ABOUT GLOBEFISH

Required citation:

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

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

Helga Josupeit and Marcio Castro de Souza were responsible for quality content review, and Fatima Ferdouse and Weiwei Wang created statistical figures. The Norwegian Seafood Council provided data support for the FAO Fish Price Index. Illustrations were sourced from the Food and Agriculture Organization of the United Nations, Original Scientific Illustrations Archive.

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Cautious economic reopening as COVID-19 continues to dominate outlook

**BIVALVES**

Bivalve trade heavily impacted by COVID-19

**CEPHALOPODS**

Cephalopods sector hit hard by COVID-19

**CRAB**

Canadian snow crab season delayed

**FISHMEAL & FISH OIL**

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Dear Readers,

In times of dynamic economic activity, access to extensive and reliable information is a crucial element in setting policies and making business decisions. This is true for every single sector, but for fisheries and aquaculture, it is critical, due to the existence of information asymmetries. In addition, the current effects of the pandemic in different stages of the value chain creates a continuous demand for updated information.

FAO plays a unique role in providing reliable, periodical and updated information to the fisheries and aquaculture sector. Since 1994, the FAO publishes the State of World Fisheries and Aquaculture (SOFIA) report every two years. This flagship publication has become a global reference on the status and trends in global and regional fisheries and aquaculture production, trade, stock utilization, among other aspects. SOFIA contains critical information, and in particular, data and statistics to support governments and the private sector to better understanding the sector of fisheries and aquaculture as a whole, facilitating policy and business decisions.

The 2020 edition of SOFIA has a focus on sustainability. Sustainability is not a specific aspect applicable to any particular year, but it is indeed a reality and an essential driving force influencing the production and trade of fish and fish products continuously. Nevertheless, in 2020 we do have a vital sustainability reference point. This year, we celebrate the 25th anniversary of the FAO Code of Conduct for Responsible Fisheries, one of the most important and comprehensive international instruments that deals with the three pillars of sustainability throughout all phases of the value chain. The Code of Conduct was a revolutionary instrument ahead of its time, providing principles and practical issues addressing significant aspects facing the sector of fisheries and aquaculture. The Code of Conduct is not addressed only to countries – this instrument offers useful and important guidance for all participants of the fish and aquaculture value chains, regardless of their size and position, in order to facilitate the understanding and implementation of economic, social and environmentally sustainable measures that can indeed positively influence the sector and enhance their comparative advantages.

SOFIA is a multi-faceted and comprehensive publication, but some important messages are embedded in the 2020 edition:

- Now, more than ever, fish and fish products are essential in the fight against hunger and poverty;
- The intensification of sustainability, adequate frameworks and innovative value chains are essential for further growth in the sector;
- Effective management is the only path to sustainability – indeed management is the best existing and feasible conservation measure;
- The development of sustainable value chains is essential to enhance market access and increase global trade in fish and fish products; and
- We have to concentrate efforts to enhance social sustainability in fisheries and aquaculture.

Information is definitely a key tool for all of us. Therefore, do not also forget to check the FAO GLOBEFISH page on ISSUU. This page is still being implemented, but you can already find the most recent GLOBEFISH publications. FAO GLOBEFISH page on ISSUU will be a single stop point allowing users to browse all major reference FAO publications for the sector.

Within this framework, of being able to access information to support our decisions and policy settings, framed by the three angles of sustainability, GLOBEFISH Highlights continue to present to its readers a comprehensive package of market analysis of the primary fish commodities.

Enjoy the reading.

Audun Lem Ph.D
Deputy-Director
Fisheries - Natural Resources and Sustainable Production
Food and Agriculture Organization of the United Nations
# ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>ASC</td>
<td>Aquaculture Stewardship Council</td>
</tr>
<tr>
<td>ATQ</td>
<td>Autonomous Tariff Quota System</td>
</tr>
<tr>
<td>CETA</td>
<td>Comprehensive Economic and Trade Agreement</td>
</tr>
<tr>
<td>COVID-19</td>
<td>Coronavirus Disease 19</td>
</tr>
<tr>
<td>EEZ</td>
<td>Exclusive Economic Zone</td>
</tr>
<tr>
<td>EPO</td>
<td>Eastern Pacific Ocean</td>
</tr>
<tr>
<td>ESA</td>
<td>Endangered Species Act</td>
</tr>
<tr>
<td>FAD</td>
<td>Fish Aggregating Devices</td>
</tr>
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<td>FAO</td>
<td>Food and Agricultural Organization of the United Nations</td>
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<td>FOB</td>
<td>Fright On Board</td>
</tr>
<tr>
<td>FPI</td>
<td>FAO Fish Price Index</td>
</tr>
<tr>
<td>GAA</td>
<td>Global Aquaculture Alliance</td>
</tr>
<tr>
<td>HORECA</td>
<td>Hotellerie-Restaurant-Catering</td>
</tr>
<tr>
<td>IATTC</td>
<td>Inter-American Tropical Tuna Commission</td>
</tr>
<tr>
<td>ICES</td>
<td>International Council for the Exploration of the Sea</td>
</tr>
<tr>
<td>IMARPE</td>
<td>Peruvian Maritime Institute of Peru</td>
</tr>
<tr>
<td>IUU</td>
<td>Illegal, unregulated and unreported fishing</td>
</tr>
<tr>
<td>MARD</td>
<td>Viet Nam Ministry of Agriculture and Rural Development</td>
</tr>
<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>MSC</td>
<td>Marine Stewardship Council</td>
</tr>
<tr>
<td>NMFS</td>
<td>National Marine Fisheries Service</td>
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<tr>
<td>NQSALMON</td>
<td>Nasdaq salmon index</td>
</tr>
<tr>
<td>NSC</td>
<td>Norwegian Seafood Council</td>
</tr>
<tr>
<td>TAC</td>
<td>Total Allowable Catch</td>
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<tr>
<td>VASEP</td>
<td>Vietnam Association of Seafood Exporters and Producers</td>
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<tr>
<td>WCPO</td>
<td>Western and Central Pacific Ocean</td>
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</table>
The impact of the COVID-19 pandemic continues to dominate the outlook for the global fish economy. Supply, consumption and trade are all expected to contract this year due to the various effects of widespread virus containment measures on demand, logistics, prices, business operations and planning. Total fish production is expected to fall by 1.2 percent, reflecting the net effect of a 3.3 percent increase in aquaculture production and a 5 percent drop in wild catches. Although positive aquaculture output growth continues, the rate will slow this year relative to the long-term trend.

Restrictions on worker movements and capacity limits on fishing vessels, combined with poor market conditions, are contributing to reduced fishing efforts for a number of key fisheries, including tuna, cephalopods and anchoveta. Meanwhile, at aquaculture sites, operators have been scrambling to implement COVID-19 mitigation strategies amidst vanishing demand, falling prices and an uncertain outlook. Depending on the species, aquaculture production cycles may last for multiple years in duration and have fixed operational costs, meaning that farmers’ ability to respond swiftly to severe demand shocks by reducing output is limited. Instead, where immediate adjustment to stocking levels has not been possible, many farmers have sought to delay harvests. This has led to tighter supply for certain important farmed species such as salmon in the first half of 2020. Nevertheless, the fish that remain in the growth phase will eventually have to be harvested, hitting the market later in 2020 and potentially resulting in a sharp drop in prices.

The effects of the pandemic on trade and markets have been far-reaching and in some cases are likely to become permanent. Weakened markets worldwide, together with a range of logistical challenges, will translate into a contraction of some three percent in total traded volume. In particular, volumes of high-end fresh products, such as salmon and tuna, that are basically air transported and face the impact of flights cancellations have fallen significantly due to the large-scale cancellation of many passenger routes.
Global per capita consumption is expected to fall by almost 1 percent in 2020 to around 20.4 kg (live weight equivalent) due to a 3.8 percent drop in consumption of wild fish. Production constraints mean overall aquaculture supply will necessarily adjust more slowly to the new market environment. Thus, the result of reduced demand is a price drop rather than a drop in per capita consumption quantity for aquaculture species.

Consumer purchasing behaviour and product preferences have been fundamentally changed by the COVID-19 restrictions imposed around the world as well as the uncertain economic outlook. The new reality is a significant net reduction in demand for seafood, but there is significant variation between different species, markets and product forms. Lockdown measures, and the shutdown of the foodservice sector, have stimulated demand for prepared and preserved products at the expense of fresh options that require regular trips to supermarkets or fishmongers. The dramatic increase in home consumption is also driving demand for ready-to-cook products. Households are grappling with the financial impact of lost jobs and small business losses, meaning that more economical seafood options are favoured. Sales of canned tuna, sardines and mackerel have been given a boost while the outlook for luxury products such as lobster and oyster is very poor. At the same time, demand for species which are heavily dependent on the restaurant trade such as bass, bream and cephalopods has taken a severe hit and producers are suffering.

The outlook for the remainder of 2020 is for continued uncertainty and a strong tendency towards risk aversion on the part of businesses and consumers alike. People’s attitudes towards crowded public spaces including supermarkets, restaurants and bars have been fundamentally reshaped, and this will endure beyond the relaxation of restrictions by the authorities. Even in markets which have nearly returned to normality, such as China, the threat of a second wave is ever present and the possibility of a swift return to lockdown conditions will be at the forefront of the minds of all stakeholders. Hence, the seafood industry will need to continue to innovate and adapt, developing new formats for products, distribution channels and marketing campaigns which are more closely aligned with the new market landscape.
BIVALVES

GLOBEFISH HIGHLIGHTS

Bivalve trade heavily impacted by COVID-19

The complete closing of the restaurant trade all over Europe has led to the disappearance of normal demand for fresh and alive bivalves. Prices are low, and aquaculture companies are closing down, waiting for government support in order to survive.

Mussels

Although restaurants in France are now open with the lifting of COVID-19 restrictions in June, social distancing measures and a lower concentration of clients per square metre resulted in a significant drop in revenue. Consequently, demand for the foodservice sector also dropped. Mussels are among the fishery products most impacted by these restrictions.

Trade of mussels during the first three months of 2020 declined slightly when compared with the same period of last year. France imported almost 4,000 tonnes less during this period, a 22 percent decline from 2019. Despite this decline, the country continued to be the main mussel importing country in the world. Meanwhile, Italy recorded a 7 percent decline. Both countries were heavily hit by COVID-19 during the starting months of the year, which is reflected in these declines. The United States of America was the only main player among mussel importers reporting increased imports in the first quarter of 2020. However, this will unlikely be the case during the second quarter of the year, due to lockdown orders in various US states.

Clams

The lockdown in Italy has had an interesting effect on the clam fisheries. For instance, clam fishers in the Venetian area, one of the main clam producing areas in the country, will receive compensation for lockdown measures of EUR 800 million. On the other hand, clam resources expanded rapidly during the lockdown period. Clam fishers in the Adriatic were able to fill their boats with large clams within a couple of hours, while normally the fishing trips can last eight or more hours. Prices of clams are about 20 percent lower than last year’s price level.

Trade in clams is mainly an Asian affair, with Japan and the Republic of Korea as main markets, and China as main exporter. Meanwhile, clams produced in Europe mainly stay in the producing countries. Trade of clams slowed down in the first quarter of the year, but this slowdown was still less than what was experienced for other bivalves. Overall trade was 10 percent lower than in 2019, with Japan and the Republic of Korea reporting slight declines. As both countries have been very successful in fighting the COVID-19 outbreak, it is likely that clam trade will fully recover in the second quarter of the year.

Scallops

Scallop trade was also affected by the overall emergency created by COVID-19. In the first three months of the year, trade was 15 percent lower than during the same period of 2019. China, which used to be the main importing country, reported a 45 percent decrease of its imports during this period. The United States of America, reporting stable scallop imports, managed to overtake China as the main scallop importer in 2020. It is likely that the second quarter of the year has seen a reversal of this trend, as China is recovering from the COVID-19 crisis, while the United States of America entered the main lockdown period only in April. Peru, which had reported a good recovery of its scallop production and exports, reported a 15 percent decline of exports in the first three months of 2020 when compared with the same period of 2019. Further declines are expected during the second quarter, as Peru has been one of the Latin American countries hardest hit by the pandemic during this period.
**BIVALVES**

### France | Imports | Mussels

**Top three origins**

Unit: 1 000 tonnes, January-March

- Spain
- Netherlands
- Other countries
- Total imports

**Source:** Eurostat

### Spain | Imports | Mussels

**Top three origins**

Unit: 1 000 tonnes, January-March

- Chile
- Italy
- Other countries
- Total imports

**Source:** Agencia Tributaria

### Chile | Exports | Mussels

**Top three destinations**

Unit: 1 000 tonnes, January-March

- United States of America
- Spain
- Italy
- Other countries
- Total exports

**Source:** Chile National Customs Office

### European Union | Imports | Mussels

**Top three origins**

Unit: 1 000 tonnes, January-March

- Spain
- Netherlands
- Chile
- Other countries
- Total imports

**Source:** Eurostat
**Oysters**

Oyster sales are reported to be very slow as older generations remain at home and consumers are less interested in luxury food items. This has had a very negative impact on French growers given that norovirus problems at the end of 2019 had already negatively affected sales. Oysters are considered a festivity product, however there is little intention by consumers to have luxury products, due to the economic uncertainty. Tourists in the main coastal areas will be mostly from the domestic area, which means that in France, consumers from Paris and other major cities are expected to enjoy oysters on the coast. But in general, summer months are not a main period of live oyster consumption.

