8	3.1	2.6
New Zealand	2.5	1.0	1.0	3.1	1.7	0.9
Others	10.3	8.5	4.5	4.1	6.1	12.6
Total	62.4	65.1	56.1	66.5	67.3	70.9

Source: National statistics

Coldstorage holdings

Squid and Cuttlefish: Japan



Source: ITN

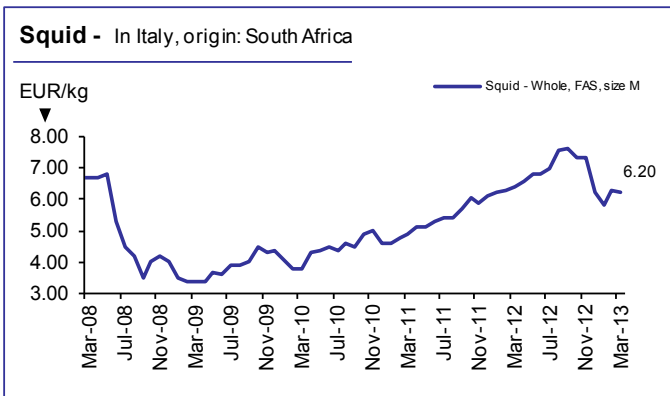
After five years of substantial growth, US exports of squid declined by 22.5% in 2012. The main markets were China and the Philippines. However, there was a decline in imports from China by 10.5%. Other important markets such as Spain and Peru also registered declines.

Prices

Squid prices in Europe declined considerably towards

Cuttlefish

Supplies of cuttlefish have been more or less stable, and the market is quiet. In Japan there has been very little movement. Japanese imports in 2012 were



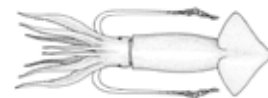
Source: EPR

Imports

Cuttlefish: Japan

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Thailand	11.5	8.2	7.5	6.9	6.0	5.6
Viet Nam	5.1	4.4	3.9	3.9	3.8	3.6
Morocco	3.9	2.2	2.7	3.2	1.9	2.7
Malaysia	1.6	1.7	1.9	1.8	1.3	1.4
Iran	0.5	0.6	0.3	1.0	0.6	1.0
Korea Rep	0.3	0.4	0.8	0.5	0.6	0.4
Others	3.1	2.2	1.9	1.7	1.8	1.5
Total	26.0	19.7	19.0	18.9	16.0	16.2

Source: National statistics



practically the same as in 2011, although there was a slight shift among suppliers, with a smaller amount of product being imported from Thailand and Viet Nam, and more from Morocco.

On the European market, the picture was slightly different. In Italy, little movement was registered, as imports were stable at almost 25 000 tonnes. There was also very little change in the relative positions of the main suppliers.

Imports

Cuttlefish: Italy

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
France	6.7	5.6	3.7	6.2	6.4	7.0
Tunisia	4.6	3.7	3.4	5.4	5.7	5.0
Spain	4.1	4.4	5.0	4.3	3.1	3.8
Morocco	0.8	1.0	2.9	1.9	1.7	1.9
Senegal	2.4	1.9	2.3	2.2	2.1	1.5
UK	2.2	1.3	0.7	1.0	0.6	1.4
Netherlands	0.2	0.7	0.4	0.6	0.6	1.0
Viet Nam	0.8	1.0	0.6	0.7	1.0	0.7
Others	5.0	4.7	5.0	3.5	3.1	2.6
Total	26.8	24.3	24.0	25.8	24.3	24.9

Source: National statistics

In Spain, on the contrary, another decline in imports was registered. With the exception of a minor increase

Imports

Cuttlefish: Spain

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Morocco	11.1	11.9	13.4	13.6	14.1	15.2
India	20.2	16.5	20.1	18.8	15.4	9.5
France	7.0	3.7	2.7	3.0	3.8	4.3
China	5.4	6.4	6.7	4.4	2.8	3.1
Mauritania	3.8	2.4	2.9	2.0	1.3	2.4
UK	0.9	0.6	0.3	0.9	0.6	1.1
Ghana	1.9	1.3	1.5	1.9	1.5	0.7
Senegal	1.0	1.1	0.5	0.7	1.2	0.5
Others	10.5	6.3	4.0	7.9	6.2	3.4
Total	61.8	50.2	52.1	53.2	46.9	40.2

Source: National statistics

in imports in 2010, Spanish cuttlefish imports have been declining for the last six years. In 2012, imports declined by 14.3%. Most of this was due to a smaller amount of product being imported by India (-38%).

Outlook

The European economic crisis is obviously having some effect on demand in Europe, and therefore it is expected that sales will be slower for the next few months. Squid prices have stagnated and will be weaker in the immediate future. There is uncertainty about the supply of octopus, but prices seem to be stable, and demand in Japan is slightly better. For cuttlefish the market looks slow and prices will probably remain at a relatively high level.

CEPHALOPOD NEWS

Argentina's Falklands stance hits squid fishermen

Efforts to protect a key commercial squid species are being hindered by lack of co-operation between Argentina and the Falkland Islands/Malvinas.

Unlicensed, unregulated fishing vessels pull an estimated 300 000 tonnes of illex squid a year out of the South Atlantic. The squid is not only an important economic resource, it is also key to a food chain that sustains penguins, seals, birds and whales.

But efforts to manage it were set back in 2005 when Argentina pulled out of a fisheries management organisation it had shared with the Falklands/Malvinas.

"It's like the Wild West out there," said Milko Schwartzman, who campaigns against over-fishing for Greenpeace International. He said many unlicensed boats routinely follow squid into Argentina's economic exclusion zone.

He added: "Unfortunately, the Argentine government doesn't have the naval capacity to continually control this area."

The problem is so big it can be seen from space: images of the Earth at night, taken by a Nasa satellite last year, show darkness at sea the world over - except for a spot in the South Atlantic. There, 200 miles offshore, the lights of the renegade fleet shine as brilliantly as a city.

The industrial fishing vessels transfer tonnes of squid to huge refrigerator ships and get refuelled and resupplied at sea so that they can fish without pause.

The countries that share the North Atlantic co-operate, with scientists, regulators, fishermen and armed forces working together to monitor fish populations and enforce limits on what can be caught each season. Not so in the South Atlantic, where joint fisheries management ended in 2005.

So each government now goes its own way, licensing boats and trying to enforce its stretch of the sea, while refusing to co-operate against the much larger fleet that is just beyond their individual reach. Each government has licensed about 100 boats a year to go after illex squid. But there are many more outlaws.

Most Argentine fishermen can't compete against the outlaws, said Guillermo de los Santos, the chamber president of Argentina's squid fishing fleet. He said more than 20 fishing businesses based in the port city of Mar del Plata alone have declared bankruptcy since 2005, when the unregulated international fleet, much of it from China, swelled.

"China has the world's largest fleet, and Argentina hardly has a single boat in its own waters," Mr Schwartzman said.

Source: *The Scotsman*

Production is expected to increase against steady demand in the global market

Global supplies of tilapia are estimated to end higher in 2012 than in the previous year, although China, the largest producer, supplied less. African markets remain the main focus for whole frozen tilapia from China because demand is strong. The USA has managed to maintain its position as the world's largest market for imported tilapia with imports increasing in 2012 compared with the decline in 2011. The farming of tilapia continues to attract attention from various developing countries in Asia, Latin America and Africa, where most of the production is absorbed by domestic markets. More and more, some leading companies are focusing on certified tilapia, which has been available in the market since August 2012.

Exports

Tilapia: China

	2008	2009	2010	2011	2012
(1000 tonnes)					
<i>frozen whole</i>	12.7	33.1	75.7	107.6	111.5
<i>frozen fillets</i>	8.0	134.8	186.5	158.1	179.6
<i>other tilapia</i>	203.6	90.0	59.5	63.3	69.8
Total	224.3	259	321.7	329.0	360.9
(million USD)					
<i>frozen whole</i>	19.9	48.1	125.9	202.4	203.3
<i>frozen fillets</i>	31.9	444.7	688.5	663.9	703.8
<i>other tilapia</i>	681.6	216.1	189.8	240.3	253.5
Total	733.4	708.9	1 004.2	1 106.6	1 160.6

Source: National statistics/INFOFISH

China

The overall supply of tilapia improved in 2012, compared with the year before when the industry was hit by severe weather conditions, resulting in high mortality rates of fish. This led to a decline in frozen fillet exports to the major market USA, although there were marginal increases to African markets for the whole frozen category. The improved supply led to a 9.6% growth in 2012 export volume compared with 2011 and an improvement on the previous period where the increase was only 2.3%.

The frozen fillet category appears to have recovered from the shortfall in exports during 2011 as exports increased from early 2012. This category made up nearly 50% of the total Chinese tilapia exports, with the US absorbing 60%. Exports also increased to Russia and Ukraine and into relatively new markets such as Iran (+241%) and Kazakhstan (+124%).

The African markets were the main drivers of the

growth in the whole frozen category; exports were up by 3.3% from 2011. The prepared category, mostly made up breaded tilapia, was higher by 10%. The US is the leading market while increased supplies went to Israel and African countries.

Imports

Fresh Tilapia Fillets: USA

	2007	2008	2009	2010	2011	2012
(1 000 tonnes)						
Ecuador	11.9	8.5	9.1	7.9	7.6	6.5
Honduras	7.9	8.3	6.5	7.2	8.1	6.3
Costa Rica	4.8	5.6	5.7	5.8	1.7	4.2
Brazil	0.2	0.5	0.3	0.3	0.5	0.3
El Salvador	0.3	0.5	0.5	0.3	0.3	0.1
Taiwan PC	0.0	0.6	0.2	0.2	0.4	0.4
Others	1.1	2.1	2.1	1.9	2.2	2.9
Total	26.2	26.1	24.4	23.7	20.8	20.7

Source: National statistics

USA

Bouncing back from an historic dip in imports in 2011, total imports of tilapia in 2012 were up by 19% in volume and 17% in value from 2011, drawing closer to USD 1 billion. Frozen fillet imports continued to increase and took a larger share (73% of total tilapia imports) compared with 69% in 2011. Imports of the whole frozen category experienced a significant decline (-61%) in volume from 2011 as supplies fell drastically from all major sources. China, the largest supplier to this market, is actively diverting exports of whole frozen tilapia to



Imports

Whole Frozen Tilapia: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	32.5	29.0	29.7	22.9	25.7	12.6
Taiwan PC	13.5	15.9	13.2	16.3	12.2	2.1
Thailand	0.2	3.3	0.9	1.2	0.6	0.2
Panama	0.1	0.3	0.1	0.2	0.2	0.1
Others	0.6	1.1	0.4	0.3	1.0	0.3
Total	46.9	49.6	44.2	40.9	39.7	15.3

Source: National statistics

African countries where better prices can be found and where demand is also growing. Imports also increased from Colombia (+20%), possibly as a result of the free trade agreement (FTA) that Colombia and the USA signed in May 2011.

Meanwhile US imports of higher value fresh/chilled (air-flown) tilapia fillet in 2012 were more or less the same as the previous year, largely affected by a lack of consumer confidence as a result of the struggling US economy. The sharp decline in supplies from Ecuador (-14%) and Honduras (-22.2%) were well compensated for by higher shipments from Costa Rica (+139.1%) and Colombia (+11.8%). Total imports of fresh tilapia fillet into the USA last year were recorded as 20 595 tonnes valued at USD 146.9 million.

Imports

Frozen Tilapia Fillets: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	87.5	87.2	100.7	135.5	118.7	149.9
Indonesia	8.6	9.6	8.8	10.2	9.2	11.9
Taiwan PC	2.6	2.1	2.3	2.2	1.4	1.8
Ecuador	0.4	0.5	1.1	0.6	0.5	0.9
Others	1.5	1.2	1.9	2.2	2.7	3.8
Total	100.6	100.6	114.8	150.8	132.5	168.3

Source: National statistics

Prices of tilapia in the US market weakened in 2012 as imports recovered from the dip in 2011. Prices of the breaded fillet category were unchanged while the frozen fillet and whole frozen categories slipped back by 5.2% and 11% respectively.

Imports

Tilapia (by product form): USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
<i>Whole frozen</i>	46.9	49.6	44.2	40.9	39.7	15.3
<i>Frozen fillets</i>	100.6	100.6	114.8	150.8	132.5	168.3
<i>Fresh fillets</i>	26.2	29.2	24.4	23.7	20.8	20.7
Total	173.7	179.4	183.4	215.4	193.0	204.3

Source: National statistics

EU

In contrast with the US market, EU imports of tilapia in 2012 were on a decline compared with the positive trend in 2011. The market imported 16% less tilapia than a year ago. The import value was also down by 23%. China was the largest supplier to the EU markets, accounting for 88% of total supplies from external sources. Indonesia contributed 8% while other sources included Thailand, Viet Nam and Taiwan Province of China. Malaysia has regained its export status as a supplier with 112 tonnes following the lifting of an EU ban.

Within the EU, Poland, Spain and Germany are the largest markets. Much trade also took place within the EU member countries. However, during 2012 imports declined into most of the countries. The UK, France, Czech Republic and Greece, however, imported more tilapia compared with 2011. China was the leading supplier, although Indonesia was the leading supplier to the Danish market.

The market acceptability of warmwater fish is more or less assured in the EU, but at the same time, overall demand for fillet is unlikely to increase rapidly in the EU. However, considering the declining supplies from capture fisheries, farmed freshwater fish is most likely to gain a higher share in the fillet market.

Asia

The usual demand for fish during the Chinese Lunar New Year celebration peaked in mid-January 2013. As a result the prices of popular species such as grouper, Chinese pomfret, red tilapia, salmon, tuna and abalone, which are widely served during the festivals, went up by 20-50% in the regional markets. Chinese families around the globe, but particularly in the Far East and Southeast Asia, had re-union dinners while hotels and restaurants offered a variety of banquet menus.

Exports of frozen whole tilapia and frozen tilapia fillet from Taiwan PC in 2012 were down to by 4.3% to 29 226 tonnes from the same period in 2011, with the whole



frozen category accounting for 86% of total exports. Higher supplies were directed to the Middle East markets such as Saudi Arabia, Kuwait, Bahrain, Qatar and the UAE, which made up 36% of the whole frozen category export share. Exports declined by 11% to the USA, which is the main market. Exports of frozen tilapia fillet went up marginally by 2.8% from 2011 while the export value rose by close to 12%. Exports of sashimi quality tilapia fillet (*izumidae*) to the Japanese market were higher by 9.27% at 165 tonnes. Average export prices to Japan during 2012 were USD 11.14/kg compared with USD 10.50/kg the year before.

Supplies of tilapia are expected to increase from Indonesia as the government places further emphasis on developing the industry. The Ministry of Marine Affairs and Fisheries (MAFF) reports that tilapia production in 2011 amounted to 567 078 tonnes and an estimate of 850 000 tonnes is predicted for 2012. MAFF is targeting a production of 1.1 million tonnes in 2013.

As Filipino Catholics began their observance of Lent on 13 February, fish prices went up in some markets in Metro Manila. Demand for fish usually increases at this time. In Quezon City, vendors put up prices of some fish products by as much as PHP 10 (USD 0.25) per kilogram. In early February, fish prices in some markets in Metro Manila had gone down because of the warmer weather, which vendors said allowed fishermen to catch more fish. Tilapia was sold at PHP 90 (USD 2.2) per kilogram. The Philippines produced 257 385 tonnes tilapia in 2011, which represented 10% of the total national aquaculture production.

In India, where Nile tilapia farming was introduced in recent years, the availability of farmed tilapia has increased and demand is growing in the local market. Reportedly, the fish is able to compete with pomfret, one of the most popular species.

Certified Tilapia

The demand for certified tilapia is growing in European markets. Malaysian tilapia producer Trapia Malaysia has been certified by the Aquaculture Stewardship Council. The company uses GenoMar Supreme Tilapia fingerlings from its onsite hatchery next to Lake Temenggor in the north peninsula of Malaysia. The certified fish are sold as frozen fillets and loins to North America, Europe and Asia, and as live and fresh in the local market. The farm is EU approved and also holds GlobalGAP certification, awarded in 2010. The processing plant holds BRC certification and chain of custody certification from both GlobalGAP and ASC.

Canadian company PC Blue Menu's tilapia certified by ASC is now available at select Loblaw locations in Canada. Loblaw is the first grocery retailer in North America to offer the ASC-certified product in stores and is part of

Loblaw's commitment to source 100% of all seafood from sustainable sources by the end of this year. The company also plans to introduce additional ASC-certified products, including pangasius and tropical shrimp, later this year.

The first ASC certified tilapia was launched in August last year and is a product from Regal Springs in Indonesia. The product is marketed in the Netherlands, Germany, Austria, Switzerland, Denmark, Sweden, France, Belgium, Spain and Canada.

Outlook

Supplies will increase moderately in 2013 as China slows down production and other countries expand farming activities. The USA will continue to lead as the world's largest importer while domestic markets in major producing countries, including China, will be absorbing supplies as well. African markets, too, will be a focus for Chinese exports as long as demand is strong. Global demand in general will continue at a steady pace.

TILAPIA NEWS: SOUTH AFRICA

Ignore all that talk of 'poor species' and 'low temperatures' - tilapia farming in SA can succeed, as long as a few fundamentals are followed

Some people have attempted to write off tilapia farming in South Africa, saying that with the use of Nile tilapia illegally here, no other tilapia species is worth growing - and, anyway, our climate is too cool for tilapia aquaculture to be economically viable. However, a closer examination of the facts reveals that the reason for the failure of tilapia farming in SA is much more complex - yet not insurmountable.

