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GLOBEFISH

HIGHLIGHTS

A quarterly update on world seafood markets

30 YEARS OF GLOBEFISH 1984 – 2014

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About GLOBEFISH

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

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

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A quarterly update
based on
the GLOBEFISH databank

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GLOBAL FISH ECONOMY

The overall supply of fishery products in 2014 continues to rise, with an estimated annual growth rate of 2.6% over 2013, which will be the highest increase in the past three years. Aquaculture remains the major contributor with production moving quickly and steadily in the direction of surpassing wild fisheries. According to the latest edition of The State of World Fisheries and Aquaculture (SOFIA), fish farming holds tremendous potential in responding to the surging demand for food that is taking place due to global population growth. Aquaculture's expansion can contribute to food and nutrition security as fish helps to improve the diets of many people and can provide viable opportunities for livelihood. Despite aquaculture's tremendous potential however, investments in research and new technology will be vital to sustain growth as competition for space and scare water resources will put increasing pressure on growth in yields. The forecast for aquaculture production for 2014 is 74.4 million tonnes, up by 5.6% compared with 2013, while capture fisheries has been more or less stagnant at around 90 million tonnes for years.

The ever increasing fishmeal and fish oil prices have encouraged feed manufacturers to seek alternative ingredients such as soymeal. Nevertheless, fish utilization for feed production expects a mild increase. However, most of the additional fish produced this year will likely be consumed directly due to the broadly recognized health effects of fishery products.

Worldwide, a slow economic recovery started from late last year with the longest recession in over 40 years in the euro zone showing strong signs of revival. US and emerging economies seem to have backstopped a further slowdown and are now poised to strengthen. With traditional markets in the USA and EU strengthening their economies, this should boost imports. Emerging markets have continued to demonstrate good growth providing opportunities for domestic, regional and international producers, especially for aquaculture products. World Gross Product is forecasted to grow at a pace of 3 and 3.3% for 2014 and 2015. It seems fair to predict that fishery markets will continue to be strengthened accordingly.

The export value for fish and fishery products is expected to reach USD 140 billion this year, a 4% increase when compared with 2013. The FAO fish price index hit a historic record high in March of 164, mainly driven by the limited supplies of species like salmon, shrimp and tuna in early 2014 demonstrating that the substitution of product in the short-run is less feasible than many have expected. Prices of aquaculture products also reached record high levels, pushed up by ever increasing costs of feed and other inputs. It has been estimated that 2014 will be the year fish consumption from aquaculture will overtake that from capture, with world food fish consumption per capita landing at an average of 20 kg eventually.

FAO Committee on Fisheries (COFI)

From 9 to 13 June, FAO organized the thirty-first session of the Committee on Fisheries (COFI). The Committee constitutes the only regular, global inter-governmental forum where major international fisheries and aquaculture problems and issues are periodically examined and recommendations addressed to governments, regional fishery bodies, NGOs, fish workers, FAO and the international community. As such, COFI is used as a forum for negotiations on global agreements and non-binding instruments.

World fish market at a glance

	2012	2013 estim.	2014 estim.	Change: 2014 over 2013
	million tonnes			%
WORLD BALANCE				
Production	**158.0**	**161.0**	**165.2**	**2.6**
Capture fisheries	91.3	90.5	90.8	0.3
Aquaculture	66.6	70.5	74.4	5.6
Trade value (exports USD billion)	**129.5**	**134.9**	**140.3**	**4.0**
Trade volume (live weight)	**57.6**	**57.8**	**58.0**	**0.3**
Total utilization	158.0	161.0	165.2	2.6
Food	136.2	140.9	144.8	2.7
Feed	16.3	16.4	16.6	1.2
Other uses	5.4	3.7	3.8	4.1
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
Food fish (kg/year)	19.2	19.7	20.0	1.4
From capture fisheries (kg/year)	9.8	9.8	9.7	-1.5
From aquaculture (kg/year)	9.4	9.8	10.3	4.4

Totals may not match due to rounding.

During the Committee, countries recognized the vital role of small-scale fishers with the endorsement of the international "Guidelines for Securing Sustainable Small-scale Fisheries in the Context of Food Security and Poverty Eradication", which were developed to support the world's millions of small-scale fishers, particularly in developing countries, by promoting their human rights and safeguarding the sustainable use of the fishery resources they depend upon for their livelihoods. Countries also took a major step forward in the fight against illegal, unreported and unregulated (IUU) fishing as they endorsed a set of international Guidelines that will hold states more accountable for the activities of fishing vessels flying their respective flags. Additionally during COFI, Norway and FAO announced the launching of one of the most advanced research vessels in the world. With seven laboratories, the vessel will continue collecting data on marine ecosystems, climate change and pollution in order to assist developing countries improve fisheries management.

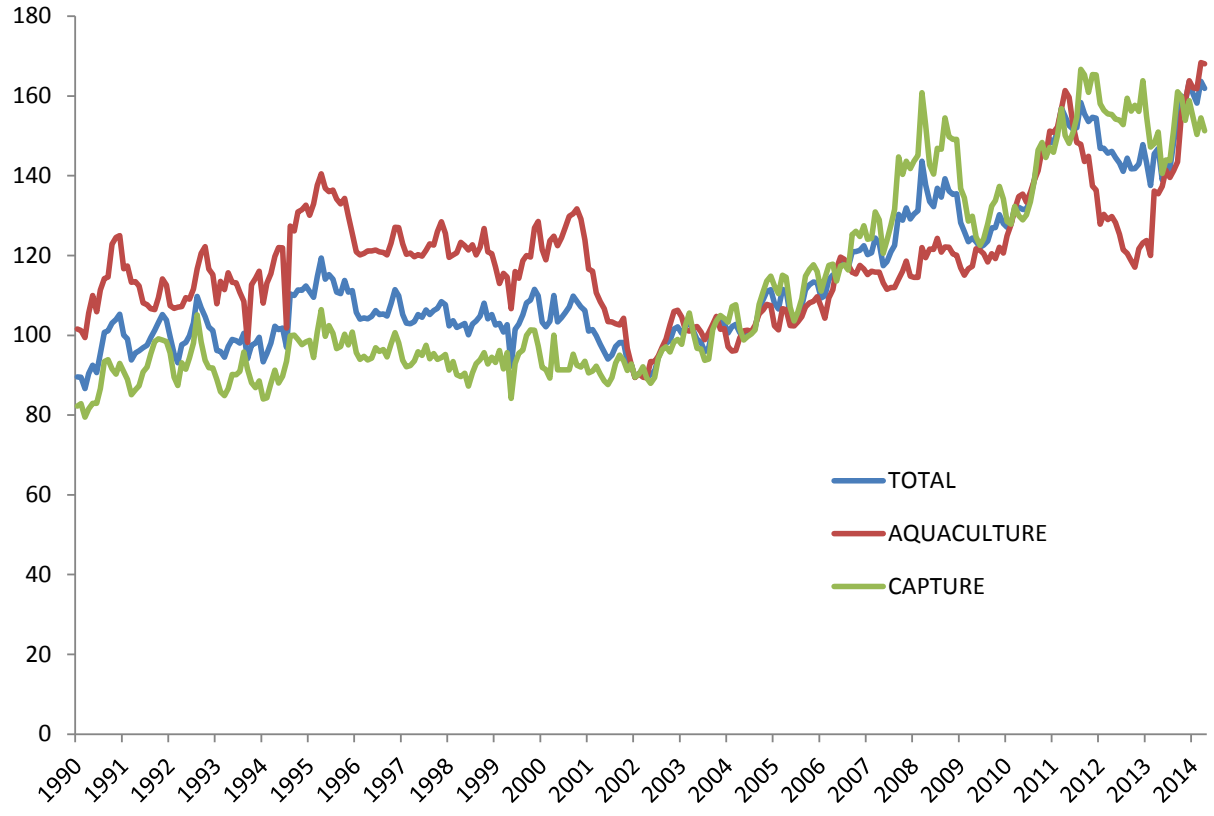
For more information, visit:
www.fao.org/cofi
www.fao.org/news/archive/news-by-date/2014

OECD-FAO Agricultural Outlook 2014

OECD and FAO have just released the twentieth edition of the Agricultural Outlook, which provides market projections up to 2023 for major agricultural commodities, biofuels and fish across 41 countries and 12 regions. The report forecasts that world fishery production will be driven primarily by gains in aquaculture in developing countries. Production growth will come mainly from developing countries in Asia and Latin America. Sustained high costs combined with firm demand will keep fish prices well above their historical averages, which will in turn hold back consumption growth in the coming decade.

For more information, visit:
www.oecd.org/site/oecd-faoagriculturaloutlook

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

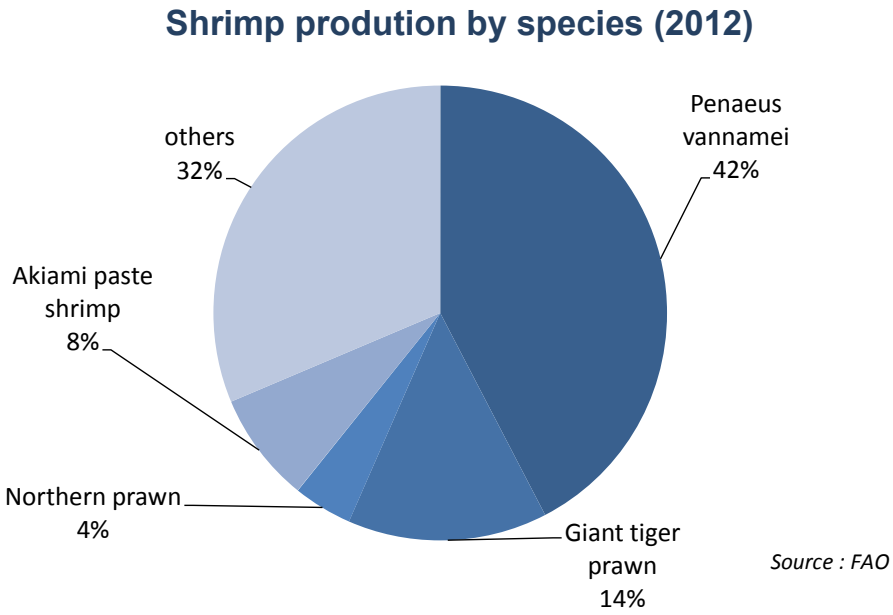


Data Source: Norwegian Seafood Council

SHRIMP

Since early July, shrimp prices have strengthened due to renewed interest from western markets. Import demand from Japan remains slow

During the first quarter of 2014, farmed shrimp production worldwide remained below the expected level. Nonetheless, imports increased into the US and EU markets. With overall production low, prices have been pushed up in the current market. Meanwhile, East Asia continues to strengthen supplies through imports from South Asia and Latin America.



Source : FAO

Supply

Asia

In China, production has not improved much compared to last year, although some farmers in the southern provinces have moved to new areas with the expectation of better harvests.

In Thailand, production has thus far remained below last year's. Though the EMS disease has seemed to stopped spreading, unfavourable weather conditions affected shrimp farming during the first two months of the year with extremely cold weather and again in April and May with the delayed monsoon and hot weather. Many processing plants have been forced to stop operations because of the raw material shortage. Given these challenges, the previous 2014 forecast of 400 000 tonnes of shrimp production is unlikely.

In India, overall supplies have also been lower than earlier forecasted with the delayed monsoon this year another cause of concern. As a result of falling demand in the US market and subsequent price weakening, many farmers opted to harvest early in April. However, there have been renewed import inquiries from US and EU buyers and farmers have begun holding stocks in their ponds from mid-June onwards. Unlike last year, there may not be a large increase in production in the existing vannamei farming area in southern India. However, there will be additional supplies from the southeastern states of Odisha and West Bengal where farmers have adopted vannamei aquaculture and moved away from the traditional black tiger farming. Overall in 2013, black tiger shrimp production in India declined by 40% due to farmers moving into vannamei production.

In Viet Nam, the antibiotic residue alert in the Japanese and EU markets and falling shrimp prices prompted early harvests during the first quarter of 2014. This sudden surge in supply of smaller sized shrimp pushed down raw material prices by 35-37%. Reportedly, some farmers in Soc Trang province are going back to black tiger aquaculture, for which supplies are low and prices are stable compared to vannamei shrimp in the current market. Meanwhile, vannamei production has increased in the new farming areas, while the EMS problem remains a major concern in the areas affected by the disease. During the first quarter of the year, imports of raw shrimp material from Ecuador into Viet Nam for export processing were higher than compared with the same time period last year.

Latin America

In Ecuador and Honduras, farmed shrimp production seems to be going smoothly, reflected by increased exports to the US, Europe and Asian markets. In 2013, Honduras was the leading producer of shrimp in Central America (30 000 tonnes), followed by Nicaragua (24 500 tonnes) and Guatemala (17 000 tonnes).

Capture fisheries

US Gulf shrimp landings were 5.44% lower during the first quarter of 2014 at 3 400 tonnes against the same period last year. Although the import price started to weaken beginning in mid-March, the ex-vessel prices remained firm at higher ranges compared with last year's. In Argentina, the catch season of *Pleoticus muelleri* shrimp in national waters opened in late May and all freezing fleets report good landings; price is under pressure from Europe.

Market trends

As of July, the shrimp market has strengthened with increased prices at the ex-farm level and in international trade. Buyers from the USA and Europe have renewed interests with imports increasing in these western markets. Meanwhile, import interest is also strong from the Southeast for export processing. Australia has increased its domestic consumption.

For exports, as of March 2014, Ecuador appears to be the leading exporter of shrimp with a 32% rise in the volume. Indian exports have also increased by 49% and Indonesia by 20% compared with the same time period last year. An official source in Viet Nam also confirmed increased exports during the first quarter of 2014, for a total of USD 1.65 billion. On the other hand, exports from Thailand declined by 47% and from China by 22% during this period. In Latin America, Mexico imported 54% more shrimp during the first quarter, mostly from Latin America and also from China, while its exports decreased by 37% compared with the same time period last year.

Japan

The Japanese market has been characterized by falling demand for farmed shrimp as a result of supply limitations, price increases from the preferred sources in Southeast Asia and the weak yen. Indeed, for the first time in 25 years, monthly imports of raw shrimp this past March were less than 10 000 tonnes, nearly 23% below last year's imports. Increased supplies from Viet Nam and China did not offset export shortfalls from Indonesia (-39%), India (-42%) and Thailand (-69%). It is noteworthy that despite the rise in production in Indonesia, imports dropped from this source.

Cumulative imports of raw frozen shrimp into Japan during the first quarter of 2014 were 5.26% below last year's. Supplies increased from Viet Nam, which were mostly semi-processed (*nobashi*) and also from China (peeled shrimp). Supplies of cold water shrimp increased from Argentina and Canada during this period.

Processed shrimp imports into Japan were also significantly lower in the first quarter (-20%), due to raw material shortages and the high price in Thailand, the main supplying country. Despite this trend, Thailand remained the leading supplier of value added shrimp

Imports
Shrimp (by product): Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Live	0.0	0.0	0.0	0.0	0.0	0.0
Fresh/chilled	0.0	0.0	0.0	-	-	-
Frozen, raw	40.3	41.8	43.1	42.4	38.5	36.4
Dried/salted/in brine	1.0	0.8	0.7	0.7	0.5	0.5
Cooked, frozen	4.3	4.8	4.8	5.1	5.2	4.5
Cooked & smoked	0.0	0.0	0.1	0.2	0.1	0.1
Frozen *ebi*	0.1	0.1	0.1	0.1	0.1	0.1
Prepared/preserved*	10.6	9.4	11.4	11.6	11.3	8.8
Sushi (with rice)	0.0	0.3	0.7	0.5	0.6	0.4
Total	**56.3**	**57.2**	**60.8**	**60.6**	**56.3**	**50.8**

*(incl. tempura shrimp) Source: Japan Customs

Imports
Shrimp (frozen): Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Argentina	0.4	0.8	1.7	2.5	3.8	7.5
Viet Nam	6.2	7.3	6.8	6.0	5.0	5.9
Indonesia	8.5	7.5	7.9	7.3	7.1	5.2
India	4.8	4.7	4.4	5.7	5.6	4.3
China	2.8	3.2	3.3	3.3	2.2	2.8
Thailand	5.5	9.0	8.5	7.7	6.5	2.4
Russia	2.3	1.8	1.8	1.7	1.5	1.7
Myanmar	1.6	1.0	1.4	1.3	1.1	1.3
Canada	1.6	1.2	1.1	1.3	0.6	1.1
Bangladesh	0.8	0.7	0.5	0.6	0.7	0.7
Greenland	2.3	1.0	0.7	0.7	1.0	0.7
Malaysia	1.1	1.4	2.3	1.8	1.2	0.6
Others	2.4	2.2	2.7	2.4	2.1	2.1
Total	**40.3**	**41.8**	**43.1**	**42.4**	**38.5**	**36.4**

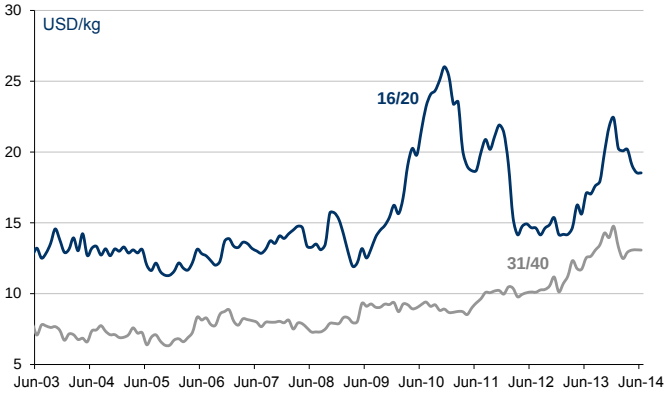
Source: Japan Customs

in Japan while Viet Nam increased its own supply using imported raw material from Ecuador and India.

From January to May 2014, cumulative imports fell 20% below last year's, indicating a falling demand pattern for tropical shrimp in the Japanese market. On the other hand, imports of the cheaper cold water shrimp increased from Argentina, the Russian Federation, Canada and Greenland as a result of favourable demand from supermarkets and sushi restaurants. With the weak yen unable to support import prices of tropical shrimp, the market continues to replace supplies with the cheaper cold water variety.

In domestic wholesale trading, price of shell-on vannamei bottomed out starting in May and then began rising, while local inventories are lower than last year as monthly imports declined beginning in March. Due to the antibiotic residue issue in Vietnamese shrimp, imports of shell-on vannamei from India were expected to increase. However, that scenario is not occurring due to the low market demand and weak yen.

White Shrimp in Japanese market, origin Indonesia



Source: Infofish ITN

USA

During the first quarter of the year, shrimp prices were 15.5% higher in the US retail trade, making shrimp the top contributor to sales in the fresh seafood market segment. However, according to Nielsen, there was a 4% decline in household shrimp purchases during this period. Imports increased in April from Southeast Asia and Latin America. Domestic landings remain below last year's.

In general, though domestic consumption of seafood in the USA was strong during the Lent period in March/April, it did not necessarily boost shrimp consumption.