**Outlook**

The gross domestic product in southern Europe is projected to decline by more than 10 percent in 2020, and demand for bivalves will remain depressed. The normal tourist season in summer months will not materialize, leading to very low bivalve consumption, likely only 10 to 20 percent of normal consumption during these months. Despite these rather bleak forecasts, the emergency moment of COVID-19 seems to be over, at least in Europe, so it is likely that demand for bivalves will return to normal by the end of the year.
### World imports/exports of clams, cockles and ark shell
#### January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>22</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>14</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Spain</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Other countries</td>
<td>26</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>70</td>
<td>71</td>
<td>67</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>41.6</td>
<td>42.2</td>
<td>38.5</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.7</td>
<td>2.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Canada</td>
<td>2</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Other countries</td>
<td>17.6</td>
<td>17.5</td>
<td>14.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63.1</td>
<td>65.3</td>
<td>59.2</td>
</tr>
</tbody>
</table>

Source: TDM

### World imports/exports of oysters
#### January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States of America</td>
<td>3</td>
<td>2</td>
<td>2.3</td>
</tr>
<tr>
<td>France</td>
<td>1.8</td>
<td>1.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Japan</td>
<td>1</td>
<td>1.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Other countries</td>
<td>8.2</td>
<td>8.9</td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14.1</td>
<td>14.4</td>
<td>11</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>2.1</td>
<td>2.8</td>
<td>2.1</td>
</tr>
<tr>
<td>France</td>
<td>2.6</td>
<td>2.8</td>
<td>1.9</td>
</tr>
<tr>
<td>China</td>
<td>1.7</td>
<td>1.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Other countries</td>
<td>10.6</td>
<td>8.9</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17.2</td>
<td>15.7</td>
<td>12.6</td>
</tr>
</tbody>
</table>

Source: TDM

### World imports/exports of scallops
#### January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States of America</td>
<td>5.1</td>
<td>3.5</td>
<td>4.3</td>
</tr>
<tr>
<td>China</td>
<td>8.2</td>
<td>7.8</td>
<td>4.3</td>
</tr>
<tr>
<td>France</td>
<td>2.3</td>
<td>3</td>
<td>2.6</td>
</tr>
<tr>
<td>Other countries</td>
<td>14.9</td>
<td>16.2</td>
<td>14.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30.7</td>
<td>30.7</td>
<td>25.9</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>7.8</td>
<td>7.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Peru</td>
<td>0.4</td>
<td>2</td>
<td>1.7</td>
</tr>
<tr>
<td>United States of America</td>
<td>1.2</td>
<td>1.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Other countries</td>
<td>11.6</td>
<td>11.2</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21.2</td>
<td>22.1</td>
<td>19.4</td>
</tr>
</tbody>
</table>

Source: TDM

### World imports/exports of mussels
#### January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>14.7</td>
<td>15.1</td>
<td>11.8</td>
</tr>
<tr>
<td>United States of America</td>
<td>7.1</td>
<td>8.3</td>
<td>9</td>
</tr>
<tr>
<td>Italy</td>
<td>9.8</td>
<td>8.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Other countries</td>
<td>38.7</td>
<td>34.8</td>
<td>36.1</td>
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<tr>
<td><strong>Total</strong></td>
<td>70.4</td>
<td>67.4</td>
<td>65.4</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td>17.3</td>
<td>20.8</td>
<td>22.5</td>
</tr>
<tr>
<td>Spain</td>
<td>17.1</td>
<td>16.3</td>
<td>14.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>12.6</td>
<td>12</td>
<td>10.2</td>
</tr>
<tr>
<td>Other countries</td>
<td>35.6</td>
<td>33.7</td>
<td>28.6</td>
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<tr>
<td><strong>Total</strong></td>
<td>82.7</td>
<td>82.9</td>
<td>75.5</td>
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</table>

Source: TDM
Cephalopods sector hit hard by COVID-19

With the closing down of the catering and restaurant sector in many countries, cephalopods are being particularly hard hit because most sales occur in this sector. As summer holidays are approaching, the high season for octopus and squid consumption in Europe should also be approaching. However, there will be no “normal” summer season this year. At the same time, squid fishing off Argentina is very good. Thus, supplies are strong putting further pressure on prices.

Octopus

During the first three months of 2020, Japan’s imports of octopus increased slightly by 1.2 percent to 8 913 tonnes. Mauritania registered a massive increase in shipments to Japan during this period, up 248.5 percent to 4 022 tonnes. Shipments from the two major suppliers, China and Viet Nam, were down however, by 28.5 percent and 34.0 percent, respectively.

Imports by the Republic of Korea during the first quarter of the year declined by 25.4 percent. All major suppliers registered a decline, with China falling by 16 percent to 5 764 tonnes, Viet Nam by 30.8 percent to 5 098 tonnes, and Thailand by 24.0 percent to 1 362 tonnes.

Vietnamese exports of octopus dropped by about 24 percent during the first three months of the year compared to the same period in 2019. Total exports amounted to a value of about USD 50.5 million. The largest markets were the Republic of Korea and Japan.

When restaurants and bars were closed down in many countries due to the COVID-19 pandemic, import orders for octopus, squid and shrimp dropped practically everywhere. In Italy, there was a notable drop in import orders, as was the case in other major markets such as Spain and Japan. In Europe, the effect will be felt even more during the summer, as octopus is a popular item among the many visiting tourists. Although some areas in Greece, Spain and Italy have re-opened their borders for tourists from “coronavirus-safe” countries, sales of octopus will nevertheless be severely affected this summer.

Vietnamese exports of octopus to China dropped in January and February this year but recovered significantly in the following months. During the first five months of 2020, Vietnamese exports of squid and octopus to China rose by 38 percent by value, to USD 13.7 million. However, exports to other countries dwindled because of the COVID-19 pandemic, so total exports declined by 21.2 percent during the period. For Vietnamese squid and octopus, the most important markets (after China) are the Republic of Korea, Japan, and the European Union.

Squid

It is perhaps a paradox that Argentina is experiencing a strong increase in its squid landings this year, while demand seems to be dropping or hindered by the COVID-19 pandemic. In the Province of Buenos Aires, there seems to be an overabundance of squid. As of 20 June 2020, 66 000 tonnes were landed. In comparison, the best year in this region was 2005, when 57 000 tonnes were caught. And this year, the season is not yet over. Argentine vessels have had a difficult time keeping operations afloat because of the COVID-19 pandemic. The government introduced social distancing rules in March, which meant that vessels had to be operated with a reduced crew.
The Falkland Islands (Malvinas) authorities have also confirmed that this year’s squid season is good, as the first season yielded about 62,000 tonnes of Illex and 30,000 tonnes of Loligo squid. The second season is set to open at the end of July.

It has been reported that more than 100 foreign vessels are fishing just outside the borders of the Argentinian waters. While Chinese and Republic of Korea vessels have been in the majority, other nationalities are also involved. In early May, a Portuguese vessel was arrested inside Argentine territory.

Chinese vessels are by far the most numerous among these foreign vessels, and there have been several incidents of Chinese vessels operating in Argentina’s Exclusive Economic Zone (EEZ). China’s distant-water fleet is monitored by China’s Fishery Bureau in cooperation with the Chinese Overseas Fisheries Association, and a new draft of a management system proposed by China’s Ministry of Agriculture is now being reviewed. If approved, this will restrict Chinese vessels in the South Atlantic squid fisheries. It will also include seasonal fishing closures, human observers and electronic monitoring coverage.

**Trade**

During the first quarter of 2020, China increased imports of squid and cuttlefish modestly, from 64,017 tonnes in 2019 to 67,294 tonnes in 2020 (+5.1 percent). The major supplier, Indonesia, however, saw a reduction in shipments of almost 22 percent to 17,862 tonnes, while Peru increased shipments by 27 percent to 16,986 tonnes, and India shot up 152 percent to 6,357 tonnes.

On the other hand, Chinese exports of squid and cuttlefish declined by 11.6 percent during the three-month period, from 107,546 tonnes in 2019 to 95,448 tonnes in 2020. Shipments to all the major markets declined.

Japanese imports of squid and cuttlefish were fairly stable during the first three months of the year, with imports reaching 30,788 tonnes in 2020 compared to 30,698 tonnes in 2019. The major supplier was China, which accounted for almost 62 percent of the total. The Russian Federation, which in the two preceding years exported very little squid and cuttlefish to Japan, increased its shipments to over 1,950 tonnes, up from just 24 tonnes in the same period in 2019, and zero in 2018.

Spain’s imports of squid and cuttlefish during the first three months of 2020 fell by a little over 10 percent, to 44,400 tonnes. Shipments from the major suppliers all increased: Morocco by 40 percent, India by 13 percent and Peru by 20 percent. Shipments from other countries dropped by as much as 32 percent, to just 20,279 tonnes.

The United States of America saw an increase in imports of squid and cuttlefish during the first quarter of the year, up 5.9 percent from 13,197 tonnes in 2019 to 13,978 tonnes this year. Both China
and India shipped more squid and cuttlefish to the United States of America, while Taiwan (Province of China) shipped 8.7 percent less than during the same period in 2019.

**Outlook**

The cephalopods sector is especially hard hit by the COVID-19 pandemic as most consumption occurs in restaurants and the foodservice sector. While retail sales for home consumption has improved somewhat, it does not fully compensate for the loss in the foodservice sector.

As summer holidays are approaching in Europe, this effect will be felt even more. Tourism has been devastated, and there are now signs that the pandemic may be returning in parts of Europe. Spain
CEPHALOPODS

recently opened its borders to tourists from “safe” countries but had to impose another lockdown in Galicia and Catalonia. The regions in the south seem to be less affected, though.

The effects of the virus will be long-lasting. It is unlikely that 2020 will see a recovery, and the cephalopods sector will certainly feel the exacerbating effects as the year wears on. Prices are expected to weaken somewhat.

It seems it is time to start thinking in new ways, develop new products that are easy to prepare in home cooking, or turn to home delivery and take-out at the restaurant level. Innovation is needed, and could potentially save at least part of the sector.

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Prices
Squid: Italy

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR/kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>8</td>
</tr>
<tr>
<td>2019</td>
<td>10</td>
</tr>
<tr>
<td>2020</td>
<td>12</td>
</tr>
</tbody>
</table>

Whole, FAS, middle size, origin: South Africa
Source: European Price Report
Canadian snow crab season delayed

Because of the COVID-19 pandemic, the Canadian East Coast crab fisheries got off to a late start, and this may affect total supplies this year. Consequently, prices have gone up, as demand is still good, even though crab is now mainly sold through the retail sector.

Supplies

The Gulf of St. Lawrence and the Newfoundland and Labrador fisheries were off to a somewhat late start because of the COVID-19 pandemic. Because of this delay, it was speculated that the quotas might not be filled before the crab gets soft in mid-to-late June, as the number of active fishing days was reduced.

The total allowable catch (TAC) in this region is 29 551 tonnes in 2020, up 10 percent from the previous season. In the southern Gulf of St. Lawrence fishing was well under way, and in this region the TAC was 31 340 tonnes, just slightly below the previous season. In the Atlantic Maritimes the TAC was set at 9 009 tonnes.

Most of the early Canadian production was expected to be exported to the United States of America, as inventories have been low while supermarkets are featuring as much crab as possible for the summer season. In May and June 2019, the United States of America imported as much as 81 percent of Canada’s snow crab.

The COVID-19 pandemic is creating a number of problems for the crab sector in Canada. First of all, since foodservice and restaurants have been closed down, sales through these channels have been cut off, and this represents a large segment of the crab market. But in addition, foreign buyers, mainly from Japan and China, are not active. Banks are also holding back on credit in these uncertain times.

In the middle of May, the snow crab fishery in Alaska’s Bering Sea was coming to an end, with total landings of 15 327 tonnes of the 15 431 quota. This quota was 23 percent higher than in previous seasons.

RECENT NEWS

In California, the conflict between whale conservationists and crabbers continues, and the conservationists seem to have the authorities on their side. In late April, the California Department of Fish and Wildlife announced that the Dungeness crab fishery south of the Sonoma/Mendocino county line would be closed on 15 May in order to protect whales and sea turtles from being entangled in the fishing gear. The humpback whales’ migratory path passes through the central management area of this fishery.

However, both crabbers and environmentalists are unhappy with the new regulations. The crabbers claim that the plan overreacts to the hazard of whale and sea turtle entanglement, while the environmentalists say that the proposed regulations do not go far enough and should mandate a change to the so-called rope-less traps. Dungeness crabbers have already worked with an environmental group to experiment with the rope-less traps, using a pop-up system that releases floats or buoys which enable the crabbers to retrieve their gear without the vertical lines normally used.
One solution to the problem of closed restaurants and foodservice outlets is the home delivery option. Established online sales nearly quadrupled during the COVID-19 pandemic. It may well be that the growth of home delivery is a permanent result of the pandemic.