Tilapia aquaculture worldwide has concentrated on the Nile tilapia (*Oreochromis niloticus*). Regarded as the best growing species available, it's been the focus of much research and development for the past 20 years. Genetically improved farmed tilapia (GIFT) and several other strains have been developed that will grow at an average rate of 2,5g to 3g a day under optimal conditions, resulting in a harvestable fish in six to nine months, depending on the size required.

But this is not to say that other species don't also have potential, provided the strain is selected carefully. In the US and southern Malawi, for example, our indigenous Mozambique tilapia (*O. mossambicus*), has been cultured with growth rates of up to 2,8g a day combined with other attributes such as salinity and cold tolerance. Red tilapia, which are based on *O. mossambicus*, are also being developed with acceptable growth rates, good body shape and attractive colouration.

Source: *Farmers Weekly*

Prices will most likely strengthen amidst strong demand and controlled production in Viet Nam

Global production of pangasius in 2012 will most likely show a slow-down resulting from the various problems faced by the industry in Viet Nam, the world's largest producer. The Ministry of Agriculture and Rural Development reports that increased production and development of farming areas in 2013 will not be encouraged but rather the aim will be to address the persistent problems and to enhance efficient and sustainable development. Imports into the USA continued to grow although at a slower pace, while on the whole the EU imported less. Demand in Southeast Asian countries remains stable while imports are growing in the Latin American region.

Viet Nam

The Viet Nam Association of Seafood Exporters and Producers (VASEP) predicted that the production of pangasius in 2013 will decrease to below one million tonnes and be around 800 000 tonnes, resulting in a lower export turnover to around USD 1.5 billion. The country has around 300 exporters but only 70 of them have processing facilities. Industry sources report that the current market price for pangasius is below ex-farm prices and is still going down.

According to data releases by VASEP, for the period from January to December 2012 Viet Nam's total export value for pangasius declined to USD 1.7 billion, down 3.4% from 2011. The EU remained as the largest market taking a 24.4% share of the exports, valued at USD 426 million, although it imported less than a year ago. The value of pangasius exports declined to most markets except to the USA, Malaysia, Hong Kong SAR and China.

A deputy director of the Viet Nam Directorate of Fisheries said recently that efforts were being made to ensure that the high standards of production expected by the market were being implemented. He also indicated that research was being undertaken to improve the quality of juveniles, feed and production, and in particular, farmers are being encouraged to aim for Aquaculture Stewardship Council (ASC) certification.

USA

USA frozen catfish imports were higher in 2012, reaching slightly over 100 000 tonnes up 10% from 2011. Imports of frozen pangasius fillet from other suppliers such as China and Thailand declined significantly but increased from Viet Nam. This was in spite of serious problems within the pangasius industry, including a drop in the number of processors by 30%. The USA remains the single largest country market for Vietnamese pangasius, if the EU is regarded as being made up of a number of different countries.

Imports

Catfish: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Viet Nam	16.6	24.2	38.7	49.2	85.6	97.0
China	9.9	12.5	10.4	8.1	4.9	3.6
Thailand	5.6	5.6	6.2	3.5	1.3	0.1
Others	2.4	1.9	2.6	0.7	0.1	0.2
Total	34.8	44.2	57.9	61.5	91.9	100.9

Source: NMFS

Domestic catfish

The Mississippi Republican Senators Thad Cochran and Roger Wicker have joined lawmakers from other catfish-producing states in calling for more action to stop the volume of imported fish products. The senators urged the Department of Commerce to enforce an anti-dumping order on frozen catfish fillets from Viet Nam. The senators say that the lack of action has resulted in a surge of low-priced imports, which they regard as being in direct competition with local catfish. American companies deserve a level playing field, they maintain. Vietnamese supplies have tripled since 2008 and now account for more than 75% of the US market, and 96% of imports.

EU

Eurostat reports that in 2012 the EU imported 22% less pangasius than a year ago totalling 143 200 tonnes at a value of USD 376 million, down 24% from 2011. The average import price also weakened by 2.4% to USD 2.63/kg in 2012. The largest markets in the EU were Spain, the Netherlands, Poland and Germany; all of them experienced declines in imports from Viet Nam. However, several markets within the EU showed positive growth; these are Belgium, Greece and Latvia.



Although imports into the German market declined in 2012, pangasius remains popular among consumers. It is the fifth most consumed fish in Germany. Recently pangasius products bearing ASC certification have been available on the market. The certification recognises farms that subscribe to farming in a responsible and environmentally friendly manner. The first pangasius products to obtain the ASC label come from 13 certified farms in the Mekong Delta area in Viet Nam. Together they are responsible for 10% of total production. Products with this label are now available in many supermarkets across Germany. Brands and companies, such as Topsea, Frosta, Femeg, Queens and Profish, offer pangasius products with the ASC logo. Germany imported 19 245 tonnes of pangasius fillet in 2012 from Viet Nam alone.

Asia

Demand for pangasius remains stable throughout Asia. Supplies come from domestic production and through imports, both of which have been on an upward path. In India, demand for basa catfish in the domestic market is growing. Increasing imports from Viet Nam are complementing local harvests to satisfy this demand. In 2012 India imported close to 4 000 tonnes of frozen fillets from Viet Nam, mostly basa. In the first eleven months of 2012 Malaysia imported a total of 10 466 tonnes of frozen pangasius fillets from Viet Nam at an average import price of USD 1.92/kg. Pangasius is now popular in the Malaysian catering and household sectors. Frozen and glazed pangasius fillets currently sell at USD 3.6/kg in local supermarkets.

Latin America

On average, Latin America imports annually about 50 000 tonnes of pangasius fillet from Viet Nam, with Brazil being the largest single market. Traders anticipate a shortage in supply of croaker to meet the increasing demand for the remainder of the Lent period; however this will probably be fulfilled by imports of farmed fish (largely pangasius) and local tilapia. In 2012 Brazil imported about 32 000 tonnes of pangasius fillet from Viet Nam.

Outlook

While Viet Nam seeks to bring more efficiency and stability to the production of pangasius in 2013, demand will remain firm particularly in Asia and Latin America. Strengthening prices are expected as a result of lower supply from Viet Nam. Nevertheless pangasius remains an affordable choice.

PANGASIOUS NEWS

Huila commits to pangasius farming

The Technology Development Center (Acuapez) asked the National Environmental Licensing Authority (ANLA) to issue a license authorizing the start of pangasius (*Pangasius hypophthalmus*) production in Huila waters. According Marnie Conde, manager of Acuapez, the environmental impact study has already been submitted to the Authority in order to obtain the authorization to farm this species, after several years of research, La Nacion reported. "Acuapez has been working with the Technology Development Centre to look at the possibility that producers can work with new species in Huila," said the executive. This fish, native to Asia, has a "broad global recognition and has a very competitive market," added Conde. The environmental impact study gathered all results of the research conducted in Huila, to demonstrate the feasibility of introducing the pangasius in the regional market.

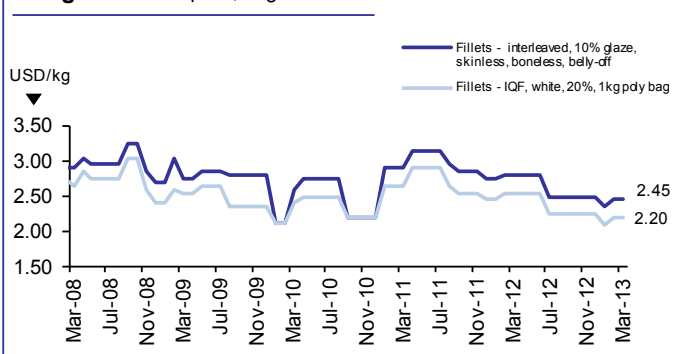
"The corporation has been working since 2009, putting forward before the competent entities the project 'Evaluation of the biological conditions, environmental and production impacts of the Introduction of Pangasius Hypophthalmus for on land pond farming system in Huila Department', for which information was requested from the Ministry of Environment, Housing and Development of all the processes required for the viability of this project," said Conde. For the experts, the cultivation of this resource could triple the output of the aquaculture industry in Huila. According to a report by the Technical Secretariat of Department Fish Farming Chain, Huila continues to lead the national aquaculture production, with 51 per cent market share. "The procedure is that the National Authority for Fisheries and Aquaculture is working closely with the Aquaculture Farmers' Federation and the Ministry of Environment for the delivery of all the relevant documentation, in which the authorization to perform this activity was requested to ANLA," said the manager of Acuapez.

The National Environmental Licensing Authority has 60 days to respond and report the steps to follow in case any procedure had to be changed.

If approval is obtained, Acuapez already has a farm fully conditioned to start pangasius production in Huila.

Source: La Nacion

Pangasius - in Spain, origin: Viet Nam



Source: EPR

EUROPEAN SEABASS AND GILTHEAD SEABREAM

Rising prices bring relief to producers, easing financial problems

Softer demand in traditional markets has forced producers to target new destinations such as the UK, Russia and the USA. Despite positive results, the overall picture is somewhat uncertain as key markets remain under pressure. Many producers suffer from tight credit and increasing delays in payments.

Production

Seabass (*Dicentrarchus labrax*): World

	2008	2009	2010	2011*	2012*	2013*
	(1 000 tonnes)					
Turkey	49.3	46.6	51.0	47.0	41.0	38.0
Greece	35.5	33.9	40.0	38.0	35.0	33.0
Spain	10.3	13.3	11.0	9.0	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	14.4	15.3	3.0	7.0	15.0	17.0
Total	123.9	125.6	120.0	114.0	112.0	107.0

Source: FAO (until 2009) (*) Estimate

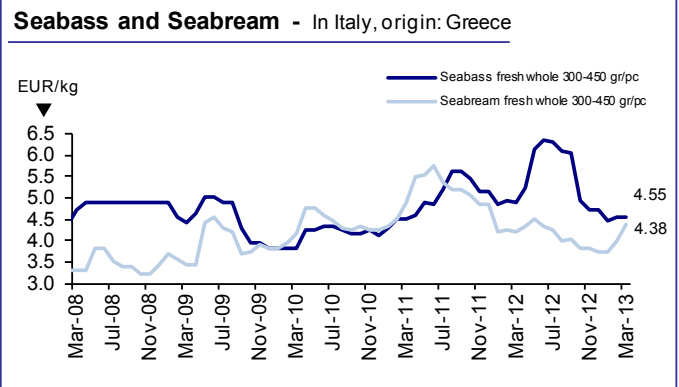
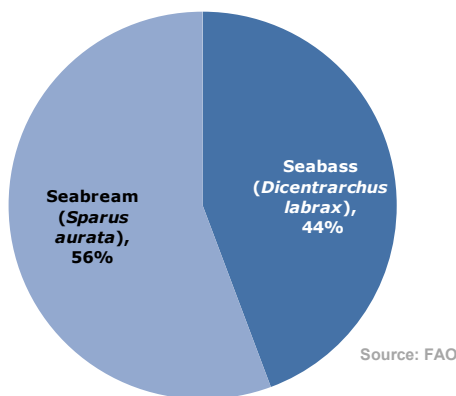
Production

Seabream (*Sparus aurata*): World

	2008	2009	2010	2011	2012*	2013*
	(1 000 tonnes)					
Greece	52.2	60.7	72.0	69.0	66.0	63.0
Turkey	33.2	29.5	28.0	33.0	34.0	31.0
Spain	23.5	24.4	21.0	18.0	16.0	14.0
Egypt	7.2	8.0	8.0	8.0	9.0	10.0
Italy	5.8	5.7	5.0	5.0	5.0	5.0
Cyprus	1.9	2.6	3.0	3.0	4.0	4.0
France	1.7	2.3	2.0	2.0	2.0	2.0
Others	12.3	11.7	12.0	11.0	11.0	12.0
Total	137.8	144.9	151.0	149.0	147.0	141.0

Source: FAO (until 2009) (*) Estimate

Seabass and seabream production (2010)
(in 1 000 tonnes)



Source: GLOBEFISH EPR

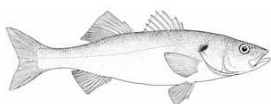
The announcement in early April of a merger between Selonda and Dias in Greece shows that concentration in the industry is continuing. The merged firm will be the world's largest producer of bass and bream.

Supply

Weak demand and uncertain prospects for a market rebound are influencing producer decisions. Tight finance both for producers and importers/distributors has forced some producers to harvest early and at lower sizes, indicating that prices could firm further over the next few months. This would be in addition to the cyclical price

effect created by the species' natural growth rate, which normally leads to rising prices during spring and early summer.

Export volumes from Greece and Turkey both ended higher in 2012 compared with the previous year, up 6% for Greece to 80 000 tonnes and 22% for Turkey, reaching 24 000 tonnes. For Greece this is more than 2011 but less than historic highs. Turkey on the contrary is growing quickly. When looking at values, however, Greece's exports dropped 11% in 2012 to USD 512 million whereas Turkey's saw an increase of 7% to USD 120 million.



EUROPEAN SEABASS AND GILTHEAD SEABREAM

Prices

During 2012 bass and bream showed different price patterns. Bass reached its highest level for several years in early summer but ended the year at much lower levels. Early 2013 prices were even worse for producers with weak demand in all major markets. Bream prices were relatively low during the entire year of 2012, ending lower and falling further during January 2013, but in February and March prices recovered and are now above 2012 levels.

With lower volumes available during the first quarter for both species, prices can be expected to firm further until the summer months bring new production volumes to market. Typically the price cycles are linked to the growth pattern of the two species during the year but too much vacillation increases uncertainty in the market and may give wrong signals to producers and retailers alike.

Markets

Italy

Overall imports continued to grow highlighting the strong position of the species among consumers.

Shipments to Italy are still growing in spite of falling purchasing power and great economic difficulties. Lower prices during 2012 helped move the product but the overall value of imports did decline somewhat (-5.5 %).

Imports

Fresh Seabream and Seabass: Italy

	2010	2011	2012	2010	2011	2012
	(1 000 tonnes)			(million EUR)		
Seabream						
<i>(dentex/pagellus)</i>						
Greece	1.2	0.9	1.0	5.8	4.7	5.6
Total	2.1	1.7	1.8	15.5	14.1	14.6
Seabream						
<i>(gilthead)</i>						
Greece	17.1	17.2	18.9	73.6	86.1	79.0
Turkey	2.2	1.6	2.5	8.1	7.5	9.0
Total	22.5	22.7	25.5	100.9	119.2	110.8
Seabass						
Greece	16.7	16.8	15.4	73.8	86.7	86.1
Turkey	2.3	1.7	2.4	8.3	7.9	10.9
Total	21.7	22.4	20.6	102.5	124.7	118.4
Gr.Total	46.3	46.8	47.9	218.9	258.0	243.8

Source: ISTAT

Greece dominated supply but Turkey gained some market share last year at the expense of the market leader.

Bass and bream are firmly entrenched in the Italian distribution systems both in retail and restaurant trade. The product is sold fresh whole and does not compete directly with defrosted imported whitefish fillets from Asia such as pangasius or tilapia. One direct competitor, however, is Nile perch although the supply situation for this species has become more uncertain lately.

Spain

The general situation of falling imports and demand is a reflection of the loss of purchasing power.

Imports

Seabream and Seabass: Spain

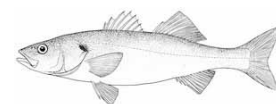
	2010	2011	2012	2010	2011	2012
	(1 000 tonnes)			(million EUR)		
Seabream						
<i>(all species)</i>						
France	0.3	0.2	0.1	2.9	1.8	1.2
Greece	8.2	6.7	6.4	34.7	34.5	28.3
Morocco	0.3	0.4	0.4	1.6	4.1	3.8
Total	9.7	9.9	9.1	43.0	52.9	44.2
Seabass						
France	0.4	0.3	0.2	3.8	2.8	2.8
Greece	4.6	3.5	3.9	19.5	18.2	19.1
Turkey	2.4	1.9	0.6	8.9	8.8	2.4
Total	7.5	6.1	4.7	34.0	32.9	24.9
Gr. Total	17.2	16.0	13.8	77.0	85.8	69.1

Source: National statistics

The strained economic situation in Spain is having a direct impact on food consumption and in particular on products that are consumed away from home. Bass and bream sales are no exception and Spanish imports of the two species fell 14% in 2012 to 13 800 tonnes. This was after an already difficult 2011 when imports declined by 7%. Spanish producers face difficult times but have managed to increase shipments to other European markets, in particular to France.

France

The moderate decline in imports may be a possible signal of a more stable market.



Shipments to France declined somewhat in 2012, as they did the year before. The changes were modest though, of less than 4%, and imports remained above 13 000 tonnes. Of note is the significant increase in market share by Spain, where now producers are targeting France to compensate for the weak domestic demand in the home market.

Imports

Seabream and Seabass: France

	2010	2011	2012	2010	2011	2012
	(1 000 tonnes)			(million Euro)		
Seabream						
<i>(dentex/pagellus)</i>						
Greece	0.7	0.9	0.3	3.0	5.1	1.7
Spain	0.5	0.7	0.5	1.8	3.1	1.9
Total	1.6	2.0	1.0	6.4	9.9	4.1
Seabream						
<i>(gilthead)</i>						
Greece	4.6	4.7	4.4	20.6	23.6	20.7
Spain	1.4	1.0	2.3	6.7	5.2	11.6
Total	6.9	6.0	7.2	30.5	31.4	35.0
Seabass						
Greece	3.5	3.8	2.6	17.2	20.6	16.4
Spain	0.7	0.8	1.0	3.8	4.9	6.9
Total	5.3	5.5	4.8	28.1	32.3	30.8
Gr. Total	13.8	13.5	13.0	65.0	73.6	69.9

Source: National statistics

Germany

The German market has shown positive growth and a large potential for further growth exists.