Imports
Shrimp: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Indonesia	20.7	14.6	16.7	19.4	17.5	24.1
Ecuador	16.1	14.8	15.2	19.2	17.7	22.4
India	4.7	3.6	7.2	10.4	17.1	21.0
Viet Nam	6.6	6.3	7.8	8.6	7.9	16.2
Thailand	36.3	39.1	39.0	30.5	24.0	13.7
China	7.5	9.8	8.1	7.3	6.5	8.5
Malaysia	2.9	4.8	5.9	6.4	5.6	3.7
Mexico	8.0	8.2	4.2	8.0	5.8	3.5
Peru	2.6	2.0	2.6	2.1	2.3	3.4
Guyana	2.4	1.9	2.0	3.1	2.1	2.4
Others	8.7	6.0	6.5	6.6	4.9	8.3
Total	**116.4**	**111.0**	**115.2**	**121.7**	**111.3**	**127.1**

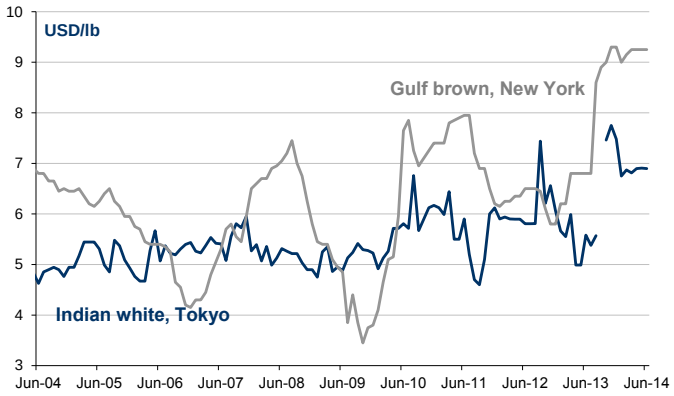
Source: NMFS

Imports
Shrimp: USA

Product	Jan-Mar					
	2012		2013		2014	
	1 000 tonnes	million USD	1 000 tonnes	million USD	1 000 tonnes	million USD
Peeled frozen	44.7	410.1	48.3	419.1	52.0	680.3
Other frozen	17.8	179.1	12.9	122.9	15.5	224.6
Breaded	8.7	59.2	8.0	53.1	10.5	95.7
Other prep	0.5	3.1	0.5	2.8	0.5	3.0
Headless shell-on frozen						
All sizes	49.0	418.5	40.7	360.9	47.6	588.1
< 15	5.2	74.7	4.4	68.9	3.9	72.2
15/20	4.5	47.6	3.7	38.9	3.6	54.6
21/25	7.0	62.3	5.6	53.0	7.4	101.3
26/30	7.9	68.0	6.4	56.3	8.5	109.4
31/40	8.8	64.6	8.1	63.4	8.9	102.9
41/50	5.4	36.6	5.5	38.4	5.7	59.1
51/60	5.0	32.9	3.7	23.7	5.1	49.8
61/70	2.9	18.5	1.7	10.4	2.4	21.7
> 70	2.3	13.4	1.5	8.0	2.1	17.2
Other products	0.9	10.0	0.9	11.8	0.9	11.3
Total	**121.7**	**1 080.0**	**111.3**	**970.6**	**127.1**	**1 603.0**

Source: NMFS

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



Source: Infofish ITN

Many in the catering trade avoided shrimp due to the high prices, using finfish instead. The closure of six Red Lobster restaurants along the West Coast by Darden Restaurant Inc also had a negative impact on shrimp sales.

Nonetheless, shrimp supplies to the USA are increasing with imports substantially higher during the first quarter at 127 100 tonnes, a 14.2% increase compared with the same period last year. Indonesia was the main supplier followed by Ecuador, India and Viet Nam. Supplies of semi-processed raw peeled shrimp and cooked shrimp from Indonesia and Viet Nam were significantly higher compared with last year. There were large supplies of breaded shrimp from China and imports also increased from Thailand. Ecuador exported more shell-on and peeled shrimp to the US market.

Imports

Shrimp: EU-27 (by country of origin)

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Ecuador	13.9	15.8	22.4	19.5	16.3	21.7
India	16.3	14.9	16.1	14.2	16.2	19.4
Greenland	15.3	14.4	17.1	14.4	15.0	14.7
Denmark	10.6	12.0	11.0	9.3	10.1	10.5
Argentina	3.5	4.9	8.7	5.9	8.3	8.3
Netherlands	7.7	8.1	10.0	9.3	8.1	7.7
Viet Nam	5.1	7.4	10.1	7.5	7.1	7.6
Bangladesh	7.0	7.4	8.8	7.6	8.0	6.6
Canada	7.1	7.5	7.2	8.5	5.3	6.3
Belgium	4.7	5.4	6.9	5.6	5.0	5.5
Spain	4.0	4.6	4.9	5.2	5.2	5.4
China	7.4	9.0	11.6	9.1	8.0	5.4
Others	54.4	57.0	57.0	49.0	42.8	42.0
Grand Total	**157.2**	**168.3**	**191.9**	**165.1**	**155.3**	**161.0**
Total Intra Imports	**39.6**	**43.1**	**47.9**	**41.2**	**38.9**	**40.5**
Total Extra Imports	**117.6**	**125.1**	**143.9**	**124.0**	**116.4**	**120.5**

Source: EUROSTAT

Recent trends

The Guardian newspaper's investigation on slave labour in Thailand's shrimp supply chain and the sales of those shrimp by major retailers in the US and UK has become prime news in the media worldwide. The top four global retailers have condemned the use of slave labour in Asia and buyers may switch to other points of origin. According to USA TODAY, the retail giants Wal-Mart and Costco have responded to the allegations by saying "they are taking action in response to this news investigation" while the US State Department may move Thailand to Tier 3 status in its 'Trafficking in Persons Report'. The French supermarket chain Carrefour and the Norwegian retailer ICA have reportedly suspended imports of shrimp from CP Foods in Thailand. CP Foods has since said that it would audit its entire supply chain. The Thai government issued a statement, reporting that "Thailand is making real, measurable and indisputable progress in combating the complex issue of human trafficking".

EU

Despite price reductions during the March-June period, demand for shrimp in the EU market has not improved much this year. Overall imports increased only marginally by about 4% as imports increased into Italy (+3%), Denmark (+7.6%), the Netherland (+20%) and Belgium (5%). Lower imports were reported for the first quarter of 2014 into the large markets of Spain (-10%), France (-0.9%), the UK (-9%), and Germany (-14%), compared with the same time period in 2013.

Interestingly, there has been a surge in supply from Ecuador, the top non-EU source, by 33% during this period. Overtaking Greenland, India positioned itself as the second largest exporter with a 20% increase in supply. Imports also increased from Denmark, Viet Nam, Canada, Belgium and Spain.

International trade developments

Under the Generalised System of Preferences (GSP) scheme, which was extended until December 2014, Ecuadorian shrimp enjoys GSP preferences with a 3.6% tariff for raw shrimp. If no agreement is reached, the tariff will increase to 12% for 2015. The EU proposes that Ecuador join the existing trade agreement between the EU and Columbia, Peru, which seems likely.

Meanwhile, Thailand has starting to feel the impact of the EU new GSP+ scheme. Prepared and preserved shrimp has been the most affected product as it has faced an escalating import tariff of 20% starting in January 2014. The negotiation on the Thailand-EU free trade agreement was suspended temporarily since the Military rule in May. If an agreement cannot be reached this year, tariffs will increase from 4.2% to 12%, in 2015 on all frozen shrimp imports from Thailand.

In the Spanish market, there was a substantial rise in imports from Ecuador and Nicaragua, but supplies declined from other sources.

Imports
Shrimp: Spain

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
IMPORTS						
Ecuador	3.0	3.3	5.7	5.8	3.3	6.6
Argentina	2.7	3.4	7.0	4.4	6.4	6.1
China	4.7	4.8	7.0	5.0	3.8	2.5
Nicaragua	1.2	0.8	0.6	1.0	1.0	1.8
Others	10.4	12.1	14.7	9.4	9.0	10.1
Total	**22.1**	**24.5**	**35.2**	**25.5**	**23.5**	**27.1**
EXPORTS						
Italy	1.9	2.2	2.8	3.3	4.3	2.7
France	1.6	1.4	1.4	1.5	1.1	2.2
Portugal	2.0	1.8	1.5	2.2	1.3	0.9
Others	1.1	0.8	1.4	1.7	1.5	1.6
Total	**6.6**	**6.2**	**7.1**	**8.7**	**8.3**	**7.4**

Source: Agencia Tributaria

This trend is similar in the French market, where exports of vannamei increased (from Ecuador, India and Viet Nam) but declined for black tiger shrimp from Madagascar and Bangladesh as the latter is perceived to be too expensive by the market.

Imports
Shrimp: France

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Ecuador	3.7	5.2	6.1	5.9	7.0	8.3
India	2.9	3.1	3.1	3.3	3.9	4.1
Viet Nam	0.8	1.2	1.1	0.9	1.1	1.4
Venezuela	0.6	0.6	1.0	1.1	1.3	1.3
Netherlands	1.4	1.3	1.4	1.5	1.6	1.3
Madagascar	1.2	1.4	1.2	1.4	1.1	0.9
Bangladesh	0.6	1.2	1.4	0.7	1.2	0.9
Spain	0.7	1.1	1.3	1.1	0.6	0.8
Others	9.1	8.8	7.1	7.3	5.6	4.5
Total	21.2	24.0	23.7	23.2	23.6	23.4
Others	26.9	24.9	20.9	15.3	14.0	12.7
Total	**76.5**	**74.6**	**82.7**	**78.9**	**78.2**	**77.1**

Source: Direction Nationale des Statistiques du Commerce Extérieur – DNSCE

In Italy, there was a marginal recovery in imports with supplies dominated by Ecuador.

Imports
Shrimp: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Ecuador	3.9	5.0	4.9	3.8	4.0	4.5
Spain	1.0	1.1	1.4	1.8	2.4	1.5
India	0.9	1.3	1.8	1.0	1.0	1.4
Argentina	0.8	1.1	1.4	1.2	1.2	1.4
Denmark	0.9	1.1	1.0	0.6	0.8	1.1
Netherlands	0.7	0.9	1.3	0.8	0.5	0.6
Belgium	0.4	0.3	0.3	0.2	0.6	0.5
Others	3.2	3.5	3.3	2.2	1.9	1.7
Total	11.8	14.3	15.3	11.6	12.5	12.9
Total	**47.7**	**48.5**	**51.0**	**53.9**	**44.6**	**44.6**

Source: ISTAT

In order to feed the reprocessing industry, imports increased into Denmark.

Imports
Shrimp: Denmark

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
IMPORTS						
Greenland	14.7	13.9	16.5	14.0	14.6	14.3
Canada	4.9	4.1	3.8	5.5	3.4	3.8
United States	0.1	0.1	0.2	0.6	0.9	1.3
Faroe Islands	1.0	0.9	0.2	0.3	0.4	1.0
Viet Nam	0.2	0.3	0.4	0.4	0.4	0.4
Germany	0.3	0.3	0.3	0.2	0.2	0.4
Others	2.7	2.6	2.5	1.6	2.2	2.4
Total	**23.9**	**22.2**	**23.8**	**22.7**	**22.0**	**23.6**
EXPORTS						
Sweden	4.6	5.0	5.3	5.1	8.3	5.5
United Kingdom	2.8	2.9	2.2	2.2	2.0	2.3
Italy	1.2	1.3	1.1	1.1	1.6	1.8
Germany	1.9	1.6	1.6	1.8	1.5	1.7
Norway	1.0	1.5	1.2	1.4	1.3	1.6
Russia	5.8	5.4	3.0	2.3	1.8	1.5
China	2.5	1.2	1.4	1.1	2.1	1.3
Morocco	0.9	1.0	1.0	0.2	0.9	0.8
Netherlands	1.1	0.9	1.2	0.7	0.3	0.7
France	0.9	0.6	0.6	0.5	0.5	0.5
Others	5.0	5.1	5.5	4.3	3.9	3.7
Total	**27.8**	**26.5**	**24.2**	**20.6**	**24.1**	**21.4**

Source: EUROSTAT

In the UK, total shrimp imports during the first quarter of 2014 were 9% lower than the first quarter of 2013, although supplies increased from India, Viet Nam and Indonesia, mostly for shell-on and peeled vannamei. Imports of processed shrimp suffered due to reduced exports from Thailand (-57.5%) due mostly to an increased tariff on value-added products from this source. The price sensitive market also bought less black tiger shrimp, which affected exports from Bangladesh.

Belgium, the leading distribution hub in the EU, procured more vannamei shrimp from Ecuador and India during the first quarter of 2014, resulting in a 5% increase in overall shrimp imports compared with last year. Belgium also re-exported increased supplies to France, the Netherlands, Germany, and the UK during this period.

Imports
Shrimp: UK

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
India	1.8	1.9	1.8	2.2	2.2	2.5
Bangladesh	1.3	1.1	1.4	1.9	2.2	1.7
Denmark	2.1	2.2	1.9	1.7	1.8	1.7
Thailand	2.1	2.5	4.3	4.3	4.0	1.7
Canada	0.6	1.2	0.9	1.0	1.0	1.4
Viet Nam	0.6	1.2	1.7	1.4	1.3	1.4
Indonesia	2.1	1.9	1.9	0.9	0.9	1.2
Iceland	1.6	1.5	1.3	1.2	0.8	1.0
Others	3.2	3.2	3.4	3.8	3.2	3.2
Total	15.2	16.7	18.6	18.3	17.4	15.8
Total	**57.4**	**61.0**	**63.1**	**66.0**	**62.9**	**59.9**

Source: Her Majesty's Revenue & Customs

Imports/Exports
Shrimp: Belgium

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
IMPORTS						
India	4.2	2.4	4.2	3.0	4.7	5.4
Netherlands	2.4	2.7	3.6	3.8	2.6	2.7
Bangladesh	2.8	1.8	3.2	1.8	1.6	1.5
Viet Nam	0.7	1.1	1.0	0.7	1.0	1.3
Ecuador	2.2	1.0	3.8	2.4	0.4	0.8
Others	4.5	5.0	4.8	3.1	2.7	1.9
Total	**16.7**	**13.9**	**20.6**	**14.9**	**12.9**	**13.6**
EXPORTS						
France	5.0	3.8	7.9	4.8	2.7	2.8
Netherlands	1.4	1.3	2.2	2.1	1.7	1.8
Germany	1.3	1.8	1.4	1.2	1.2	1.4
Spain	1.2	1.2	1.6	1.4	1.4	1.3
United Kingdom	1.6	1.0	0.7	0.3	0.9	1.1
Italy	0.5	0.3	0.4	0.3	0.5	0.5
Others	1.5	1.3	1.5	1.7	1.4	1.3
Total	**12.4**	**10.9**	**15.6**	**11.8**	**9.9**	**10.1**

Source: EUROSTAT

In Germany, lower imports during the first quarter confirmed a weaker market trend.

Imports

Shrimp: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Viet Nam	1.7	1.7	3.3	2.4	1.6	1.6
Netherlands	1.4	1.2	1.9	1.7	1.7	1.4
India	1.6	1.4	1.1	1.2	1.3	1.1
Bangladesh	1.2	1.2	1.0	1.6	1.4	1.1
United Kingdom	0.5	0.8	0.7	0.6	0.5	1.0
Belgium	1.0	1.3	1.1	0.9	0.9	0.9
Thailand	2.2	3.1	2.5	2.7	2.0	0.7
Others	3.3	2.8	3.5	3.3	2.6	2.7
Total	**12.8**	**13.5**	**15.1**	**14.3**	**12.1**	**10.4**

Source: Germany Customs

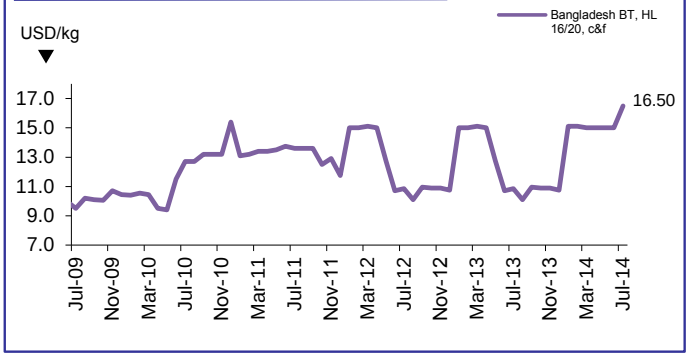
Imports/Exports

Shrimp: Netherlands

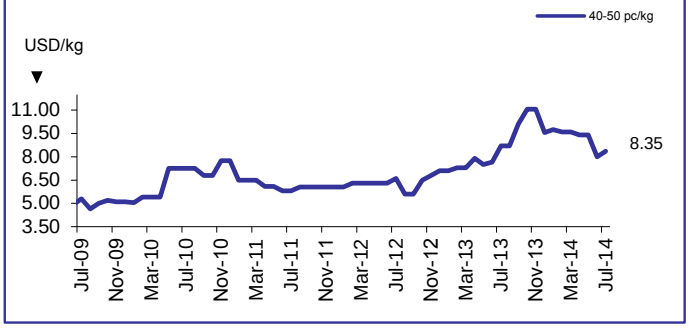
	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
IMPORTS						
India	2.6	2.7	2.0	1.7	1.4	3.2
Morocco	1.6	1.8	1.9	2.0	1.4	1.8
Belgium	0.7	1.0	1.8	1.7	1.1	1.8
Indonesia	1.4	1.4	1.1	0.7	0.5	1.2
Bangladesh	0.8	1.5	1.3	1.2	0.9	1.0
Denmark	0.9	1.1	1.0	0.5	0.3	0.4
Viet Nam	0.3	0.4	0.7	0.7	0.8	0.4
Others	6.6	5.1	6.3	5.8	4.5	3.2
Total	**14.8**	**14.9**	**16.3**	**14.3**	**10.9**	**13.1**
EXPORTS						
Morocco	5.6	5.8	6.1	5.7	4.9	5.2
Belgium	3.0	3.4	3.6	2.6	2.9	2.1
Germany	2.5	3.0	2.9	2.6	3.0	1.6
France	2.9	4.2	3.9	2.2	2.3	1.3
Spain	1.1	0.6	0.5	0.5	0.7	0.6
Italy	0.4	0.6	1.0	0.5	0.5	0.4
Others	1.3	1.2	0.6	0.8	0.8	0.6
Total	**16.9**	**18.8**	**18.6**	**14.9**	**15.0**	**11.8**

Source: EUROSTAT

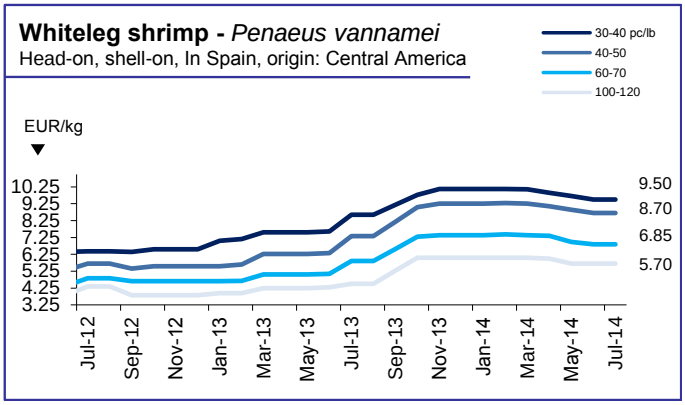
Black Tiger - In Europe, origin: Bangladesh



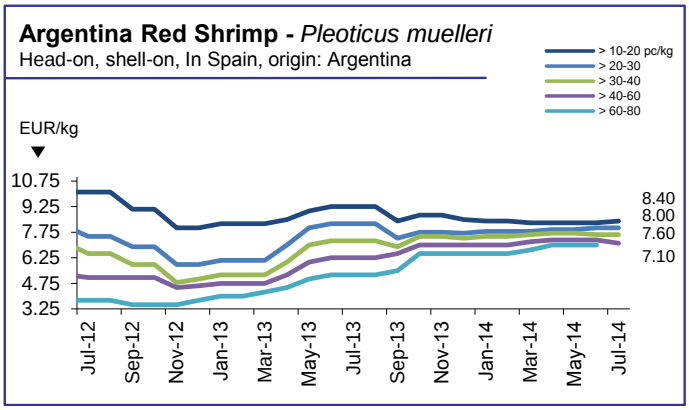
Whiteleg shrimp - *Penaeus vannamei*
Head-on, shell-on, for EMP, origin: Ecuador (fob)



Whiteleg shrimp - *Penaeus vannamei*
Head-on, shell-on, In Spain, origin: Central America



Argentina Red Shrimp - *Pleoticus muelleri*
Head-on, shell-on, In Spain, origin: Argentina



Graphs source: European Price Report

Imports

Frozen Shrimp: China

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Canada	3.3	3.2	2.3	2.9	4.0	4.4
Ecuador	0.0	0.6	1.5	1.0	2.5	3.4
Thailand	1.2	3.3	2.1	2.1	3.3	2.1
Argentina	0.1	0.1	0.2	0.5	1.1	1.2
India	0.5	0.6	0.8	0.7	1.4	1.2
Greenland	1.9	3.6	0.9	0.9	1.5	0.9
Viet Nam	0.3	0.4	0.7	0.6	0.1	0.5
Others	4.9	3.8	5.2	3.2	3.3	2.3
Total	**12.2**	**15.5**	**13.7**	**11.9**	**17.3**	**16.0**

Source: China Customs

Asia/Pacific

In east Asian markets, the retail price of fresh shrimp increased considerably during 2013 and stayed almost at that level in 2014, in turn affecting overall demand. Imports saw year on year decreases during the first quarter between 8-22 %, including in China, the Republic of Korea, Taiwan Province of China, Singapore, Hong Kong SAR and Malaysia. This trend is clearly a result of lower production of farmed shrimp in Asia during the period. However, imports for reprocessing increased in Viet Nam and Thailand, particularly from Ecuador and also from India. As a single market, Viet Nam was the leading market for frozen shrimp from Ecuador during the first quarter of 2014, with Ecuador increasing their exports to this market by 104% to reach nearly 13 000 tonnes. Ecuadorian exports also increased to China (+96%) and took place for the first time to Thailand.