International trade

Global trade in crabs was feeling the effect of COVID-19 during the first quarter of the year. Global imports of crab (all types) fell by 15.7 percent. China was hardest hit, with imports falling by over 40 percent to 11 653 tonnes. US imports, on the other hand, fell just very slightly by 1.1 percent to 16 685 tonnes, but there were some major changes among the suppliers. Russian shipments declined by 7.9 percent to 5 601 tonnes, while shipments from Indonesia and China were up by 24 percent and 23 percent, respectively.

There was a major drop in Russian crab exports during the first quarter of the year, from 10 685 tonnes in 2019 to just 6 724 tonnes in 2020 (-37.1 percent). The major markets, the Republic of Korea and China, both experienced strong declines: by 31.4 and 44.2 percent, respectively. China’s crab exports fell by 22 percent during the first quarter of 2020, to 12 035 tonnes. All major markets suffered declines in imports from China.

Prices

Canadian snow crab prices have been subject to significant increases in June. There was a shortage of supplies, and this pushed prices up. The price difference between smaller sizes (5 – 8s) and larger sizes (8 – 10s) are significant, and in line with the differences seen in previous years. For the larger sizes, prices are above the five-year averages, and they still seem to be going up.

On the other hand, dealers of Chesapeake blue crab were fearing massive price reductions of as much as 30 percent when restaurants and foodservice closed down earlier in the year. However, sales through the retail sector have soared. Poor weather in April may have helped too, as this reduced supplies in the early season. Weather conditions coupled with good demand through the retail sector, have pushed prices up to record levels. There is still some fear that prices will drop again with warmer weather temperatures, which might improve the supply situation.

Outlook

Snow crab supplies appear to be ample, as the Alaska fishery delivered near the TAC level. However, the Canadian East Coast fishery was off to a slow start. Thus, total supplies may be a little tight in North America.
CRAB

**Top three importers of crabs**

Unit: 1 000 tonnes, January-March

![Graph showing top three importers of crabs](source)

*Source: TDM, estimates*

**China | Exports | Crab**

Top three destinations

Unit: 1 000 tonnes, January-March

![Graph showing top three destinations in China](source)

*Source: China Customs, estimates*

**Russian Federation | Exports | Crab**

Top three destinations

Unit: 1 000 tonnes, January-March

![Graph showing top three destinations in Russia](source)

*Source: Federal Customs Service of Russia*

**United States of America | Imports | Crab**

Top three origins

Unit: 1 000 tonnes, January-March

![Graph showing top three origins in the US](source)

*Source: US Census Bureau*
Russian supplies, on the other hand, look good, even though crab shipments from the Russian Federation to the main markets (China, Republic of Korea and the United States of America) have been lower than last year.

Blue crab supplies in North America have been tight because of bad weather, but also because of good demand through the retail sector.

The outlook for the rest of the year is uncertain, mainly because of the COVID-19 pandemic, which may flare up again in some markets, and thus negatively affect the market. However, consumer taste for crab is still strong, and prices are expected to be on the high side. Sales through the retail sector will probably grow.
Fruitful first fishing season in Peru amid COVID-19

Although COVID-19 continues to upend the global economy, surprisingly, Peru has reported good progress in achieving the quota set for the first fishing season. Prices are stable so far, but ample supply may potentially exert downward pressure on prices over the coming months.

Production

In May 2020, Peru announced a quota of 2.41 million tonnes for the first fishing season in the centre-north region, up some 15 percent compared to the same season in 2019.

The biomass assessment report from the Peruvian Maritime Institute of Peru (IMARPE) prior to the quota announcement of this season indicated very healthy anchovy stock in the waters, with over 10 million tonnes of biomass. However, the negative impacts of COVID-19 may upend the market with restricted transportation and preventative on-board measures to maintain social distancing. Nonetheless, as of writing, over 90 percent of the allocated quota has been fulfilled due to the favorable climate situation and stable fishing activities.

It is forecasted that if the current pace of fishing is maintained for an additional 10 days, there is a possibility to land the full quota. Nevertheless, July is usually the normal season for the spawning process, and IMARPE will advise the government to call for an end of the season.

Due to the pandemic, the fishing season in the southern area in Peru has not yet started, and local communities are calling for the start of the season to allow for some income.

In the first six months of this year, Peru registered over 520 000 tonnes of fishmeal and oil production, down by 2 percent compared to the same period in 2019. Output from neighbouring Chile was less than half of the corresponding 2019 amount, totalling 240 000 tonnes. Combined production from Denmark and Norway increased by around 16 percent in the review period, from 177 000 tonnes to 206 000 tonnes.

Chile has overtaken Peru as the largest fish oil producer in the world, reaching 88 720 tonnes during January to June 2020. Peru, in second place, reported 75 000 tonnes of fish oil, down by 16.5 percent compared to the same period in 2019.

Exports

However, the impact of COVID-19 has not taken a toll in exports in the first quarter of the year, as the January to March period did not see a real global occurrence of the pandemic, and international trade was affected at a limited level. In the first quarter of 2020, total export quantity of fishmeal from Peru dropped by 51 percent, from 375 000 tonnes in 2019 to 183 000 tonnes this year. Along with logistical constraints in the region due to the pandemic, plunging exports to China mostly contributed to the dramatic decrease in trade.

It is likely that trade volume from Peru has sharply climbed in the second quarter of this year. As of writing, the first fishing season in Peru is still ongoing, and it will require months to translate the raw material into finalized product that is ready to export.

In Chile, exports nearly doubled to 64 000 tonnes in the first quarter of the year, when compared to the same period of 2019.

Traditional fish oil exporters have seen reduced exports, in particular Peru achieved merely half of what was exported in the first quarter of 2019.
FISHMEAL & FISH OIL

Markets

Chinese fishmeal imports in the first quarter of 2020 decreased to 252 000 tonnes, a decrease of 20 percent compared to the same period of last year. Reduced imports from Peru were the main reason for this decline.

The pandemic is not the only factor contributing to the slowdown of fish farming activities in China. Heavy rains in the middle-south areas in China are disrupting the pond rearing and coastal cages, with many farms reporting huge losses. So far little signal of subdued precipitation has been seen, which may lead to further losses. It is not yet known how the crisis will reshape the aquaculture sector.

Norway observed more or less the same amount of imports (26 000 tonnes) in line with levels reached in the same period of 2019.

Prices

Fishmeal and fish oil prices have both been on an upward spiral from the middle of last year. The early closure of the previous fishing season in Peru ended with only 35 percent of the total quota fulfilled. So far, prices have been stable as a result of changing scenarios, however, the pandemic is wreaking economic havoc globally. On the other hand, recovering demand in China and other economies resumed orders from the main producing areas.

Outlook

The first fishing season in Peru is very likely to be a success, so there is no big risk of shortage of supply, at least before the start of the second fishing season.

The relatively good performance of the first fishing season in Peru has not immediately translated into price drops. Although a substantial proportion of fishmeal from this season has been presold with fixed prices, the industry is closely monitoring the COVID-19 impact on the farming sector. Still, it is possible that the high prices of fishmeal and fish oil may soften and decline slightly in the coming months.

---

**Fishmeal production (1 000 tonnes)**

| Source: IFFO |
|-----------------------|-------|-------|-------|-------|
|                       | 2015  | 2016  | 2017  | 2018  |
| Peru                  | 858.2 | 632.7 | 734.9 | 1 405.5 |
| China                 | 480.0 | 460.0 | 375.0 | 520.0  |
| Thailand              | 386.6 | 313.9 | 287.7 | 391.4  |
| Chile                 | 322.1 | 234.4 | 331.0 | 371.8  |
| Viet Nam              | 285.0 | 288.0 | 295.0 | 300.0  |
| Others                | 2 487.6 | 2 590.5 | 2 798.0 | 2 814.3 |
| Total                 | 4 819.5 | 4 519.5 | 4 821.6 | 5 803.0 |

**Fish oil production (1 000 tonnes)**

| Source: IFFO |
|-----------------------|-------|-------|-------|-------|
|                       | 2015  | 2016  | 2017  | 2018  |
| Peru                  | 99.6  | 113.9 | 98.7  | 227.0 |
| Viet Nam              | 150.0 | 150.0 | 155.0 | 185.0 |
| Chile                 | 107.2 | 81.0  | 120.2 | 151.2 |
| United States of America | 83.0  | 100.8 | 76.6  | 94.0  |
| Japan                 | 60.6  | 62.3  | 78.0  | 79.0  |
| Others                | 448.8 | 423.0 | 459.0 | 547.1 |
| Total                 | 949.2 | 936.0 | 992.5 | 1 283.3 |
**FISHMEAL & FISH OIL**

**Peru | Exports | Fishmeal**

Top three destinations

Unit: 1 000 tonnes, January-March

- China
- Viet Nam
- Japan
- Other countries
- Total exports

![Graph showing fishmeal exports from Peru](image1)

Source: Peru Statistics Office - SUNAT

**Peru | Exports | Fish oil**

Top three destinations

Unit: 1 000 tonnes, January-March

- Belgium
- Denmark
- Canada
- Other countries
- Total exports

![Graph showing fish oil exports from Peru](image2)

Source: Peru Statistics Office - SUNAT

**Norway | Imports | Fishmeal**

Top three origins

Unit: 1 000 tonnes, January-March

- Denmark
- Faroe Islands
- Iceland
- Other countries
- Total imports

![Graph showing fishmeal imports in Norway](image3)

Source: Norway Bureau of Statistics

**Norway | Imports | Fish oil**

Top three origins

Unit: 1 000 tonnes, January-March

- United States of America
- Denmark
- Iceland
- Other countries
- Total imports

![Graph showing fish oil imports in Norway](image4)

Source: Norway Bureau of Statistics
**FISHMEAL & FISH OIL**

### China | Imports | Fishmeal
**Top three origins**
Unit: 1,000 tonnes, January-March

<table>
<thead>
<tr>
<th>Year</th>
<th>Peru</th>
<th>Russian Federation</th>
<th>Chile</th>
<th>Other countries</th>
<th>Total imports</th>
</tr>
</thead>
<tbody>
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<td>25</td>
<td>18</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>2019</td>
<td>250</td>
<td>300</td>
<td>120</td>
<td>15</td>
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<tr>
<td>2020</td>
<td>100</td>
<td>150</td>
<td>30</td>
<td>12</td>
<td>252</td>
</tr>
</tbody>
</table>

Source: China Customs, estimates

### Denmark | Exports | Fish oil
**Top three destinations**
Unit: 1,000 tonnes, January-March

<table>
<thead>
<tr>
<th>Year</th>
<th>Norway</th>
<th>United Kingdom</th>
<th>Greece</th>
<th>Other countries</th>
<th>Total exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
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<td>2019</td>
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<tr>
<td>2020</td>
<td>25</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>55</td>
</tr>
</tbody>
</table>

Source: Eurostat

### Prices
**Fish oil and fishmeal: Europe**
USD/tonne

- Fish oil
- Fishmeal

Source: Oil World

### Prices
**Fish oil and rape oil: Europe**
USD/tonne

- Fish oil
- Rape oil

Source: Oil World
Impacts of COVID-19 on groundfish market: from bad to worse

As the COVID-19 pandemic lingers on, the effects on the seafood market are worsening. In particular, prices for fresh fish are under pressure, while frozen and packaged products remain the preferred choice among consumers. There is no quick relief in sight, and it is now expected that the situation will last well into 2021. Meanwhile, the International Council for the Exploration of the Sea (ICES) is suggesting higher quotas for Atlantic cod and haddock.

Supplies

Research undertaken by the Norwegian research institute Akvaplan-niva indicates that the Norwegian coastal cod, which is a stationary stock spawning along the coast of northern Norway, may have moved further north because of warmer waters, and found new spawning grounds around Svalbard. Until now, the Arctic region of the Barents Sea has been the domain of the Northeast arctic cod which is a migratory stock that has been quite abundant in recent years. If the indications uncovered by this research is correct and lasting, this will have an important impact on the future protection and sustainable management of both of these cod stocks.

The International Council for the Exploration of the Sea (ICES) has recommended a 20 percent increase in the total allowable catch (TAC) for Atlantic cod for 2021, much to the delight of harvesters. The recommended TAC amounts to 885 600 tonnes. For haddock, the recommended quota is 232 537 tonnes, up by 8.2 percent compared to 2020. In recent years, the final agreed quota has exceeded the advice by ICES.

RECENT NEWS

The European Union’s Autonomous Tariff Quota (ATQ) system, which was introduced in order to secure adequate supplies of raw material at reduced tariff rates for European processors so they could stay productive and competitive, may create exactly the problems it was designed to avoid. Previously, Alaska pollock was one of the species with unlimited amounts at zero percent duty through the ATQ. This, however, has been changed in the latest regulation, which sets the zero tariff amount to 350 000 tonnes. According to the EU Fish Processors and Traders Association, this is the very minimum amount needed to keep the wheels turning for the processors, and the association is therefore calling for increased volumes under the ATQ scheme.

The Russian Scientific Fishery Institute has revised its quota advice for whitefish, and increased the Alaska pollock quota slightly for 2021, to 3.2 million tonnes. Over the past ten years, Russian TAC has fluctuated between 2.76 million tonnes and 3.21 million tonnes.