Although Germany remains a small market compared with traditional destinations, imports have doubled over the last 6 years reaching 4 400 tonnes. Greece remains the market leader, but Turkey has a higher market share in the German market than elsewhere.

Considering that Germany's population is about 82 million, 4 400 tonnes is a small quantity of imports, therefore the potential for further sales must be substantial. However, Germany is a conservative market, particularly cautious about prices. To increase the appeal of seabass and seabream, promotion and the development of new products will probably be needed.

Imports

Fresh Seabream and Seabass: Germany

	2007	2008	2009	2010	2011	2012
	(tonnes)					
Seabream						
<i>(dentex/pagellus)</i>						
Greece	297	342	424	592	337	382
Total	499	568	597	592	531	443
Seabream						
<i>(gilthead)</i>						
Greece	391	687	705	975	740	1 311
Turkey	22	32	82	74	145	616
Netherlands	22	26	35	46	31	131
Total	846	1 119	1 254	1 460	1 232	2 231
Seabass						
Turkey	0	14	56	41	166	606
Greece	265	262	358	521	465	582
France	195	180	136	150	167	139
Total	782	721	855	1 084	1 432	1 696
Gr.Total	2 127	2 408	2 706	3 136	3 195	4 370

Source: National statistics

UK

Growth in the bass and bream markets in this country have been one of the most noteworthy, especially the rise in bream sales.

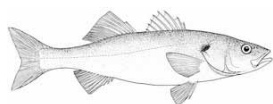
The UK market for bass and bream has developed remarkably rapidly over the last few years with total imports at 13 200 tonnes now surpassing those of France

Imports

Seabream: UK

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Greece	1.0	1.4	0.9	1.1	1.5	3.7
Netherlands	0.1	0.4	0.5	0.6	0.5	0.5
France	0.3	0.3	0.4	0.3	0.3	0.2
Germany	0.0	0.0	0.1	0.0	0.0	0.2
Austria	0.0	0.0	0.1	0.3	0.3	0.2
Others	0.0	0.0	0.0	0.0	0.0	0.0
Total	1.7	2.5	2.2	2.4	2.9	5.0

Source: National statistics



Imports

Seabass: UK

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Greece	3.3	2.5	1.9	3.4	4.1	5.1
Netherlands	0.4	1.1	1.4	2.0	1.5	1.5
Germany	0.0	0.0	0.1	0.0	0.0	0.6
France	0.7	0.9	0.5	0.5	0.6	0.4
Others	0.8	1.1	1.1	0.5	0.9	0.6
Total	5.2	5.6	5.0	6.4	7.2	8.2

Source: National statistics

and likely to overtake Spain this year. Bass has been the traditional market leader but bream shipments have now grown to become the dominant species. In addition to the popularity of Mediterranean cuisine and products, sales have been helped by the many value-added products and attractive recipes made available by the large retail chains.

Russia

Demand has risen further as bass and bream are now available outside the large cosmopolitan areas.

Distribution of bass and bream is improving with demand now growing quickly in the second tier cities outside the Western metropolitan cities. Total imports during 2012 reached 6 100 tonnes supplied by mainly Greece and Turkey. This represents a 26% volume increase over 2011.

USA

Here bass is the dominant species, having the most positive growth in sales.

The US market for bass and bream continued on a positive trend. Bass dominated demand reaching close to 3 000 tonnes in 2012 valued at USD 25 million. 85% of volumes are supplied fresh, with Greece the dominant supplier followed at a distance by Turkey, Spain and Cyprus. The popularity of the species is driven by interest in Mediterranean cuisine and January 2013 sales followed the upward trend of last year. Bream imports are much more modest ending at only at 300 tonnes for the whole of 2013.

Outlook

The positive trend in exports to the UK, Russia and the USA is not enough to compensate for the falling demand in key traditional markets. Producers therefore are likely to constrain volumes during 2013 with somewhat firming prices as a result.

Turkish Mariculture Sector in 2012

Production in 2012

In 2012 Turkish aquaculture production of seabass and seabream had opposing trends, with seabass showing positive growth while seabream showed a negative trend. Official production figures for 2012 have not been released yet, but in 2011 total aquaculture production was around 188 000 tonnes, of which just less than 80 000 tonnes was seabass and seabream.

Export

Export figures for 2012 are also not yet available but it seems likely that the trends established in 2011 may be followed, and more seabream may have been exported than seabass.

An interesting development in recent years has been the diversification in export markets. Until 2005, Italy, Spain and to some extent Greece were the major destinations for Turkish seabass and seabream. In recent years the Russian Federation, Lebanon and Holland have become major customers, and even the UK imported over 1 000 tonnes of seabass and seabream from Turkey in 2011.

Diversification in export markets is the outcome of concerted action by the Turkish mariculture sector itself and also the involvement of the Turkish Seafood Promotion Group (STG) in market promotion by active participation in some of the international seafood exhibitions.

Outlook

The development of the aquaculture sector through a government incentive scheme was revised in mid-2012 and is now limited to a maximum of 500 tonnes of production per company (full payment for first 250 tonnes and 50% less for remaining 250 tonnes). The new policy will probably have the effect of slowing down new investments in the aquaculture sector and obliging existing companies to revise their production plans for 2013. Therefore it is unlikely that seabass and seabream production will increase at least in 2013. The growth patterns in the Turkish aquaculture sector will be more market-oriented in coming years, following developments in both domestic and export markets.

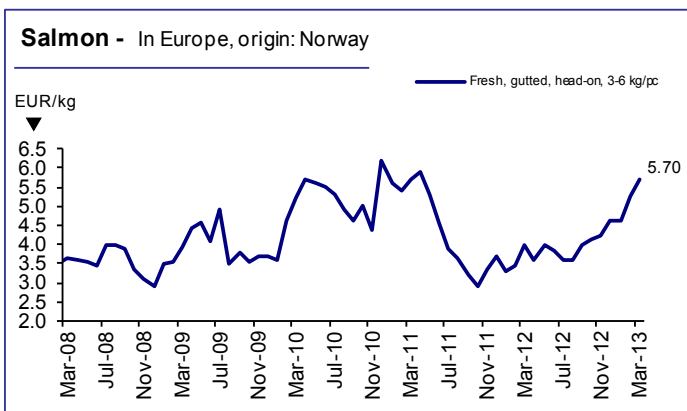
SALMON

Minimal production growth and strong demand in 2013 should see a tighter market balance and a lasting improvement in prices

The recent upward price trend is taking place against a backdrop of one of the largest ever increases in production volume in 2012, evidence of a genuine strengthening of underlying demand. Emerging markets are also presenting increasingly attractive opportunities and suppliers are generally optimistic about 2013. The situation in Chile remains delicate, however, with further industry consolidation looking likely as producers try to adapt to the new regulations while fighting rising costs and the continuing threat of disease.

Prices

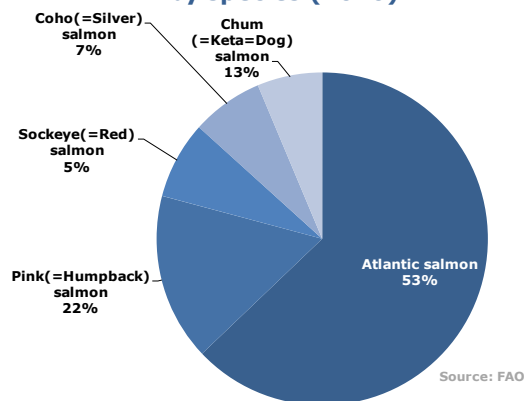
Prices have been moving strongly upwards at the beginning of 2013, continuing the dramatic recovery that took place in late 2012 from the low levels reached during the previous year. Significantly reduced production growth of only 2-3% is estimated for 2013, and this is expected to see prices hold at close to current levels for the time being before falling back slightly after Easter and in the second half of the year, when most of



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



Salmon (farmed and wild) production by species (2010)



Production

Farmed salmon: World

	2008	2009	2010*	2011*	2012*	2013*
(1 000 tonnes)						
ATLANTIC SALMON						
Norway	743	863	955	990	1 075	1 050
Chile	389	233	135	200	310	330
UK	129	133	145	155	160	155
Canada	104	100	115	115	120	115
Faeroe Is.	39	51	45	52	60	60
Australia	25	30	31	31	31	31
Ireland	10	12	15	15	15	15
USA	17	14	17	16	16	15
Others	1	5	2	2	3	3
Total	1 457	1 441	1 460	1 576	715	724
PACIFIC SALMON						
Japan	13	16	9	8	8	8
Chile	92	158	155	175	195	210
Canada	7	5	10	12	12	10
New Zealand	9	12	12	12	12	12
Total	121	186	186	207	227	240
Gr. Total	1 578	1 627	1 646	1 783	2 017	964

Source: GLOBEFISH AN 12201



the Chilean production will come to market. Overall, forecasters anticipate a substantial year-on-year increase in prices compared with 2012. The outlook for Japanese prices remains uncertain, but the gap between the US and Europe has now closed to the point where Chilean producers should be approaching the break-even point.

Supply

Norway

Norway led the estimated 22% growth in world farmed salmon production in 2012, producing an additional 178 000 tonnes (WFE, Kontali) on the back of good early-year water temperatures to take the total to 1.18 million tonnes. Export volumes were also up, with Norway exporting 965 100 tonnes (product weight) of fresh and frozen salmon in 2012, a 19.3% year-on-year increase compared with the previous year's figure. Depressed prices meant the increase in export value was only 1.8%, however, to NOK 28.9 billion. Concentrated marketing efforts and temptingly low prices resulted in a 17.3% increase in the volume of exports to the EU, but value was down 1% overall. The year also saw a significant rise in exports to central and eastern Europe. Russia, with around 134 000 tonnes imported from Norway, has almost overtaken France as the top destination for Norwegian salmon.

The situation for Norwegian producers began to improve steadily towards the end of the year and the positive trend has shown no sign of abating in the first two months of 2013. In fact, Norwegian salmon exporters set new records for total export values in January (NOK 2.7 billion) and February (NOK 2.5 billion). These figures represent respective increases of 43% and 20% compared with the same months in 2012, while the 76 600 tonnes exported in January is also a new record for volume. The February export price of NOK 37.61/kg for fresh whole salmon is the highest since May 2011.

Norwegian producers are expected to cut back on production in 2013 mainly as a result of lower water temperatures and biomass restrictions. The outlook for Norwegian salmon remains positive in the long run, however, as the high demand should not be overly dampened by the higher prices, while competition from cheaper Chilean product still remains limited in European markets. Rising production costs are a concern but will only threaten profit margins if demand weakens significantly.

Trout exports also growing

The value of Norwegian trout exports increased to NOK 1.7 billion (USD 304.8 million) in 2012 because of strong growth in volume, which totaled 56 000 tonnes, a 43% jump from 2011.

Exports (quantity and value)

Salmon and Trout: Norway

	2010	2011	2012	2010	2011	2012
	(1 000 tonnes)			(bill. NOK)		
Salmon	750.1	808.9	965.1	30.5	28.4	28.9
<i>Fresh</i>	613.6	682.6	826.2	23.0	21.8	22.8
<i>Frozen</i>	35.8	37.4	35.1	1.4	1.3	1.0
<i>Fresh fill.</i>	66.9	55.2	66.8	3.7	2.9	2.9
<i>Froz. fill.</i>	33.8	33.7	37.0	2.4	2.4	2.2
Trout	40.0	38.9	55.9	1.6	1.4	1.7

Source: Norwegian Seafood Council

With an export growth of 60% in volume to Russia, Russia is fast increasing its relative share of Norwegian trout exports. In total, 55% of Norwegian trout exports went to this market in 2012. Other big trout markets were Japan and Belarus.

Chile

2012 was a difficult year for the salmon and trout industry in Chile, mainly resulting from the significant drop in international prices. At the end of 2011 the average FOB price was USD 8 410/tonne while this year average Atlantic salmon prices were USD 6 230/tonne, a 26.2% drop in comparison with 2011.

Total salmon and trout exports for 2012 comprising frozen, fresh, canned, smoked and salted products went up to 488 500 tonnes, at a total value of USD 2.9 billion, a 25.5% increase and a 4.4% drop respectively. Japan was the main destination throughout the year for Chilean salmon and trout, importing around 195 000 tonnes for a total value of USD 1.1 billion. The USA followed with 105 000 tonnes worth USD 807 million.

Atlantic salmon was the most exported species during the year with 232 700 tonnes exported at a total of almost USD 1.5 billion. In terms of quantity, a substantial year-on-year increase of 37.9% was recorded, while the corresponding increase in terms of value was 16.2%. Silver salmon was the second most exported species at 118 100 tonnes (a 4.9% increase) valued at USD 554 million, a decline of 14.1%. In the case of rainbow trout, exports for the year went up to 141 100 tonnes, a 7.9% increase in comparison with 2011. However, in terms of value, a 16.2% decrease was registered, a consequence of the low international prices.

Frozen salmon and trout were the main products exported in 2012, followed by fresh and chilled products. The cumulative exports for frozen salmon and trout in 2012 were 335 100 tonnes, an increase of 18.8% in comparison with 2011. The total value was almost USD 1.9 billion, a decline of 7.3%. Fresh and chilled salmon and



Exports (quantity)

Salmon and Trout: Chile

	2010	2011	2012	2010	2011	2012
	1 000 tonnes			million USD		
Japan	144	175	195	909	1 260	1 140
USA	45	69	105	448	721	807
EU (25)	9	13	18	72	121	111
Lat.America	51	60	87	347	427	452
Others	49	72	83	285	497	383
Total	297	389	488	2 060	3 026	1 753

Source: Boletín de Exportaciones del IFOP

Exports (quantity)

Salmon and Trout: Chile

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Salmon	284.7	320.8	270.2	170.9	259.2	347.3
<i>Frozen</i>	183.4	212.4	195.7	115.8	169.1	208.8
<i>Fresh</i>	94.4	100.8	65.3	49.1	81.0	132.2
<i>Canned</i>	3.2	3.4	2.7	1.1	0.5	0.8
<i>Salted</i>	0.8	0.9	3.7	2.4	5.3	2.4
<i>Smoked</i>	2.9	3.3	2.7	2.5	3.3	3.1
Trout	111.1	124.8	99.1	126.2	130.0	141.0
<i>Frozen</i>	103.2	115.8	88.3	107.4	113.0	126.3
<i>Fresh</i>	3.1	5.5	5.9	12.7	9.6	8.1
<i>Canned</i>	0.2	0.2	0.1	0.1	0.0	0.0
<i>Salted</i>	0.9	0.1	1.5	3.0	3.6	2.7
<i>Smoked</i>	3.7	3.3	3.3	3.0	3.7	3.9
Total	395.8	445.6	369.2	297.2	389.3	488.3

Source: Boletín de Exportaciones del IFOP

Exports (value)

Salmon and Trout: Chile

	2007	2008	2009	2010	2011	2012
	(in million USD)					
Salmon	1715	1797	1507	1159	1891	2001
<i>Frozen</i>	1015	1085	997	691	1138	1133
<i>Fresh</i>	636	643	436	408	656	801
<i>Canned</i>	22	21	18	9	6	7
<i>Salted</i>	52	6	21	15	38	15
<i>Smoked</i>	37	42	35	36	52	45
Trout	523	594	594	902	1066	892
<i>Frozen</i>	463	527	504	744	898	754
<i>Fresh</i>	19	32	42	101	85	62
<i>Canned</i>	1	1	1	1	0	0
<i>Salted</i>	4	1	8	19	26	18
<i>Smoked</i>	36	34	39	39	56	58
Total	2 238	2 391	2 101	2 061	2 956	2 893

Source: Boletín de Exportaciones del IFOP

Exports (unit value)

Salmon and Trout: Chile

	2007	2008	2009	2010	2011	2012
	(in USD/kg)					
Salmon	6.02	5.60	5.58	6.78	7.29	5.24
<i>Frozen</i>	5.54	5.11	5.09	5.97	6.73	5.23
<i>Fresh</i>	6.73	6.38	6.68	8.30	8.10	5.94
<i>Canned</i>	6.72	6.18	6.68	8.14	11.22	9.83
<i>Salted</i>	7.00	6.67	5.53	6.31	7.10	6.47
<i>Smoked</i>	12.66	12.73	13.00	14.31	15.74	13.61
Trout	4.71	4.76	6.00	7.15	8.20	6.32
<i>Frozen</i>	4.48	4.55	5.71	6.92	7.94	5.97
<i>Fresh</i>	6.13	5.82	7.13	7.91	8.87	7.61
<i>Canned</i>	5.50	5.00	7.34	9.27	11.12	na
<i>Salted</i>	4.89	10.00	5.67	6.23	7.28	6.68
<i>Smoked</i>	9.76	10.30	11.98	12.81	14.94	14.59
Average	5.77	5.37	5.69	6.94	7.59	5.78

Source: Boletín de Exportaciones del IFOP

trout, in contrast, increased even more in volume, and also in value, compared with 2011, with exports of 140 400 tonnes (+54.8%) valued at USD 863 million (+16.3%).

From an industry point of view, 2013 is seen as being challenging for the sector because of new regulations that will see costs rise in the area of new funding needs. However, local supply is likely to decrease in the short term given the adjustments made by the industry during 2012 in production levels, and experts and several companies agree that this will allow prices to recover.