China has recently tightened its borders to fight illegal trade, impacting shrimp imports. Reportedly, some Indian and Ecuadorean shrimp imported into Viet Nam were re-packed and exported to China, though this has slowed considerably this year. However, direct exports from Ecuador to China increased by 36% during the first quarter of 2014 against the same period last year. Imports of cold water shrimp also increased from Canada and Argentina during this period.

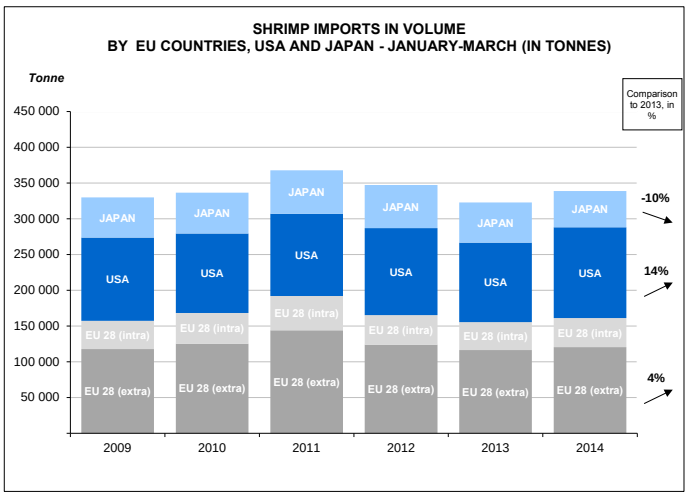
On a positive note, Australian imports of shrimp increased by 24% to 8 500 tonnes during the first quarter of 2014 compared with the same period last year.

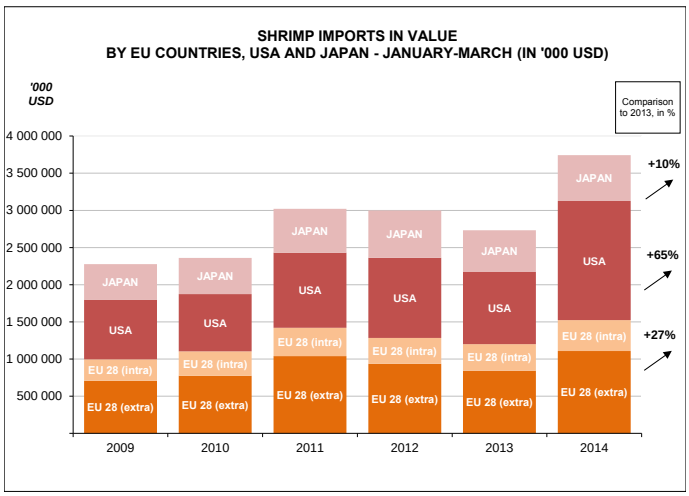
Outlook

On the supply side, moderate to good harvests are reported from India, Indonesia and Viet Nam. In Thailand, this year's annual harvest is unlikely to be higher than last year, which totaled 250 000 tonnes.

In terms of prices, since July, shrimp prices have increased in international trade as a result of renewed interest from US and European buyers and the conservative supply forecasted for the rest of the year. Domestic traders in these markets are cautious although summer demand seems to have improved this year in the USA. In Japan, the weak yen is unlikely to boost imports in the near future.

In Asia, imports into China are likely to increase for domestic consumption, while Viet Nam and Thailand will continue to import for export processing.



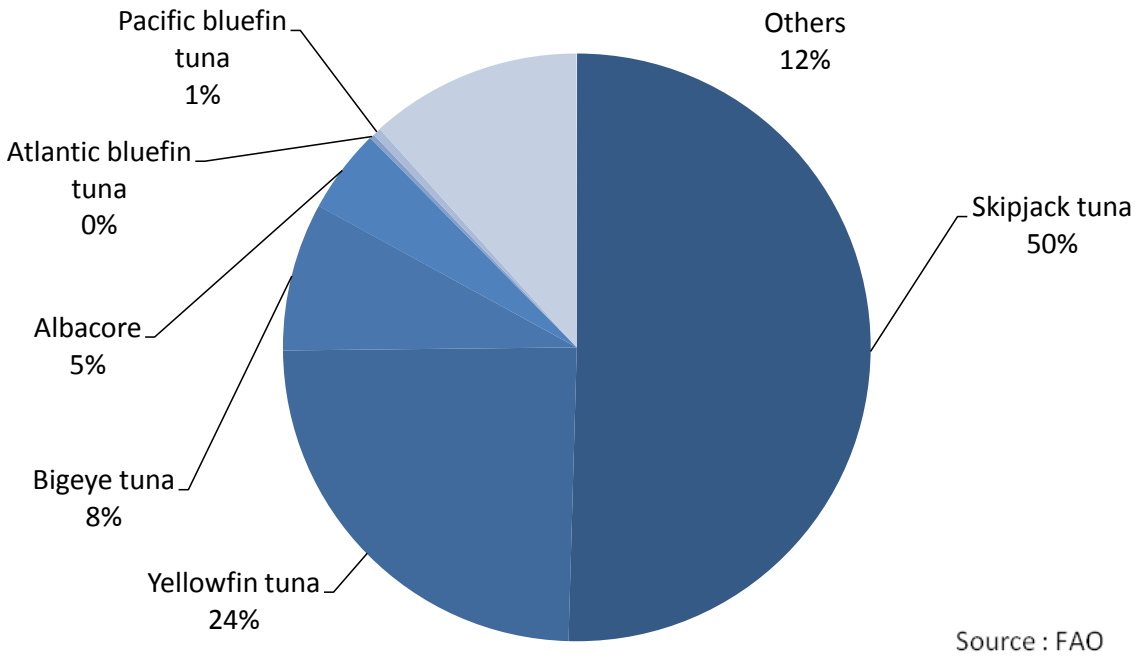


TUNA

Prices of frozen skipjack have recently increased with a further price rise expected in the coming months

In the non-canned tuna market, imports of sashimi tuna weakened further in Japan largely due to the unfavourable yen/dollar exchange rate, while demand remained stable in the US market. In canned tuna trade, the rising raw material prices associated with low catches is concerning to tuna canners and marketers. During the first quarter of the year, the USA and EU saw a decline in canned tuna imports.

Tuna production by species (2012)



Source : FAO

Prices and supplies

Western and Central Pacific

During the first four months of 2014, frozen skipjack prices for delivery to Bangkok weakened to USD 1 200 per tonne in April. However, the price began to strengthen during extensive negotiations between fishing operators, traders and packers at the INFOFISH TUNA 2014 Conference held in Bangkok in May. A negotiation was reached at 1 450 per tonne, with further price increases in the coming months predicted in anticipation of the three months ban on FAD fishing beginning in July in the Western and Central Pacific Ocean (WCPO). Indeed, the delivery price to Bangkok in late June reached 1 750 per tonne. Following the low supply situation, buyers are recognizing that the skipjack market has taken an upward trend and prices may not return to recent lows for some time. As of late June, fishing in the WCPO was low to moderate.

Recent trends

The Parties to the Nauru Agreement (PNA) have increased the annual vessel day fee for foreign fishing vessels from USD 5 000 in 2013 to USD 6 000 for 2014. According to PNA, the number of fishing vessels in the Southern Pacific has recently increased from 200 to 300 leading to “excessive catch by foreign vessels pushing down the market prices”. The measure aimed at eliminating those vessels that cannot withstand the fee rise. Additionally, the fee rise will generate much needed revenue for PNA members for sustainable management of their fishery resources.

Eastern Pacific

According to the Inter-American Tropical Tuna Commission (IATTC), tuna catches in the Eastern Pacific Ocean during 1 January to 2 March 2014, were marginally higher this year at 93 661 tonnes compared with 93 273 tonnes during the same period last year. The main stakeholders of these catches were Ecuador at 37 770 tonnes and Mexico at 23 194 tonnes. However, for skipjack, catches from January to April were 16% below last year's at 84 974 tonnes (Source: IATTC). Yellowfin catches (by pole and line boats and purse seiners) saw a 5% year-on-year increase during the January to April period to 81 369 tonnes

Despite this marginal increase at the beginning of the year, by June catches in the Eastern Pacific had dropped below average due to above average water temperatures caused by El Niño. As a result, the skipjack price has now increased to USD 1 450 per tonne, ex-vessel for Manta, Ecuador. Despite the high proportion of yellowfin in landings in June (60%), the yellowfin price has also increased to USD 2 300 per tonne.

Indian and Atlantic

Catches in the Indian Ocean have proved disappointing, with vessels reporting very poor catches and local canneries short on inventories. The skipjack price has increased to EUR 1 150 per tonne, FOB Mahe while the yellowfin price has increased to EUR 2 150 per tonne. Similarly, vessels in the Atlantic Ocean have reported very slow fishing and the local canneries are now low on raw material. This situation has caused skipjack and yellowfin prices to rise to EUR 1 075 and EUR 2 120 per tonne, ex-vessel Abidjan. Consequently, in the European market, both the skipjack and yellowfin price strengthened (EUR 1 150 per tonne and EUR 2 350 per tonne, both CFR Spain). The market price for cooked, double cleaned yellowfin loins remains stable at USD 8 200 per tonne, DDP Italy.

Aquaculture

Overall, catch levels of sashimi grade tuna have also been lower this year, which is reflected in Japanese landings. Japanese aquaculture experts have been successful in making bluefin tuna spawn in land-based tanks, which is seen as the first step towards the establishment of the technology to stably produce tuna fry from eggs. The Fisheries Research Agency in Japan confirmed the first spawning in a tank on May 16, with 15 400 eggs produced becoming 7 840 fry. The total number of fry reached about 200 000 in two days. The agency has been working to develop spawning technology that uses land-based tanks in which the farming environment can be kept consistent.

In Australia, harvests of Southern bluefin have started early this year in June; these fish will go to the Japanese frozen sashimi tuna market. Currently, nearly 85% of the catch is exported in frozen form due to the longer storage life.

Landings

Tuna: Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Bluefin						
fresh	0.0	0.0	0.0	0.0	0.1	0.0
frozen	0.0	0.3	0.2	0.2	0.1	0.3
Bigeye						
fresh	1.5	1.0	0.7	1.0	0.8	0.7
frozen	3.9	3.8	3.6	5.9	5.8	5.9
Yellowfin						
fresh	1.5	1.4	1.3	1.0	0.9	0.9
frozen	1.4	1.4	1.2	9.3	5.2	7.6
Albacore						
fresh	7.1	9.3	7.7	10.6	7.6	5.8
frozen	0.3	0.7	1.3	2.6	2.7	1.8
Skipjack						
fresh	2.8	2.6	2.4	2.4	3.5	2.0
frozen	51	43.9	60.1	52.3	47.5	47.6
Total	**69.6**	**64.4**	**78.5**	**85.4**	**74.2**	**72.6**

Source: INFOFISH

Non-canned market (fresh and frozen)

Japan

Driven by the annual spring festival in April and May, there was strong demand for sashimi tuna in restaurants, supermarkets and the catering trade. Demand since then has slowed, with prices for all sashimi tuna showing a downward trend. Following the tradition, demand for *tataki* (roasted skipjack) increased in June. Sashimi continues to compete with salmon, a versatile product which can be more competitively priced.

For overall tuna demand, consumer demand improved in June for a short period as a result of the mid-year bonus season, which gives extra disposable income to households. Following June, the market entered a low consumption period.

During the first quarter of 2014, Japanese tuna imports posted negative growth continuing an overall downward trend. While a general decline in consumption of sashimi tuna was one factor in this decline, the higher import cost associated with the weak yen also played a role. The yen/dollar exchange rate remains a major constraint to seafood marketers.

Imports
Fresh/chilled tuna: Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Bigeye	4.0	3.3	2.7	3.5	2.9	2.4
Yellowfin	4.0	3.7	3.8	3.0	2.5	2.0
Bluefin	1.9	1.5	0.7	0.3	1.2	1.3
S. bluefin	0.0	0.1	0.1	0.3	0.1	0.2
Albacore	0.0	0.4	0.8	0.0	0.0	0.0
Skipjack	0.0	0.0	0.0	0.0	0.0	0.0
Total	**9.9**	**8.6**	**7.2**	**7.1**	**6.8**	**5.8**

Source: INFOFISH

Imports
Fresh Tuna: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Yellowfin	3.5	3.5	4.0	3.7	3.5	4.1
Bigeye	1.3	1.4	0.6	0.9	1.0	0.9
Bluefin	0.1	0.1	0.1	0.2	0.2	0.2
Albacore	0.2	0.1	0.2	0.2	0.2	0.1
Skipjack	0.0	0.0	0.0	0.0	0.0	0.0
Total	5.1	5.1	4.9	4.9	4.9	5.3
Total	**18.1**	**14.4**	**16.3**	**15.6**	**16.5**	**16.6**

Source: NMFS

Imports
Frozen tuna: Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Bigeye	17.8	20.0	15.9	19.9	23.1	20.3
Yellowfin	13.0	12.9	11.9	15.8	10.7	10.0
Skipjack	14.7	20.5	7.5	11.2	3.5	6.0
Albacore	1.5	4.2	4.7	3.4	2.7	2.7
S. bluefin	0.6	0.7	0.4	0.5	0.6	0.3
N. Bluefin	1.9	0.7	0.8	0.1	0.2	0.2
Total	**49.5**	**59.1**	**41.2**	**50.9**	**40.7**	**39.5**

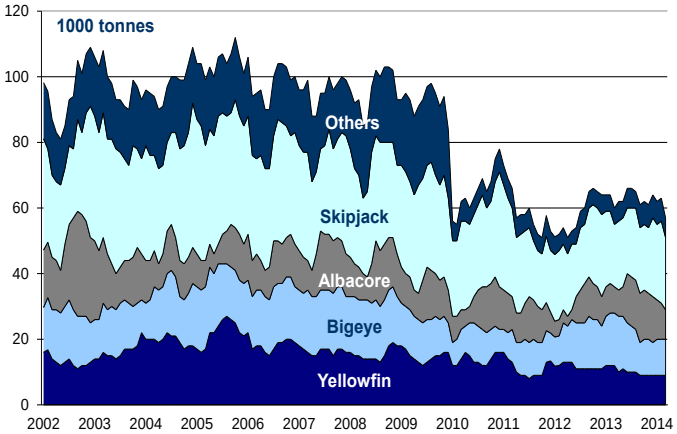
Source: INFOFISH

Imports
Tuna loins: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Thailand	2.1	5.5	5.5	2.8	5.2	7.8
China	0.1	0.0	0.0	1.9	1.7	4.2
Mauritius	1.9	1.4	1.2	1.2	2.3	2.5
Fiji	2.6	2.7	2.1	2.4	3.8	2.4
Ecuador	0.0	0.0	0.0	0.5	0.4	0.0
Trin & Tob	2.3	2.0	1.5	0.0	0.0	0.0
Others	0.8	3.5	1.7	4.4	2.8	1.4
Total	**9.8**	**15.1**	**12.0**	**13.2**	**16.2**	**18.3**

Source: NFMS

Coldstorage holdings
Tuna: Japan



Source: INFOFISH Trade News

Total imports of fresh and frozen tuna in the first quarter, including fillet/loins and tuna meat, were 3% below last year's (55 760 tonnes) compared with the same period last year. Imports of whole dressed fresh and frozen tuna in the first quarter were at a five-year low. In comparison, the demand trend for frozen tuna loins and fillets has slightly improved.

Air-flown imports of fresh tuna in Japan were at a record low during the first quarter of the year, demonstrating a 14% reduction at 5 800 tonnes compared with the same time period last year. Supplies fell for all types of tuna except for bluefin and southern bluefin, for which the quantity is relatively small. It seems the Japanese market is slowly moving away from whole/dressed fresh tuna to frozen loins, which has a longer storage life.

The post holiday festival inventories for bluefin tuna were high, with increased imports of frozen bluefin tuna (whole dressed and loins) during the first quarter of the year compared with the same period in 2013.

Imports
Tuna pouches: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Thailand	6.4	7.2	6.0	4.8	6.9	7.3
Ecuador	2.5	2.9	2.6	2.5	3.3	3.5
Others	1.3	2.1	1.7	2.0	1.0	2.6
Total	**10.2**	**12.2**	**10.3**	**9.3**	**11.2**	**13.4**

Source: NFMS

Imports
Canned tuna (excl. pouches): USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Thailand	19.1	32.3	28.4	18.9	27.3	19.0
Viet Nam	3.6	6.4	7.3	4.8	5.9	5.6
Philippines	8.6	6.5	7.6	7.1	4.9	4.9
Indonesia	4.3	4.3	3.6	2.6	2.5	3.0
China	1.7	1.3	2.4	2.6	3.3	2.5
Ecuador	0.6	0.4	0.6	0.3	0.5	0.0
Others	1.4	1.3	1.4	1.5	1.7	2.4
Total	**39.3**	**52.5**	**51.3**	**37.8**	**46.1**	**37.4**

Source: NFMS

USA

Demand for non-canned tuna in the US market remained stable during the first quarter of 2014, with total imports of almost 10 000 tonnes (fresh and frozen). Under the fresh tuna category (air-flown), imports of both yellowfin and high priced bluefin tuna were higher supported by the stable demand. Also during the first quarter, fresh bluefin imports from Mexico almost doubled from 54 tonnes last year to 106 tonnes this year. Fresh bigeye imports declined slightly, attributed to reduced catches in the major fishing areas.