After a relatively normal A season for the pollock fishery in Alaska, harvesters are now uncertain about how the B season will turn out. The season started on 10 June and will last until 31 October 2020. The B season is expected to yield about 750 000 tonnes, most of which goes for surimi, pinbone-out fillet, or deep-skin fillets.
Markets

In May, China reported that the seafood market was beginning to recover. Demand was good for the May Day holiday, especially for some groundfish species like black cod, Alaska pollock, and flounder. While in the past, Alaska pollock was mainly imported for processing and re-export, an increasing amount is now retained in the Chinese market for domestic consumption. While the banquet and restaurant market is still weak, retail sales are moving up. “Arctic cod” promoted by the Norwegian Seafood Council is also in demand.

The COVID-19 pandemic has affected sales of fresh and frozen cod from Norway, although it does not really show in export statistics for the first six months of the year. Exports of whole fresh cod
declined just marginally during this period, from 28 211 tonnes in 2019 to 27 317 tonnes during the same period in 2020. For whole frozen cod, statistics actually show a slight increase in shipments, from 29 409 tonnes during the first half of 2019 to 30 008 tonnes during the same period in 2020. However, late in the period the decline is more pronounced. In week 26 (22 June to 27 June), there was a noticeable reduction in shipments of fresh whole cod from Norway, as exports fell by 22 percent to 260 tonnes compared to the same week in 2019. Exports of frozen whole cod, on the other hand, increased by 58 percent to 852 tonnes, and frozen fillets of cod increased by 104 percent to 282 tonnes. The shift from fresh to frozen products is in line with the trend observed since the onset of the COVID-19 pandemic. Consumers now prefer frozen and pre-packaged products.

The COVID-19 pandemic has inflicted economic hardship on the European consumer, and this may have caused a certain change in consumer purchasing habits. Instead of buying the more expensive “skrei” (spring cod from the Lofoten region), consumers are turning to the less expensive Saithe.

The Norwegian Seafood Council’s representative in Spain sees great opportunities for Saithe on the Spanish market, since Spaniards like the taste. Saithe’s distinctive flavour goes well with Spanish cooking, which which often involves preparation methods like frying and baking, and is good value for money. Consequently, there is a shift away from “skrei” to Saithe.

Trade

During the first three months of 2020, Norwegian exports of whole frozen cod declined by some 7.6 percent, to 18 780 tonnes. The largest reduction was to China, the largest market, which imported 20 percent less compared to the same period in 2019. Exports to the United Kingdom of Great Britain and Northern Ireland were also down, by 18.5 percent, to 2 650 tonnes.

The Netherlands increased imports of frozen whole cod during the first three months of 2020, from 12 195 tonnes in the first quarter of 2019 to 14 289 tonnes in the same period in 2020. However, there was a drop in imports from Norway (-8.7 percent to 8 072 tonnes), while imports from the Russian Federation shot up by 364 percent to 4 720 tonnes.

China also had an increase in imports of frozen whole cod during the review period. Total imports were up by 7.4 percent to 43 817 tonnes, compared to 40 815 tonnes during the same period in 2019. Again, the Russian Federation registered the largest increase in exports to 25 508 tonnes (+34 percent), while the United States of America reported a decline of 21 percent to 6 884 tonnes. Norway, the second largest supplier, more or less held its own at 8 579 tonnes, slightly down from 8 725 tonnes during the first three months of 2019.

But while imports of frozen whole cod were up, Chinese exports of processed frozen fillets were down by 13.5 percent, to 22 304 tonnes. The same trend was noted for Alaska pollock. China imported 6.3 percent more frozen whole Alaska pollock during the first three months of 2020 than during the same period in 2019, but exports of frozen Alaska pollock fillets dropped by almost 25 percent, to 36 389 tonnes. The Chinese processing industry, which closed down during the COVID-19 lockdown, re-opened again, but is not quite up to full capacity. New COVID-19 cases may slow down the re-opening process.

The Russian Federation saw an increase in its exports of whole frozen Alaska pollock, which went from 270 910 tonnes during the first three months of 2019 to 305 949 tonnes during the same period in 2020. The largest market was China, which accounted for as much as 83.6 percent of the total.
Exports to the Republic of Korea went up by 22 percent, to 45,976 tonnes.

German frozen Alaska pollock imports went up by 6.8 percent to 45,577 tonnes, of which 25,406 tonnes came from China (55.7 percent of the total), while 13,701 tonnes came from the United States of America (30 percent of total).

**Surimi**

Retail sales of packaged surimi products have been increasing substantially in the United States of America. This is a direct result of the COVID-19 pandemic, because consumers want packaged, “protected” products they can consume at home. Surimi’s shelf life is longer than for fresh fish, it...
GROUNDFISH

is easy to prepare and is relatively inexpensive. Thus it appeals to a lot of consumers who want to maintain their consumption of healthy seafood.

In the foodservice sector, on the other hand, the picture is a lot bleaker. About 70 percent of the surimi sold in the United States of America is in the form of salads sold through delis and salad bars, and this sector has seen a dramatic drop in sales during the pandemic. Self-service salad bars experienced a 100 percent drop in sales as buffet and self-service options were banned.

Prices

Chinese processors of cod and haddock have suffered from reduced orders from the foodservice sector, and this has resulted in prices being pressured. Prices for Barents Sea cod and haddock in China (H&G, C&F China) started a steep dive at the beginning of the year, and so far, they have stayed low. However, in June there were signs of improvement, as demand was slightly up and prices were expected to follow suit. As foodservice units in the United States of America and Europe are starting to re-open, demand is improving. But as the foodservice sector has been hard hit, prices for fresh cod and haddock have been hit much harder than frozen products.

Russian frozen Alaska pollock prices fell by as much as 28 percent in the spring of 2020 as a result of the COVID-19 pandemic. Russian producers and exporters still expressed optimism that the markets would recover soon. Asian markets showed signs of improvement in May. But as it appears that the first wave of COVID-19 in the United States of America has not yet reached its peak, that market is not likely to recover so rapidly.

Outlook

While there were signs of recovery in late May and early June, the outlook at the beginning of July is not that optimistic. There are indications of a “second wave” of COVID-19 in several main markets, and this may set recovery back by months.

Prices have come under strong pressure, mainly because of the closing down of the foodservice sector, and although this sector is re-opening in some markets, consumers may be slow in drifting back into restaurants and delis. Many consumers are being very cautious and are preferring packaged “safe” products for home consumption.

The groundfish market will not fully recover until the COVID-19 pandemic is over, and the pandemic does not appear to be over until an effective vaccine is in place. So the outlook is very bleak for the rest of 2020, and maybe well into 2021.
No improvement in sight for the remainder of 2020

The COVID-19 pandemic has seriously affected the lobster market, and the continuing trade conflict between the United States of America and China has not helped. Furthermore, the European Union is also expected to impose stricter tariffs on US lobster. Lobster is a typical restaurant item, and with restaurants closed due to the COVID-19 pandemic, there was very little demand for this delicacy. As a result, prices have declined and will likely stay low while the pandemic lasts and beyond.

Supplies

The lobster stocks in the Gulf of Maine have all but disappeared, according to recent reports. The main reason seems to be that the Gulf of Maine’s waters are heating up much faster than elsewhere, and this development has made the once abundant lobster fishery commercially extinct.

In addition, the protection of the right whales in Maine has taken a turn that threatens the Maine lobster fishery. A federal court ruling states that the National Marine Fisheries Service (NMFS) has violated the Endangered Species Act (ESA) by permitting the lobster fishery in the state. Lobstermen are fighting this decision, claiming that no whales have ever been killed or seriously injured by their lobster catching equipment.

The 2020 lobster season in eastern Canada turned out to be very short because the start of the season was delayed in Newfoundland and Labrador, Prince Edward Island, and Quebec. Fishing started between 1 and 15 May, but the season was not extended beyond the normal termination date at the end of June.

Viet Nam is hoping to increase its lobster production through lobster farming. By 2025, the country hopes to produce 3 000 tonnes, up from 2 273 tonnes in 2019. In order to achieve this, Viet Nam is planning to import advanced farming technologies from other countries.

International trade

During the first quarter of 2020, global imports of lobsters dropped by almost 20 percent compared to the same period in 2019, from 33 032 tonnes in 2019 to 26 534 tonnes in 2020. The biggest drop was registered for Chinese imports (-34.1 percent to 8 268 tonnes).

Among the exporters, the largest percentage drop was registered for Australia, which fell by 53.8 percent. Exports from the United States of America fell by 46.2 percent, while Canada fared somewhat better, and registered a drop in exports of just 14.6 percent.

The US lobster industry has been on a downward trend for some time, mainly due to trade issues. The United States of America – China trade conflict resulted in high import tariffs on US lobster entering China, causing a 20 percent drop in US lobster shipments to China in 2019 compared to 2018. The COVID-19 pandemic has further aggravated the situation, as demand for lobster in China declined.

New Zealand, on the other hand, is reporting that its rock lobster exports to China, which plummeted in early 2020, started to rebound in late April 2020.
Furthermore, US exports to Europe have also declined sharply, mainly as a result of the Comprehensive Economic and Trade Agreement (CETA) between the European Union and Canada. In 2019, US lobster exports to Europe dropped by as much as 22 percent, to 3,342 tonnes. The situation is not likely to improve. It is expected that the European Union will further increase its import tariffs on US lobster in response to the World Trade Organization findings that the United States of America provided unfair subsidies to airplane manufacturer Boeing. In retaliation, the United States of America is threatening to raise taxes on European cars to pressure the European Union into lowering or removing its tariffs on US lobsters.

Canada, the world’s largest producer of the North American lobster (*Homarus americanus*), has taken over market share from the United States of America since 2017. However, Canada’s lobster exports to China, which enjoyed a surge at the end of 2019, and in January 2020, dropped off dramatically in February with the advent of the COVID-19 pandemic. Canadian exports began climbing again in March and April, although far from the volumes shipped at the start of 2020. In January, Canada shipped 4,323 tonnes of lobsters to China, 41 percent more than in January 2019. Yet in February 2020, shipments dropped to just 93 tonnes (95 percent less than in February 2019), and 473 tonnes in March 2020 (70 percent less than in March 2019).

Despite US threats about increasing tariffs on Chinese goods entering the United States of America, China is not likely to lower its tariffs on US lobster. At present, Chinese import tariffs on live US lobsters amount to 32 percent, while tariffs on live Canadian lobsters are only 7 percent.

When China entered lockdown in January, Western Australia’s rock lobster exports dropped to almost zero. However, in mid-to-late April, shipments picked up again, although Chinese demand was still weak. About 90 percent of Western Australia’s rock lobsters are exported to China. The lockdown had a devastating effect on the industry, therefore it will take some time before demand builds up again.

In late May, Canadian exporters joined forces with some Chinese supermarket chains to promote lobster in an effort to rebuild the trade. Canada’s Trade Commissioner Service network in China partnered with local retailers as well as e-commerce firms, targeting the “home cooking” market in particular. As a result, trade picked up a little, but this is probably just as much due to the gradual return to “normal” in China.
Demand on the domestic markets in both Canada and the United States of America was weak during the lobster season, and prices were “terrible”, according to lobstermen.

In the United States of America, the drop in sales through the restaurant sector has been countered by lobstermen who have tried direct sales to the consumer. The efforts seemed to give very good results in Massachusetts, where direct sales tripled. Direct sales from four lobster vessels resulted in sales of 2 200 lobsters on the first day, which was Easter Sunday.

Direct sales is also being promoted through Facebook, with good results. Prices, however, have been below what they were before the COVID-19 outbreak.
In response to the low prices, harvesters in the Canadian province of Newfoundland and Labrador have set the minimum price at CAD 3.25 (USD 2.32) per lb. This is the lowest since 2014. In 2019, harvesters were getting an average of CAD 6.78 per lb.

**Outlook**

The outlook for the rest of 2020 is very uncertain. While demand seems to pick up somewhat in some markets (notably in China), much will depend on the development of the COVID-19 situation. There have already been signs of a “second wave”, which seems to be the result of a too rapid relaxation of preventive measures. If this becomes widespread, as it seems to be in the United States of America in particular, demand, and trade, will decline further. In countries that are able to adapt to the COVID-19 situation by continuing careful preventive measures to avoid the spread of the disease, consumption could well rise again. However, lobster is a typical restaurant item, and even with the reopening of restaurants, consumers are reluctant to eat out. Furthermore, most countries have strict rules about reducing restaurant seating capacity, and this naturally limits sales through restaurants. In addition, worries about the future make luxury items less attractive. The full effect of COVID-19 on the economy may not be seen for a long time. A weakening of the economy quickly translates into weaker sales of luxury items, including lobster.

At any rate, prices will be under pressure for as long as the pandemic lasts. A certain shortage in supplies may counteract this, but tighter supplies will just offset price reductions in a normal functioning market. The present demand and price situation must be expected to last well into 2021.
COVID-19 sees pangasius prices slump and export revenues plunge

The effect of the global COVID-19 pandemic on world seafood markets has accelerated a downward price trend that began in early 2019. However, the severity of the impact for Vietnamese producers has been mitigated somewhat by a resilient US market and effective management of the virus within Viet Nam itself.