UK

UK salmon production stagnated in 2012 and is expected to decline in 2013. Stocks in Scottish farms have been badly hit by the spread of amoebic gill disease blamed on warmer sea temperatures, and last year around 13 600 tonnes of dead fish were disposed of from farms off the coast of Scotland, according to the Scottish Environmental Protection Agency (SEPA). However, the UK saw good growth in salmon exports in 2012, with total volume increasing by 12.7% compared with 2011, to 97 600 tonnes (excluding smoked). Total value of these exports remained more or less stable year-on-year at USD 575 million as a result of the lower prices. A drop in exports to the USA was compensated for by a boost in exports to most minor markets, while domestic consumption also increased. Of particular note is an upsurge in exports to the Asia, especially China, which have increased twelve-fold in three years and are still rising.

Faroe Islands

Production of farmed salmon in the Faroe Islands hit



Exports

Salmon: UK (by product and country)

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
FRESH	-	-	-	-	-	-
USA	13.8	13.9	22.8	27.3	27.1	26.3
France	18.5	18.8	20.0	24.0	20.3	20.0
Poland	0.0	0.6	1.2	4.3	6.7	7.8
China	0.0	0.0	0.0	0.0	4.2	6.1
Ireland	5.2	4.3	4.8	3.9	4.9	6.0
Belgium	1.7	0.8	1.2	1.5	1.2	2.3
Taiwan PC	0.0	0.0	0.2	0.1	0.8	1.8
Germany	3.0	2.4	2.2	2.2	2.1	1.7
Others	4.8	5.4	5.1	5.7	16.1	7.9
Total	47.0	46.2	57.5	69.0	83.4	79.9
FROZEN	-	-	-	-	-	-
Russian Fed.	3.0	0.1	1.2	2.2	1.8	2.9
France	5.0	3.6	1.4	2.4	1.6	1.7
USA	0.2	0.0	0.1	1.2	1.4	1.3
Ukraine	0.0	0.0	0.0	0.0	0.2	0.8
Others	1.8	3.6	6.2	2.1	3.2	3.7
Total	10.0	7.3	8.9	7.9	8.2	10.4
CANNED	-	-	-	-	-	-
Ireland	0.7	0.8	1.0	0.8	0.9	0.7
USA	0.0	0.0	0.0	0.0	0.0	5.6
Others	0.5	0.6	0.5	0.4	0.2	1.0
Total	1.2	1.4	1.5	1.2	1.1	7.3
Gr. Total	58.2	54.9	67.9	78.1	92.7	97.6

Source: National Statistics

a record high in 2012. The total amount produced in 2012 was 62 800 tonnes in gutted weight compared with 49 600 tonnes in 2011. This represents an increase of more than 20%.

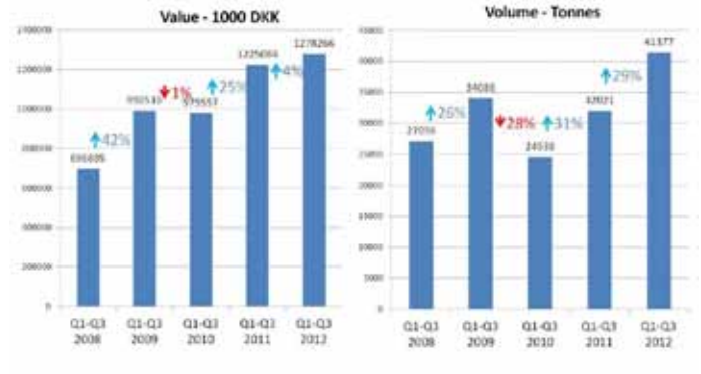
In the first three quarters of 2012, the total volume of salmon exports reached 41 400 tonnes, a 29% increase over the same period in 2011. The increase in value was only 4%, however, up to a total of DKK 1.28 billion.

The main market for Faroese salmon is the USA, taking an approximately 19% share of the total value. The UK (14%) and Germany (12%) are the next two largest markets. Exports to the USA and the UK are almost entirely whole fresh salmon, while Germany imports primarily frozen portions.

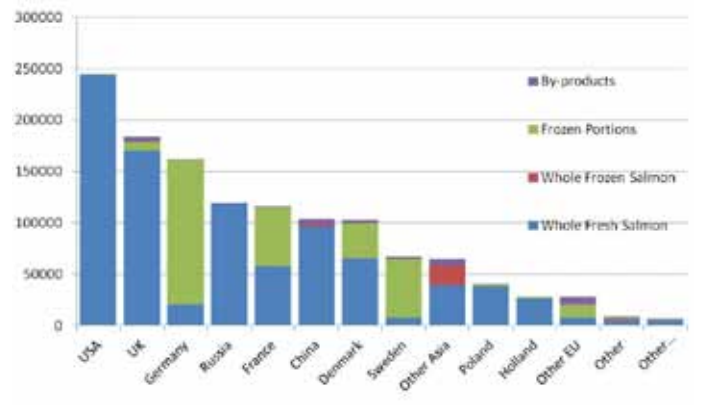
Ireland

In 2012, 12 440 tonnes (WRE) of salmon was produced from Irish licensed sites, worth EUR 75.7 million (HOG). Six companies operate more than 30 sites between them,

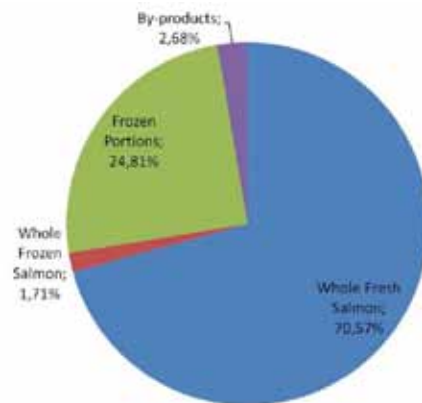
Export of farmed salmon from the Faroe Islands



Export of farmed salmon from the Faroe Islands to key markets



Farmed salmon product categories exported in Q3 2012 (% based on value)



Graphs source: Faroe Fish Farmers Association (FFFA)

ranging in capacity from 500 to 5 000 tonnes production. Production occurs along the length of the west coast.

82% of all Irish salmon production is grown to certified organic standards. Most of the harvest is sold as 'Head-On-Gutted', with further processing into fillets, steaks and other value-added products as demand requires. Up to 20% of sales by volume are on the home market, while exports are mainly to EU countries such as France, UK,



Germany, Belgium and Italy, as well as to Switzerland and the US.

The main issue facing the Irish industry currently is capacity. Production has been adversely affected by occurrence of amoebic gill disease in stocks but increasing production site capacity is the most urgent issue, with a growing organic salmon market that current Irish production volumes come nowhere near supplying adequately. The state agency BIM is seeking a licence for an offshore production unit to be tendered out to the most suitable operator. If granted, the licence would allow for a 100% increase in current production over three years and would also pave the way for other offshore site applications

Markets

Greatly increased production volumes in 2012 were absorbed by the market even as prices rose, although the full consumer reaction to rising prices may not be seen until later in 2013. The processing industry is particularly vulnerable to raw material price increases as higher prices can be passed on to retailers only with difficulty and with a significant time lag.

The increase in global demand for salmon can be attributed to a combination of attractive prices, product development, extensive marketing campaigns and a global shift towards healthy yet sustainable seafood choices such as salmon sushi. Another encouraging trend is the continuing development of increasingly important markets in Russia, Poland, China and Brazil, which collectively imported almost 500 000 tonnes of salmon products in 2012, more than Japan and the US combined. Russia in particular has seen spectacular growth in salmon imports, while Poland's smokehouses have become a major supplier of products for western Europe and domestic consumption is also on the rise.

Of the traditional markets in Europe, Japan and the US, it is Europe that is currently looking the most promising for producers, with a better price situation supported by strong and growing demand in core markets such as France and the UK, and better possibilities for expansion.

France

France imported 7.7% more salmon in 2012 compared with 2011, a total of 169 900 tonnes. This increase was driven almost entirely by higher imports of fresh whole salmon, although imports of fresh fillets and smoked went up also. In contrast, imports of frozen product declined. Lower prices in the first half of the year meant a year-on-year drop in total import value of 12% to USD 1 billion, but improved demand towards the end of the year saw a corresponding rise in prices. According to the Norwegian Seafood Council, salmon is close to overtaking

Imports

Salmon: France

	2008	2009	2010	2011	2012
	(1 000 tonnes)				
Fresh salmon	90.7	107.4	110.7	109.2	116.6
Norway	64.6	74.0	78.9	76.2	82.7
UK	17.6	19.3	21.0	21.6	21.2
Denmark	1.6	2.1	1.9	2.5	2.0
Ireland	2.2	3.8	4.8	4.5	5.3
Sweden	1.9	2.4	2.3	2.6	2.5
Faroe Isl.	1.9	1.6	0.5	1.1	1.5
Froz. Pacific salmon	5.7	4.8	4.7	4.6	3.6
USA	4.4	4.0	4.3	4.5	3.2
Froz. Atlantic salmon	3.3	3.3	4.6	3.6	1.9
Norway	1.0	0.9	0.9	0.7	0.7
UK	0.7	1.4	2.0	1.7	0.4
Faroe Is	0.1	0.1	0.0	0.1	0.2
Smoked salmon	5.4	5.7	7.4	7.8	9.3
Poland	3.0	3.4	5.3	5.5	6.8
UK	0.9	1.0	0.8	0.9	0.8
Fresh fillets salmon	6.4	9.7	10.6	12.0	19.3
Norway	5.5	8.2	9.6	11.0	17.1
Denmark	0.3	0.5	0.5	0.3	0.7
Chile	0.4	0.3	0.2	0.3	0.6
UK	0.0	0.1	0.0	0.0	0.3
Frozen fillets salmon	19.9	21.7	21.0	20.6	19.2
Chile	8.8	9.0	3.8	4.3	6.0
China	4.5	5.8	8.2	8.2	5.4
USA	1.3	1.2	1.1	1.1	1.5
Denmark	0.3	0.6	0.9	0.6	0.4
Norway	2.2	2.9	3.4	2.8	2.9
Poland	0.1	0.1	0.4	0.6	0.4
Grand Total	131.4	152.6	159.0	157.8	169.9

Source: National Statistics

tuna as the most popular seafood in France in terms of household consumption. Norway remains the major supplier, accounting for 61% of import volume in 2012.

Germany

In 2012, Germany registered a 2.6% year-on-year decline in the volume of salmon imports, down to 118 100 tonnes. Imports of fresh salmon, almost entirely from Norway, were down 15.9%. Lower prices overall resulted in a large drop in total value of some 24%. However, these figures are likely to be somewhat misleading, as household consumption figures point to a strong response from German consumers to the cheaper product on offer, particularly for smoked. Poland dominates this high-value segment, mainly processing and re-exporting Norwegian salmon, and Polish-origin imports represent 24.9% of total volume and around 38% of total value.



Imports

Salmon: Germany

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Norway	46.3	39.3	50.7	53.8	53.9	49.4
Poland	16.0	20.3	28.5	27.1	28.6	29.4
China	10.9	12.4	13.8	17.1	14.4	11.9
Denmark	6.5	8.1	6.6	5.8	7.5	8.0
Lithuania	0.8	2.2	3.5	5.2	5.9	5.5
Netherlands	1.2	1.7	1.0	0.6	0.9	4.2
UK	1.6	1.4	2.3	2.4	2.6	2.8
Chile	14.4	13.3	8.0	2.0	3.3	2.6
Others	6.4	6.5	7.3	5.3	4.1	4.3
Total	104.1	105.2	121.7	119.3	121.2	118.1

Source: National statistics

Imports

Salmon: Germany

	2008	2009	2010	2011	2012
	(1 000 tonnes)				
<i>Fresh salmon</i>	41.0	51.7	50.0	51.7	43.5
<i>Frozen salmon</i>	5.6	4.9	4.3	3.2	3.5
<i>Smoked salmon</i>	24.0	32.8	32.8	35.7	38.1
<i>Fresh fillets salmon</i>	6.4	8.2	8.2	6.9	7.1
<i>Frozen fillets salmon</i>	35.6	32.3	32.3	30.6	25.9
<i>Salted salmon</i>	0.0	0.0	0.0	0.0	3.9
Total	105.2	121.7	119.3	121.2	118.1

Source: National statistics

Japan

Year-on-year growth of 7.3% in Japanese whole salmon imports in 2012 saw total volume (excluding fillets) rise to 178 200 tonnes. The major component of this increase was frozen salmon from Chile, as producers pushed up volumes once again, but Norway appears to have strengthened its position in the Japanese market for fresh Atlantic salmon and Norwegian-origin imports of fresh salmon were up by 34% to 26 400 tonnes. Meanwhile the return of Chilean supply led to a drop in competing frozen Pacific imports from the USA and Russia. A similar performance in 2013 will be difficult for Japan's Chilean suppliers, however, in the face of further increases in Chilean production later in 2013 and the recent strengthening of the Chilean peso versus the yen. Japanese whole salmon imports in January 2013 were 3.4% down year-on-year in quantity terms, and 37.8% down by value.

USA

In 2012, the USA imported 280 800 tonnes of salmon products, which represented a rise of 16.9% compared with 2011; the total value of imports during 2012 rose slightly by 2.1%, to USD 2 billion.

Imports

Salmon: Japan

	Fresh			Frozen		
	2010	2011	2012	2010	2011	2012
	(1000 tonnes)			(1000 tonnes)		
Atlantic	20.0	22.2	28.6	1.1	1.8	1.8
Norway	18.0	19.7	26.4	0.5	0.9	0.6
UK	0.4	0.6	0.6	0.0	0.0	0.0
Chile	-	-	0.0	0.2	0.0	0.7
Australia	1.3	1.7	1.1	0.0	0.0	0.0
Denmark	-	-	0.1	0.4	0.3	0.3
Pacific	0.8	0.8	0.7	127.2	141.3	147.1
Canada	0.1	0.1	0.1	6.7	1.4	0.8
USA	0.0	0.0	0.0	24.0	16.5	9.6
N. Zealand	0.7	0.7	0.6	1.6	1.5	0.8
Chile	-	-	-	71.1	93.5	110.9
Russ. Fed.	-	-	-	25.0	28.3	24.9
Total	20.8	23.0	29.3	128.3	143.1	148.9

Source: Japanese national import statistics

The bulk of the USA's salmon imports in 2012 came from Chile, with 98 100 tonnes imported at a total value of USD 800 million. Canada was in second place with 94 900 tonnes worth USD 570 million, followed by China and Norway with 33 000 tonnes (USD 213 million) and 16 000 tonnes (USD 155 million) respectively.

The main exporter of fresh and chilled salmon to the US was Canada, exporting 90 900 tonnes of its total salmon exports in fresh and chilled form at a total value of USD 515 million. Chile followed with 73 900 tonnes worth USD 564 million.

For US exports, a 24% increase in quantity was noted, but the value dropped by 11.4% in comparison with 2011 when international prices were relatively higher.

In January 2013, US imports of salmon were up 21.2% year-on-year in terms of volume, to 26 500 tonnes. The increase in value was 18.5%, to USD 189 million.

Outlook

The cutback in Norway's production should bring some balance back to the market in 2013, and prices are expected to remain relatively high on the back of strong demand in most major markets. Some weakening of prices is likely in the second half of the year when the bulk of the Chilean supply will reach markets, while at the same time a reduction in marketing effort and delayed consumer response to higher raw material costs could dampen demand somewhat later in 2013. Chilean producers, with the US and Japan as their primary export destinations, are in a more challenging position, and will need to be ready to seek new markets in the long run for their still booming production.

SMALL PELAGICS

Could mackerel stocks also be in danger, just as herring stocks are said to be?

Scientists warn against overfishing of the North Sea mackerel resource.

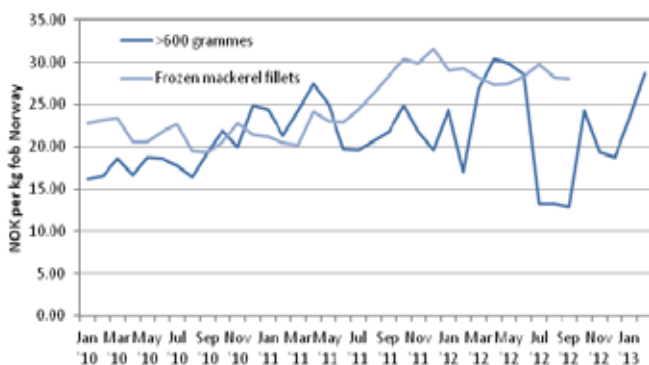
The mackerel dispute between the EU and Iceland/Faroe Islands has come to an apparent impasse. Iceland has reduced its self-imposed quota by 15%, but the EU is not satisfied. Meanwhile, scientists are warning that the North Sea mackerel stocks may be in danger of becoming overfished.

The British Marine Conservation Society (MCS) goes so far as to say that we should no longer be eating mackerel. They are of the opinion that the present mackerel fishery is not sustainable. Instead of eating mackerel, herring and sardines should be eaten, according to MCS.

To some extent, scientists are supporting MCS. Norwegian oceanographers are admitting that too much mackerel has been harvested since 2009, basically because the countries involved have failed to agree on responsible quotas. The mackerel has also changed its migration pattern slightly over the past few years. First it entered Iceland waters, and last year Greenland. This caused Iceland to claim a larger share of the total quota and acted accordingly, which forms the basis for the present dispute between Iceland and the Faroes on the one hand and EU and Norway on the other.

It is no secret that there is a huge over-capacity in the Norwegian pelagic fleet, and this may be an underlying reason for high quotas. For example, in 2011 scientists recommended a total quota of 672 000 tonnes, but 940 000 tonnes were landed (+40%). Recognizing this, the Norwegian authorities have reduced the quotas for 2013 by between 15% (for mackerel) and 46% (for capelin).