Compared with the same period last year, fresh tuna imports into the USA during the first quarter were 8% higher at 5 300 tonnes.

Imports of Japanese origin frozen/dressed bluefin to the US market increased from 4 tonnes in the first quarter of 2013 to 171 tonnes in the first three months of 2014 in response to strong demand from the sushi restaurants in the USA.

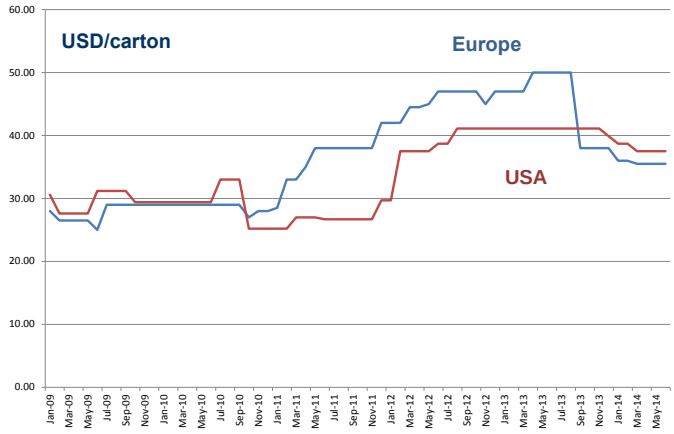
Canned market

USA

The US canned market continues its decline as a result of weakening household demand. According to data presented during the INFOFISH TUNA 2014 conference by David Melbourne, the Senior Vice President of Bumble Bee Food, household intake of canned and pouch tuna in the USA has fallen. For the 52 weeks ending March 2014, consumption was reported at 65.9% compared with 68.1% recorded during the same period of 2010. Retail value of canned tuna has grown marginally, from USD 1.63 billion in 2009 to USD 1.68 billion in 2013, but case volume has fallen 9% in that time.

The declining demand is mirrored in declining imports. During the first quarter of 2014, imports of canned and pouch tuna totalled 50 800 tonnes valued at USD 226.7 million, down by 11.4% in quantity and 16.4% in value compared with the same period of 2013. The declines were mainly attributed to the sharp drop in imports of popular light meat 'tuna in brine' which fell by 23.2% in quantity. Light meat tuna is considered the staple item among the average US consumers, as out of every 10 cans of tuna consumed in the USA, 6 cans are light meat.

CFR Prices
Canned tuna*: USA, EUROPE



* 48x6.5 oz Europe, 48x6 oz USA, chunk, origin Thailand

Source: GLOBEFISH

EU

Last year's positive market growth disappeared this year, demonstrated in the negative import growth during the first quarter as compared with the same period in

2013. Overall imports of canned tuna increased modestly by 0.41 % at 120 800 tonnes against 120 300 tonnes last year in the same period. Imports declined from Ecuador (-22.4%), Seychelles (-4.78%), Papua New Guinea (-10.76%) and Cote d' Ivoire (-57%). Imports increased from Southeast Asia, namely Thailand (+29%), the Philippines (+47%) and Indonesia (+14.8%).

In the individual EU markets, imports of canned tuna were lower in the UK, France, and Germany but increased in Italy, where the market was largely dominated by Spain. Cooked loin imports increased in Spain and also in Italy, where high value canned/pouched packs are made.

Imports
Canned tuna: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Spain	8.3	8.9	10.7	10.5	6.7	15.8
Colombia	1.4	2.7	2.7	2.2	1.1	2.2
Ecuador	0.8	1.6	1.3	0.9	1.4	1.9
Mauritius	1.0	1.0	1.0	1.3	1.0	1.8
Côte d'Ivoire	2.8	1.2	1.7	2.0	1.9	1.3
Seychelles	1.5	1.3	1.0	1.3	1.6	1.3
El Salvador	0.1	0.1	0.2	0.2	0.2	0.4
Portugal	0.4	0.2	0.4	0.5	0.5	0.3
Thailand	0.6	0.5	0.7	0.8	0.6	0.2
Others	2.0	0.6	0.7	0.5	0.6	0.9
Total	**18.9**	**18.1**	**20.4**	**20.2**	**15.6**	**26.1**

Source: Eurostat

Imports
Tuna loins: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Thailand	6.7	4.2	2.7	3.9	2.3	3.5
Philippines	0.0	0.0	0.0	0.1	1.2	2.1
Ecuador	1.7	2.7	1.4	1.8	2.3	1.1
Solomon Isl	0.2	0.5	0.9	1.4	0.3	0.8
China	1.9	1.9	1.8	1.3	1.3	0.8
Mauritius	0.4	0.0	0.1	1.3	0.0	0.2
Kenya	0.0	0.0	0.4	0.7	0.7	0.2
Colombia	0.0	0.0	0.5	0.2	0.1	0.1
Madagascar	0.0	0.2	0.2	0.1	0.5	0.0
Others	0.4	0.4	0.4	0.5	1.2	1.7
Total	**11.3**	**9.9**	**8.4**	**11.3**	**9.9**	**10.5**

Source: Eurostat

Imports
Tuna loins: Spain

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Thailand	6.2	4.6	9.3	1.1	3.3	6.6
Ecuador	6.4	8.2	7.6	5.3	4.3	3.9
China	0.8	1.7	1.8	1.3	3.8	3.5
Philippines	0.0	0.0	0.0	0.0	0.5	1.9
El Salvador	5.9	2.4	1.4	0.9	1.5	1.3
Papua NG	0.1	0.7	0.5	1.1	1.9	1.2
Guatemala	0.9	1.6	1.8	2.7	2.0	1.0
Mauritius	1.0	1.0	3.9	1.5	1.1	0.8
Indonesia	0.0	0.0	0.2	1.1	1.1	0.7
Others	1.4	0.9	1.3	0.9	0.3	1.2
Total	**22.7**	**21.1**	**27.8**	**15.9**	**19.8**	**22.1**

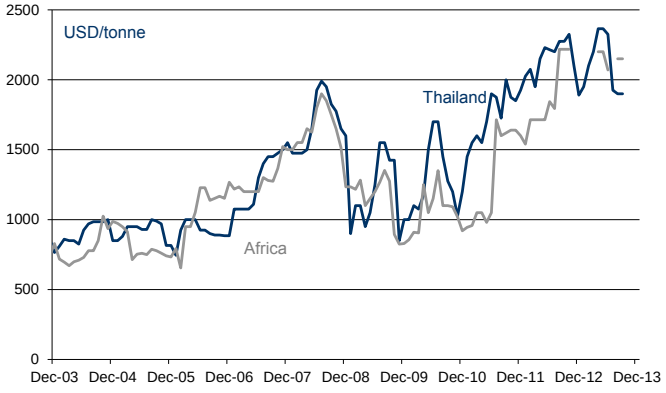
Source: Agencia Tributaria

Imports
Canned tuna: UK

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Mauritius	3.2	5.7	6.5	5.8	5.6	5.0
Philippines	3.0	4.4	2.6	3.2	2.2	3.2
Seychelles	5.0	2.1	3.6	2.9	2.7	3.0
Ghana	4.6	4.6	3.3	3.2	3.8	2.9
Thailand	3.9	2.8	5.6	3.1	3.4	2.3
Ecuador	1.0	1.2	2.4	1.9	2.0	2.3
Papua NG	0.2	0.2	0.4	0.4	1.0	1.1
Indonesia	0.2	0.3	0.5	1.4	2.0	1.0
Spain	0.7	0.3	1.1	1.7	1.3	0.9
Others	2.1	1.9	1.3	1.7	2.4	1.4
Total	**23.9**	**23.5**	**27.3**	**25.3**	**26.4**	**23.1**

Source: Her Majesty's Revenue & Customs

CFR Prices
Frozen Skipjack: Thailand and Africa



Source: ITN

Imports
Canned tuna: France

	Jan-Mar					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Seychelles	1.7	2.4	3.6	5.7	4.3	4.7
Spain	3.7	3.6	6.8	4.9	5.2	4.7
Côte d'Ivoire	6.8	3.0	3.6	6.1	5.5	2.7
Ghana	0.7	1.6	1.7	1.4	0.9	1.9
Ecuador	3.4	3.2	3.0	2.5	3.0	1.7
Thailand	1.6	1.8	2.6	1.7	1.4	1.7
Mauritius	0.1	0.3	0.3	0.6	1.0	1.1
Madagascar	3.1	1.2	2.1	1.8	0.8	0.7
Others	3.6	2.1	1.0	1.1	0.9	1.3
Total	**24.7**	**19.2**	**24.7**	**25.8**	**23.0**	**20.5**

Source: Direction Nationale des Statistiques du Commerce Extérieur – DNSCE

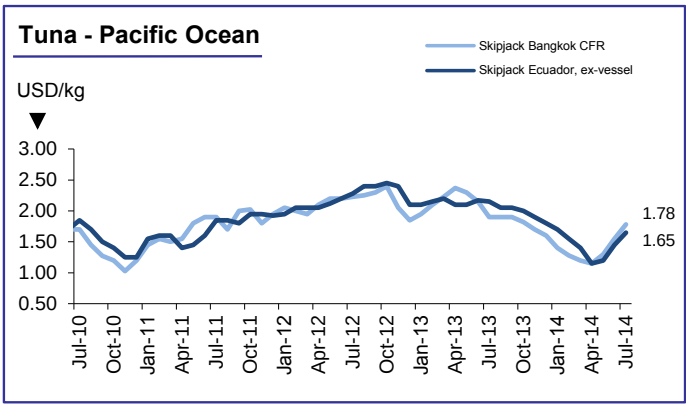
Imports
Canned tuna: Germany

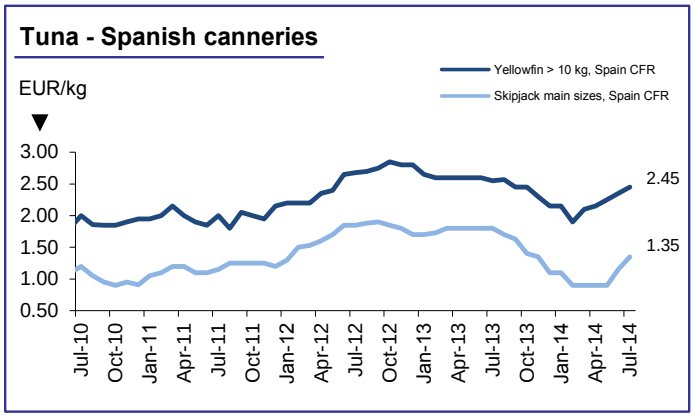
	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Philippines	5.2	4.7	4.6	4.1	3.3	3.5
Papua NG	1.2	2.0	2.5	2.5	2.3	2.3
Ecuador	4.2	2.3	1.4	1.9	2.9	2.2
Viet Nam	1.2	0.8	1.3	1.4	1.8	1.9
Netherlands	0.6	1.2	1.7	1.5	1.1	1.7
Spain	0.1	0.4	0.1	1.6	2.2	1.2
Indonesia	1.8	1.7	2.1	1.7	0.6	1.2
Thailand	1.2	1.6	1.5	0.8	1.5	0.7
Others	0.0	2.3	2.7	1.6	1.9	0.0
Total	**16.8**	**17.0**	**17.9**	**17.1**	**17.6**	**17.0**

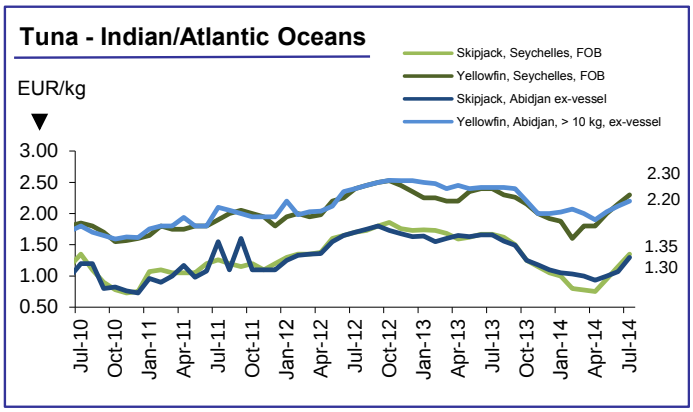
Source: Germany Customs

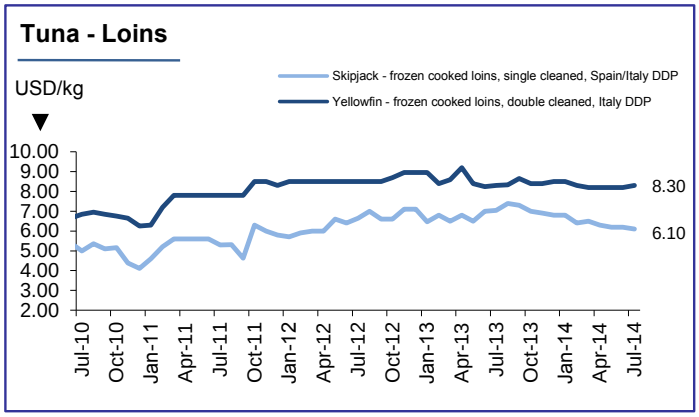
Thailand

The softening of skipjack price has impacted canned tuna exports from Thailand, which declined by almost 4% in value on a year-on-year basis to THB 14.28 billion (USD 439.5 million) during the first quarter of 2014. In quantity, however, the exports were marginally higher (+0.8%) through significant increases in shipments to Australia (+20.8%), Libya (+80.2%), Chile (+36.4%), the Netherlands (+14.3%) and Papua New Guinea (+232.8%), all of which somewhat compensated lower shipments to major markets. A sharp drop in exports was reported to Egypt









Graphs Source: GLOBEFISH European Price Report

International trade developments

The European Commission (EC) has warned the Philippines and Papua New Guinea of the possibility of being banned from the EU market unless they make efforts to curb illegal, unreported and unregulated (IUU) fishing. According to the EC press release, at this stage, the decision does not entail any measures affecting trade. Rather, both countries have been given warnings and a reasonable timeframe to respond and take measures to rectify the situation. The EC has also proposed an action plan for each country to address the shortcomings. Should the situation not improve within six months, the EU may take further steps, which could entail trade sanctions on fisheries imports, as was done recently with Guinea, Belize and Cambodia. European Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, said: "If half of the Western Pacific's tuna is exported to the EU, we cannot ignore illegal fishing activities in this region. I urge the Philippines and Papua New Guinea to fight this practice which puts the livelihoods of fishermen at risk. In the end, sustainability of fisheries in the Pacific Ocean means sustainability here in Europe, on our plates."

In response, the Department of Agriculture of the Philippines has promised to take necessary measures to eliminate IUU fishing and to cooperate with the EC on this matter. Papua New Guinea tuna currently enjoys a duty free and no quota status in the EU market.

The Ecuadorian Government and the EU recently completed their third round of negotiations for a bilateral trade agreement but have not yet arrived at a commercial agreement. The president of the Ecuadorian Chamber of Industrial and Processed Tuna (CEIPA) stressed that the sector represents about USD 1.3 billion in terms of exports, with the European market absorbing 70% of its processed tuna shipments. Besides the tuna sector, the final decision will also have an impact on the shrimp trade between the two partners as Ecuador is the top supplier of shrimp to the EU. The next round of the negotiation takes place in July.

(-15.9%), Canada (-16.1%), the UK (-29.5%), Saudi Arabia (-20.9%), Tunisia (-35.9%) and Argentina (-33.9%).

Meanwhile, the Thai Tuna Industry Association (TTIA) expects the country's tuna exports to grow by 7% in value this year from 2013 levels of THB 86 billion (USD 2.65 billion). The main products are canned tuna and pre-cooked tuna loins with a combined export volume of more than 550 800 tonnes last year. To achieve this target, the TTIA is urging the government to speed up the free-trade talks with the EU to improve the country's tuna product competitiveness by getting preferential tariffs. Currently the EU imposes a 24% tariff on canned tuna from Thailand, which is much higher compared than the US tariff (12.5%). There is currently no tariff for exports to Japan or Australia.

Outlook

Prices of tuna raw material for canning have firmed up in July and this trend is stronger for skipjack due to lower catches taking place in the Eastern and Western Pacific. This will impact imports of canned tuna in the traditional western markets. In the non-canned market segment, summer demand will be better both in Japan and in the USA.

Exports

Canned tuna: Thailand

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
USA	21.4	27.4	26.0	16.8	17.9	17.8
Libya	5.9	7.1	4.1	6.6	6.4	11.5
Australia	7.7	11.0	12.0	8.6	8.1	9.9
Japan	5.7	4.9	6.7	6.5	6.2	5.8
Canada	7.3	7.8	8.3	5.8	6.6	5.5
Egypt	4.8	12.6	10.9	11.1	5.9	4.9
Saudi Arabia	2.4	5.1	4.4	4.9	6.2	4.9
PNG	*	*	1.2	2.5	1.1	3.6
Chile	*	*	1.5	1.2	2.4	3.3
UAE	0.9	1.8	2.1	2.4	2.1	2.3
UK	4.6	2.9	8.1	1.4	3.1	2.2
South Africa	3.3	2.4	2.5	2.2	2.8	2.2
Yemen	*	*	1.7	2.6	2.3	1.9
Argentina	2.9	4.1	4.0	1.6	2.6	1.7
Netherlands	*	*	2.0	1.4	1.4	1.6
France	2.8	2.4	2.5	1.7	2.4	1.4
Tunisia	*	*	*	*	1.9	1.2
Syria	2.6	2.9	3.3	1.1	*	*
Others	61.5	15.4	38.0	24.1	25.2	23.7
Total	**131.2**	**104.9**	**136.0**	**101.4**	**104.6**	**105.4**

Source: Thai Customs * included under "others"

GROUNDFISH

Abundant cod supplies, tighter surimi market

So far this year, the Barents Sea and Lofoten cod fisheries have been very good, but prices have been low. The skrei fishery in Norway was especially productive in the spring, reflected by record Norwegian cod exports during the first half of the year. On the surimi market, a shortfall in global supplies is foreseen, and consequently higher prices may be expected.

Cod

Supplies

The Barents Sea cod stocks are generally seen as well managed by the joint Russian-Norwegian Fisheries Commission. After a period of lower production, the cod stocks have been brought up again and are now considered in good shape. However, the International Council for the Exploration of the Sea (ICES) has recommended a 10% cut in the quota, recommending a quota of 894 000 tonnes for 2015. Observers in Norway were surprised at this, and now expect that prices may be driven up as a result. At the same time, ICES is recommending a 10% increase in the haddock quota. This is also a bit surprising, as the Norwegian Director of Fisheries has proposed a cease on all haddock fishing for the rest of 2014 as a provisional measure to stop the decline in the haddock stocks.