Production

Containment measures in Viet Nam, which is by far the largest supplier of pangasius to the world market, were implemented rapidly and effectively. As a result, the total number of COVID-19 cases in the country has been low relative to other regions. Reports from the large pangasius farming sector in the Mekong Delta suggest that the direct operational impact of the pandemic in terms of business shutdowns and labour issues has been minor. However, the market impact of COVID-19, particularly in the United States of America and China, is translating into significantly more conservative approaches to stocking and harvesting targets and companies are incurring financial losses all along the supply chain. To limit their risk in the shorter term, Vietnamese farmers have also reportedly reduced feeding to slow growth rates until market conditions improve.

Total supply this year is expected to drop compared with an estimated 1.4 million tonnes produced in 2019, which was around a 3.5 increase compared with the previous year. A price spike in 2018 led to heavy investment and expansion in the main farming regions over the last 2 years or so, but this additional capacity is not being fully utilized. According to Viet Nam’s Ministry of Agriculture and Rural Development (MARD), production in the first 5 months of 2020 was down 6.3 percent compared with the same period last year, to an estimated 462 000 tonnes.

In addition to market decline resulting from COVID-19, production has also been affected by mortalities associated with increased water salinity and exceptionally hot weather. With demand subdued, however, current volumes are more than sufficient to meet buyer requirements. In fact the tighter supply is protecting margins by halting the downward price trend that has been ongoing since 2018.

Outside of Viet Nam, farmers in other producing countries such as China, India, Indonesia and Bangladesh have been affected to varying degrees by the pandemic. Export markets are of significantly less importance to these producers compared with Viet Nam but logistical difficulties, labour shortages and weaker domestic market conditions are all direct consequences of COVID-19.

Trade and markets

As demand for pangasius in East and Southeast Asian emerging markets has increased, so has the diversity of markets available to the export-oriented Vietnamese industry. The alternatives now available to exporters beyond the key US market, such as China and the Association of Southeast Asian Nations (ASEAN), has prevented the drop in revenue from being as severe as it could otherwise have been. That said, the pandemic has nevertheless had a substantial effect on sales, particularly during the height of the outbreak in China earlier in the year.

According to the Vietnam Association of Seafood Exporters and Producers (VASEP), total Vietnamese exports of pangasius reached USD 334 million in the first quarter of the year, representing a decrease of 29.3 percent from the same period of last year. Exports to China and Hong Kong SAR totalled USD 63.2 million in the same period, down 36.4 percent. The full impact in the European Union was not felt until later when lockdown measures began to be enforced across the continent. For the first
5 months of 2020 the total decline in the value of Vietnamese exports to the European Union was 47.3 percent compared with the same period last year.

In the US market, reports suggest that demand has not been as badly affected as anticipated and sales have not seen as significant a decline as in the European Union and China. According to VASEP, over the first 5 months of the year, revenue from exports of pangasius to the United States of America was down by 19.8 percent year-on-year. This is due to a number of factors, one being the cheaper commodity whitefish market segment that pangasius occupies, which increases its relative appeal when households reduce spending. There has also been an easing of labelling requirements in the United States of America which allows distributors to redirect large blocks intended for foodservice to retail. Meanwhile, the US Department of Commerce has lowered anti-dumping duties on Vietnamese pangasius, representing a boost to future trade despite the present situation.

Prices

With global demand heavily weakened, traded prices for frozen pangasius fillet (FOB Ho Chi Minh) have been languishing around USD 2.00 per kg. This is a culmination of a steep decline that began from a peak of USD 3.40 per kg in September 2018. Farm-gate prices were reported by the Viet Nam Ministry of Agriculture and Rural Development (MARD) to be around VND 18 000-18 200 (USD 0.77-0.78) per kg for 700g fish as of the end of April, well below the cost price of VND 20 000-22 000 (USD 0.86-0.95) per kg.

Outlook

As we enter the second half of the year, the pangasius sector is expected to see some relief from what has been a challenging period. As supply tightens, the important Chinese market continues its recovery. This should help lift prices from what are currently unprofitable levels and restore a degree of stability to the Vietnamese sector. However, much uncertainty still remains as the pandemic is far from under control in many other large markets including the United States of America and Brazil. In the longer term, some repositioning will be necessary, with renewed emphasis on retail, but the versatility of pangasius and the geographic diversity of export markets represent important advantages.
Widespread disruption in the salmon sector

The global salmon sector has felt the impact of COVID-19 all along the supply chain, with production, processing, logistics and markets all suffering to varying degrees. However, some observers are pointing to the lower prices and shift in focus to retail as an important opportunity that will benefit the sector in the long-term.

Production

Atlantic salmon

After an estimated 7 percent increase in global farmed Atlantic salmon production in 2019, the latest forecasts for 2020 suggest that growth will slow to around 2 to 4 percent. However, the ongoing COVID-19 pandemic has introduced a large amount of uncertainty and led to some significant changes at farm level. Poor market conditions and logistical challenges have seen many producers delay harvesting as long as possible, which means that supply in the first half of 2020 has been tighter than expected. This translates into a higher proportion of large fish in the pens and increased pressure on farmers to harvest in the second half of the year as more fish approach maximum harvest weight.

In Europe, Norwegian farmers have been monitoring water temperatures closely as they are correlated with sea lice levels, which have been one of major restrictions on growth prior to the pandemic. The algal bloom mortalities in 2019 have also reduced the number of fish available for harvest relative to expectations. Thus, supply growth in Norway has slowed significantly this year. Scottish salmon production growth was expected to be flat in 2020 after an increase of around 20 percent in 2019. Harvest volumes are highly seasonal in Europe, with the middle two quarters accounting for the bulk of production. The switch to more conservative planning amidst the peak of the COVID-19 pandemic has translated into significantly tighter supply going into the second quarter. However, fish remaining in the pens will likely lead to supply spikes in the second half of the year.

In Chile, quarantines, curfews and other COVID-19 restrictions have led to lower volumes of salmonids reaching processing plants. This was not strongly reflected in the figures for the first quarter of the year but the decline was clearly observed in the second quarter. During January to March 2020, largely prior to the impact of COVID-19 in the region, cumulative harvests of Atlantic salmon accounted for 192,000 tonnes, up 5.9 percent compared to the same period in 2019. This species represented 47.7 percent of total aquaculture harvests in Chile.

The Chilean Undersecretariat for Fisheries and Aquaculture (SUBPESCA) has required that salmon farming companies update contingency plans for fish mortalities and reinforce sanitary measures to protect workers. Due to logistical issues, stocking has been postponed and there has been reduced movement of employees to harvest centres and processing plants.

Other salmonids

In the first quarter of 2020, Chilean rainbow trout harvests reached 32,500 tonnes (up 19.3 percent compared to the same period in 2019) while coho production reached 47,300 tonnes (up 11.7 percent). In Norway, farmed trout biomasses have continued their upward trend in 2020 but the key markets for exported trout have been heavily impacted by COVID-19. The response of farmers has been similar to the case of salmon, meaning tighter production in the first half of the year but mounting pressure to harvest as we move into the second half of the year.
Wild salmon

The main wild salmon season in the Northern Pacific started in June, with initial indications pointing to lower harvests in Alaska and the Kamchatka Peninsula fishery. Market weakness due to COVID-19, and restrictions on movements affecting seasonal labour in processing plants and aboard fishing vessels, are contributing to the reduction in supply.

Markets

Although China, the Republic of Korea and some other large salmon markets began loosening lockdown restrictions in the second quarter of 2020, the overall market situation remains tense.
Foodservice sales, accounting for about 30 percent of the total salmon market, remain heavily subdued, and the tourism industry is still a very long way from recovery. In some countries, such as Brazil and the United States of America, the peak of COVID-19 has yet to be reached and the situation is changing rapidly. Even in countries where the number of cases has now dropped to relatively small levels, the very real threat of a second wave means authorities remain vigilant and ready to re-introduce restrictions if necessary.

In addition, the pandemic has brought about fundamental shifts in consumer attitudes that may well be permanent. Any distribution channel that can accommodate the needs of consumers that are conscious of the need to remain socially distant are now accounting for a steadily growing share of the market. This includes traditional retail but also extends to home delivery and e-commerce. The fresh segment, which is of key importance to the salmon sector, is suffering due to soaring logistical costs and a general preference for frozen and prepared foods amidst a general atmosphere of uncertainty.

In Europe, restaurants, bars and cafes remain in varying states of partial or complete lockdown, particularly in the Western and Southern part of the continent. Eastern Europe has largely escaped the worst of the pandemic, but it accounts for a relatively small proportion of the European salmon market. Poland is a major importer but the majority of this volume is raw material that is processed and re-exported, primarily to the German market. The move from foodservice to home consumption has generally been faster than expected in Europe, meaning suppliers have been able to redirect production to the new source of demand without significant financial damage. There has been something of a setback in Germany recently, however, as a publicly aired documentary critical of salmon farming appears to have negatively affected demand and imports have fallen.

In the North American salmon market, retail remains generally very active although the US retail sector saw a slowdown in demand for salmon due to the COVID-19 pandemic, particularly for fresh fillets as well as in the whole fresh fish segment. Despite this reduction in demand and significant logistical obstacles related to air freight, fresh Chilean salmon continued to enter the market, together with some fish from Canada and Europe. Generally speaking, there remains a significant amount of uncertainty regarding consumer behaviour along with the shifting marketing landscape, and suppliers are feeling these effects. Lockdown measures, political instability, spiking unemployment and a health situation that is far from being under control are all contributing to a challenging market environment in the United States of America.
Trade

According to the Norwegian Seafood Council (NSC), Norway's Atlantic salmon export revenue increased in the first quarter of 2020 as higher export prices year-on-year pushed the total up by 11 percent to NOK 18.5 (USD 2.16) billion on a 2 percent increase in volume to 252 000 tonnes. Poland, the United States of America and France led early year sales. However, this upward trend was sharply reversed towards the end of the quarter as the impact of the COVID-19 pandemic hit global markets. Exports out of European producer countries declined steeply from March onwards. The demand effects have been compounded by the restrictions affecting flights, which are used to transport fresh salmon to distant markets. In China, which was the first major market to reopen in the second quarter, European exporters were faced with a further setback when traces of COVID-19 were found on a chopping board used to prepare imported salmon at a market in Beijing. This in turn led to a temporary halt on imports from Europe.

The top markets for Chilean salmon (the United States of America, Japan, Russian Federation, Brazil and China) have been impacted by the pandemic with varying degrees of severity, which has been reflected in export figures. There have been a number of logistical challenges especially for air transportation routes. This is particularly important for US routes, as almost half of the shipments of fresh salmon to the United States of America were previously carried on commercial passenger flights.

Atlantic salmon was the top exported species out of Chile in Q1 2020 with 130 328 tonnes exported worth USD 975 million, only 0.8 percent more in volume but -5.8 percent in value compared with the same period of 2019. Exports of coho during the same period fell 19.2 percent by volume and 38.8 by value, to 51 759 tonnes valued at USD 279 million. Profitability for sales to the Japanese market, the main buyer of coho, was already being impacted by high carryover volumes of larger fish prior to pandemic.

Salmon imports in the United States of America during the first quarter of 2020 totalled 108 247 tonnes valued at USD 1.1 billion. These figures represent increases of 2.4 percent in terms of volume
and 3.45 percent in terms of value compared with the same period of last year. Chile’s shipments increased 13.8 percent in volume and 8.6 in value while supply from Canada declined.

Chile’s exports of rainbow trout in Q1 2020 totalled 13,043 tonnes worth USD 114 million, up 0.5 percent in volume but down 1.9 percent in terms of value. In Norway, good growth in trout harvests translated into a 43 percent increase in export volume and a 26 percent increase in value in the first quarter to 15,600 tonnes worth NOK 201 million (USD 113 million).

Prices

Prices for farmed salmon in Europe have been volatile so far in 2020 but harvest delays and surging retail demand have largely prevented a severe price drop. As of week 29, the NASDAQ salmon index for Norwegian salmon was at NOK 48.07 (USD 5.59) per kg, compared with NOK 55.71 (USD 6.48) per kg in the same week last year. However, the impact of COVID-19 is driving some unusual dynamics. Firstly, the closure of foodservice is dragging down the prices of larger fish favoured by the restaurant trade, which otherwise command a significant premium. There have also been some major swings for Chilean export prices as COVID-19 wreaks havoc on two of its largest markets, the United States of America and Brazil. In week 24, fresh fillet prices (FOB Miami) dropped as low as USD 3.35 per lb, levels that have not been seen in almost 5 years, but subsequently recovered somewhat.

Outlook

The development of the global salmon market in the second half of 2020 is difficult to predict given the number of unknowns facing the industry. With the notable exception of the United States of America and Brazil, most of the major salmon markets are staging a gradual recovery. The spike in supply volumes of 5 to 10 percent in the second half of the year from delayed harvests will likely keep prices down, even if the positive demand trend continues. Export revenues for the year are also set to take a significant hit. FishPool forward prices for Q3 and Q4 2020 are stable at NOK 48.45 (USD 5.63) per kg and NOK 52.60 (USD 6.12) per kg respectively, which is well below figures for the same period in 2019. The financial challenges associated with the difficult market environment will see smaller businesses along the supply chain, particularly processors, acquired by larger entities if they are to survive. In the longer-term, however, there are potentially some positives to be taken from the upheaval of 2020. Lower prices, good volumes, and a boost to retail could create new sources of demand as well as act as a catalyst for product and distribution innovation.
Prices rise on tight supply, but market outlook remains poor

As a sector that depends heavily on foodservice and fresh retail demand, the Mediterranean farmed bass and bream industry has been hit hard by the market impact of the COVID-19 pandemic. However, a combination of factors is keeping harvest volumes down and prices are rising.