Norwegian frozen mackerel export prices



Source: NSC/Central Bureau of Statistics, Norway

The blue whiting season in the North Sea and North Atlantic is doing well. Good catches are reported, and most of the landed volume goes for fishmeal and fish oil production. In Norway, 31 000 tonnes of blue whiting were landed during the last week of February, and as much as 28 200 tonnes went for reduction. Total landings so far this year amounted to about 41 300 tonnes by the end of February.

Mackerel

In February, Iceland announced that it had cut its mackerel quota by 15%, to 123 182 tonnes. According to the Icelandic Ministry of Industry and Innovation, this cut was in line with ICES's recommendation. However this action did not satisfy the EU. According to the EU (and Norway), Iceland has set its own mackerel quota unilaterally yet again, and this is an irresponsible act, according to the EU. The Icelandic quota equals about 90% of the total maximum catches recommended by ICES.

Imports

Frozen Mackerel: Germany

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
UK	0.6	2.5	1.2	1.9	7.6	9.4
Faroe Isl	0.0	0.0	0.0	2.4	4.9	5.5
Netherlands	3.3	4.6	4.7	5.4	5.3	5.2
Ireland	2.1	3.3	3.9	4.9	3.6	2.6
Norway	0.7	1.6	2.2	1.4	0.5	2.0
Others	9.8	10.1	9.7	8.8	10.7	3.3
Total	16.5	22.1	21.7	24.8	32.6	28.0

Source: National statistics

Demand for mackerel was low in December 2012, but since then it has picked up. Apparently, some buyers were waiting for even lower prices, but this has not happened. Since December, prices have increased. Norwegian



export prices (FOB Norway) for frozen mackerel over 600 gr went from NOK 18.78 per kg in December 2012 to NOK 28.72 per kg in February.

Exports

Frozen Mackerel: Norway

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	60.2	66.3	33.5	51.0	56.9	48.2
Japan	119.7	118.1	51.4	71.6	74.7	42.3
Nigeria	*	*	*	*	3.1	27.5
Netherlands	*	*	*	*	10.8	24.3
Russ. Fed.	35.0	33.0	20.0	15.9	18.1	19.6
Turkey	26.0	20.8	18.2	25.9	19.2	18.9
Korea Rep.	14.8	6.2	7.7	12.6	14.2	13.1
Poland	4.3	12.2	12.1	8.3	5.3	7.5
Ukraine	39.2	20.6	13.0	8.5	9.4	7.4
Others	40.0	57.3	36.5	75.1	27.6	54.5
Total	339.2	334.5	192.4	268.9	239.3	263.3

Source: Norwegian Seafood Council

* included under "others"

In February, the Ministry of Production in Peru announced that it had set the jack mackerel quota for 2013 at 80 000 tonnes. The quota for chub mackerel was set at 24 000 tonnes. According to the Ministry, these allocations were in line with the advice from scientists at Instituto del Mar del Peru (IMARPE).

In the South Pacific, the jack mackerel quota was set at 438 000 tonnes, against the advice of the EU, which recommended only 300 000 tonnes. Of the total quota, 250 000 tonnes were allocated to Chile, with 90 000 tonnes to be taken on the high seas and the rest by Ecuador and Peru.

Attempts to regulate one of the world's largest fisheries, the South Pacific jack mackerel fishery, appear to have failed. The most directly involved countries - Chile, Peru and New Zealand - sought to reach an agreement in Auckland in January, but failed. Thus, this unregulated fishery is open to fleets from South American countries, from Russia, China, the Republic of Korea, the EU, the Faroe Islands and Pacific island states, and such uncontrolled harvesting is sure to lead to overfishing and depletion of the stock, according scientists.

The newly established South Pacific Regional Fisheries Management Organization (SPRFMO) is trying to bring some order and control to this fishery, but the meeting in Auckland failed to reach any agreement between the participating countries. Many countries are reluctant to reduce their jack mackerel catches for the coming year in spite of the present low levels of the stock.

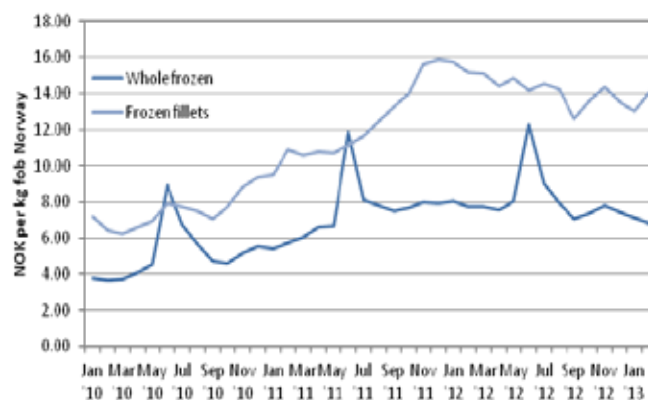
International trade

Norwegian exports of frozen mackerel increased by over 10% in 2012, to 263 300 tonnes. This is the highest volume exported since 2008. The largest importer of frozen Norwegian mackerel is now China, which overtook Japan in 2012. Japan, which used to be the main market, reduced imports from Norway by 43% in 2012, to just 42 300 tonnes. The Netherlands has steadily grown as an important market for Norwegian mackerel and in 2012 became the fourth largest importer of this product, with 24 300 tonnes. Norway seems to be holding its own on the Russian market, but is losing market share in Ukraine. New markets are opening up, though; exports to "Others" increased by over 150% in 2012.

Germany's imports of frozen mackerel declined by about 14% in 2012 to 28 000 tonnes. The main suppliers (UK and Faroes) increased shipments to Germany, as did Norway, while the Netherlands just barely held the same level as in 2011, while Ireland saw a decline of 28%.

Mackerel prices have been very variable over the past year, and the general trend has been downward. Norwegian export prices dropped severely in the middle of 2012, and then recovered towards the end

Norwegian frozen herring export prices



Source: NSC/Central Bureau of Statistics, Norway



of the year. The drop in prices stimulated demand, and prices recovered during the last four months of 2012. The outlook for mackerel prices now is one of gradual increase, according to observers.

Herring

In Iceland, a huge herring die off was registered in February. Approximately 25 000 to 30 000 tonnes of herring was found floating dead in the Kolggrafafjordur in the northern part of Iceland. It is not yet known what caused this mass mortality, but it is thought to be the result of lack of oxygen in the fjord caused by a landfill and bridge that were constructed across the fjord in 2004.

Exports

Frozen Whole Herring: Norway

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Russ. Fed.	207.5	163.4	134.7	121.1	77.3	60.3
Ukraine	89.2	79.4	87.8	69.5	55.9	58.3
Lithuania	11.3	15.3	20.2	22.7	22.8	26.2
Egypt	*	15.2	13.6	22.6	16.3	15.3
Kasakistan	*	13.4	16.7	14.4	3.2	10.9
Netherlands	15.7	13.0	14.1	17.8	15.5	9.7
Nigeria	20.1	138.5	115.5	129.2	44.7	6.6
Latvia	*	*	*	*	4.6	4.2
Germany	*	*	*	*	4.2	3.1
Others	56.5	53.3	43.4	50.9	36.6	10.9
Total	400.3	491.5	446.0	448.2	281.1	205.5

Source: Norwegian Seafood Council

* included under others

By the beginning of March, it looked as if the spring herring fishery in Norway was over. The herring had reached the spawning grounds, and as a result it is not as fat any more, thus less attractive to the market.

Norway is one of the main suppliers of frozen herring and herring fillets, but over the past four years, the exported volume has declined significantly. In 2012 the export volume fell further, and ended up at just 40% of the volume exported in 2009. Norway has seen reductions in shipments to all major markets. The main markets are still Russia and Ukraine, each accounting for about 29 - 30% of total Norwegian exports of frozen mackerel. Exports to Nigeria, which from 2008 till 2010 imported large amounts of Norwegian mackerel, have all but disappeared. In 2012, Nigeria imported just 6 600 tonnes, compared with 138 500 tonnes in 2008.

Germany's imports of frozen herring increased slightly in 2012, to 34 000 tonnes (+2.4%). But there were significant shifts among the suppliers. Norway lost market share, while the UK and particularly Denmark gained.

Imports

Frozen Herring: Germany

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Norway	5.8	7.9	15.3	21.1	20.3	16.3
UK	2.4	1.3	0.9	0.6	4.0	6.7
Denmark	1.8	5.2	4.2	4.3	1.9	5.1
Ireland	2.9	2.9	2.2	1.5	1.7	2.1
Netherlands	2.1	4.1	3.6	3.6	2.2	1.9
Iceland	0.6	0.0	0.0	0.8	1.6	0.9
Others	0.7	1.3	4.5	3.1	1.5	1.0
Total	16.3	22.7	30.7	35.0	33.2	34.0

Source: National statistics

Imports

Fresh and Frozen Herring: Japan

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
USA	16.1	21.4	21.9	26.4	23.3	17.5
Russia	5.9	8.1	5.0	5.4	4.3	4.2
Norway	3.9	4.3	3.6	3.3	3.7	2.2
Netherlands	0.8	0.7	0.6	0.6	0.2	0.4
Canada	0.4	0.0	0.0	0.0	0.0	0.2
Others	0.1	0.5	0.8	0.8	0.3	0.1
Total	27.2	35.0	31.9	36.5	31.8	24.6

Source: National Statistics

Imports of fresh and frozen herring into Japan went down by 22.6% in 2012. Almost all the decline was due to lower imports from the USA, which saw a 25% reduction in its shipments to Japan. Norway also lost market share in Japan.

There was a decline in herring imports in France, too. Imports of frozen herring fell by 17.2% in 2012, to 6 734 tonnes. The main suppliers were Norway and Iceland, which both maintained their market shares.

Herring prices were relatively stable during 2012,



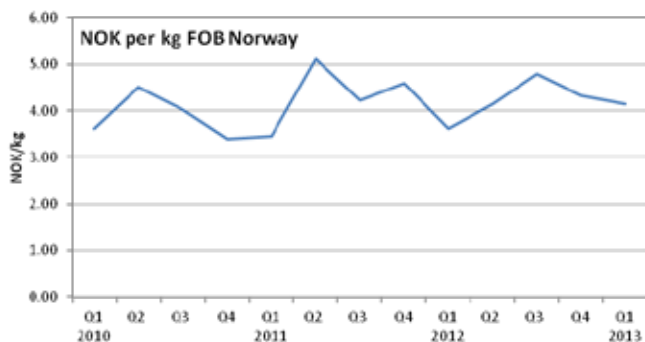
but a slight downward trend was registered, both for first-hand prices and export prices. For round frozen herring, it is expected that prices will be stable throughout 2013. This is also true for herring fillets.

Capelin

The Icelandic capelin fishery is well under way, and it looks as if the quality of the capelin is very good this year. Market demand is also very good, according to reports, and prices for consumer capelin are good. The purse seine quota within Iceland's waters this year is 34 511 tonnes, but fishing has not been the best during the opening days in January and February. Icelandic trawlers have so far landed about 40 000 tonnes since the beginning of the year.

Capelin prices are expected to remain fairly stable throughout 2013. Supplies will be limited because of the reduced quotas, and consumer products will be under some pressure from the fishmeal industry.

Frozen capelin export price



Source: NSC/Central Bureau of Statistics

The quota for Icelandic capelin for the 2012/2013 season was increased by 120 000 tonnes, to a total of 570 000 tonnes. By mid-February, about 156 000 tonnes had been harvested, leaving 414 000 tonnes remaining. The main reason for the quota increase was the fact that research allowed for the estimates of the biomass to be adjusted upwards recently.

The capelin season in Russia has also started. Usually, the first landings in Murmansk come in February. Russia's quota for the two-month season is 66 000 tonnes, and according to reports, 13 vessels are active in the fishery this year.

Market demand for capelin for consumption is currently very good, and at the same time there is strong demand for capelin as a raw material for the fishmeal and fish oil industry.

Capelin prices have been relatively stable over the past two or three years. Norwegian export prices have varied between NOK 3.46 per kg to NOK 5.12 per kg. The short term trend is slightly upwards.

Anchovy

The Spanish anchovy quota was recently increased by 1 000 tonnes, to 5 726 tonnes. While this increase was welcomed, the fishermen still complained that it was insufficient.

In Peru, there is concern about gross overfishing of the anchovy resource in recent years. This is of major concern in the fishmeal industry. The FAO considers this species the most heavily exploited fish in the world. The reason for this is the continued overfishing by the Peruvian fleet.

It is estimated that as much as 90% of the overfishing of Peruvian anchovy consists of juveniles. According to Peru's Production Minister, Gladys Triveno, companies that repeat offenses may lose their fishing licences.

During last summer season, the Peruvian catch of anchovy amounted to about 390 000 tonnes. In January, the catch was 253 000 tonnes, against a total January quota of 400 000 tonnes. Total January harvest was estimated at some 350 000 - 380 000 tonnes. The quota for the winter season (mid-April till July), was expected to be between 1.3 and 1.5 million tonnes. Fishmeal producers are calling for a reduced quota, as they are concerned about the sustainability of this fishery.

Sardines

Thai Union, the world's largest producer of canned tuna, is considering increasing its involvement in the canned sardine and canned mackerel industry. According to a statement from the company, the main reason for this move is that the company wishes to enter the market for lower priced canned products. Canned tuna is still considered a luxury item for consumers in some emerging markets, while canned sardines and canned mackerel are lower priced and therefore better suited for these markets.

The canned sardine market improved in 2012, with increasing imports into the main European markets. Imports into Germany went up by 16.4%, to France by 32.5%, and to the UK by 23%. Morocco is the main supplier to continental Europe, while Thailand has captured the leading position on the UK market from Portugal. Morocco



also increased shipments to the UK.

US imports of canned sardines have steadily increased over the years. The import volume increased from 23 400 tonnes in 2007 to 30 200 tonnes in 2012. The main suppliers are Thailand, Ecuador, Morocco and Poland, and particularly Ecuador has seen an increase in shipments to the USA over the past three years.

Imports

Canned sardine: Germany

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Morocco	8.8	10.0	6.7	5.2	4.4	5.3
Netherlands	0.6	0.5	0.8	0.8	0.8	1.5
Peru	0.1	0.5	0.5	0.7	0.8	0.5
Others	0.9	1.2	0.5	0.5	0.7	0.5
Total	10.4	12.2	8.5	7.2	6.7	7.8

Source: National statistics

Imports

Canned sardines: France

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Morocco	10.6	12.8	13.6	11.3	7.7	10.0
Portugal	2.9	3.4	4.0	4.1	3.9	5.0
Spain	1.1	1.2	0.7	0.9	0.4	0.4
Others	0.4	0.7	0.7	0.4	0.3	0.9
Total	14.9	18.1	19.0	16.7	12.3	16.3

Source: National Statistics

Imports

Canned sardine: UK

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Thailand	2.5	1.5	1.2	3.4	2.9	5.3
Portugal	5.0	5.7	4.7	5.0	5.2	4.6
Morocco	7.0	5.5	4.5	4.8	2.8	3.7
Others	2.3	1.4	1.5	1.0	0.4	0.3
Total	16.8	14.1	11.9	14.2	11.3	13.9

Source: National statistics

Outlook

The outlook for 2013 is one of reduced supplies as a result of major quota reductions. Demand for mackerel is expected to increase, partly as a reaction to reduced prices. Consequently, mackerel prices may be expected to rise somewhat.

For herring, there will be a significant reduction in supplies, which will cause rising prices from an already high level.

The canned sardine market appears to be improving. Demand in Europe (and in the USA) is up.

Capelin prices will probably remain stable throughout the year, in spite of increased quotas. There is strong demand for capelin as a raw material for the fishmeal and fish oil industries and with the good quality of the fish landed at present, consumer demand for capelin is also strong.

SMALL PELAGICS NEWS

Mackerel market picks up from December low

Demand in the mackerel market has picked up again, industry players told Undercurrent News.

Last October, Undercurrent reported that the market was sluggish, with buyers 'sitting on the fence' in the hope of better prices.

This is no longer the case, said one Scottish supplier. "Our mackerel season has ended now and we're finalising the last of our sales. I'd say demand has returned to the levels we saw two+ years ago with most of our customers short of supplies," said John Angus, sales director at Shetland Catch, which is 50% owned by Norway Pelagic (itself in the midst of a takeover by Austevoll Seafood).

Speaking in late January, Angus had similarly described sales as "more buoyant than last year", "with demand from Africa & Eastern Europe being strong. I don't see buyers sitting on the fence anymore".

An executive with a Russian importer, which bought around 8 500 tonnes of mackerel last year, said demand was strong at the moment.

"Demand is very good, and there are no stocks at the moment in Russia," the importer, which buys from Scotland, Norway and is now looking at buying from Ireland, told Undercurrent.

Florentina Tutuian, purchasing manager at the Romanian importer Pestisoru de Aur, said prices for stocks of Norwegian origin, sold by container from the Netherlands and Denmark, were at around EUR 1.40 for mackerel of 300-500g, and EUR 1.20 for 200-400g.

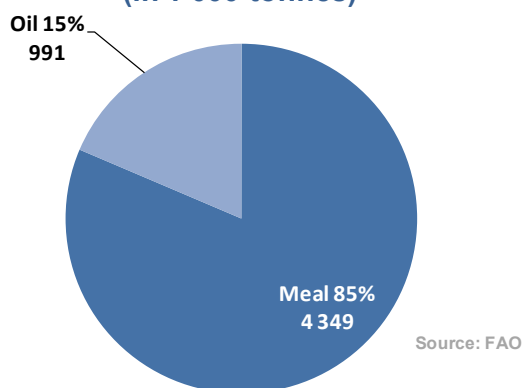
Tutuian, who only works with hypermarket chains, added that demand was stable, but that buyers were still waiting with purchases to see how catches from Spain and Norway will be as of mid-February.