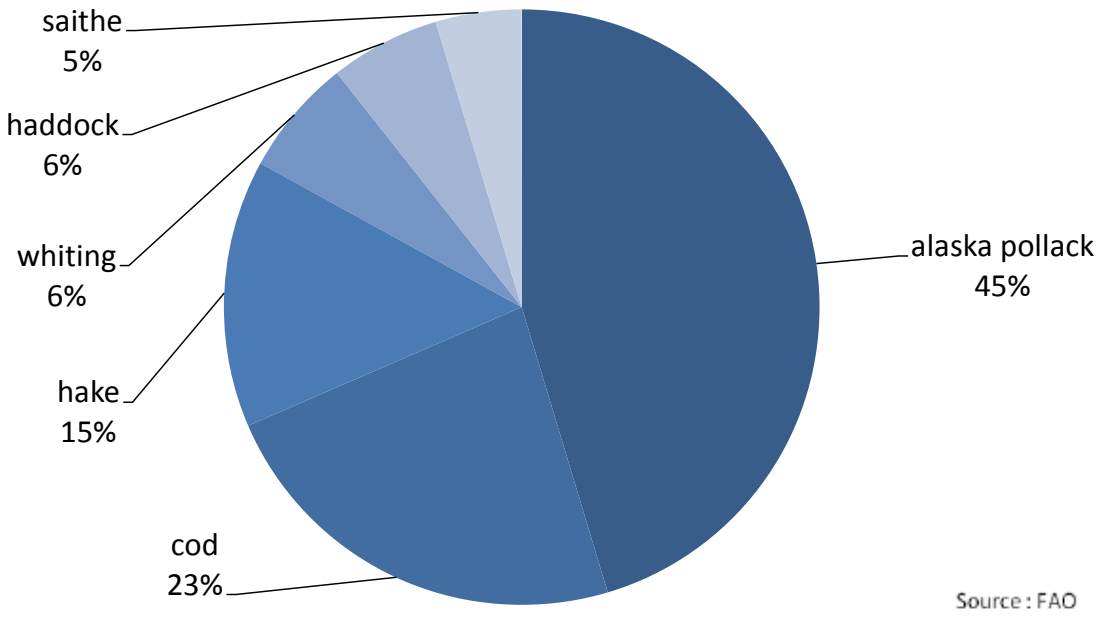
Relative to the Barents Sea cod stocks, the Baltic cod is not doing so well. Based on scientific advice, ICES has recommended a significant cut in the quota for 2015. The quota cuts suggested are 53-56% below last year's quota.

Exports

The Norwegian Seafood Council reports that groundfish exports during the first half of 2014 set new records. Total exports amounted to NOK 5.82 billion (USD 946 million), which was a 20% increase over the same period in 2013. The main reason for this increase was the very productive fishery during the first half of the year. Prices, on the other hand, were low, although they have been rising in recent weeks.

All sectors of the Norwegian groundfish industry have shown an increase in export values. The export value of fresh fish rose by 29%, frozen products by 14%, stockfish by 16%, salted fish by 25%, and klippfish by 6%. However, in some cases the export volumes declined slightly (Source: Norwegian Seafood Council). In particular, exports of skrei were up significantly, reaching NOK 794 million (USD 130 million), an increase of 62% compared to the first half of 2013. Skrei is the spawn-ready spring cod coming

Groundfish production by species (2012)



Imports
Frozen cod fillets: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	3.0	2.1	4.2	3.1	3.0	2.8
Poland	0.2	2.6	1.0	1.1	1.6	1.3
Viet Nam	0.0	0.7	0.0	0.5	0.6	0.6
Greenland	0.0	0.0	0.1	0.1	0.2	0.3
UK	0.1	0.1	0.1	0.2	0.1	0.3
Norway	0.0	0.1	0.1	0.1	0.2	0.3
Netherlands	0.0	0.0	0.0	0.1	0.1	0.2
Russian Fed	0.2	0.2	0.2	0.1	0.2	0.2
Others	**0.8**	**1.0**	**0.9**	**0.6**	**0.5**	**0.4**
Total						

Imports
Cod-like groundfish: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Fillets						
China	20.1	19.4	22.2	21.3	22.4	23.1
Iceland	2.9	2.4	1.6	2.1	3.1	3.3
Canada	1.4	1.0	0.9	1.1	0.9	1.0
Norway	0.4	0.3	0.2	0.1	1.0	0.4
Others	1.4	2.3	1.8	2.8	4.7	4.7
Total	26.2	25.4	26.7	27.4	32.1	32.5
Blocks/Slabs						
China	**9.8**	**9.6**	**8.7**	**9.3**	**8.4**	**8.6**
Iceland	*0.5*	*0.2*	*0.2*	*0.3*	*0.5*	*0.6*
Norway	0.1	0.2	0.3	0.1	0.2	0.3
Argentina	0.2	0.2	0.1	0.2	0.3	0.2
Russian Fed.	1.1	0.6	0.3	0.2	0.1	0.0
Canada	0.2	0.1	0.1	0.1	0.1	0.0
Others	0.3	0.6	0.4	0.6	1.1	0.3
Total	12.2	11.5	10.1	10.8	10.7	10.0
Gr. Total	38.4	36.9	36.8	38.2	42.8	42.5
Total	**31.9**	**35.5**	**31.1**	**31.0**	**28.8**	**27.1**
Gr. Total	**102.1**	**105.8**	**103.5**	**108.2**	**104.8**	**107.7**

Source: NMFS

into the Lofoten and Vesterålen areas of northern Norway every year. About 40% of the spring-spawning cod spawn in this area.

Imports

US imports of groundfish increased by just 2.8% in 2013 compared with 2012. During the first quarter of 2014, imports slowed, and were just slightly less than during the same period in 2013, at 42 500 tonnes. Both fillet imports and block/slabs imports are very stable. There was also very little movement in the relative positions of the major suppliers. China remains by far the most important supplier, accounting for about 75% of total US imports of cod-like groundfish during the first quarter of the year.

German imports of frozen cod fillets were also remarkably stable during the first quarter, at 6 400 tonnes, compared with 6 500 tonnes in the same period in 2013. The UK registered a slight decline in imports, as the volume slid from 24 200 tonnes in the first quarter 2013 to 23 800 tonnes in the same period in 2014. On the German market, there was little movement in the relative positions of the suppliers, while in the UK, China, Iceland and Norway gained market share, while Denmark and the Faeroe Islands lost some ground.

Prices

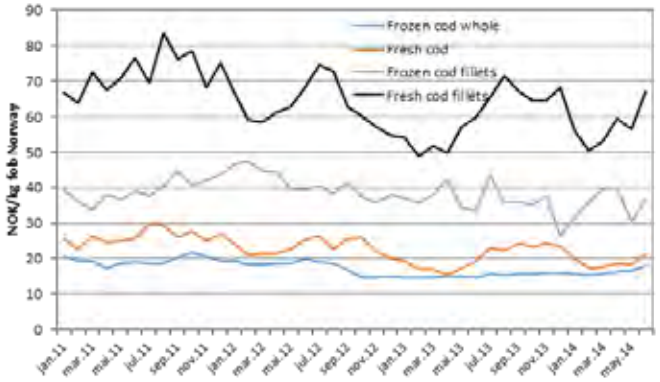
In general, cod prices continued to strengthen during the first quarter of 2014, and this trend persisted into the second quarter. Demand on the European market, which is the price leader for Atlantic cod, is strong and getting better as the economies recover. In spite of large amounts of cod available from Norway around Easter,

Imports
Frozen cod: UK

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	3.0	3.9	4.2	4.6	4.8	6.1
Iceland	4.0	4.6	3.7	4.7	4.4	5.0
Russian Fed.	1.3	1.1	1.9	3.4	3.3	3.3
Norway	2.4	2.5	3.1	2.4	2.4	3.8
Denmark	1.5	1.8	1.6	1.4	2.5	1.3
Faroe Is.	1.0	1.1	1.2	1.8	1.7	0.7
Germany	0.4	0.8	1.7	1.7	2.0	1.6
Greenland	0.4	1.0	0.8	1.5	1.5	0.9
Poland	0.9	0.6	0.6	0.5	0.8	0.3
Others	0.6	0.6	1.0	0.2	0.8	0.8
Total	**15.5**	**18.0**	**19.8**	**22.2**	**24.2**	**23.8**

Source: Her Majesty's Revenue & Customs

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



prices held firm. Norwegian processing companies were buying a significant amount of cod for salting, and this also helped push prices upwards. Another reason why prices have risen is the fact that EU vessels have not been able to fish in the Barents Sea at the beginning of the year. Thus, Norway and the Russian Federation have controlled the fishery completely, and the total volume entering the market has been lower than usual. This will, however, change later in the year, when the EU vessels are back in action.

Reports from North America indicate that this market is stable, and that prices are also firming up there.

Haddock prices, which have been very high, are staying firm. Supplies of haddock are limited, and there is not much change in the situation.

Alaska pollock

Supplies

The stocks of pollock have been in decline for some years in the Russian Federation. Based on scientific advice, the TAC in the Far East waters of the Russian Federation was reduced from 1 million tonnes in 2011 to 885 000 tonnes in 2014. The Russian Federation went through a similar decline a decade ago, when the TAC was reduced from 810 000 tonnes in 2001 to only 415 000 tonnes in 2004. Russian scientists in the Kamchatka-based Research Institute of Fisheries and Oceanography (KamchatNIRO) now insist that there is no evidence to support an increase in the TAC. Consequently, they are in disagreement with the all-Russian fishery institute VNIRO, which recommends an increase of the TAC to 965 000 tonnes for 2015.

Imports
Frozen Alaska pollock fillets: France

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	6.5	4.7	6.8	6.2	7.3	4.7
Russian Fed.	1.2	1.2	0.6	1.2	2.1	2.3
USA	1.4	1.1	2.3	2.3	1.4	2.0
Germany	0.8	0.9	1.7	1.4	1.7	2.1
Others	0.2	0.6	0.0	0.1	0.1	0.1
Total	**10.1**	**8.5**	**11.4**	**11.2**	**12.6**	**11.2**

Source:DNSCE

Imports
Frozen Alaska pollock fillets: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	24.8	24.7	24.9	19.1	26.6	22.3
USA	8.3	9.8	10.7	16.1	8.7	14.6
Russian Fed	8.5	4.0	1.6	2.0	2.3	3.2
Others	1.3	1.3	0.9	0.6	0.6	1.1
Total	**42.9**	**39.8**	**38.1**	**37.8**	**38.2**	**41.2**

Source: Germany Customs

Pollock roe yields have been strong so far this year, indeed almost double that of last year's yield, causing supplies of roe to be significantly up. However, as last year demonstrated exceptionally low roe supplies, some are claiming that levels are now only back to normal. Consequently, pollock roe prices have come down, although not as much as could be expected.

Imports

In 2013, there was a significant reduction in German imports of frozen Alaska pollock fillets, which fell by 12.7%. There are signs that this may change in 2014. During the first three months of the year, imports of frozen fillets were up by 7.9%. The increase was mainly from the Russian Federation and the USA, while imports from China were a bit lower compared with the same period last year. Imports of frozen Alaska pollock fillets into France fell slightly (-11%). Again, there were reduced shipments from China and slight increases in shipments from the Russian Federation and the USA.

Imports

Frozen hake fillets: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Peru	0.8	1.5	1.1	0.4	0.6	1.0
Namibia	0.4	0.5	0.6	0.9	0.6	0.6
USA	1.4	2.2	1.8	1.8	0.2	0.4
Argentina	1.4	1.2	0.1	0.3	0.4	0.1
S.Africa	0.8	0.1	0.1	0.0	0.2	0.0
Others	**0.4**	**0.4**	**0.2**	**0.3**	**0.2**	**0.0**
Total						

Imports

Frozen hake: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
USA	0.0	0.8	1.5	1.5	1.6	1.3
S. Africa	0.9	0.9	0.8	0.8	0.8	0.9
Namibia	0.4	0.6	0.7	1.0	1.1	0.8
Uruguay	0.8	1.6	1.6	0.4	1.0	0.8
Spain	0.6	0.7	0.8	0.6	0.7	0.8
Argentina	1.7	2.1	1.5	1.5	1.3	0.6
Peru	0.0	0.0	0.0	0.2	0.4	0.4
Others	0.6	1.1	0.7	1.0	0.7	0.5
Total	**5.0**	**7.8**	**7.6**	**7.0**	**7.6**	**6.1**

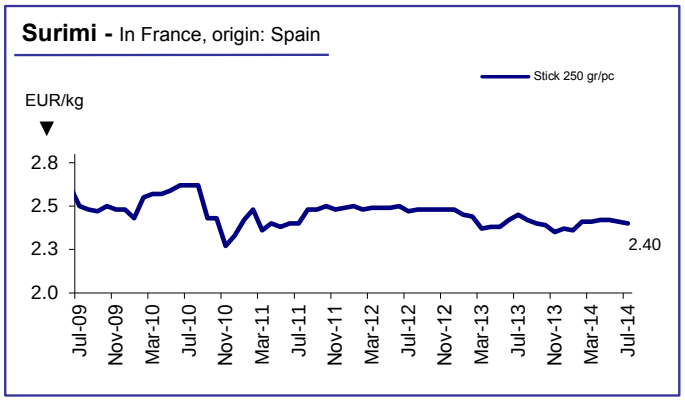
Source: ISTAT

Hake

Supplies

In April, Peruvian authorities authorized an extra 5 000 tonnes of hake to be caught in the very north of the country (Source: fis.com). The maximum TAC for hake was set at 47 129 tonnes, up 21% compared to the 2013 quota. However, the industry wanted even more of an increase; they had requested a total quota of 70 000 tonnes, an 80% increase on last year's quota.

Apparently, IUU fishing is a significant problem in the Chilean hake industry. Undercurrent News reports that illegal, unregistered or unreported catch of hake in Chilean waters may constitute as much as over 80% of the TAC. Consequently, the sustainability of hake in Chile is at risk.



Graph Source: European Price Report

Imports

The European demand for hake is strengthening, as a result of improved economic conditions, especially in southern Europe. Supplies from South Africa and Namibia are limited, as exporters claim that demand is greater than supplies at the moment. In Germany, however, hake meets strong competition from Alaska pollock, which is well established in that market. Pollock is in good supply, and prices are lower, while Cape hake prices are relatively high at the moment.

Frozen hake fillet imports into Germany during the first quarter of the year were level with the same period last year. Italy, which showed good growth in imports of this product in 2013, registered a 20% decline in imports during the first quarter of 2014.

Surimi

Supplies

Observers are predicting a 50 000 tonne shortfall in global supplies of surimi this year. Global production has dropped to about 800 000 tonnes, which is down from 850 000-900 000 tonnes last year, mainly due to lower production in Southeast Asia. At the same time, global consumption of surimi is increasing. In total, consumption is estimated to have grown by 5% over the past year, to about 850 000 tonnes. With inventories relatively low, this could translate into rising prices.

Japanese production is set to decline this year. According to the National Surimi Manufacturers Association in Japan, frozen surimi production in Hokkaido declined by 32% in April. The main reason for the decline was the very tight raw material supply situation. The decline in domestic production is expected to be compensated by higher imports from the USA. Thus, total supplies should remain at the same levels as last year, at about 290 000 tonnes.

The South Korean company LF Food is investing in a new surimi plant in Indonesia to produce for the Thai and Polish markets. The factory will be set up near Jakarta to

process tropical fish species into raw surimi in blocks. The blocks will be further processed in Thailand and Poland.

Market trends

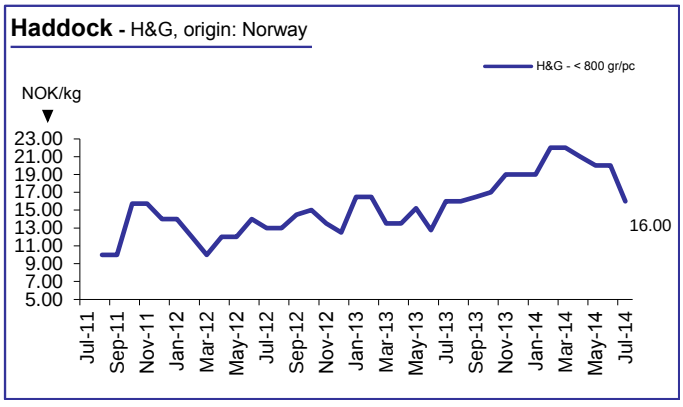
US consumption of surimi has stagnated over the past few years, dropping from 185 000 tonnes in 2003 to 175 000 tonnes in 2013. This decline has worried the industry, especially since consumption saw a dramatic increase in the preceding decades: from 15 000 tonnes in 1982 to 185 000 tonnes in 2003. The US surimi industry is now taking steps to reverse this trend, focusing on product development and particularly on improving quality (Source: Undercurrent News).

Meanwhile, one major player in the surimi sector, American Seafoods, saw strong growth in the market. In North America, the company expects sales to rise by 5-8%, while in the EU, they expect double-digit growth. Others are less optimistic. In France, the industry has grown from 100 to 5 000 tonnes per year over the past 25 years. However, the market is now flat, according to Fleury Michon. Since crab sticks constitute 90% of surimi products sold in France, one is tempted to suggest that product development should be high on the agenda.

According to Undercurrent News, surimi prices in the Republic of Korea are going up for the B season by 5-15%, with lower grade surimi seeing the largest price hikes. There are several reasons for this trend, one being that the purchasing power of the Republic of Korea consumer has improved, partly as a result of the strengthening of the won against the US dollar. Another factor that is driving prices up is the higher cost of raw material and higher operating costs. The Koreans are also currently negotiating for price increases with European and Japanese buyers, but expect smaller price increases in these markets.

Outlook

For cod, the supply situation is expected to be strong for the rest of the year, but if the ICES advice is followed, there will be a slight reduction in supplies next year. This should push cod prices up further, and the first signs of this increase has already been observed.



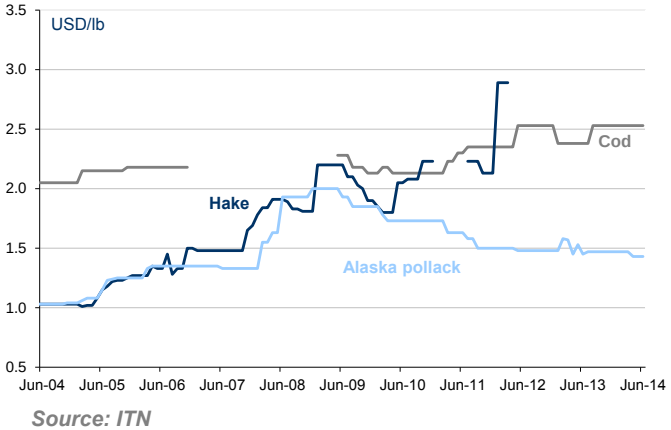
Haddock prices will continue to climb, as supplies are tight. Supplies of Alaska pollock may be limited with prices also strengthening, but much depends on how the catch is channelled into surimi production. For surimi, a shortfall in supplies and thus rising prices is expected.

Market focus: Russian Federation

At present, the market of the Russian Federation for groundfish species is characterized as dynamic with growing catches and active demand. According to www.fishnet.ru, by the end of June 2014, the catch in the Northern Basin amounted to 322 100 tonnes, demonstrating relative stability compared to the same period last year. Catches of cod have increased while haddock catches have decreased due to reduced national quotas (by 10 400 tonnes). Indeed, by June 24 2014, the catch of cod had reached 249 100 tonnes for the year, which is 35 300 tonnes more than during the same period last year. Haddock landings amounted to 40 200 tonnes, 2 900 tonnes less than last year.

Market demand for cod and haddock in Murmansk is very good. Freshly frozen cod is being sold very quickly on the local wholesale market, and currently the sellers are experiencing a lack of frozen headed and gutted cod. The prices are increasing and ranging from RUB 90 to 95 per kg (EUR 1.93 to 2.03 per kg). There is also limited supplies of haddock on the Murmansk wholesale market as nearly all of the freshly frozen gutted haddock (500 g-1 kg) are sold out. Prices for freshly frozen gutted haddock range from RUB 118-125 per kg (EUR 2.53-2.68 per kg) and are expected to further increase.