Production

Prior to the current crisis, the majority of bass and bream farmers had already significantly reduced their stocking targets in response to a drop in prices. This shift saw supply growth slow in 2019 and the trend has turned negative in 2020. Lower levels of juvenile stocking in 2019 (30-40 percent down year-on-year), losses due to Storm Gloria in Spain and the effect of COVID-19 on farming operations and market demand have all contributed to this decline. According to market research firm Kontali, production is expected to drop by 8 to 9 percent in 2020, but other sector reports suggest the decrease could be significantly more.

The evaporation of sales in core markets, as well as the logistical challenges resulting from COVID-19 restrictions, has created very difficult business conditions for the Mediterranean sector. This is particularly true for the smaller players who have limited capacity to absorb financial shocks. Both Greece and—more recently—Turkey, were also facing economic difficulties before the pandemic, and the current environment is exasperating the situation. Fish in the pens that cannot be sold must nevertheless be fed and this drain on financial resources will likely force many smaller aquaculture firms into bankruptcy.

Trade and markets

In the first quarter of 2020, exports of both bass and bream by the major producers dropped in year-on-year terms, mirroring a decline in harvests at farm level. Imports into all major markets also fell, with the notable exception of Spain, where there is a general lack of fish after the loss of a substantial proportion of production due to storm Gloria.

As with other species, bass and bream marketers are now increasingly dependent on retail sales to compensate for a lack of foodservice demand, heavily subdued Mediterranean tourism season and general shift away from fresh product. Relative to most other seafood options, however, the bass and bream sector is still some way behind in this regard. Companies that had already started to diversify their product range to include prepared and/or preserved options prior to the pandemic are faring somewhat better. There have been varying estimates for the total decline in sales on European markets, but the figure is estimated at around 40 percent, rising significantly higher for companies that primarily supply foodservice.

Prices

As supply volumes have contracted in 2020, import prices for bass have staged a significant recovery. For 300-450 g fresh whole bass from Greece into Italy (CIF), prices rose from EUR 3.60 per kg in January to EUR 4.50 per kg by June. For bream the climb was less dramatic, from EUR 4.50 per kg to EUR 4.70 per kg.
Supply of both bass and bream will continue to contract in the medium term, and this will support prices despite the deterioration of market conditions. Delayed harvests will lead to a higher than normal proportion of larger fish in the harvest. The large decrease in volumes has translated into sharply reduced revenues for bass and bream aquaculture companies and businesses will continue to struggle until foodservice demand recovers. In the longer-term, the process of consolidation will see smaller businesses acquired by larger entities due to financial pressure.

Source: Eurostat

Source: ISTAT - National Institute of Statistics

Outlook
Top global producers of seabass and seabream

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<td>24.3</td>
<td>28.6</td>
<td>28.5</td>
<td>28.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>177.2</strong></td>
<td><strong>198.6</strong></td>
<td><strong>229.9</strong></td>
<td><strong>238.4</strong></td>
<td><strong>240.0</strong></td>
</tr>
</tbody>
</table>

Refers to European seabass and Gilthead bream only
Source: FAO (until 2018) (*) Estimate
Global shrimp prices plummet

The COVID-19 pandemic has dramatically affected the foodservice sector, with business activity reduced by around 80 to 90 percent. Retail sales of shrimp increased significantly in many markets following lockdowns, curfews and other distance control measures to combat the pandemic. Yet, the increases could not offset the volume declines of shrimp trade in the hotel, restaurant and catering (HORECA) sector. The situation has led to declines in farmgate and export prices to levels not seen in the last decade.

Supply

Shrimp production in Asia this year has been delayed by 3 months because of the COVID-19 pandemic. In India, pond seeding which normally takes place in March/April was deferred to May/June because of the lockdown, while the corresponding harvest is only expected in August/September.

Farmers in Indonesia harvested crops in mid-May with relatively good production, which was reflected on exports. Current supplies are low due to the pandemic outbreak and the seasonal dry weather expected until August. In Viet Nam the production schedule for 2020 looks stable. Meanwhile, production in Thailand remains low as farmers reduced seeding because of low market prices.

The COVID-19 situation also severely affected Latin American shrimp production and exports. Ecuador, the largest contributor in that region, had a target to maintain the same production volume as 2019 at over 600 000 tonnes. The positive growth trend continued in Ecuador until early March 2020 but halted due to the COVID-19 outbreak in Guayaquil, where 80 percent of the aquaculture and processing facilities are located. Although exporters continued to operate at near full capacity during the initial few weeks of the pandemic, the curfew imposed on 19 March 2020 resulted in worker absenteeism, as well as the slowdown of farming and processing activities. Meanwhile ex-farm prices continue dropping because of fluctuating import demand.

International trade

The global shrimp industry in 2020 has been seriously impacted by COVID-19 since January. Even so, international shrimp trade mostly increased during the first quarter due to relatively large orders during December 2019 to February 2020. These shipments reached most of the markets by March 2020.

Exports

Ecuador became the top shrimp exporter with 56 percent of exports shipped to China. Exports in China declined slightly during January and February 2020 but bounced back in March. Cumulative exports were 84 percent higher in the Chinese market compared to the same period in 2019. Meanwhile, India exported 47 percent of its shrimp to the United States of America during the review period, while China and the European Union had 17 and 14 percent shares respectively. Exports also increased from Indonesia during this period but declined from Viet Nam, Thailand and Argentina.

Imports

The European Union was the top import market in the first quarter of 2020. Among the single markets, China was the largest importer followed by the United States of America, Japan, Spain, and France. However, the preliminary data for April and May displayed falling imports in most of these markets, except in China. Notably, frozen shrimp imports in Viet Nam declined further during the first quarter of 2020.
### World top exporters of shrimp, all types
January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>% change 2020/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecuador</td>
<td>140.3</td>
<td>167.0</td>
<td>+19</td>
</tr>
<tr>
<td>India</td>
<td>125.4</td>
<td>146.9</td>
<td>+17.1</td>
</tr>
<tr>
<td>Viet Nam (e)</td>
<td>62.9</td>
<td>59.9</td>
<td>-4.6</td>
</tr>
<tr>
<td>Indonesia</td>
<td>45.7</td>
<td>55.3</td>
<td>+20.9</td>
</tr>
<tr>
<td>Thailand</td>
<td>35.9</td>
<td>34.3</td>
<td>-4.4</td>
</tr>
<tr>
<td>Argentina</td>
<td>33.1</td>
<td>28.9</td>
<td>-13.1</td>
</tr>
<tr>
<td>China</td>
<td>35.1</td>
<td>27.8</td>
<td>-20.8</td>
</tr>
</tbody>
</table>

*Source: National Data*

*Note: (e) estimate*

### World top importers of shrimp, all types
January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>% change 2020/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>178.4</td>
<td>187.1</td>
<td>+4.5</td>
</tr>
<tr>
<td>China</td>
<td>138.1</td>
<td>176.2</td>
<td>+27.6</td>
</tr>
<tr>
<td>United States of America</td>
<td>(<strong>168</strong>)</td>
<td>(<strong>199</strong>)</td>
<td><strong>(+18.5)</strong></td>
</tr>
<tr>
<td>Japan</td>
<td>44.1</td>
<td>46.2</td>
<td>+4.6</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>18.4</td>
<td>16.0</td>
<td>-12.5</td>
</tr>
<tr>
<td>Taiwan (Province of China)</td>
<td>11.1</td>
<td>14.9</td>
<td>+34</td>
</tr>
<tr>
<td>Viet Nam*</td>
<td>60.129</td>
<td>14.3</td>
<td>-76.2</td>
</tr>
</tbody>
</table>

*Source: National Data*

*Note: ** including estimated imports through border trade with Viet Nam and Myanmar*

### India exports of shrimp
January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States of America</td>
<td>48.5</td>
<td>57.1</td>
<td>69.2</td>
</tr>
<tr>
<td>China</td>
<td>3.6</td>
<td>24.8</td>
<td>24.9</td>
</tr>
<tr>
<td>European Union</td>
<td>17.8</td>
<td>16.3</td>
<td>20</td>
</tr>
<tr>
<td>Japan</td>
<td>4.8</td>
<td>5.3</td>
<td>6.9</td>
</tr>
<tr>
<td>Other countries</td>
<td>43</td>
<td>22</td>
<td>25.9</td>
</tr>
<tr>
<td>Total</td>
<td>117.7</td>
<td>125.4</td>
<td>146.9</td>
</tr>
</tbody>
</table>

*Source: TDM*

### China imports/exports of shrimp
January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ecuador</td>
<td>7.4</td>
<td>48.1</td>
<td>88.6</td>
</tr>
<tr>
<td>India</td>
<td>3.5</td>
<td>24.7</td>
<td>24.9</td>
</tr>
<tr>
<td>Argentina</td>
<td>8.1</td>
<td>9.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Other countries</td>
<td>20.9</td>
<td>55.4</td>
<td>51.5</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>138.1</td>
<td>176.9</td>
</tr>
</tbody>
</table>

|                |      |      |      |
|----------------|      |      |      |
| Exports        |      |      |      |
| Japan          | 4.9  | 4.9  | 5.6  |
| United States of America | 8.4 | 4.8 | 3.8 |
| China, Hong Kong SAR | 3.7 | 3.3 | 2.7 |
| Other countries| 24.1 | 23.4 | 16.1 |
| Total          | 41.3 | 36.5 | 28.4 |

*Source: China Customs, estimates*

### European Union imports/exports of shrimp
January - March (1 000 tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ecuador</td>
<td>23.6</td>
<td>20</td>
<td>26.5</td>
</tr>
<tr>
<td>India</td>
<td>17.8</td>
<td>16.2</td>
<td>20</td>
</tr>
<tr>
<td>Greenland</td>
<td>14</td>
<td>12.9</td>
<td>15.7</td>
</tr>
<tr>
<td>Other countries</td>
<td>128.7</td>
<td>129.1</td>
<td>124.8</td>
</tr>
<tr>
<td>Total</td>
<td>184.3</td>
<td>178.3</td>
<td>187.1</td>
</tr>
</tbody>
</table>

|                |      |      |      |
|----------------|      |      |      |
| Exports        |      |      |      |
| Germany        | 9.8  | 11   | 12.6 |
| France         | 7.7  | 6.6  | 8.2  |
| Morocco        | 4.3  | 6.9  | 8.1  |
| Other countries| 52.9 | 53.3 | 54.8 |
| Total          | 74.8 | 77.9 | 83.8 |

*Source: TDM*
SHRIMP

The COVID-19 crisis has seriously affected shrimp businesses worldwide, with the HORECA sector posting an 80-90 percent decline during the first half of 2020. In a usual year, the catering sector would absorb 60 to 70 percent of imported shrimp in the western markets and also in Japan.

Retail sales for frozen shrimp, however, have increased significantly during this period, particularly for convenient products. This trend is very likely to continue in the coming months and even years.

European Union

The 2018 weaker market trend continued in 2019, and shrimp imports in the European Union COVID-19 also affected shrimp demand in the European Union market. With restaurants closed, demand shifted to retail trade but to a lesser extent compared with the United States of America and China.

Imports in the European Union increased by 6.6 percent in the first quarter of 2020. This rise was a result of the price drop of Ecuadorian shrimp in February and subsequent large imports from this source in March.

Imports in Spain were 9 percent higher at 33 700 tonnes, of which 12 000 tonnes (+76 percent) came from Ecuador. Imports also increased in Denmark (+17 percent to 21 454 tonnes), Germany (+18 percent to 16 700 tonnes) and Italy (+21 percent to 16 535 tonnes) but declined in France (-3 percent to 24 480 tonnes) and in the United Kingdom of Great Britain and Northern Ireland (-14.4 percent to 12 660 tonnes).

Imports of processed shrimp in the European Union increased by 8 percent to 24 440 tonnes during the review period. The main suppliers were Viet Nam, Greenland, Morocco, and Norway. This trend persisted in April 2020.

China

Shrimp sales have been lower than usual in China’s domestic market since January 2020 when outdoor dining was banned in most cities until April due to COVID-19. During this period, retail sales of frozen shrimp (head-on and peeled) increased for on-line purchases. The lockdown started to ease from May 2020.

Imports slowed down in January and February but increased again from March to May following the price decline of Ecuadorian shrimp, a preferred product in the market. Higher imports in March (63 000 tonnes) posted a 28 percent increase in cumulative imports during the first quarter of 2020, compared with the same period in 2019. Ecuador supplied 51 percent of these imports.

In general, on-line sales of seafood were good in urban China even before the pandemic crisis, however sales growth occurred with the implementation of lockdown measures related to COVID-19.