Source: Undercurrent News

Fishmeal prices remain strong in 2013

Fishmeal prices remain strong in the first quarter of 2013 as the 2012 supply fell below production levels achieved in 2011. Coupled with strong demand from aquaculture producers, especially supplying Asian markets, fishmeal prices reached levels not seen since the first quarter of 2010. In related markets, soymeal prices fell slightly in the first quarter of 2013 compared with prices achieved in mid 2012; however they remain relatively strong because of global demand for animal feeds.

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



Production

Fishmeal: Selected countries

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Peru/Chile	2 120	2 063	2 039	1 274	2 160	1 302
Denmark/Norway	317	302	274	345	256	114
Iceland	135	251	198	146	134	185
Total	452	553	472	1 855	2 606	1 691

Source: IFFO

* these figures refer only to IFFO member countries

Production

In the last quarter of 2011 good catches in South America pushed fishmeal production levels up to a total of 2.6 million tonnes for the whole of 2011, which led to a decline in fishmeal prices in the last half of 2011. However, in 2012, catches in the last quarter of the year were considerably down on the previous year in the Pacific Ocean, as a result of adverse climatic conditions, giving a lower total production of just 1.7 million tonnes of fishmeal for 2012.

In 2012, Icelandic production rose significantly, thanks to rising catches of herring and mackerel, while production by Denmark and Norway declined. Total fishmeal production declined 35% between 2011 and

Exports

Fishmeal: Chile

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	189	245	328	120	157	131
Japan	65	51	61	55	37	30
Italy	27	22	26	19	20	13
Spain	33	32	30	24	19	16
Rep. Korea	28	25	30	20	17	21
Germany	32	37	30	12	16	17
Taiwan PC	30	18	21	8	13	12
Others	84	58	79	61	38	59
Total	488	487	605	319	317	299

Source: IFOP (Instituto de Fomento Pesquero)

Exports

Fishmeal: Peru

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
China	555.2	831.9	753.9	554.5	758.0	681.9
Germany	166.0	191.9	269.1	136.3	119.2	193.5
Japan	149.7	148.1	117.1	112.2	95.8	113.1
Viet Nam	na	63.1	62.5	37.5	46.3	53.7
Taiwan PC	39.3	46.8	61.4	34.5	44.3	52.1
UK	na	22.7	54.4	32.2	30.8	19.7
Others	349.1	259.5	218.8	177.3	198.0	205.8
Total	1 259.3	1 564	1 537.2	1 084.5	1 292.5	1 319.8

Source: Peruvian Ministry of Production

2012. As anticipated, Latin American production in 2012 was below 2011 levels because of the effects of the El Niño phenomenon.

Exports

Latin American exports of fishmeal were dominated by Peru, supplying 82% of the 1.6 million tonnes. The majority of Peruvian fishmeal was absorbed by China (52%), followed by Germany (15%) and Japan (9%). The primary export markets for Chilean fishmeal in 2012 were also China and Japan, taking 54%.



Imports

Fishmeal: EU (extra EU trade)

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Peru	281.6	207.9	356.2	231.4	188.5	212.0
Chile	58.9	48.2	59.3	33.7	40.0	49.8
Morocco	7.9	10.0	13.4	50.1	30.0	31.8
Norway	27.8	25.0	36.5	30.7	28.9	38.6
Iceland	69.3	84.6	22.1	18.1	23.4	40.0
Others	21.7	38.8	26.3	21.4	12.7	55.1
Total (extra EU trade)	467.3	414.5	513.9	385.4	323.5	427.4
Total (intra EU trade)	275.6	282.8	335.9	314.1	240.3	250.3
Total intra-extra EU trade	742.9	697.3	849.9	699.6	563.8	677.7

Source: EUROSTAT

Imports

Fishmeal: UK

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Peru	21.2	24.6	53.1	33.3	28.6	24.2
Germany	13.5	8.3	2.5	14.9	14.9	10.4
Denmark	12.9	22.0	19.1	29.7	23.7	10.3
Ireland	11.6	11.4	22.2	11.2	2.6	9.8
Iceland	3.8	10.3	1.6	2.8	3.5	7.3
Ecuador	0.0	0.0	0.0	0.0	0.1	3.0
Chile	5.1	0.2	4.7	1.2	1.5	1.9
Others	19.6	16.4	11.4	8.3	9.0	7.2
Total	87.7	93.3	114.5	101.4	83.9	74.1

Source: National statistics

Imports

Fishmeal*: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Chile	6.7	5.5	5.9	13.1	10.9	17.4
Mexico	20.0	22.7	17.9	5.8	12.9	15.6
Canada	6.5	4.4	6.7	6.7	6.1	5.3
Panama	0.6	0.3	0.0	0.5	0.3	0.5
Peru	1.1	0.6	0.5	3.2	0.6	0.3
Morocco	NA	0.0	0.0	5.7	0.0	0.0
Others	4.7	4.6	3.9	4.1	3.6	4.2
Total	39.6	38.1	34.8	39.1	34.4	43.3

Source: NMFS * excluding solubles

Markets

Import statistics reveal the top three importers, Germany, UK and USA, absorbed a combined total of 145 700 tonnes of fishmeal in 2012. However, this excludes

China, which is the largest importer overall. Germany accounted for 66% of this share, importing primarily from Peru, Morocco and Chile. The UK absorbed 21% of this trade, mostly from Peru and other European countries, including re-exports from Germany. USA fishmeal import demand grew 26% from 2011 levels and was satisfied primarily by Chile and Mexico. EU Imports from outside the EU were 63% of total EU imports in 2012, compared with 57% in 2011. Both the share of extra-EU imports and the total volume increased between 2011 and 2012. The top three suppliers of extra-EU imports were Peru, Chile, and Iceland in 2012, compared with Peru, Chile and Morocco in 2011.

Outlook

Pressure on fishmeal prices in 2012 remained strong as a result of Latin American supply constraints in an El Niño year coupled with strong demand in Europe and Asia. The average fishmeal price in the third quarter of 2011 was USD 1 351, compared with an average fishmeal price of USD 1 775 in the third quarter of 2012. Relatively high fishmeal prices the end of 2012 carried over into the first two months of 2013.

Imports

Fishmeal: Germany

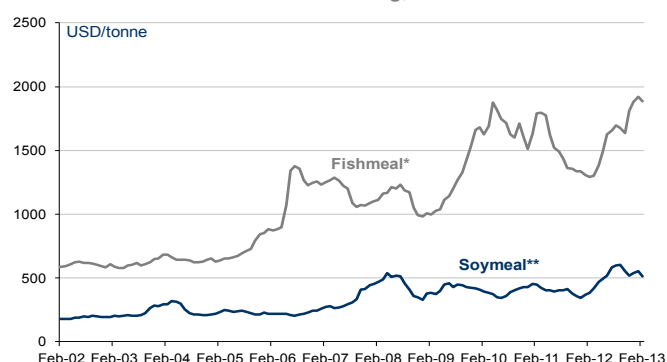
	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Peru	192.3	131.1	251.1	159.3	115.7	145.1
Morocco	0.0	1.8	5.6	36.0	19.2	22.3
Chile	7.1	5.0	15.5	4.8	10.1	22.1
Panama	0.8	3.7	2.2	0.2	0.9	8.4
Denmark	3.7	8.8	15.0	13.5	12.0	7.5
South Africa	0.0	0.0	0.0	0.0	1.0	5.3
France	2.0	3.6	4.2	3.7	4.4	4.4
Mauritania	0.0	0.0	0.0	0.0	0.0	4.0
Others	4.3	11.3	16.9	10.2	3.5	9.2
Total	210.2	165.3	310.5	227.7	166.8	228.3

Source: National statistics

Prices

Fishmeal and Soymeal

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



Source: Oil World, GLOBEFISH

FISH OIL

High fish oil price expected to remain strong

The average fish oil price in the last quarter of 2012 was USD 2 183 and this was 43% higher than the average price in the last quarter of 2011. Growing demand for fish oil both from high-value aquaculture and human consumption, coupled with weak supply in 2012 are likely to maintain these record fish oil prices into 2013.

Production

Fish oil: Selected countries

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Peru/Chile	577	459	410	279	450	325
Denmark/ Norway	74	93	79	116	92	39
Iceland	46	81	44	69	67	74
Total	697	633	532	471	612	444

Source: IFFO

Exports

Fishoil: Peru

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Denmark	86.2	32.6	85.1	42.7	58.0	88.7
Chile	92.9	52.3	22.5	61.9	45.1	40.1
Belgium	52.8	64.6	67.3	44.8	40.1	48.8
Canada	NA	20.5	17.1	19.9	11.7	18.2
Norway	26.2	31.4	19.5	14.2	7.9	26.7
Australia	NA	10.0	9.7	12.4	5.2	4.1
Others	47.6	23.4	65.9	39.1	43.3	64.4
Total	305.7	234.9	287.2	235.1	211.3	291.0

Source: Produce

Exports

Fish oil: USA

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Menhaden	45.4	43.2	31.5	62.2	44.1	17.8
Other	8.4	13.3	17.4	14.8	21.2	20.5
Total	53.8	56.5	48.9	77.0	65.3	38.3

Source: NMFS

Production

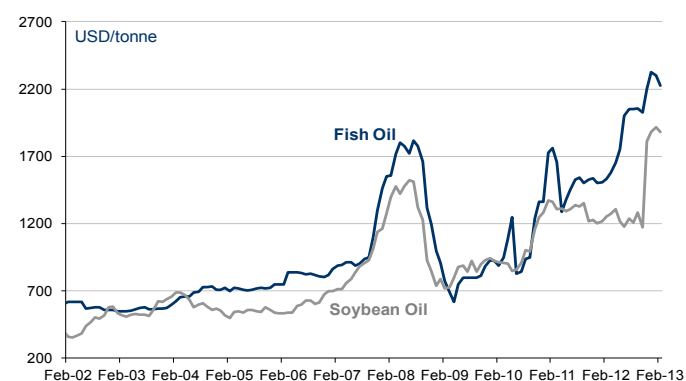
Fish oil production from Latin America and northern Europe declined in 2012, with the exception of Iceland, thanks to higher raw material supply for the latter. Thus, total production fell 27% between 2011 and 2012. Slow production in 2012 suggests that limited supplies relative to strong demand will continue to maintain fish oil prices in 2013.

Exports

The largest volume of fish oil exports in 2012 was

Prices

Fish oil and Soybean oil



Exports

Fishoil: Chile

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Japan	8.2	15.8	10.6	7.5	14.2	10.6
Vietnam	8.9	4.6	6.4	4.9	6.2	6.1
China	18.1	12.6	0.0	11.0	5.4	6.8
Norway	0.6	5.5	1.0	6.4	3.5	1.6
Indonesia	0.6	0.6	0.9	1.2	4.8	4.8
Others	35.4	42.0	61.8	19.2	27.9	38.0
Total	71.8	81.0	80.8	50.0	62.0	67.9

Source: Boletín de Exportaciones del IFOP

absorbed by Denmark, taking 30% of Peruvian fish oil exports. This was a 53% increase over Peruvian fish oil exports to Denmark in 2011. Other top Peruvian export markets in 2012 were Chile and Belgium.

Approximately 42% of Chilean fish oil exports in 2012 were destined for its top Asian markets of Japan, China, Viet Nam and Indonesia, the same trade pattern as in 2011.

USA exports of fish oil are small in comparison with Latin American fish oil exports, primarily because of the high utilization of domestic fish oil within the USA market.

Outlook

Strong consumer demand for carnivorous fish and shrimp continue to maintain fish oil prices, an ingredient essential for the health and growth of these high-value farmed species. Although human consumption of fish oil is small by comparison with aquaculture utilization, future growth in direct human consumption of fish oils will contribute to upward pressure on fish oil prices.

New Consumers for Bivalve Molluscs

How to attract new consumers is a question that the bivalve molluscs industry is asking itself. Young people and the growing middle class in emerging countries (such as China) are the new targets. Companies and retailers are trying hard to change the way shellfish is seen by the markets and they are also pursuing ecolabeling as a way of ensuring the good image of these products. The International Boston Seafood Show, held recently in March and the European Seafood Exposition to be held in April are good opportunities to showcase these products and open up new markets.

Ecoproducts and more imagination

At 2013 International Boston Seafood Show, a greater emphasis on the retail sector was apparent, with more weight given to providing the market with more branded products and presenting a challenge for companies to introduce new shelf-ready packaging for both frozen and chilled products. One of the participants, Spanish Seafood Company Isidro de la Cal, is aiming for the US market with ready-to-eat products, including mollusc and traditional seafood paella. This year UK processor Macduff Shellfish participated in the Boston seafood show for the first time, also aiming for the US market with their scallops.

The next European Seafood Exposition in Brussels will provide similar opportunities, with more added value products based on clams, scallops, oysters and mussels on display. This year's finalists of Seafood Prix d' Elite, or new seafood products competition, have been announced and products that include oysters, scallops and mussels are amongst those chosen.

As Spanish and Italian markets are limited to short-term vision at present, in which it is difficult to see any evidence of recovery, companies have to find imaginative solutions outside of the European markets. Taking refuge in more basic products, and in cheaper alternative species and in canned seafood, all show the

fragility of the market, according to a recent analysis of seafood markets in France, Spain and Italy undertaken by Correard Consulting for Seafood Scotland.

The image of bivalve industry

Concepts such as green aquaculture and carbon footprints, as well as the impact of the horsemeat scandal (where beef products containing horsemeat were found to be on sale in several major supermarkets) may help in promoting molluscs, especially where the sustainable characteristics of fisheries and aquaculture can be demonstrated. On the whole, consumers seem to view bivalve aquaculture in a more favourable light than that of salmon or pangasius.

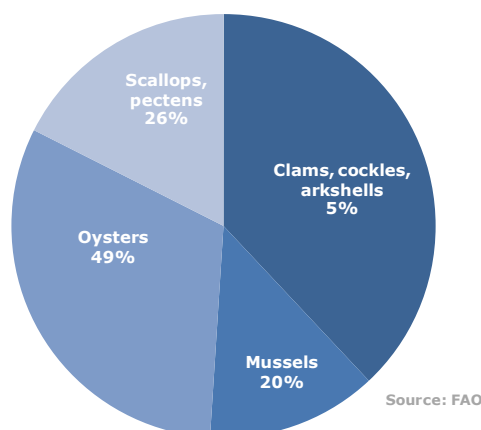
However, this image could change soon, particularly with the implementation of more Marine Protected Areas worldwide and the lack of space for future aquaculture activities.

In New Zealand a new mussel farm off the far north coast was allowed to go ahead this year in spite of claims that it will displace dolphins and deprive 'boaties' of safe anchorage. The mussel farm will cover 94 ha next to Stephenson Island, opposite Whangaroa Harbour, but the farm's opponents are likely to appeal the decision, saying it will spoil the area's natural beauty and interfere with fishing.

In the UK scallop dredging has returned to the spotlight with tensions rising over the Scottish Government's plan to re-examine the sustainability of scallop dredging. A comprehensive review is due to begin in April and could lead to new controls. Scallops are Scotland's second most valuable shellfish, with 16 000 tonnes a year harvested, mostly for export. Dredging has attracted growing criticism because it can damage the seabed and fish nurseries, as well as marine wildlife in general.

In response to the demand worldwide for seafood products that comply with traceability and sustainability standards, a number of mollusc fisheries recently obtained certification from various different certification bodies. They include Newfoundland and Labrador mussel

Bivalves production (2010)
(in tonnes)




Imports
Mussels: EU

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
France	59.1	53.8	55.8	63.3	60.2	54.5
Italy	33.9	39.3	41.4	37.1	37.8	40.7
Belgium	29.1	28.7	29.9	29.6	28.4	28.2
Netherlands	28.5	30.2	22.7	23.3	35.7	25.9
Germany	29.9	14.6	16.0	14.3	16.8	20.1
Spain	18.3	16.7	15.4	17.9	25.4	17.6
United Kingdom	6.6	5.8	5.9	6.8	7.2	6.1
Others	16.0	15.4	15.3	12.1	13.6	11.0
Total	221.3	204.4	202.4	204.5	225.0	204.0

Source: EUROSTAT and Customs

Imports
Mussels: France

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Spain	13.7	13.8	16.2	14.0	14.4	14.5
Netherlands	13.0	12.6	13.3	15.7	16.1	14.1
Chile	8.1	9.8	8.4	10.7	13.0	11.5
Ireland	8.0	5.6	5.5	8.8	5.7	3.6
Italy	4.1	2.7	2.4	5.2	4.6	3.6
Greece	4.0	3.0	3.8	2.9	2.3	2.4
UK	2.2	1.6	2.4	2.2	1.7	2.2
Others	6.0	4.7	3.8	3.8	2.4	2.6
Total	59.1	53.8	55.8	63.3	60.2	54.5

Source: National statistics

farmers and primary processing facilities, which met the criteria and were certified against the Canadian Organic Aquaculture Standard, Cloudy Bay Clams in New Zealand were certified in February this year by Friend of the Sea and in Spain, Fishermen's Organization San Martino de Bueu was awarded Marine Stewardship Council (MSC) certification for its artisanal razor clam fishery. This is the first Spanish shellfish fishery and the world's first diver-caught razor clam fishery to be certified. In the middle of last year French seafood supplier Cornic, obtained Friend of the Sea certification and now supplies the French market with Peruvian FOS certified scallops.