CFR prices
Groundfish blocks: USA



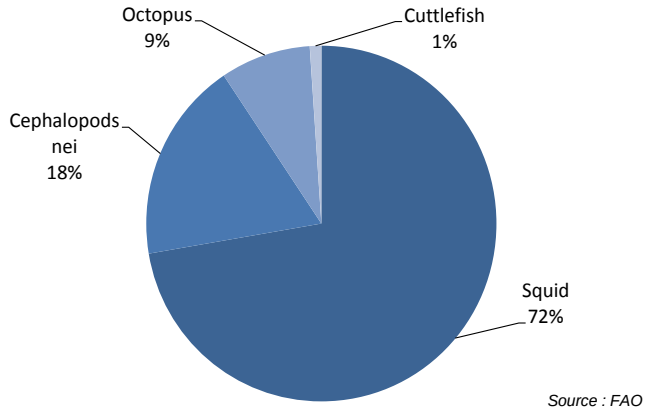
Source: ITN

CEPHALOPODS

Record supplies of squid with falling prices expected

Record catches of squid off the Falkland Islands (Malvinas) set the season off to a very strong start, though prices have suffered in the face of excellent supplies. For octopus, supplies are more moderate, but EU demand is slow. Cuttlefish is in short supply.

Cephalopods prodution by species (2012)



Source : FAO

Octopus

Supplies

Landings in Morocco for the first five months of 2014 totaled 4 419 tonnes in volume and USD 22.1 million in value. This is a regression in landings compared with the same time period last year, which is explained by the fishing ban period from November 1 2013 to February 14 2014. In terms of recent quotas set, after a two month biological resting period from 1 April to 30 May 2014, a quota of 1 965 tonnes was set for artisanal and coastal fishing vessels from 1 to 13 July for regions north of Boujdour. The average price of octopus on the first-hand market is MAD 30 per kg (USD 3.63) from coastal fishing and MAD 40 per kg (USD 5.85) from artisanal fishing. Prices have somewhat picked up compared with 2012, but they have halved from what was recorded in 2011.

Undercurrent News reports that large-scale octopus farming could be a reality sooner than most expect. After 15 years of research, the Spanish Institute of Oceanography in Vigo is now trying to overcome initial issues, particularly feeding problems during the larval stage. Consequently, production has so far been based on wild-caught smaller specimens, which are kept in captivity and fed until they can be sold during the high season (Christmas and summer). However, this way of farming octopus is inherently flawed by having to depend on wild catches. The Institute is therefore concentrating on controlling the full life cycle of the octopus to secure a steady supply of juveniles. It is expected that this can be achieved within the next three years.

The state of Yucatan has emerged as Mexico's main octopus producing region. Annually, about 10 000 tonnes of octopus are caught there, the main species being the red octopus (*Octopus maya*). A large part of this volume is exported to the EU: in 2013, about 3 500 tonnes were shipped from the port of Progreso to the EU. Mainly a small-scale, artisanal fishery, the sector employs about 19 000 fishermen in some 4 000 small vessels. Total annual production of octopus in the state of Yucatan is valued at about USD 38.7 million.

On the EU market, the high prices of imported boiled octopus are expected to come down a bit. In the

Imports
Octopus: Japan

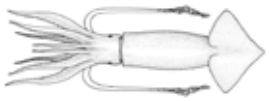
	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Morocco	0.5	2.5	0.3	1.0	8.0	4.9
Mauritania	4.2	2.0	2.0	3.8	5.6	2.5
China	1.0	1.7	2.0	1.8	1.3	1.5
Viet Nam	1.1	0.7	0.9	1.0	0.8	0.7
Thailand	0.4	0.2	0.3	0.4	0.3	0.2
Spain	0.4	0.2	0.4	0.5	0.3	0.0
Others	0.3	0.1	0.3	0.6	0.7	0.4
Total	**7.9**	**7.4**	**6.2**	**9.1**	**17.0**	**10.2**

Source: Japan Customs

Imports
Octopus: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Morocco	5.4	3.6	1.6	1.4	5.0	3.5
Spain	2.0	2.1	2.0	1.4	2.1	1.6
Mexico	0.1	0.6	1.8	0.6	0.4	0.9
Tunisia	0.4	0.4	1.3	1.6	0.3	0.8
Indonesia	0.9	0.8	1.0	1.6	0.6	0.7
Mauritania	1.6	0.8	0.5	0.2	0.2	0.4
India	0.6	0.4	0.4	0.5	0.4	0.4
Thailand	0.4	0.3	0.2	0.3	0.2	0.4
Senegal	0.4	0.3	0.6	0.8	0.5	0.2
Viet Nam	0.5	0.9	0.8	0.7	0.4	0.2
Others	0.8	0.7	0.9	0.9	0.9	1.0
Total	**13.1**	**10.9**	**11.1**	**10.0**	**11.0**	**10.1**

Source: Eurostat



Imports

Octopus: Spain

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Morocco	5.1	6.5	4.7	3.6	7.3	4.6
Mauritania	2.3	1.0	1.1	1.0	0.6	1.5
Portugal	0.3	0.3	0.6	0.5	1.7	0.9
Italy	0.0	0.5	0.2	0.1	0.1	0.3
Viet Nam	0.4	0.3	0.3	0.4	0.1	0.2
Algeria	0.2	0.2	0.2	0.2	0.2	0.2
Senegal	0.2	0.1	0.2	0.2	0.1	0.1
India	0.2	0.2	0.2	0.2	0.0	0.1
China	0.3	0.4	0.1	0.1	0.1	0.0
Others	0.6	0.8	1.2	1.2	0.4	1.2
Total	**9.6**	**10.3**	**8.8**	**7.5**	**10.6**	**9.1**

Source: Agencia Tributaria

beginning of the year, prices were high, in fact at their highest in ten years. Weaker demand in Europe however will put pressure on prices and a moderate price decline is expected. On the Japanese market, octopus prices have been up to 40% higher than last year. This is mainly due to tighter supplies since the season started in mid-November.

Imports

2013 was a record year in terms of Japanese octopus imports. Indeed, import volumes jumped from 47 400 tonnes in 2012 to 58 400 tonnes in 2013. In 2014, the first signs are that imports will decline to more normal levels again. During the first quarter of the year, Japanese octopus imports reached 10 200 tonnes, compared with 17 000 tonnes during the same period in 2013 and 9 100 tonnes in 2012. The main suppliers, Morocco and Mauritania, both experienced declines in shipments to Japan during the first three months of 2014, while there was a slight increase in imports from China.

Italian octopus imports have been relatively steady for a number of years now. However, total imports have shown a slight decline over the past three years. During the first quarter of the year, shipments have demonstrated stability at around 10 000 tonnes.

Spain increased their octopus imports during 2013 to 41 500 tonnes, up from 31 800 tonnes in 2012 (+30.5%). During the first quarter of 2014, imports were slightly down compared to the same period in 2013 (-14%), but higher than in 2012 and 2011. Among the suppliers, the largest declines were registered for Portugal (-47.1%) and Morocco (-36.9%). Morocco shipped 2 700 tonnes less in 2014 compared to the same period in 2013.For the other suppliers, there were only minor changes.

Squid

Supplies

Several areas report a good start to the squid season this year. Illex squid catches in the Falkland Islands (Malvinas) area have reached record levels with over 268 000 tonnes already landed so far in 2014, over 2 000 tonnes more than during the record year in 1999. However, the Director of Natural Resources of the Falkland Islands (Malvinas) points out that the biomass has a tendency to fluctuate a great deal, and consequently catches vary from year to year. For the rest of the year, catches are expected to decline considerably because the licences of about 70% of the fleet expired on May 15. Loligo catches have also been good. The Falkland Islands (Malvinas) reported catches of 28 000 tonnes during the first season. This makes it the third best season after 2010 and 2012.

As a result of the good catches off the Falkland Islands (Malvinas), squid prices have tumbled recently. Consequently, inventories are being built while one waits for prices to rise again.

In Mexico, giant squid catches were up by 30% in the beginning of 2014. In the past two years, landings of giant squid have reached about 60 000 tonnes. This is still far below landings during the peak years in 1987 and 1996, when up to 120 000 tonnes were landed. Nonetheless, the Mexican market for giant squid has developed positively since 2010, and a number of value-added products have been introduced. Still, there remains potential for growth.

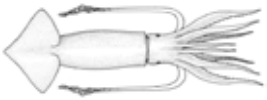
In Chile, an agreement between the Ministry of Economy, the Undersecretariat of Fisheries and Aquaculture and the artisanal fisheries sector introduced

Imports

Squid: Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	4.8	4.9	5.6	7.2	7.9	7.5
Thailand	1.3	1.9	1.7	1.5	1.5	1.3
Peru	1.9	0.2	1.0	0.8	2.1	1.2
Viet Nam	1.0	1.0	1.1	1.3	0.9	0.8
USA	0.5	1.5	1.2	0.4	0.6	0.5
Philippines	0.2	0.2	0.2	0.3	0.3	0.3
Indonesia	0.0	0.0	0.1	0.2	0.2	0.3
India	0.2	0.3	0.6	0.4	0.3	0.2
Rep. of Korea	0.2	0.3	0.0	0.1	0.3	0.2
Others	0.9	0.4	0.7	1.5	1.1	1.0
Total	**11.0**	**10.7**	**12.2**	**13.7**	**15.2**	**13.3**

Source: Japan Customs



Imports
Squid: Spain

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
India	2.5	5.0	3.2	3.1	3.4	3.6
Morocco	1.2	2.1	2.1	1.5	2.8	3.1
Falkland/Malv.	2.7	2.3	3.8	1.5	5.9	2.9
China	2.3	2.7	2.6	3.0	2.7	1.7
Peru	1.5	2.0	1.9	1.7	2.5	1.2
USA	0.2	0.7	1.0	2.6	0.1	1.1
Republic of Korea	0.2	0.0	0.0	0.0	0.0	0.8
Mauritania	0.1	0.2	0.4	0.2	0.2	0.6
Namibia	0.1	0.1	0.3	0.3	0.4	0.5
Portugal	0.3	0.5	0.9	0.4	0.3	0.4
France	0.4	0.7	0.7	0.6	0.4	0.3
Others	1.9	2.0	2.9	2.2	1.4	1.0
Total	**13.4**	**18.3**	**19.8**	**17.1**	**20.1**	**17.2**

Source: Agencia Tributaria

Imports
Squid: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Thailand	4.6	4.7	5.5	3.6	3.6	5.1
Spain	4.4	5.0	5.5	4.1	6.5	4.9
China	0.6	0.7	1.9	1.1	1.9	1.9
India	1.0	1.5	1.9	0.6	1.6	1.6
Viet Nam	1.1	1.3	1.5	1.1	0.9	0.7
Indonesia	0.2	0.6	0.8	0.7	0.7	0.6
South Africa	0.7	1.4	1.3	0.6	0.5	0.6
Morocco	0.2	0.1	0.2	0.2	0.2	0.6
USA	0.4	0.3	0.6	0.5	0.2	0.4
Peru	1.1	0.9	0.0	0.1	1.0	0.2
Others	1.4	1.5	1.4	0.9	1.2	0.9
Total	**15.7**	**18.0**	**20.6**	**13.5**	**18.3**	**17.5**

Source: ISTAT

a 45 day exclusive handline period in the jumbo squid fishery, hitting the industrial sector hard. Some representatives of the industrial sector claim that this will also impact the processing industry negatively, as they will not have access to enough raw material for their production. The jumbo squid landed by the artisanal sector does not always meet the required sanitary conditions of the processors (and the market). Thus, although the Governments initiative will help the artisanal sector, it may have consequences for the entire industry.

Imports
Squid: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	5.5	6.7	7.6	8.2	9.0	8.3
Republic of Korea	1.0	3.0	0.3	0.8	1.0	1.0
Thailand	1.4	1.2	0.8	1.0	1.2	0.8
India	0.9	0.8	0.8	0.6	0.9	0.7
Taiwan PC	1.5	1.5	0.6	0.8	0.7	0.7
Peru	0.7	0.5	0.6	0.9	0.9	0.5
New Zealand	0.2	0.1	0.2	0.1	0.1	0.2
Others	1.2	0.9	0.8	4.1	1.4	1.7
Total	**12.4**	**14.7**	**11.7**	**16.5**	**15.2**	**13.9**

Source: NMFS

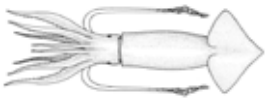
Argentinian squid producers have experienced price reductions during the first and second quarter of 2014. Prices for whole squid have dropped by some 20%, to about USD 1 500 per tonne. Argentinian producers prefer to ship whole squid to China and Thailand rather than process their raw material into squid sheath because of high processing costs, as profits on whole squid are higher. Prices for sheath squid are not high at the moment, mostly because the main market, Spain, is hardly buying at all.

Imports

In 2013, squid imports into Japan were unusually high, at 93 200 tonnes, up from 73 100 tonnes in 2012. 2014 is set to be a somewhat slower year, judging from import statistics for the first quarter of the year. During the first quarter, 13 300 tonnes were imported into Japan, compared to 15 200 tonnes during the same period in 2013. All of the main suppliers saw moderate declines in their shipments. China remains the major supplier, accounting for 56.4% of total imports into Japan.

Italy also had high squid imports during 2013, but is set for a slight decline in 2014. During the first three months of the year, Italy imported 17 500 tonnes, compared to 18 300 tonnes during the same period in 2013 (-4.4%). Thailand emerged as the top supplier, accounting for 5 100 tonnes or 29% of the total, while Spain slipped to second place, accounting for 4 900 tonnes, or 28% of the total.

Spanish imports declined significantly in 2013, from 116 700 tonnes in 2012 to 96 900 tonnes in 2013 (-17%). This trend seems to continue into 2014, as imports during the first quarter of the year declined by 14.4%, from 20 100 tonnes in 2013 to 17 200 tonnes in 2014. The main losers among the suppliers were the Falkland Islands (Malvinas), China and Peru.



A similar trend is also detected in the USA. In 2013, total imports were just slightly below those of 2012, but during the first quarter of 2014, an 8.6% decline was registered. The main supplier was China, accounting for almost 60% of the total, but China saw a slight decline in shipments during the period. So did Thailand, India and Peru.

Cuttlefish

Imports

Cuttlefish imports are moderately down in all major markets, partially due to availability. Japanese imports fell by a massive 29% during the first quarter of 2014, to just 2 200 tonnes. All of the major suppliers suffered declines in their shipments.

Imports into Italy fell more moderately, by almost 10%, to 4 600 tonnes during the first quarter. Supplies to this market come from a number of countries, and no single country dominates the market.

In Spain, on the other hand, Morocco is the dominant supplier, accounting for over 66% of total imports during the first three months of 2014. Even so, imports from Morocco declined by 16% during this period. Total cuttlefish imports during the first quarter amounted to 7 100 tonnes, down from 8 600 tonnes during the same period in 2013.

Imports
Cuttlefish: Japan

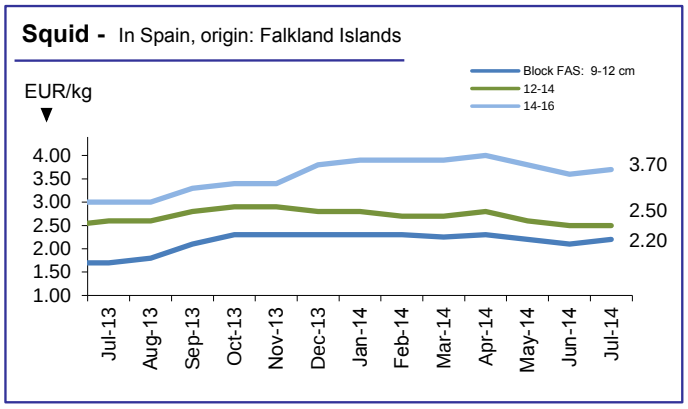
	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Thailand	1.5	1.5	1.3	1.4	1.0	0.8
Morocco	0.2	0.6	0.3	0.4	0.8	0.5
Viet Nam	0.9	0.7	0.7	0.9	0.4	0.4
Malaysia	0.4	0.3	0.3	0.3	0.2	0.2
Republic of Korea	0.1	0.2	0.2	0.1	0.1	0.0
Others	0.7	0.4	0.3	0.6	0.6	0.3
Total	**3.8**	**3.7**	**3.1**	**3.7**	**3.1**	**2.2**

Source: Japan Customs

Imports
Cuttlefish: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Tunisia	0.9	1.6	1.5	1.4	0.9	1.0
Morocco	0.2	0.4	0.4	0.1	0.3	1.0
Spain	0.8	1.1	0.8	0.6	1.0	0.8
France	1.2	1.3	2.0	1.5	1.4	0.6
Senegal	0.4	0.4	0.5	0.4	0.5	0.5
UK	0.3	0.3	0.2	0.5	0.6	0.2
India	0.3	0.2	0.2	0.1	0.1	0.1
Others	0.6	0.8	0.9	1.1	0.3	0.4
Total	4.7	6.1	6.5	5.7	5.1	4.6
Total	**17.6**	**17.7**	**18.5**	**18.2**	**18.0**	**15.5**

Source: ISTAT



Source: European Price Report

Imports
Cuttlefish: Spain

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Morocco	2.1	3.2	3.0	3.2	5.6	4.7
India	2.8	3.5	3.0	3.0	0.8	0.5
Mauritania	0.2	0.5	0.3	0.6	0.1	0.5
France	0.6	0.7	0.8	1.0	0.7	0.3
Senegal	0.1	0.0	0.4	0.1	0.2	0.2
China	1.1	0.6	0.3	0.5	0.5	0.1
Others	1.5	2.0	1.9	1.7	0.7	0.8
Total	**8.4**	**10.5**	**9.7**	**10.1**	**8.6**	**7.1**

Source: Agencia Tributaria

Outlook

In the coming months, the octopus market will likely be a bit slow. Sluggish demand in Europe may pick up during the holiday month of August. In Japan, demand is strong, but supplies are tight, so prices will probably remain high. For squid, supplies are very good, and this will result in declining prices in the next few months. Although demand in Europe is expected to improve during the summer months, this is probably not enough to push prices up again. On the cuttlefish market, there is a lack of supplies, but also relatively little activity.

TILAPIA

Steady demand continues with producers gaining a foothold in new export markets, particularly in Asia, Africa and Latin America

Although China continues to channel more product to the domestic market, its tilapia exports increased during the first quarter of 2014 with African markets in particular showing strong demand. The USA registered an increase in imports for the first quarter, with Honduras remaining as the leading supplier of fresh fillets. Imports into the EU increased only marginally, though supplies from Asian countries other than China are increasing their share of this market.

China

Total tilapia export volumes during the first quarter of 2014 in China increased by 13% compared with the same period in 2013 with frozen fillets constituting 52% of the share. However, compared to growth in the frozen fillet category (+3.6%), the main driver to this overall growth was in the whole frozen category (+26%). This trend of increasing Chinese exports of whole frozen tilapia has occurred over the past few years, particularly to African markets, which offer more competitive pricing than other markets.