Demand for semi-processed and/or easy-to-prepare shrimp (frozen, peeled, dumpling, breaded) increased for home cooking, which are processed locally using imported raw materials.

Monthly imports of shrimp were also higher in April and May at over 63 000 tonnes with steady imports from Ecuador, India, Viet Nam and other sources. As of May 2020, imports from Ecuador increased by 66.6 percent to 155 000 tonnes.
Unfortunately, imports of shrimp from three Ecuadorian exporters were banned in China from 10 July 2020 due to contamination of parcels in distribution channels. This development may halt Ecuador’s export growth to this market until the issue is resolved.

**United States of America**

Shrimp remains the most popular seafood choice amongst US consumers generally taken/consumed outside home. Compared with previous years, overall shrimp demand declined due to restricted business in catering, a segment which normally absorbs 60 to 70 percent of imported shrimp.
Subsequently, demand for seafood in the market shifted from food service to the retail sector and direct-to-consumer channels (online). However, US shrimp demand is only limited to supermarkets and grocery shops, with online sales making up a smaller segment.

In the present retail trade, frozen shrimp namely head-on (medium and small sizes), 60/70 sizes cooked peeled tail-on, easy-to-prepare and ready-to-eat products in retail packs are in high demand. Current supplies are inadequate as most of the producing countries are not able to work at full capacity due to COVID-19 measures.

In the first quarter of 2020, US shrimp imports totalled 168 700 tonnes (+15 percent) of which 21 percent (35 170 tonnes) were processed products. This represents a 14 percent rise in imports compared to the same period in 2019.

Monthly shrimp imports in the United States of America started to taper in January but remained steady at 51 700 tonnes until April 2020. In May, imports plummeted to 38 000 tonnes compared with 53 710 tonnes in the corresponding month in 2019, as a result of waning demand from food services this year. Supplies from India in May 2020, mainly raw shrimp, were 61 percent below April's imports. In comparison, imports were stable from Indonesia, Viet Nam and Thailand.

Japan

Overall seafood consumption in Japan was significantly low this year during the Spring festival months of April/May when shrimp consumption normally increases. Demand weakened following the pandemic related restrictions on outdoor eating during March to May. Home consumption increased for semi-processed and processed shrimp as people stayed indoors. Supermarket and online sales of shrimp for home cooking/take-away ready-meals increased. Demand was strong for products such as fried tempura shrimp, peeled deveined, frozen seafood pilaf and ready-to-fry tempura shrimp during April to May. This good demand slowed down in June.

Monthly shrimp imports started to fall from May when supplies of both raw frozen and processed shrimp declined by 29 and 25 percent respectively compared with April 2020.

Cumulative imports during January to May 2020 fell by 4 percent compared with the same period in 2019. Moreover, the unusually heavy rains and flooding in June negatively affected shrimp consumption in Japan.

Asia/Pacific and others

Imports during January to March 2020 were lower in the Republic of Korea, Hong Kong SAR, Singapore, Viet Nam, and New Zealand compared with the corresponding period in 2019. There were increases in imports in Taiwan (Province of China), Australia and Malaysia due to the Lunar New Year demand in January/February.

The lockdown measures imposed in southeast Asian countries since mid-March also affected the catering and restaurant trade, although demand for home delivery of ready meals and on-line grocery shopping are thriving. Fresh shrimp, which is more popular in southeast Asian home cooking, did not benefit from this development.
SHRIMP

In South Asia, shrimp imports in the tourist destinations (namely Sri Lanka, Maldives) declined at the cost of falling exports from India. However, COVID-19 seemed to have opened up sales opportunities of ready-to-eat shrimp products in India's large but untapped domestic market.

In MENA, shrimp demand dropped significantly following the shutdown of international airlines (scheduled flights), falling restaurant business, and repatriation of expats.

Prices

Export prices of vannamei shrimp in Ecuador fell by 25 percent between March and April 2020. The situation worsened following the detection of coronavirus in some shipments from Ecuador to China in July 2020. Cost and freight (CFR) prices of 40 to 50 counts of head-on vannamei shrimp to Europe was reported at USD 4.00 per kg as of July.

In Malaysia and Singapore, however, retail prices of the same size fresh vannamei shrimp remain high at USD 8-9 per kg due to low regional supplies.

Outlook

Farmed shrimp production in Asia has been delayed in 2020, which may lead to a 30 to 40 percent decline in regional supplies compared with 2019. In India, the first supply of the season is expected only in August/September which normally is available in April/May during a normal farming season. If farm-gate prices do not recover, many farmers may opt out of the next harvesting in Asia and Latin America.

Shrimp imports started to weaken in most of the markets from April onwards. Although retail and take-away sales increased in developed and developing markets, overall consumption has declined worldwide affected by the frail business prospects in the HORECA sector. This trend is likely to continue during the rest of the year.

Marketers are adjusting to the rising demand pattern in retail trade as online purchases will likely be a permanent buying pattern for home consumption. However, processors and exporters in producing countries are required to deliver products suitable for household consumers.

The positive import trend in China may continue, but at a slower pace. However, being the single largest market where imports are still rising, China will dictate market prices. Chinese shrimp imports from Ecuador may slow down for a while due to coronavirus detection in some imports. In view of the existing bio-security agreement between the two countries, the problem is likely to be resolved.

Consumer preference for head-on shrimp in China will remain strong. However, value-added and convenient shrimp-based products are gaining increasing popularity domestically.

Meanwhile, the current disputes between India and China have resulted in increased exports from India to Viet Nam since June 2020, which might be re-exported to China. In India, the present situation will support opening up of its large but untapped domestic market, particularly for ready meals, while its international markets remain less attractive in terms of demand and prices.
Consumers shifting to canned products

The COVID-19 pandemic has caused consumers to shift their preferences to packaged products, and canned mackerel is profiting from this. In Japan, canned mackerel is now more popular than canned tuna. ICES has recommended a 15 percent cut in the North Sea herring quota for 2021.

In May, Norway, the Faroe Islands and the European Union reached an agreement for the monitoring, control and surveillance of shared pelagic stocks in the North East Atlantic. The agreement covers species such as mackerel, horse mackerel, blue whiting and herring.

An important aspect of the agreement is focused on the reduction or elimination of discards at sea. This has been a big problem in the past, but from 2019 certain catches of fish are no longer allowed to be discarded at sea. Several measures to prevent illegal discards will be mandatory, such as real-time access to weighing data and camera surveillance of landing and processing facilities.

Mackerel

The COVID-19 pandemic has led consumers to choose packaged products, and canned mackerel is one of these. In Japan, a new line of canned mackerel products was launched in June under the name “No. 38”. The product line includes four different flavours: pepper, chili and garlic, spicy rich curry and mild sour marine.

Canned mackerel has increased in popularity in Japan for several years, and in 2018, canned mackerel surpassed canned tuna as the most popular canned seafood. In 2018, the volume of canned mackerel sold in Japan reached 49 349 tonnes, compared to 31 756 tonnes of canned tuna.

Norwegian exports of mackerel increased significantly during the first three months of 2020. Total exports of whole frozen mackerel grew from 50 591 tonnes in the first quarter of 2019 to 81 379 tonnes during the same period in 2020 (+60.9 percent). The most dramatic increase was registered for exports to Nigeria, which grew by 416 percent to 8 072 tonnes. But exports to Nigeria have been extremely volatile over the years. The largest market was China, which accounted for almost 15 percent of the total. Exports to the Republic of Korea also showed an increase of 25 percent to 8 368 tonnes.

China’s imports of whole frozen mackerel increased modestly during the first quarter of 2020, by 6.5 percent to 60 477 tonnes. The largest supplier was the Russian Federation, which accounted for 19 204 tonnes, an increase of 66 percent.

Herring

In early June, the International Council for the Exploration of the Seas (ICES) advised a lowering of catch limits. Its advice for the autumn-spawning herring in the North Sea, Skagerak and Kattegat for 2021 was set at no more than 365 792 tonnes, which is 15 percent lower than the ICES advice for 2020. However, the final quota is rarely identical with the ICES advice. In 2020, the final quota was set at 385 008 tonnes, well above what ICES recommended.

There has been news of a strong 2016 class of herring in Sitka Sound in Alaska, as reported by the Alaska Department of Fish and Game. This year’s Guideline Harvest Level was set at 25 824 tonnes, which is the highest in 40 years. About 83 percent of this is estimated to be 4 year old herring, with an average weight of 92 g. However, because of the COVID-19 situation, most fishers have told Fish and Game that they do not plan to participate because of the pandemic and since there is a very poor market for smaller sized fish. Thus, there is no herring sac roe fishery in the region this year, but observations look promising for future years.
In the middle of June, Norway’s North Sea herring fishery was slowing down, even though demand was on the rise and prices were going up. In week 24 (8 – 14 June) 28 800 tonnes of herring were landed and sold through the electronic auction house. This was the largest single landing in one week since 2014. But in week 25, landings tapered off. Of the landings in week 24, about 3 000 tonnes were used for matjes production, 3 300 tonnes for freezing and filleting, and 22 000 tonnes for fishmeal and fish oil.

Norwegian exports of whole frozen herring declined by 15.8 percent during the first quarter of 2020 compared to the same period in 2019. Total exports amounted to 54 791 tonnes. All major markets declined: Egypt by 21.7 percent to 20 243 tonnes, Lithuania by 7.4 percent to 9 223 tonnes, and
Nigeria by 25.3 percent to 6 480 tonnes. Norwegian export prices show a minor increase for frozen mackerel, but a more substantial increase for frozen herring, which averaged NOK 7.74 per kg during the first three months of 2020, compared to NOK 5.86 per kg during the same period in 2019. This trend is expected to continue.

Russian exports of whole frozen herring continued on its downward trend during the first three months of 2020. Exports fell to 28 440 tonnes in the first quarter of 2020, compared to 53 195 tonnes in the same period in 2019. The largest market, China, saw a decline of 26.8 percent, while the Republic of Korea imported 60.4 percent less whole frozen Russian herring during the review period compared to 2019.

Sand eel

Norwegian authorities doubled the sand eel quota for 2020, to 250 000 tonnes, after receiving very positive reports from research cruises. The quota has thus been lifted in stages, from the initial 70 000 tonnes to the final 250 000 tonnes.

The sand eel fishery followed suit and landed large quantities. Most catches were landed in Norwegian ports, where the catch goes to fishmeal and oil production. As of 5 June 2020, 72.5 percent of the quota was caught. But by the end of the fishery in late June, total catches were about 6 000 tonnes short of the total quota. With landings amounting to 244 000 tonnes, it is still a major increase from 2019 landings, which totalled 124 683 tonnes.

Anchovy/Sardines

The pilchard and sardine stocks of Namibia have been in bad shape for several years now. After a scandalous overfishing back in 2017, the government finally banned all pilchard fishing for three years. The ban expires at the end of 2020, and in order to get scientific data on whether or not to...
re-open this fishery, the Ministry of Fisheries instructed scientists to assess the pilchard stock. In the past, the pilchard fishery has been a lucrative operation in Namibia.

The sardine fishery on the US west coast is still in trouble. According to an estimate by the National Oceanic and Atmospheric Administration (NOAA), the Pacific sardine biomass is only 27,547 tonnes this summer. This is way below the 150,000 tonnes needed to re-open the fishery. In 2006, it was estimated that the sardine biomass stood at some 1.8 million tonnes. In view of this, the Pacific Fishery Management Council has recommended keeping the California sardine catch at 4,000 tonnes this year.

Outlook

While the Atlantic mackerel supplies are likely to increase through the rest of the year (2020 quota is up by 20 percent compared to 2019), herring supplies may become a little tighter. South American anchovy supplies may also be tighter, as Peru is unlikely to fill its quota.

The COVID-19 pandemic is making consumers change their purchasing and eating habits. While previously consuming a lot of seafood in restaurants and through foodservice, consumers are now taking advantage of home delivery, and they are buying products with a longer shelf life, and products that are “safely” packaged, such as canned products.

Demand for mackerel, particularly canned mackerel, as well as canned sardines, is expected to increase as the year wears on. Herring also has good demand but may be in shorter supply this year. In general, prices are on the way up.
TILAPIA

GLOBEFISH HIGHLIGHTS

Chinese tilapia sector restarts with focus firmly on retail

*Challenging times continue for tilapia farmers in China as the impact of COVID-19 greatly reduced the positive impact associated with the lifting of a 25 percent tariff on US imports of Chinese tilapia earlier this year. With supply operations now resuming in China and elsewhere, the recovery of sales abroad will be driven by tilapia’s appeal as a retail seafood option.*

**Production**

China was one of the first countries to introduce large-scale economic and social measures aimed at containing the spread of COVID-19, which led to a reduced workforce and logistical restrictions for the tilapia farming sector, the main supplier to the global market. Since mid-February, a marked improvement in the public health situation has allowed for a gradual reopening of the economy. Moreover, targeted government stimulus packages have been facilitating the recovery of various key industries, including aquaculture. Schemes were put in place earlier in the year to subsidize tilapia purchase and to ensure supply was available during the ongoing recovery phase. Although the sector is now up and running, exporters are still struggling with logistical delays and weak demand in all of China’s major export markets.