An innovative way to introduce variety to consumers

At the beginning of 2013 in the UK Sainsbury's supermarket launched the "Switch the Fish" campaign to encourage consumers to try less popular seafood species, including mussels. The most consumed species are cod, haddock, tuna, salmon and prawns and these are termed

Imports
Mussels: Italy

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Spain	19.0	20.8	23.9	22.1	18.2	25.4
Greece	5.1	6.7	7.4	3.7	6.0	6.9
Chile	4.8	7.0	4.7	6.6	9.4	6.4
Ireland	1.1	1.0	1.2	1.4	0.8	0.6
Germany	0.1	0.3	0.6	0.6	0.6	0.4
France	0.6	0.6	0.6	0.3	0.3	0.3
Others	3.2	2.9	3.0	2.4	2.5	0.7
Total	33.9	39.3	41.4	37.1	37.8	40.7

Source: National statistics

the 'big five'. During this campaign, which ran for the first time in 2011, shoppers were offered a free portion of lemon sole, mussels, Cornish sardines, coley or Loch trout when clients bought one of the big five.

In Canada, Prince Edward Island Mussel King recently undertook a CAD 6 million dollar expansion of its production facility that allowed for installation of new processing equipment for the production of smaller packs of frozen mussels in five different flavours. This was made possible by investment injections from the federal and provincial governments about 18 months ago. The new packs are now being exported to several countries worldwide.

Recent trends in mussel trade

According to figures from EUROSTAT and Customs, EU markets imported 9% less mussels in 2012, down from 225 000 tonnes in 2011 to 204 000 tonnes in 2012. This is a similar amount to that imported in 2008 and 2010. The Netherlands was the country with the greatest drop, where imports fell 27% in last year (from 35 000 tonnes to 25 900 tonnes)

However, the German and Italian markets showed an increase in imports. In Germany, mussel imports rose 19% in 2012, (+3 000 tonnes), while in Italy imports were 7% higher compared with previous years. Italy, of course, has a substantial domestic mussel industry to cover most of local demand.

Mussel imports into France went down from 60 200 tonnes in 2011 to 54 500 tonnes in 2012 (-9% less), mainly supplied by Spain, Netherlands and Chile. Imports from Ireland have been gradually reduced over the last 3 years, from 8 800 tonnes in 2010, 5 700 tonnes in 2011 to 3 600 tonnes in 2012.

In Spain, imports of mussels were up to 17 600 tonnes in 2012, with Chile being the main supplier with



Exports

Mussels: Spain

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Italy	23.1	24.6	25.9	24.3	20.6	24.5
France	16.0	17.6	16.4	16.4	17.0	17.7
Portugal	1.7	1.7	1.8	2.3	1.9	1.7
Greece	0.3	0.4	0.8	0.5	0.3	0.7
Germany	0.9	1.1	1.0	0.6	0.7	0.6
Others	2.6	1.8	2.4	10.6	1.7	2.0
Total	44.6	47.2	48.3	54.7	42.2	47.2

Source: National statistics

Exports

Mussels: Spain

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Italy	23.1	24.6	25.9	24.3	20.6	24.5
France	16.0	17.6	16.4	16.4	17.0	17.7
Portugal	1.7	1.7	1.8	2.3	1.9	1.7
Greece	0.3	0.4	0.8	0.5	0.3	0.7
Germany	0.9	1.1	1.0	0.6	0.7	0.6
Others	2.6	1.8	2.4	10.6	1.7	2.0
Total	44.6	47.2	48.3	54.7	42.2	47.2

Source: National statistics

Exports

Mussels: Netherlands

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Belgium	23.1	22.0	22.3	24.6	23.0	22.6
France	13.2	10.1	10.6	16.1	14.9	13.3
Germany	3.3	3.5	4.0	4.7	4.6	4.5
UK	1.2	0.8	0.7	0.8	0.8	0.6
Others	2.5	1.2	1.3	1.2	1.1	1.3
Total	43.3	37.6	38.9	47.4	44.4	42.3

Source: National statistics

11 400 tonnes. Italy (2 400 tonnes) and New Zealand (1 700 tonnes) were in second and third position.

Spain benefitted from an increase in mussel exports, up 11% in volume, from 42 200 tonnes in 2011 to 47 200 tonnes in 2012, mainly as a result of demand from Italy. French and Portuguese markets remained steady during the last year.

Chilean mussel export volumes fell 12% from 68 869 tonnes in 2011 to 61 044 tonnes in 2012. Based on Infotrade data, values fell 16%, from USD 153 million in

2012 compared with USD 182 millions in exports in 2011.

In January 2013, Chile sent 4 389 tonnes of mussels (*Mytilus chilensis*) overseas, an amount that represented a rise of 25.2% compared with exports during the same month in 2012 (3 504 tonnes).

The value of mussel exports during the first month of this year was USD 12.6 million, which is 41% more than in January 2012 when the amount was USD 8.9 million. The average mussel value during January 2013 was USD 2.88 per kilogram, 14% higher than the first month of last year (USD 2.52/kg).

Scallops: Big drop in imports on the French market

Overall a decline of 18% in the imports of scallops to EU markets was experienced in 2012. Total imports were 50 100 tonnes, showing a fall of 10 000 tonnes from 60 600 tonnes in 2011, a significant drop in just twelve months.

The French market was particularly affected by this drop. In 2012 imports of scallops went down by 25% to 19 900 tonnes, the lowest since 2007. Argentina, UK and USA were affected by this lack of demand by French consumers, but the highest decline was for Peruvian scallops with 44% less.

The trade agreement between the EU and Peru, which came into play on 1 March, has direct benefits for fisheries exports as they will no longer have to pay customs duties. This should provide a boost for Peru's scallops exports. During 2012 Peru's exports of scallops to the French market fell substantially and imports into France declined from 6 900 tonnes in 2011 to 3 800 tonnes last year.

Imports

Scallops EU

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
France	21.6	25.5	28.0	28.1	26.6	19.9
Spain	11.6	13.3	12.6	11.5	10.2	7.0
Italy	6.3	5.6	5.2	6.4	6.2	6.1
Belgium	3.9	4.7	3.8	4.8	5.2	4.2
Netherlands	2.4	2.4	3.3	3.3	2.6	3.6
Denmark	1.2	0.9	0.9	1.6	2.3	2.8
Ireland	0.1	0.1	0.3	0.3	1.1	1.8
UK	2.5	2.5	3.8	2.2	2.2	1.5
Germany	1.0	1.4	1.3	1.6	1.4	1.3
Others	2.5	2.5	272.9	3.7	2.8	1.8
Total	53.0	58.8	332.1	63.5	60.6	50.1

Source : EUROSTAT and Customs



In Argentina, shipments of the Patagonian scallop (*Zygochlamys patagonica*) totalled 5 369 tonnes worth USD 53.4 millions from January to November 2012, according to statistics from the Undersecretariat of Fisheries and Aquaculture.

In Japan, domestic expenditure on scallops increased by 14% compared with the previous year, according to the survey on household expenditure in 2012, reported the Ministry of Internal Affairs and Communications of Japan.

At the beginning of this year, a British trawler was ordered to return scallops to the sea after French authorities suspected it of illegally dredging 17 tonnes of scallops 12 nautical miles off the French side of the Channel. It was feared that this clash would re-ignite the “scallop war” between the two countries.

Imports

Scallops: France

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
Argentina	5.0	6.5	5.3	6.0	5.5	4.1
UK	2.9	3.6	4.6	4.0	4.4	4.1
Peru	2.6	3.5	5.3	8.0	6.9	3.8
USA	3.1	3.6	5.5	3.6	4.4	3.4
Canada	1.8	2.2	1.6	1.7	1.3	1.0
Viet Nam	0.8	0.4	0.2	0.9	0.5	0.8
Chile	1.8	1.8	2.8	1.1	0.8	0.4
Ireland	0.3	0.4	0.3	0.4	0.4	0.5
Netherlands	0.5	0.2	0.2	0.3	0.4	0.4
Others	2.8	3.2	2.2	2.2	2.1	1.4
Total	21.6	25.5	28.0	28.1	26.6	19.9

Source: National statistics

Bivalves in Integrated Multi-Trophic Aquaculture (IMTA)

Integrated multi-trophic aquaculture (IMTA) presents an interesting opportunity for bivalve mollusc production in a sustainable and innovative way. In Spain last year, the Xunta de Galicia published a report titled “Integrated Multi-trophic Aquaculture: A sustainable, pioneering alternative for marine culture in Galicia”. This publication brings together reports on a number of projects undertaken in Spain to explore relaunching aquaculture in Galicia in a more viable form. One of the projects undertaken were the successful trials of the seaweed *Saccharina latissima* in association with oysters and clams in achieving the biofiltration of solids from the effluent of a turbot farming facility. One of the important outcomes was that it was possible to grow commercially useful bivalve species in an open circuit regime with effluent from the turbot farm. Another study looked at on-growing in an intertidal park of carpet shell and carpet

Exports

Scallops : UK

	2007	2008	2009	2010	2011	2012
	(1 000 tonnes)					
France	3.6	3.8	6.3	7.1	6.7	6.3
Italy	3.5	3.6	3.4	3.8	3.9	4.0
Spain	2.0	1.9	1.7	2.4	2.0	1.9
Others	1.7	1.1	1.2	1.3	4.1	1.5
Total	10.7	10.4	12.6	14.5	16.7	13.6

Source: National statistics

shell clams that had originally come from a nursery where they were pre-grown in a multi-trophic hatchery using effluent from a turbot farm with a closed water circuit.

In Venezuela, a group at the Universidad de Oriente is investigating the implementation of a restocking program for the pearl oyster *Pinctada imbricata*. An oyster restocking project was also undertaken in the Canaima National Park in Venezuela.

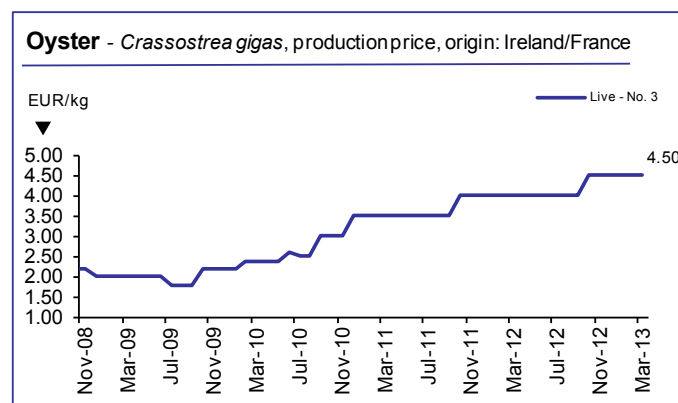
Outlook

Scallop catch levels in the USA for 2013 are expected to drop by 30-35% and this could see prices going up in various countries, including France, the EU’s main market for scallops, where demand is already low. Scallop traders in the US expect about 30% more imports this year, as a result of the decrease in landings in the US. Demand for scallops from Peru is already apparent.

Expanding demand at rates above 20% per annum for niche shellfish such as oysters and scallops is rapidly transforming China into a leading market for many high-end seafood products.

In Latin America, Peruvian scallops will be in demand by the US market, while the Chilean scallops industry will focus on the domestic market, which is paying higher prices than exports (EUR 19/kg).

For mussel sector there are no signs of major changes in the next few months.



Source: GLOBEFISH EPR

Value-chain dynamics, the small-scale sector and food security *Policy recommendations for international fish trade**

About

From 2009 to 2012, FAO conducted a comprehensive value chain analysis of international fish trade with an impact assessment for the small-scale fisheries and aquaculture sector.

Goals of the project

- To achieve a better understanding of the dynamics of relevant value-chains in international fish trade
- To recognize opportunities for the small-scale sector to obtain more value for their products
- To make policy recommendations for how developing countries can increase the value derived from their fishery resources and improve their food security
- To explore ways for small-scale producers to obtain prices and margins that allow them to achieve long-term sustainability from an economic, social and environmental resource perspective

Why study value-chains of small-scale fisheries and aquaculture?

- **Contribution to livelihoods** - Globally, about 55 million people are directly engaged in capture fisheries and aquaculture, and about three times as many are involved in related activities (FAO, 2004). While no definitive statistics exist, it is thought that the small-scale sector employs 90% of the world's fishers, producing nearly half of world fish production and supplying most of the fish consumed in the developing world (FAO and Worldfish Center, 2008).
- **Impact of trade on food security** - International fish trade can increase food security through employment and income generation. This is particularly important in developing countries, as they contribute close to 50% of total fish exports (FAO, 2012). Though findings on how international fish trade impacts food security in developing countries are not entirely conclusive, there is concrete evidence that trade can provide an overall benefit (FAO, 2004). A value-chain analysis helps to examine the role of trade further, particularly by exploring the distributional consequences amongst the most vulnerable actors in the value-chain: the fishers and fish farmers themselves.
- **Recent trends** - The fisheries sector has become globalized. Indeed, almost 40% of all fish produced now enters international trade and processing is being increasingly outsourced (FAO, 2012). With

globalization, the ability of exporters to adhere to market access requirements becomes crucial. At the same time, the retail sector has become more concentrated, increasing its market power. It is therefore crucial to develop policies that will improve the competitive position for small-scale fishers and fish farmers, ultimately helping them to achieve food security.

Focus of analysis

As the name suggests, value-chains add incremental value to products in the nodes of a chain either by value addition, value creation or increased efficiencies. This value is then realized from higher margins and/or the development of new or expanded markets. Therefore, value-chains can be viewed as empowering to the various and usually fragmented stakeholders, as they recognize innovative opportunities to contribute and increase their product value.

For this project, value-chains for fisheries and aquaculture were divided into international and domestic markets, and prices for a variety of species were analysed. In domestic markets, the following prices were examined: first-hand (for capture fisheries), farm-gate (for aquaculture), wholesale and retail. In the international markets, prices examined included: first-hand or farm-gate, wholesale, processor, exporter, importer and retailer. Prices examined in each case study analysis varied by country.

The overall project involved case studies focusing on nine developing countries: Bangladesh, Cambodia, Ghana, Honduras, Kenya, Maldives, Peru, Thailand and Uganda. Countries were chosen to achieve a geographical balance and to include a variety of species as well as different types of fisheries, such as marine, coastal and freshwater. Though the focus was on the small-scale sector in developing countries, developed countries and the large-scale sector were also analysed to serve as a reference of comparison.

Recommendations

Relative to other actors in the value-chain, the project found that small-scale fishers and fish farmers are receiving the least economic benefits for their products. Most fish suppliers in developing countries are acting as raw material suppliers to developed countries, demonstrating they are earning limited profits from their valuable natural resources. Processors and retail markets

*A FAO project with the financial support of The Norwegian Agency for Development Cooperation (NORAD)

were found to be receiving more of the distributional benefits due to their more concentrated structure and stronger bargaining power. Following this general finding, overall policy recommendations for the small-scale sector were identified. Some of the main recommendations are included below.

- A change in the organizational model could help the small-scale sector increase their price negotiation power, though the chosen model must be adapted to the local context. Additionally, new setups for sharing fisheries and aquaculture infrastructure should be explored. Governments could be supportive by enacting legislation to incentivize processors and wholesalers to buy from an established and organized model of small-scale fishers or fish farmers.
- Producers need to increase their focus on markets and marketing, especially in countries that currently have low domestic consumption rates. Not only could this benefit producers by developing domestic markets, but it could also help the country achieve improved food security and nutrition. The small-scale sector needs institutional partners and support from national governments and institutions, NGOs and international governmental bodies to develop marketing agendas, including training on effective marketing and access to financial resources for marketing campaigns, development of value-added products and processing capabilities.
- The small-scale sector should be encouraged to explore new markets. In particular, domestic markets in developing countries were found to present small-scale fishers and fish farmers with opportunities. Though findings demonstrate that international market prices for export products are usually higher than domestic market prices for local consumption, the difference was often substantially less significant than had been presupposed. In some cases, the domestic market price was equal to or more lucrative than the international market price, many times due to the savings in transportation costs when delivering to local markets. This is a vital finding for the future, as growth in fish consumption is expected to be driven largely by domestic markets in developing countries.
- Better fisheries and aquaculture management must be in place in order to sustain the small-scale value-chain in the long term. Rather than utilizing a top down management approach, co-management was suggested, as the inclusion of fishers and farmers has been an indicator of success in numerous countries. It may also be prudent to investigate complimentary livelihood activities in order to provide diversified income streams, take pressure off the fishery and sustain its resources for the long term.
- Findings demonstrate an array of areas where further research and analysis is needed. These areas include: the potential of domestic markets, possibilities for innovation in the value-chain, the costs and benefits of certification schemes and marketing tools, as well as how successful co-management and organizational models have been implemented. Finally, data availability for the small-scale sector is often limited, even in developed countries.

Bangladesh case study snapshot

In Bangladesh, growing market demand for fish coupled with uncertain supply is likely to increase retail prices of capture fishery products. A recently available projection estimates that the retail price of hilsa (*Tenualosa ilish*), an important staple fish in the local diet, is expected to increase by up to 6% annually (Dey, 2008). With these projections, the case study analysis examined how this increase in price would affect stakeholders in the value-chain. Though hilsa fishers and wholesalers were found to likely receive some share of the expected increase, it was concluded that retailers would receive the most significant financial benefit.

The case study further analysed why wholesalers and fishers were not able to influence the transmission of prices as much as retailers, and concluded that the following factors contributed: the less organized behaviour and structure of wholesalers and fishers, dispersed landing points, poor transportation, perishability of the product and inadequate information about retail markets. These findings led to the development of policy recommendations to help small-scale fishers and wholesalers receive a more equitable share of this projected price increase for hilsa.

Notably, this study was one of the first to conduct an in-depth price analysis examining causality and price transmission relationships in the Bangladesh aquaculture and fisheries sector.