Exports

Tilapia: China

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1000 tonnes)					
frozen whole	3.5	11.7	24.4	21.3	23.1	29.1
frozen fillets	12.7	35.4	32.7	33.6	30.7	31.8
Total	**16.2**	**47.1**	**57.2**	**55.3**	**53.9**	**61.0**
	(million USD)					
frozen whole	4.0	12.5	33.7	30.8	36.6	48.7
frozen fillets	38.6	86.3	104.2	106.4	94.9	109.0
Total	**42.6**	**98.8**	**137.9**	**138.7**	**131.6**	**157.6**

Source: China Customs

The tilapia industry in Hainan province is turning its attention to domestic sales though these efforts have been hampered by poor logistics, especially for selling live tilapia. Logistical problems include the high cost of air transport and the difficulties in keeping tilapia fresh using land transportation. Hainan companies usually transport their live aquatic products by air, but the handling and packing of live fish is very high as the companies have to buy air freight containers from the airport, which is much more expensive than the price of a regular packaging in the local market. Tilapia companies are urging the government to intervene to develop better and cheaper transportation system. According to official statistics, Hainan produced 440 600 tonnes of tilapia in 2013 and exported around 104 000 tonnes.

Central America

By the end of December 2013, Honduras was a top producing country of fresh tilapia fillets with a 41% share, exporting 8 200 tonnes worth USD 65 million in foreign exchange for the year. In the first two months of 2014, Honduras' export volume amounted to 1 832 tonnes, compared with 1 550 tonnes exported during the same period last year (+18.2%). However, prices decreased from USD 7.83 to USD 7.19 per kg.

In the domestic market, the wholesale price for whole tilapia (pounds) in Honduras ranges between USD 1.43 and USD 2.00, as reported by SIMPAH, (Sistema de Información de Mercados de Productos Agrícolas de Honduras). This price is stronger relative to other neighbouring countries; in Guatemala prices vary between USD 1.41 and USD 1.15 (Source: Ministry of Agriculture, Livestock and Food, MAG).

Generally, like in other Central American countries, the Honduran consumers focus more on prices than on quality. For tilapia, these preference factors have increased demand for the low cost fish. Artisanal producers in the country have not yet established the necessary organizational or administrative set-up to guarantee a product with enough quality for the export market which is dominated by large-scale producers.

USA

Tilapia continues to be among the most popular tropical fish in the USA, a fact confirmed by a 10% in-

crease in total import volumes during the first quarter of 2014 compared with the same time period in 2013. Frozen fillets took the largest share of the imports (72%), which grew by 1.5% in volume compared with the same period in 2013.

Imports of high value fresh/chilled (air-flown) tilapia fillets into the USA during the first quarter of this year were marginally lower by almost 3% in quantity but increased by 1.2% in value compared with the first quarter of 2013. Honduras managed to increase its shipments by almost 22% and became the largest supplier, ahead of Costa Rica, Colombia and Ecuador. Imports from Ecuador declined by 58% during the reporting period.

For frozen tilapia fillets, imports grew by 15% in volume during the first quarter of 2014 from a year ago and were valued at USD 233 million, an increase in value of 32%. Imports showed positive growth mainly due to higher supplies from Indonesia (+21%) although supplies also increased from China (+15%). As with some other tilapia products, higher imports during this period was largely supported by the demand during the Lent season.

On other other hand, whole frozen tilapia imports slid back by 2.2% in volume with a 3.7% decline in supplies from the leading supplier, China. In recent years, China has been increasingly supplying more whole frozen tilapia to African markets, which pays better prices to fulfill their growing domestic demand.

Imports
Fresh Tilapia Fillets: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Honduras	1.5	1.6	1.9	0.5	2.3	2.8
Costa Rica	1.6	1.7	1.7	0.0	1.6	1.6
Colombia	0.4	0.6	0.6	0.4	0.9	0.9
Ecuador	2.6	2.5	2.3	1.5	1.9	0.8
Others	0.3	0.3	0.2	0.2	0.5	0.9
Total	**6.4**	**6.7**	**6.7**	**2.6**	**7.2**	**7.0**

Source: NMFS

Imports
Frozen Tilapia Fillets: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	24.4	29.6	31.5	36.1	32.8	37.7
Indonesia	2.3	2.0	2.2	2.9	2.4	2.9
Taiwan PC	0.6	0.4	0.5	0.4	0.3	0.3
Thailand	0.0	0.3	0.3	0.5	0.3	0.5
Ecuador	0.3	0.3	0.1	0.2	0.2	0.0
Others	0.4	0.3	0.4	0.4	0.3	0.3
Total	**27.9**	**32.9**	**35.1**	**40.5**	**36.3**	**41.7**

Source: NMFS

Imports
Whole Frozen Tilapia: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	5.2	5.6	5.9	6.6	5.4	5.2
Taiwan PC	4.0	3.0	3.3	2.8	3.4	3.4
Thailand	0.5	0.3	0.1	0.2	0.1	0.1
Others	0.2	0.1	0.2	0.4	0.2	0.2
Total	**9.9**	**9.0**	**9.5**	**10.0**	**9.1**	**8.9**

Source: NMFS

Imports
Tilapia (by product form): USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Frozen fillets	27.9	32.9	35.1	40.5	36.3	41.7
Whole frozen	9.9	9.0	9.5	10.0	9.1	8.9
Fresh fillets	6.4	6.7	6.7	2.6	7.2	7.0
Total	**44.2**	**48.6**	**51.3**	**53.1**	**52.6**	**57.6**

Source: NMFS

Business focus: The Fish Company

In the beginning of 2014, a tilapia farm in the UK became the first tilapia farm in the EU to be granted the Best Aquaculture Practices (BAP) certification. Located in Welton Cliff, Lincolnshire, the farming center is R.H. Ward (Welton) Ltd.'s tilapia farm, The Fish Company. "It has been essential for The Fish Company to maintain a standard of production in line with the stringent quality guidelines that consumers have come to expect", stressed Richard Beckett of R.H. Ward. He added: "Attaining the BAP certification provides assurances to our customers that our facility meets international quality standards and is an endorsement of our commitment to advanced, sustainable fish farming." The Fish Company rears tilapia specimens in a centrally heated recirculating system inside a custom-built 1080 sqm facility heated by a waste-wood biomass boiler and partially powered by a 45kw solar photovoltaic array. The company presently produces about 50 tonnes of tilapia annually but expects to reach a full production capacity of approximately 100 tonnes in the near future. The fish are processed by B & L Filleting, a local, family-owned seafood-processing company in Grimsby, and are sold as gutted, whole round red tilapia to UK supermarkets under the "The Fish Company" brand.
Source: FIS.com

EU

According to Eurostat, imports of frozen tilapia fillets into the EU increased only marginally (+0.3%) during the first quarter of 2014 compared with the same time period last year. China remained the dominant supplier taking a 72% share. However, imports from this source declined by 14% as China increasingly supplies to the domestic and African markets. Additionally, there is also the presence of other suppliers from Asia from which imports are increasing, namely Indonesia (+9.1%), Viet Nam (+642%), Thailand (+53%), Taiwan PC (+275%) and Bangladesh (+91%).

Within the EU, Spain and Poland are the largest importers of frozen tilapia fillets. However, although Spain imported 16% more in quantity reaching nearly 1 300 tonnes, supplies into Poland declined by 21% to 1 204 tonnes. The Netherlands, Italy, the UK and Czech Republic also imported more frozen tilapia fillets during the period under review.

Japan

The weak yen took a toll on Japanese imports of fish fillets and fish meat last year. However, national statistics indicate that imports of cold water fish fillets, including cod and pollack, were stable compared with imports of tropical marine fish fillets. Imports of *izumidai* or brackish water tilapia fillets, used for sushi and sashimi, were affected last year when the import price increased by 10–20% as a result of the weak yen. Taiwan PC is the main supplier of tilapia fillets to Japan but imports are also being sent from Indonesia.

Ghana

In 2013, Ghana imported close to 2 600 tonnes of tilapia from China in 2013, mostly in whole frozen form. As mentioned, Africa is increasingly become a target market for Chinese tilapia due to growing demand. Meanwhile, the Minister of Fisheries and Aquaculture Development in Ghana reports that it will do all it can to deliver the needed support to improve fish farming in the country to significantly enhance fish production locally. The Ministry says that import of tilapia is threatening the fisheries sector.

The Russian Federation

In the first quarter of 2014, total frozen fish fillets and fish meat imports into the Russian Federation were up 25% from a year ago at 30 493 tonnes. Aside from fish meat, which took a 40% share of imports, frozen tilapia fillets made up 13% of the total, mostly supplied by China. Meanwhile, the government has announced that the country will reduce dependency on seafood imports in order to increase supply to the domestic market. For this, the government has promised support for the domestic seafood sector to enable it to become more competitive. Furthermore, the government has pledged support to strengthen purchasing of domestic seafood for school and army meals.

Outlook

In general, the global market for tilapia is expected to remain firm with steady demand. Producers are slowly but surely gaining foothold in new export markets, with growing domestic demand providing stimulus to production in Asia, Africa and Latin America.

PANGASIUS

Demand in major markets slow while remaining firm elsewhere

During the first quarter of 2014, nearly 130 000 tonnes of frozen pangasius fillets were imported by more than 70 countries worldwide. The USA absorbed about 25% of this total. Though demand is slowing in the major markets of the USA and Europe, demand remains firm in Asia and has been mostly met by local production. Growing imports were observed in Latin America, particularly in Brazil, Colombia and Peru.

Viet Nam

The Vietnam Association of Seafood Exporters and Producers (VASEP) reports that domestic pangasius production reached 1.35 million tonnes in 2013, making up 45% of the national farmed fish production. According to VASEP, pangasius farming has been negatively impacted by high feed cost, decreased product price and lower import volumes from major markets, resulting in a 6.1% decrease in the Mekong Delta farming area from January to June.

Pangasius exports reached USD 388.5 million in the first quarter of 2014, representing an increase of 5.2% year on year. According to VASEP, pangasius products were sent to 126 countries, compared with 123 markets in 2013. VASEP also reports that an increase in sales was observed in value added products, which obtained a 54.9% rise (USD 3.55 million) in the first quarter this year. In the tra fish sector, exports were mainly frozen fillets, valued at USD 405 million, representing a 4.9% rise year on year. The USA was the leading importer, followed by the EU.

Viet Nam currently has 45 pangasius farms certified with the Aquaculture Stewardship Council (ASC) standard, with suppliers hoping that this certification will help to recover the declining EU market. According to the ASC European Manager for Commercial Marketing, the number of ASC certified pangasius products in Germany has grown from about 60 to 100 within the past 12 months, demonstrating a positive appreciation for ASC certified pangasius in this market.

USA

During the first quarter of 2014, frozen catfish imports reached 32 565 tonnes; 8% more than compared with the first quarter of 2013. Frozen pangasius fillets, mostly supplied by Viet Nam, made up 91% of this volume at 29 500 tonnes. The recent announcement of anti-dumping duties on Vietnamese pangasius and the signed Farm Bill on the catfish inspection programme may reduce imports into this major market.

Imports of frozen *Ictalurus* fillets from China increased by 109%.

International trade developments

Several Asian and Pacific nations have told the Office of the United States Trade Representative that the USDA's catfish inspection program violates international law, and their objections could hamper the Obama administration efforts to reach a major Pacific trade agreement by the end of next year. The complaints, signed by diplomats from 10 countries, emphasizes that the American catfish program stood in the way of the trade talks. The inspection program was inserted into the 2008 US Farm Bill at the urging of US catfish farmers, who claim to have been hurt by competition from both Viet Nam and China and by the rising cost of catfish feed. The domestic catfish industry has shrunk by about 60 percent since its peak about a decade ago, and in the past few years about 20 percent of American catfish farming operations have closed.

Imports

Frozen Catfish fillets: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Viet Nam	6.8	8.9	15.7	23.0	20.0	29.4
China	2.6	1.3	0.6	0.2	0.0	0.1
Thailand	1.5	0.8	0.0	0.0	0.0	0.0
Others	0.6	0.8	0.1	0.0	0.1	0.0
Total	**11.5**	**11.8**	**16.4**	**23.2**	**20.1**	**29.5**

Source: NMFS

EU

During the first quarter of 2014, the EU countries imported close to 32 000 tonnes of pangasius fillets, a decrease of 6% compared with the same time period in 2013. According to the Eurostat report, Viet Nam was the leading supplier. In terms of markets, Spain and the Netherlands were the largest importers within the EU, though these imports did decline indicating a general

waning demand. Likewise during the first quarter, Germany imported 3 725 tonnes of frozen pangasius fillets, 25% less that compared with the same period in 2013. Imports were higher into Italy, the UK and Belgium.

Indonesia

The catfish industry, particularly pangasius, is booming in Indonesia thanks to strong governmental support and growing domestic demand. Local pangasius production is estimated to be around 500 000–600 000 tonnes per year, with Pangasius hypothalamus being the main species cultured. According to the Indonesian Catfish Entrepreneurs Association (APCI), the country's pangasius industry now takes a 70% share of the local fillet market. In addition to strong support from the Ministry of Marine Affairs and Fisheries (MMAF), the government's decision in 2011 to enforce stricter import controls for seafood products has contributed to the rapid growth of pangasius production and processing. Ex-farm price is currently around IDR 14 000 per kg (USD 1.20) while frozen fillets are sold around IDR 60 000–70 000 per kg (USD 5.10–5.95) at retail outlets. The MMAF said that some foreign buyers have expressed interest in buying pangsius fillets from Indonesia as an alternative to Viet Nam.

Emerging markets

Brazil has became an important market for pangasius. Imports of frozen pangasius fillets into the country reached 22 858 tonnes in 2013 and during the first quarter of 2014, were 102% more than compared with the same period last year.

In the Russian Federation, frozen pangasius and tilapia fillets made up 35% of the country's total imports of frozen fish fillets in 2013. Frozen pangasius fillets amounted to 21 829 tonnes, mostly coming from Viet Nam. During the first quarter of 2014, close to 6 000 tonnes were imported, up from 9% compared with the same period in 2013.

In Japan, the weak yen took a toll on Japanese imports of fish fillets and fish meat. However, imports of panga fillets, the cheapest in the freshwater fillet category, increased significantly within a year. Meanwhile, the AEON retail chain and the WWF Japan have launched ASC certified pangasius in AEON stores throughout Japan. According to Chris Ninnes, ASC's CEO, there are already more than 60 approved Japanese products with the ASC logo, and 4 four of these can be found in stores across the country.

Outlook

With the decrease in pangasius farming areas in Viet Nam, global production growth will most likely increase from other producing countries in Asia. At the same time, supplies from these countries will be channelled more to the domestic markets in these producing countries as well as other growing niche markets. It will be interesting to see how ASC certified pangasius affects imports into the EU and other markets.

Recent news: Nutreco enters into Nigerian joint venture

On 17 June 2014, Nutreco announced it had signed an agreement to enter into a joint venture in Nigeria with Durante, an existing distribution partner and fish feed supplier. The joint venture, Skretting Nigeria, will invest in the local production of extruded fish feed for Nigeria as well as the wider West African region. Currently, Nigeria produces more than 200 000 tonnes of fish feed annually, mostly for catfish, with aquaculture production growing by 5% to 10% each year. The Skretting Nigeria 60/40 (Nutreco/Durante) joint venture will sell extruded fish feed and operate a plant in Ibadan, Oyo State, both for the local market and regional export.

Durante's revenue in 2013 was approximately EUR 9 million (USD 12.2 million). Sales volume is currently around 5 500 tonnes and, with the addition next year of a new extrusion line, this volume is expected to double by 2016. The current market share in the Nigerian high quality extruded fish feed market is about 15%. Closing of the transaction is expected within the next three months. "By entering into this joint venture we establish our presence in the Nigerian market, which is one of Africa's most important. This is Nutreco's second foothold in Africa, after our investment in Egypt last year, and expands our share of fish feed for non-salmonid species. This fits perfectly in our strategy," said Knut Nesse, Nutreco CEO. He followed, "We intend this joint venture to provide a base for further expansion in the fast growing West African fish feed market."

As part of Nutreco's entrance into the Nigerian market it will explore — together with Oxfam Novib —how to increase the productivity of small scale fish farmers. In Southwest Nigeria local NGOs are already engaged in assisting small fish farmers with livelihood improvement programs. Nutreco, Durante, Oxfam Novib and other stakeholders see good possibilities to assist in increasing the yield of these small fish farmers and thereby contributing to improving food and nutrition security.
Source: SeafoodSource.com.

Greek producers welcome higher prices in 2014 but remain wary of Turkish growth

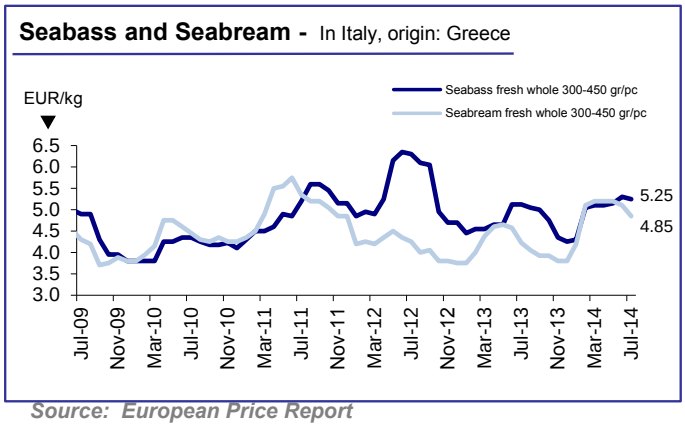
Prices for seabass and seabream have markedly improved in 2014, bringing some much needed relief to the crisis-hit Greek industry. Producers are generally much more positive about this year, with good demand and expected flat production growth boosting profitability in the sector as a whole. However, as Turkish suppliers continue to ramp up export volumes of relatively lower-priced fish, steadily increasing their share of old and newer markets such as The Russian Federation and the Middle East, Greek competitors will be seeking to ensure a sustainable price level is maintained.

Prices and supplies

In the first quarter of 2014, tighter supply from Greek, Italian and Spanish farms saw prices rise steeply, before stabilizing in late March. In general, bream prices for major European markets have been somewhat weaker than bass prices – particularly in France - although in most cases average year-to-date levels for bream are still above those of last year. Despite the improved situation, however, there is some concern that the increasing volumes of Turkish fish hitting the markets is exerting downward pressure.

In contrast to other producers, Turkish farmers continued to pursue an aggressive growth strategy, which once again saw significant year-on-year increases in production and export volumes in the first quarter. The Turkish industry is combining rapid expansion with its price advantage over Greek products to establish itself as the number one supplier, a position that analysts expect to be cemented in 2015. The steady depreciation of the Turkish lira versus the euro has aided exporters over recent years, while subsidies and lower labour costs have also contributed to the lower price of Turkish fish, allowing exporters to consistently undercut European producers on international markets.