In Indonesia, where tilapia is raised both for the domestic market and for export to the United States of America and Europe, similar challenges are being faced. Logistical challenges and market uncertainty is impacting business, but efforts are being made to ensure that cash flow is sufficient to sustain operations.

In Latin America, the rapidly expanding Brazilian tilapia sector is running into difficulties as conditions in the large domestic market deteriorate due to COVID-19. After heavy investment, Brazil has confirmed its position as the fourth largest producer of tilapia worldwide. Tilapia represents 57 percent of farmed fish production in Brazil. All the production goes to the domestic market, with some surplus sold primarily to the United States of America.

In Mexico, lockdown measures and low domestic demand have translated into an oversupply of farmed fish, as many farmers do not have alternative channels to sell their product. The situation was particularly serious in tourist areas during Easter, where most tilapia production is typically sold to restaurants. Producer unions are voicing concerns over falling sales and additional costs due to unexpected additional feed. In Honduras, the government is seeking to reactivate the sector with economic aid to producers, especially for micro, small and medium-sized companies.

**Markets and trade**

The COVID-19 pandemic has heavily affected the foodservice sector globally, with closures or reduced hours enforced for restaurants in many countries. For many seafood species this has meant a boost for retail sales. Tilapia is particularly well-positioned to take advantage of this shift in consumer preferences. Affordable and versatile, tilapia is protein rich and can be easily incorporated into “ready-to-cook” products.

In the largest market, the United States of America, tilapia imports during the first quarter of 2020 totalled 43 500 tonnes worth USD 43 550 million. These figures represent an increase of 23 percent in terms of volume and 6.6 percent in value compared with the same period of last year. China remains the largest supplier to the US market while some Latin American suppliers such as Brazil, Colombia and Honduras recorded increases in shipments. This was achieved despite a significant increase in airfreight costs, largely due to a stronger dollar.
Imports of frozen fillets by the United States of America in the review period increased by 21 and 3.9 percent in terms of volume and value respectively, compared to the first quarter of 2019. Fresh fillet imports fell slightly (-0.7 percent in volume and -2.6 percent in value), a reflection of changing consumer behaviour. While there has been a shift in preferences towards frozen and canned products, the latter decline is likely more a result of a reduction in the number of flights travelling from Latin America to the United States of America.

Similar emphasis on preserved products sold through traditional retail as well as newer e-commerce channels is also reported in Europe, Asia and Latin American markets. In China there has also been some recovery of foodservice demand, as the economy has reopened.

Prices

Although tilapia retail sales have been boosted by the impact of COVID-19, the net decline in demand has led to a sharp drop in tilapia prices worldwide. In China, prices for live 500-800 g tilapia in Guangdong were down to CNY 8 (USD 1.14) per kg in the first 4 months of the year, a decline of some CNY 1 (USD 0.15) per kg. Meanwhile, import prices for Chinese frozen whole tilapia into the United States of America were down to USD 1.5 per kg.

Outlook

The outlook for the global tilapia market is heavily tied to developments associated with the COVID-19 pandemic. Major tilapia markets including the United States of America and Brazil are still struggling with high and climbing caseloads, and the situation is liable to change from day to day. Participants
**TILAPIA**

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**China exports of frozen tilapia fillets**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
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<td>8.7</td>
<td>1.4</td>
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<tr>
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<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Iran</td>
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<td>0</td>
<td>0.5</td>
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<tr>
<td>Other countries</td>
<td>9.7</td>
<td>12.2</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22.6</td>
<td>21.4</td>
<td>5.9</td>
</tr>
</tbody>
</table>

Source: *TDM*

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**China exports of frozen whole tilapia**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cote d’Ivoire</td>
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<td>Burkina Faso</td>
<td>1</td>
<td>1.4</td>
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</tr>
<tr>
<td>United States of America</td>
<td>4.6</td>
<td>4.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Other countries</td>
<td>14.9</td>
<td>13.2</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>23.3</td>
<td>16.7</td>
</tr>
</tbody>
</table>

Source: *TDM*

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all along the supply chain will likely continue to minimize risk wherever possible. Low prices and the shift towards retail sales will potentially allow marketers to reach new consumers and develop alternative product lines. Tilapia is also a well-positioned species to take advantage of an increased emphasis on home delivery. At the same time, however, low prices and restrictions affecting the foodservice sector will continue to exert a significant negative impact on revenues. Further assistance from governments will be required to prevent severe financial damage.
Canned tuna demand rising amid COVID-19 pandemic

Panic buying of canned tuna created a vertical curve in February/March when families rushed to stock shelf-stable food at home. The situation calmed down in April as consumers became more adaptable to the lockdown situation, choosing more online groceries and home-cooked meals. Conversely, the pandemic affected demand for large institutional tuna cans as the restaurant trade declined by 80 to 90 percent. Demand and supply of non-canned tuna (fresh and frozen) has also declined.

Supply

In general tuna catches remained stable in the Western and Central Pacific Ocean (WCPO) during the first half of 2020. Fishing continued during the COVID-19 outbreak as many fishing crews were unable to sign off or take their usual break because of the lockdown.

Processing facilities in Manta implemented social distancing measures from April to May, operating at 65 percent capacity. Skipjack catches remained good in this period. The situation, however, resulted in a serious drop in ex-vessel prices of skipjack in Manta and in other tuna hubs around the world during June. Production in Manta gradually returned to 80-90 percent with good stocks of raw material. Fishing in the Eastern Pacific Ocean (EPO) also slowed down due to COVID-19 restrictions.

Raw Material Imports

Imports of frozen tuna for canning fluctuated in Asia and Europe during January to May 2020.

Thai imports of frozen tuna were high at 75 000 tonnes in January 2020 which could be due to the rush to fill the annual quota of canned tuna export to the United States of America at a lower tariff. However, imports slowed down to 35 000 tonnes per month in February and March. Cumulative imports during the first quarter of 2020 were 8 percent lower (145 000 tonnes) than the corresponding period of 2019. Imports returned to increase in April and May at 50 000 tonnes per month when orders for consumer packs poured in from the major markets.

Spain, the largest processed tuna processor in Europe, imported more cooked frozen loins during the first quarter of 2020 (+ 37 percent; 57 615 tonnes) and less whole frozen fish (- 17 percent; 35 300 tonnes) compared with the same period in 2019.

Fresh and frozen tuna market (non-canned)

During the first half of 2020, demand in the two large markets of Japan and the United States of America weakened due to the persistent pandemic crisis. Supplies of fresh air-flown tuna were seriously disrupted by cancelled international passenger flights and lockdowns in the supplying countries. Demand for frozen tuna loins is relatively stable in large and small markets.

Japan

The world’s largest tuna market, Japan, was gravely impacted by COVID-19 during the Spring Festival sales in April and May. In anticipation of strong spring sales, imports of frozen tuna had increased by 23 percent to 52 560 tonnes in the first quarter of 2020, of which 11 645 tonnes were frozen loins. However, the COVID-19 outbreak affected the market, and despite good retail sales of tuna sushi and sashimi for home consumption, sales of high-end bluefin and bigeye tuna were hit hard by the crisis.
Imports of air-flown tuna declined from most of the sources (Mediterranean sources, Sri Lanka, Fiji, Indonesia) during April/May 2020. Even with falling supplies, auction prices fell below last year’s levels due to extremely weak demand from restaurants and the catering trade. The market demand was restricted mostly to home consumption. Imports of fresh tuna to Japan in the first quarter of 2020 also declined (-4 percent; 2 270 tonnes) compared to the same period in 2019.

**United States of America**

Demand growth for US non-canned tuna halted in the first quarter of 2020, particularly affecting fresh tuna demand and supply. Imports of fresh tuna in the United States of America were 15 percent lower (4 631 tonnes) with falling supplies of air-flown yellowfin tuna from Sri Lanka, the Maldives, Fiji, and Costa Rica. This weakening trend will likely persist for some time.

Total imports of fresh and frozen tuna including frozen fillets in this market were 6 percent lower (15 170 tonnes) in the first quarter of 2020 compared with the same period in 2019. However, imports of frozen fillets/steaks increased by 5.6 percent (9 835 tonnes) by stable retail demand during the spring and summer months.

**Other Markets**

In the European Union, imports of frozen loins/fillets totalled 6 000 tonnes (+ 8 percent) in the first quarter of the year. Meanwhile, imports of air-flown tuna fell below the 1 000 tonne level.
In Spain and Italy, the two largest markets impacted by COVID-19, overall consumption will be much lower than in previous years. This year’s falling tourism and low summer demand will impact the non-canned tuna trade in Europe.

Canned tuna trade

During the early months of the COVID-19 outbreak (mid-February to end-March) there were increased sales of canned tuna in the US retail market due to panic buying. Fortunately increased imports during the first quarter of the year supported such large demand. However, there were many cancellations and/or delays of export orders from the food service sector as restaurant and catering sales dropped significantly worldwide.
**TUNA**

**Exports**

Canned tuna exports from Thailand increased significantly to the top 3 markets, that are the United States of America (+41 percent), Egypt (+7 percent) and Japan (+16 percent) during the first quarter of 2020. Sales also increased from the other top exporters during this period.

**Imports**

**North and South America**

With the outbreak of COVID-19, household demand for canned/pouched tuna in the United States of America increased significantly from mid-February to mid-April but has since settled down to a normal level. The market was well supplied from increased imports in the first quarter of 2020 (+6 percent; 55 230 tonnes). These products came mainly from Thailand, Viet Nam, and Ecuador.

Canned skipjack and yellowfin imports were significantly high at 44 360 tonnes (+15 percent) while canned albacore imports totalled 10 800 tonnes (+8 percent). Imports of tuna pouches and other convenient packs increased by 14.6 percent (10 890 tonnes).

In Canada consumer demand followed a similar pattern with canned tuna imports increasing by 14 percent to 8 255 tonnes in the first quarter of 2020.

Imports also grew in Mexico (+10.6 percent; 2 290 tonnes) but declined in Chile (-25.4 percent; 4 555 tonnes) and in Argentina (-36 percent; 4 823 tonnes).

**European Union**

Imports of processed/canned tuna in the European Union increased by 22.8 percent (239 737 tonnes) during the first quarter of the year. Among the top ten individual markets imports increased in all except France.

Imports of cooked frozen loins (mainly used by the local canning industry) increased to 77 000 tonnes (+16 percent). Total imports from extra-EU sources totalled 173 304 tonnes. This figure also includes frozen loins.

Since the outbreak of COVID-19 in Europe, canned tuna demand greatly increased in the regional markets. Sufficient imports of tuna cans and cooked loins during the first quarter of 2020 helped cater to this sudden demand surge. Regional tuna packers in Spain, Italy, France, and Portugal have been able to replenish European supermarket shelves as supplies from the Asia/Pacific region were delayed due to the lockdown.

**Asia/Pacific and Others**

In East Asian markets, the pandemic impact on canned tuna demand has been minimal as household preference remains strong for fresh or frozen seafood. However, demand for canned fish, in general, has increased as supermarkets continue to stock shelf-stable products. Subsequently, imports of canned tuna increased in Japan, Malaysia, Singapore, China and Taiwan (Province of China) by 10 to 25 percent during the first quarter of 2020 compared with the same period last year. Meanwhile, Australia continues to import less.
In the Middle East and North Africa (MENA) region, where canned tuna is in every household grocery list, imports increased in the large markets of Egypt, Yemen, and Jordan. However, in Saudi Arabia, imports and demand declined due to COVID-19 restrictions on foreign pilgrims since March 2020.

Prices

Japanese auction prices of imported sashimi tuna fresh and frozen declined by 20 to 30 percent during April to June 2020 despite lower supplies. The low demand situation may suppress prices of frozen tuna loin in the coming months.

During the first seven months of the year, frozen skipjack prices for delivery to Thailand fluctuated around USD 1 250 per tonne. In April/May skipjack prices reached this year’s peak at USD 1 450-1 500 per tonne, but declined to USD 1 200 per tonne in July. Prices have also firmed up in Manta, Ecuador in July.

Outlook

Fishing in the Western and Central Pacific Ocean (WCPO) slowed down with the commencement of the three-month closure of fishing around fish aggregating devices (FADs), which started on 1 July. In the Eastern Pacific Ocean (EPO), the first 2-months Inter-American-Tropical-Tuna-Commission (IATTC) ‘veda’ starts on 29 July. Hence total supply is expected to be lower than the first half of the year.

Catches in the Indian Ocean are being affected by the occurrence of COVID-19 among the fishing crew in Seychelles, impacting more than 60 percent of active large-scale purse seining operations in the Indian Ocean. The situation is likely to cause lower supplies of tuna to the regional processing facilities and also in transshipments to Thailand. The lower catch projection in the Pacific and in the Indian Ocean will likely push frozen tuna prices up during August to September.

The global financial crisis is likely to hit most of the markets, large and small, in the coming months and years impacting employment and consumer disposable income. Thus demand for higher value tuna will suffer in volume sales.

On the other hand, demand for affordable canned tuna may remain stable in household consumption. For the catering trade, the slowing demand trend will likely continue until outside dining improves. Unfortunately many exporters are reporting foodservice order delays until 2021.

The fresh and frozen tuna market, not intended for canning, may weaken further in the coming months if demand from the catering trade does not improve.