Further reading

The Fisheries and Aquaculture Value-Chain Website, www.fao.org/valuechaininmallscalefisheries, will act as the clearing house for the information collected and as a forum for discussions and related links.

This project was a follow-up to an earlier study entitled “Responsible fish trade and food security” (FAO, 2004). The website for the study can be found at: www.tradefoodfish.org

Importance of pelagics

For the past 20 years or so, world production of pelagic species has been relatively steady, at around 37 to 41 million tonnes per year. This figure represents approximately 43% of global captures since 1990, and 31% of total production including aquaculture. Closer inspection of data for individual species over the same period reveals a decline in captures of sardines, jack mackerels and scads, contrasting with increased production of scombroid mackerels, herring-family species and large pelagics such as tuna. The top producers have remained largely unchanged, however, with four regions consistently accounting for roughly 70% of pelagic captures; South America, East Asia, Southeast Asia and northern Europe.

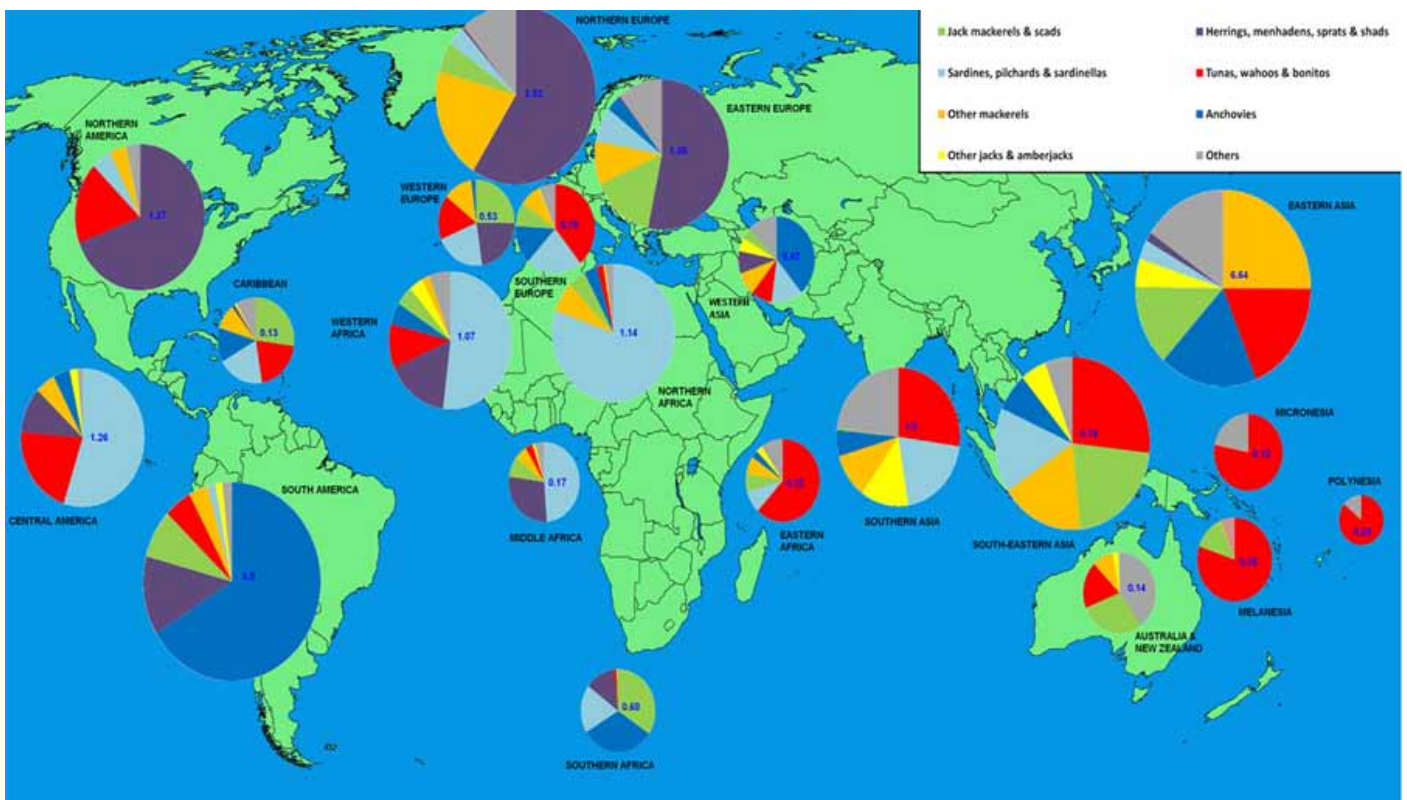
Meanwhile, trade in pelagic fish has been expanding steadily and major investment in processing, storage and transport technologies has seen supply chains become increasingly globalized. Pelagic fisheries are a principal source of income for some of the world's poorest people, and the 210% growth in the value of developing countries' exports of pelagics since 1990, to USD 10.9 billion in 2009, represents a major contribution to the fundamental goal of ensuring food security. Another positive dimension is illustrated by observing that the total volume of pelagic fish imports has increased by 80% overall

(2009 data) and by 174% in developing countries over the same period. If fishmeals are excluded from this calculation, these increases are 140% and 261% respectively. This reflects the growing importance of pelagic fish for direct human consumption, particularly in developing countries, where low-valued small pelagic species such as mackerel and herring provide an affordable source of essential nutrients.

There is convincing evidence, from numerous scientific studies, that fish consumption reduces the risk of coronary heart disease and aids neurodevelopment in infants and young children. Further evidence is also emerging in support of a variety of other health benefits, relating to both physical and mental wellbeing. Pelagic fish are amongst the healthiest of all fish species, providing high quantities of protein, long-chain omega-3 fatty acids and fat-soluble vitamins. Smaller pelagics may also be easily consumed whole, an important advantage given that other parts of the fish, such as the bones, contain vital minerals such as iron, calcium, iodine, zinc and selenium.

As a rule, fish is consumed in much higher quantities in developed countries than in developing ones, even though it is in the latter where the positive health effects

World production of pelagics by region and species groups (2010*)



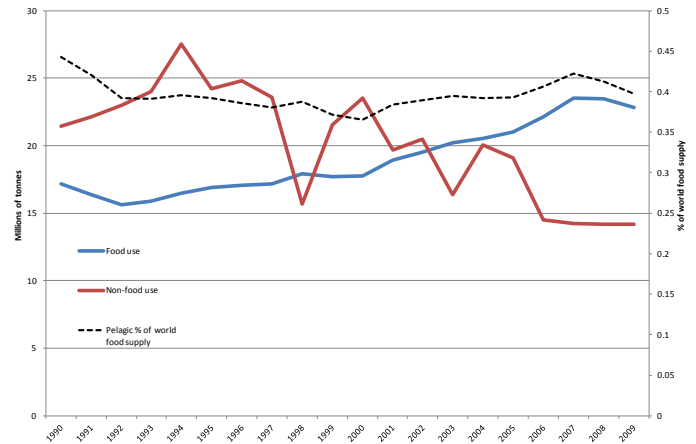
* total production by Region, in million tonnes

are felt the most. Part for the reason for this is that fish - and animal protein in general - is simply too expensive. Pelagic fish, in terms of nutrient quantity per dollar spent, compare favourably with most other species, and particularly other marine fish. Directing cheaper pelagic species to these markets is thus an effective means of increasing fish consumption amongst poorer populations and adding a nutritionally valuable component to their everyday diet. The wider, long-term effects of increased fish consumption, particularly in malnourished populations, have yet to be comprehensively evaluated, but numerous scientific studies have documented the improvements in pre- and post-natal neurodevelopment in children in many countries.

With an average 3.4 kg consumed per capita per year, pelagic fish represent around 18% of world fish consumption (including crustaceans, molluscs and cephalopods), while a quarter of the world's supply of fish protein comes from pelagic species. If low-income, food-deficit countries only are considered, the share of pelagic fish in total fish consumption rises to 29%, and the fish protein contribution increases to 32%. In terms of total animal proteins, the world average share of pelagic fish is 4%, rising to 8% for low-income, food-deficit countries. Although official data for long-chain omega-3 fatty acids is not yet available, pelagics certainly supply a major proportion compared with other food groups.

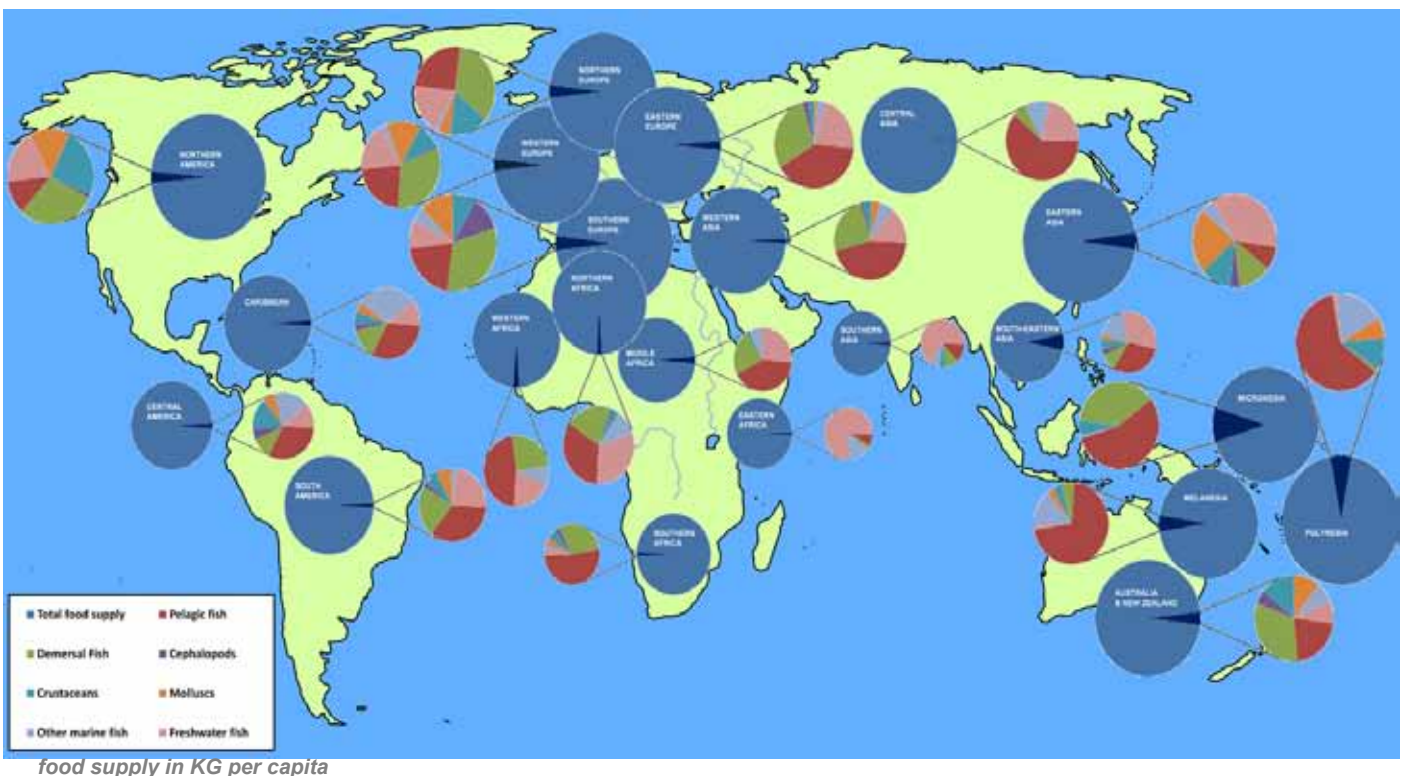
These figures once again underscore the importance

Role of pelagics in the food supply



of pelagic fisheries to the world's food supply, as well as emphasizing the key role they play as a source of fish for poor and undernourished people. In the latter respect in particular, one possible direction for further growth is suggested by the fact that a significant percentage of pelagic captures currently goes into fishmeal production. In brief, the continued development of the industry is to be encouraged, so long as we remain at the same time wholly committed to ensuring that our utilization of these resources is sustainable in the long-term.

Fish contribution to total food supply by region and species group



Fish and fishery products statistics

	Capture fisheries production		Aquaculture fisheries production		Exports			Imports		
	2010	2011	2010	2011	2010	2011	2012 <i>estim.</i>	2010	2011	2012 <i>estim.</i>
	Million tonnes (live weight equivalent)					USD billion				
ASIA	48.7	48.8	52.4	55.5	41.0	49.2	52.6	35.5	42.5	43.8
China ²	16.4	16.8	37.0	38.9	15.7	19.8	21.5	10.2	12.1	12.2
of which China, Hong Kong SAR & Taiwan Province of China	0.2	0.2	0.0	0.0	0.5	0.5	0.8	3.0	3.5	3.7
	0.9	0.9	0.3	0.3	1.9	2.3	2.5	0.9	1.0	1.0
India	4.7	4.3	3.8	4.6	2.4	3.4	3.4	0.1	0.1	0.1
Indonesia	5.4	5.7	2.3	2.7	2.6	3.2	3.7	0.3	0.4	0.4
Japan	4.1	3.8	0.7	0.6	1.9	1.9	1.8	14.9	17.3	18.0
Korea, Rep. of	1.7	1.7	0.5	0.5	1.6	2.0	2.0	3.2	3.9	3.7
Philippines	2.6	2.4	0.7	0.8	0.6	0.6	0.8	0.1	0.2	0.2
Thailand	1.8	1.9	1.3	1.0	7.1	8.2	8.1	2.1	2.7	3.1
Viet Nam	2.4	2.5	2.7	2.8	5.1	6.2	6.8	0.5	0.7	1.0
AFRICA	7.7	7.6	1.3	1.4	5.0	5.1	5.2	3.3	4.5	5.0
Ghana	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.2
Morocco	1.1	1.0	0.0	0.0	1.5	1.4	1.6	0.1	0.1	0.1
Namibia	0.4	0.4	0.0	0.0	0.8	0.8	0.8	0.1	0.0	0.1
Nigeria	0.6	0.6	0.2	0.2	0.3	0.1	0.3	0.7	1.2	1.5
Senegal	0.4	0.4	0.0	0.0	0.2	0.3	0.3	0.0	0.0	0.0
South Africa	0.6	0.5	0.0	0.0	0.6	0.6	0.6	0.2	0.3	0.4
CENTRAL AMERICA	2.5	2.4	0.3	0.3	1.8	2.0	2.3	1.2	1.3	1.5
Mexico	1.5	1.6	0.1	0.1	0.8	1.1	1.1	0.5	0.6	0.7
Panama	0.2	0.2	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.1
SOUTH AMERICA	9.5	14.0	1.6	2.1	9.9	12.5	12.8	2.4	2.8	5.9
Argentina	0.8	0.8	0.0	0.0	1.3	1.5	1.3	0.1	0.2	0.2
Brazil	0.8	0.8	0.5	0.6	0.2	0.2	0.2	1.1	1.3	1.2
Chile	2.7	3.1	0.7	1.0	3.4	4.5	4.4	0.3	0.4	3.4
Ecuador	0.4	0.5	0.3	0.3	1.8	2.5	2.9	0.2	0.3	0.2
Peru	4.3	8.2	0.1	0.1	2.5	3.1	3.3	0.2	0.1	0.1
NORTH AMERICA	5.6	6.2	0.7	0.6	8.9	10.4	10.4	17.8	20.1	20.3
Canada	0.9	0.9	0.2	0.2	3.8	4.2	4.2	2.3	2.6	2.7
United States of America	4.4	5.2	0.5	0.4	4.7	5.8	5.8	15.5	17.5	17.6
EUROPE	13.8	13.3	2.5	2.7	39.9	45.8	43.4	47.9	54.9	51.8
European Union ²	5.4	5.0	1.3	1.3	25.2	29.5	27.8	42.7	48.8	45.5
of which Extra-EU	"	"	"	"	4.2	5.2	5.5	22.6	25.8	24.2
Iceland	1.1	1.1	0.0	0.0	1.8	2.2	2.2	0.1	0.1	0.1
Norway	2.7	2.3	1.0	1.1	8.8	9.5	8.9	1.1	1.3	1.4
Russian Federation	4.1	4.3	0.1	0.1	2.8	3.3	3.1	2.4	2.7	2.7
OCEANIA	1.2	1.2	0.2	0.2	2.5	2.3	2.7	1.5	1.7	1.8
Australia	0.2	0.2	0.1	0.1	0.9	1.0	1.0	1.3	1.5	1.6
New Zealand	0.4	0.4	0.1	0.1	1.1	0.9	1.2	0.1	0.1	0.1
WORLD ³	89.0	93.5	59.0	62.7	109.0	127.3	129.3	109.6	127.8	130.2
World excluding Intra-EU	"	"	"	"	88.0	103.0	106.9	89.5	104.8	108.9
Developing countries	64.3	69.2	54.9	58.7	55.9	67.1	71.2	27.0	33.0	37.4
Developed countries	24.6	24.3	4.1	4.0	53.0	60.2	58.1	82.6	94.8	92.8
LIFDCs	21.0	20.7	9.7	11.3	8.5	9.6	10.9	3.2	4.3	4.7
LDCs	9.1	9.3	2.5	2.7	2.4	2.2	2.4	0.6	0.7	0.7
NFIDCs	17.0	21.2	3.7	4.0	8.6	9.1	9.8	2.9	3.1	3.5

¹ Production and trade data exclude whales, seals, other aquatic mammals and aquatic plants. Trade data include fish meal and fish oil. ² Including intra-trade. Cyprus is included in Asia as well as in the European Union. ³ 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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