Meanwhile, in Greece, aquaculture companies see it as essential to keep prices above EUR 5 per kg to protect the fragile margins of the still reeling industry. Of the major players in the Greek bass and bream sector - Nireus, Selonda, Dias and Andromeda – Dias is in voluntary bankruptcy as it seeks to reach a deal with



Source: European Price Report

Production

Seabass (*Dicentrarchus labrax*): World

	Jan-Dec					
	2008	2009	2010	2011	2012*	2013*
	(1 000 tonnes)					
Turkey	49	47	51	47	66	60
Greece	36	34	40	44	43	45
Egypt	6	7	18	19	15	15
Spain	10	13	12	18	15	15
Italy	7	7	7	7	7	8
France	7	7	9	8	7	7
Others	8	8	9	11	10	10
Total	**123**	**122**	**146**	**154**	**162**	**160**

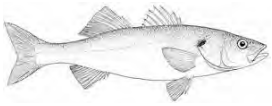
Source: FAO (until 2011) (*) Estimate

Production

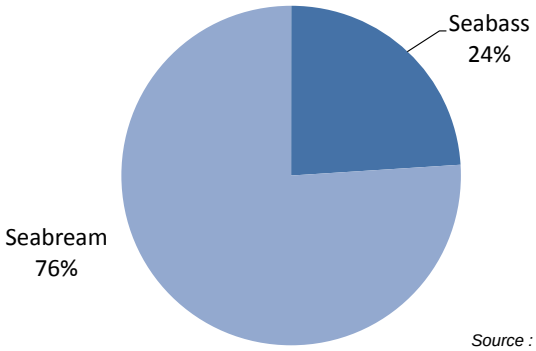
Seabream (*Sparus aurata*): World

	Jan-Dec					
	2008	2009	2010	2011	2012*	2013*
	(1 000 tonnes)					
Greece	52	61	57	71	72	73
Turkey	33	30	29	33	32	45
Spain	23	24	21	16	17	18
Egypt	7	8	17	16	16	17
Italy	6	6	7	6	6	8
Tunisia	2	2	3	5	6	6
Cyprus	2	3	3	3	3	3
Malta	2	2	2	1	3	3
France	2	1	3	2	2	2
Israel	2	1	1	1	2	2
Others	7	7	8	7	8	8
Total	**138**	**144**	**151**	**161**	**168**	**185**

Source: FAO (until 2011) (*) Estimate



Bass and bream production (2012)



Source : FAO

Exports
Fresh Seabream: Greece

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Italy	7.0	7.8	4.9	5.0	4.5	4.4
Spain	2.8	2.1	2.0	2.0	2.0	2.3
France	1.4	1.4	1.5	1.3	1.3	1.6
Portugal	0.9	0.6	1.2	1.0	1.2	1.1
Germany	0.6	0.6	0.5	0.6	0.5	0.5
Netherlands	0.3	0.3	0.3	0.3	0.3	0.3
UK	0.4	0.3	0.4	0.4	0.3	0.2
Others	0.5	0.6	0.6	0.6	0.8	0.7
Total	**13.9**	**13.7**	**11.4**	**11.2**	**10.9**	**11.1**

Source : EUROSTAT

Exports
Fresh Seabass : Greece

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Italy	3.1	4.5	4.1	3.9	3.3	3.4
Spain	0.7	1.4	1.0	0.7	1.0	0.8
France	0.6	0.7	0.8	0.7	0.6	0.6
Portugal	0.5	0.5	0.7	0.4	0.6	0.6
UK	0.4	0.8	0.9	0.7	0.5	0.5
Others	0.6	0.8	1.1	1.0	0.9	0.6
Total	**5.9**	**8.7**	**8.6**	**7.4**	**6.9**	**6.5**

Source : EUROSTAT

creditor banks while Selonda is now under bank control. Calls for consolidation of the sector have been met with some resistance, and a number of merger proposals have fallen through. The Greek marketing strategy continues to focus on the relatively higher quality of Greek product and the preferences of the core markets of Italy, France and Spain, but innovation will be needed to create value and retain market share.

Exports
Fresh Seabream : Turkey

	Jan-Mar					
	2008	2009	2010	2011	2012	2013
	(1 000 tonnes)					
Russian Fed	0.0	0.1	0.3	0.4	0.5	0.9
Lebanon	0.6	0.5	0.5	0.3	0.9	0.8
Netherlands	0.3	0.2	0.3	0.3	0.7	0.8
Italy	0.4	0.6	0.6	0.5	0.7	0.8
Spain	0.2	0.1	0.5	0.5	0.4	0.6
Others	0.1	0.3	0.6	0.5	1.0	1.4
Total	**1.6**	**1.8**	**2.8**	**2.5**	**4.2**	**5.3**

Source : State Institute of Statistics

Exports
Fresh Seabass : Turkey

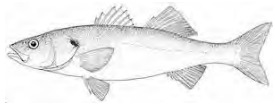
	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Netherlands	0.6	0.5	0.5	0.2	0.6	0.9
Italy	1.1	0.6	0.5	0.4	0.7	0.9
Russian Fed	0.0	0.1	0.4	0.3	0.4	0.8
Spain	0.8	0.5	0.6	0.2	0.5	0.7
UK	0.2	0.1	0.1	0.3	0.4	0.4
Lebabon	0.3	0.3	0.3	0.1	0.3	0.4
Others	0.7	0.6	0.3	0.4	0.4	0.8
Total	**3.7**	**2.7**	**2.7**	**1.9**	**3.3**	**4.9**

Source : State Institute of Statistics

Turkey

Following the upward price trend in the Turkish bass and bream industry in the first quarter of 2014, prices in the second quarter have stabilized. Industry sources believe that this stability is likely to continue in coming months due to more balanced supply and demand. A very small upward trend was observed in some size categories.

Turkey is still reacting to the economic crisis in the Greek bass and bream industry, with the limited Greek supply of large-sized fish (400-600 g +) now being partially fulfilled by Turkish producers. Whereas previously the market for large-sized fish was dominated by Greek producers, forcing Turkish producers to sell large sizes at low prices, Turkish producers are now finding new opportunities and markets especially for large-sized fish, readjusting their production planning in order to lead to a larger fish harvest size. This situation has contributed to the more balanced supply and demand situation, as well as the price stabilization.



Based on figures by Aegean Union of Exporters (Ege İhracatçılar Birliği) during April and May of 2104, 4 631 tonnes of bass and 3 433 tonnes of bream have been exported as fresh/chilled or fresh/frozen fillets from Turkey. For both bass and bream, fresh/chilled fish dominated exports, representing nearly 74% for bass and 90% for bream. The average export price for fresh/chilled bass was USD 6.27 while that of fresh chilled sea bream was USD 6.09.

Italy

Two noticeable trends currently characterize the Italian bass and bream market. One is the overall decreasing trend in import volumes which, combined with flat production, is currently supporting a higher price level. This increase in prices is not uniform across sizes, however, and in May it was mainly smaller sizes boosting prices, while larger sizes were weakening. The other notable development is the steadily increasing Turkish share of Italian supply, a shift which is mirrored in all major European markets.

Imports
Fresh Seabream and Seabass: Italy (value)

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(million Euro)					
Seabream						
(dentex/pagellus)						
Spain	1.1	1.0	1.1	1.0	0.9	0.9
Portugal	0.5	0.4	0.4	0.3	0.4	0.4
Greece	1.1	1.7	0.9	1.4	0.4	0.5
Total	**3.0**	**3.4**	**2.6**	**3.0**	**1.9**	**2.2**
Seabream						
(gilthead)						
Greece	10.9	13.9	18.0	19.4	17.5	18.0
Turkey	1.2	1.9	2.4	1.7	2.5	3.8
Malta	0.4	1.1	1.4	1.7	1.4	1.0
Spain	1.0	1.0	1.1	1.4	1.1	0.9
Total	**14.7**	**19.1**	**24.7**	**25.8**	**25.1**	**26.4**
Seabass						
Greece	9.8	14.2	17.1	17.8	16.6	17.0
Turkey	3.8	2.0	1.8	1.9	2.5	3.9
France	4.0	3.1	3.2	2.7	2.8	1.7
Croatia	0.9	0.8	1.7	1.3	1.5	1.5
Spain	0.4	0.5	0.4	0.9	1.1	0.9
Total	**19.2**	**21.0**	**24.9**	**25.7**	**25.0**	**25.7**
Gr.Total	**36.9**	**43.5**	**52.2**	**54.5**	**52.0**	**54.3**

Source: Eurostat

Imports
Fresh Seabream and Seabass: Italy (quantity)

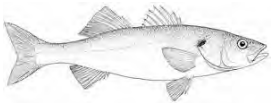
	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Seabream						
(dentex/pagellus)						
Spain	0.1	0.1	0.1	0.1	0.1	0.1
Greece	0.3	0.4	0.2	0.3	0.1	0.1
Total	**0.5**	**0.5**	**0.3**	**0.4**	**0.2**	**0.3**
Seabream						
(gilthead)						
Greece	3.2	3.5	4.0	4.6	4.2	3.8
Turkey	0.4	0.6	0.6	0.4	0.7	0.8
Malta	0.2	0.3	0.3	0.4	0.3	0.2
Total	**4.2**	**4.6**	**5.2**	**5.8**	**5.8**	**5.5**
Seabass						
Greece	2.2	3.4	3.7	3.4	3.3	3.2
Turkey	1.1	0.6	0.5	0.4	0.7	0.9
Croatia	0.2	0.2	0.4	0.3	0.3	0.3
France	0.5	0.4	0.4	0.3	0.3	0.2
Total	**4.1**	**4.7**	**5.0**	**4.8**	**4.8**	**4.6**
Gr.Total	**8.8**	**9.8**	**10.5**	**11.0**	**10.8**	**10.4**

Source: Eurostat

Imports
Fresh Seabream and Seabass: Spain (value)

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(million Euro)					
Seabream						
(all species)						
Greece	7.6	7.8	9.4	5.6	7.7	8.7
Turkey	0.6	0.1	2.1	2.3	1.8	3.1
Portugal	0.3	0.4	0.2	0.7	0.7	0.8
Morocco	0.4	0.3	0.7	0.8	0.5	0.6
France	0.6	0.7	0.3	0.1	0.2	0.4
Total	**9.6**	**9.4**	**12.9**	**9.6**	**11.0**	**13.7**
Seabass						
Greece	3.3	4.4	4.7	3.7	5.8	5.4
Turkey	3.1	1.5	2.4	0.9	1.5	3.7
France	1.4	1.3	1.1	0.7	1.0	1.1
Total	**8.3**	**7.8**	**8.5**	**5.4**	**8.7**	**10.9**
Gr. Total	**17.9**	**17.2**	**21.4**	**15.0**	**19.7**	**24.6**

Source: Agencia Tributaria



Imports
Fresh Seabream and Seabass: Spain (quantity)

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Seabream						
(all species)						
Greece	2.4	2.0	2.1	1.3	1.7	1.9
Turkey	0.2	0.0	0.5	0.6	0.5	0.7
Morocco	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*
Portugal	*0.1*	*0.1*	*0.0*	*0.1*	*0.1*	*0.1*
France	*0.1*	*0.2*	*0.0*	*0.0*	*0.0*	*0.0*
Total	**2.8**	**2.4**	**2.7**	**2.1**	**2.3**	**2.7**
Seabass						
Greece	0.8	1.2	1.0	0.7	1.2	1.2
Turkey	0.8	0.4	0.6	0.2	0.4	0.8
France	0.2	0.2	0.1	0.1	0.1	0.5
Total	**1.9**	**1.8**	**1.7**	**1.1**	**1.8**	**2.6**
Gr. Total	**4.7**	**4.2**	**4.4**	**3.2**	**4.1**	**5.3**

Source: Agencia Tributaria

Spain

An improvement in Spain's economic fortunes and the associated effect on private spending appears to be positively affecting the bass and bream markets. Increased imports have seen greater volumes of both bass and bream passing through wholesale markets at significantly higher prices than last year, pointing to strengthening consumer side demand. As in other cases, the proportion of fish originating in Turkey is increasing rapidly, while imports from France are also up this year.

France

The bass and bream market in France appears to be somewhat sluggish, particularly for bream. For the most part, bream prices have failed to surpass those of 2013, as an early year increase in supply exerted downward pressure. The French market continues to largely ignore Turkish fish – although Turkey's small share of supply is slowly increasing - instead focusing on Greek and Spanish product.

UK and Germany

Both the UK and German market are experiencing higher prices for both species as supply tightens and import volumes drop. Greek suppliers have again seen their share of supply to these markets drastically cut, and replaced to an extent by Turkish fish. In Germany's case, Turkey is now the main supplier by some distance, while the same can be said in the UK's case if Netherlands re-exports of Turkish fish are included.

Imports
Fresh Seabream and Seabass: France (quantity)

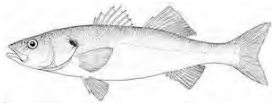
	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Seabream						
(dentex/pagellus)						
Spain	0.1	0.1	0.1	0.1	0.1	0.1
Greece	0.2	0.1	0.2	0.2	0.0	0.0
Total	**0.3**	**0.3**	**0.5**	**0.3**	**0.1**	**0.1**
Seabream						
(gilthead)						
Greece	1.4	1.2	1.1	0.7	1.2	1.5
Spain	0.3	0.3	0.2	0.4	0.6	0.7
Turkey	0.0	0.0	0.1	0.1	0.1	0.1
Total	**1.7**	**1.7**	**1.3**	**1.2**	**2.0**	**2.5**
Seabass						
Greece	0.7	0.7	0.8	0.6	0.5	0.5
Spain	0.0	0.1	0.1	0.2	0.2	0.2
Total	**1.1**	**1.0**	**1.2**	**1.0**	**1.0**	**1.0**
Gr. Total	**3.1**	**3.0**	**3.0**	**2.5**	**3.1**	**3.6**

Source: DNSCE

Imports
Fresh Seabream and Seabass: France (value)

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(million Euro)					
Seabream						
(dentex/pagellus)						
Spain	0.3	0.3	0.6	0.6	0.3	0.3
Greece	0.6	0.4	1.1	0.8	0.1	0.1
Total	**1.1**	**1.0**	**2.2**	**1.4**	**0.4**	**0.5**
Seabream						
(gilthead)						
Greece	4.0	4.0	4.5	3.4	4.7	5.2
Spain	1.1	1.3	0.8	1.9	2.7	2.2
Turkey	0.0	0.1	0.4	0.4	0.4	0.5
Total	**5.3**	**5.9**	**5.8**	**6.0**	**8.3**	**8.6**
Seabass						
Greece	2.6	2.9	3.8	3.1	2.7	2.5
Spain	0.3	0.6	0.6	0.8	1.5	1.1
Netherlands	0.3	0.3	0.5	0.6	0.5	0.7
Turkey	0.7	0.2	0.4	0.2	0.4	0.5
UK	0.2	0.2	0.2	0.3	0.1	0.4
Total	**4.5**	**4.5**	**5.7**	**5.4**	**5.8**	**5.7**
Gr. Total	**10.9**	**11.4**	**13.7**	**12.8**	**14.5**	**14.8**

Source: Direction Nationale des Statistiques du Commerce Extérieur – DNSCE



Imports
Fresh Seabass: UK

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Greece	0.5	0.7	1.1	0.8	1.5	0.7
Netherlands	0.4	0.3	0.4	0.3	0.5	0.6
Turkey	0.1	0.0	0.0	0.1	0.2	0.2
France	0.2	0.1	0.1	0.2	0.1	0.1
Others	0.2	0.2	0.0	0.2	0.3	0.1
Total	**1.4**	**1.3**	**1.6**	**1.6**	**2.6**	**1.7**

Source : Her Majesty's Revenue & Customs

Imports
Fresh Seabream: UK

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Greece	0.2	0.2	0.3	0.3	0.7	0.5
Netherlands	0.2	0.1	0.2	0.1	0.2	0.1
Germany	0.0	0.0	0.0	0.1	0.0	0.1
Others	0.2	0.2	0.1	0.1	0.1	0.2
Total	0.6	0.5	0.6	0.6	1.0	0.9
Total	**1.9**	**1.8**	**1.8**	**2.2**	**3.8**	**3.7**

Source : Her Majesty's Revenue & Customs

Imports
Fresh Seabream and Seabass: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Seabream						
(dentex/pagellus)						
Greece	0.1	0.1	0.1	0.1	0.1	0.1
Total	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**
Seabream						
(gilthead)						
Greece	0.1	0.3	0.2	0.3	0.3	0.1
Turkey	0.0	0.0	0.0	0.1	0.4	0.4
Total	**0.3**	**0.4**	**0.4**	**0.5**	**1.0**	**0.8**
Seabass						
Greece	0.1	0.1	0.1	0.1	0.1	0.1
Turkey	0.0	0.0	0.0	0.2	0.3	0.3
Total	**0.2**	**0.3**	**0.3**	**0.5**	**0.6**	**0.5**
Gr.Total	**0.7**	**0.9**	**0.8**	**1.1**	**1.7**	**1.4**

Source: Germany Customs

USA

The US market for bass continues to grow, although that for bream is much smaller and stagnating. Bass in the USA is primarily supplied by Greece, but as in other markets, Turkey is catching up fast. Import unit values for both Greek products are approximately stable in 2014 compared with 2013, in line with the general trend, but the price of Turkish-origin imports appears to have fallen slightly. Overall, however, rapidly increasing import volumes with a minimal decrease in price points to strong demand growth for bass in the USA.

Total US imports of fresh bass for the first five months of 2014 reached 2 100 tonnes valued at USD 17.9 million, up 47% and 48% respectively from the same period the previous year. Fresh bream imports were flat at less than 200 tonnes.

The Russian Federation

The Russian Federation continues to be a growing emerging market for bass and bream and like other major European markets, is led by a gaining market share from Turkey. Indeed, since 2012, Turkey has been the largest supplier of bass and bream to the market of the Russian Federation, increasing its share each year. According to the Russian Federal State Customs, from January to July 2014, The Russian Federation had imported 3 246 tonnes of fresh bass and bream (51% bream and 49% of bass), with Turkey responsible for 90% of this supply. In contrast, the imports of fresh bass and bream from Greece during this time period went down to only 226 tonnes. Similar to Turkey's success in other countries, lower transportation costs, high quality and competitive price are the main factors behind the success of the Turkish suppliers in The Russian Federation.

Outlook

Much reduced or possibly flat production growth this year is expected to maintain prices at a relatively higher level than last year, and in general the market should be more stable. However, in the longer term, the industry as a whole, and Greece in particular, will have to adapt to the changing dynamics of seafood markets. Consumers are increasingly demanding in terms of convenience, with value addition now necessary to access new markets. Coordinated common marketing strategies, which have been met with notable success in the salmon industry, are also a possible new direction for the sector, with or without consolidation at the company level. There is also a need, recognized by the private market research firm Kontali, to improve data collection at all points in the supply chain, so as to better allow for advanced business planning and more effective policy formulation, implementation and monitoring.

Chilean producers back in the black

Supply of farmed Atlantic salmon this year is expected to be higher than previously forecasted, but speculators appear to be confident in the capacity of the market to absorb these volumes on the current demand trajectory. For Chilean coho, production estimates are considerably lower and prices should remain relatively firm, though recent reports of much higher than expected harvests of competing sockeye may push prices down in the second half of the year.

Prices

After reaching record heights in late-2013 and early-2014, prices for Norwegian salmon dropped back into the mid-40s and remained stable for the first four months of the year as a tight market balance was sustained. In early May, however, the effects of a mild winter began to be felt as the relatively rapid growth of salmon in the pens forced Norwegian farmers to harvest earlier than usual to keep below Maximum Allowable Biomass (MAB) limits. With more fish available, particularly bigger sizes, prices began to fall, and continued falling up until early July, with the weighted NASDAQ salmon index almost hitting NOK 30 per kg for fresh whole Atlantics before the downward trend was reversed. Processors were quick to take advantage of the much needed drop in raw material costs and upped purchases. Meanwhile, Chilean prices in the USA and Brazil have also fallen in recent weeks after good early year performances, although supply shortages have ensured Coho prices in Japan have so far remained stable at good levels.

Norway

Norwegian producers have been enjoying good margins and high prices for some time now, and the first quarter of 2014 was no different. Indeed, the total value of salmon exports for the first three months of 2014, at NOK 10.7 billion, demonstrated the highest export value ever. This figure is 32% higher than compared with the first

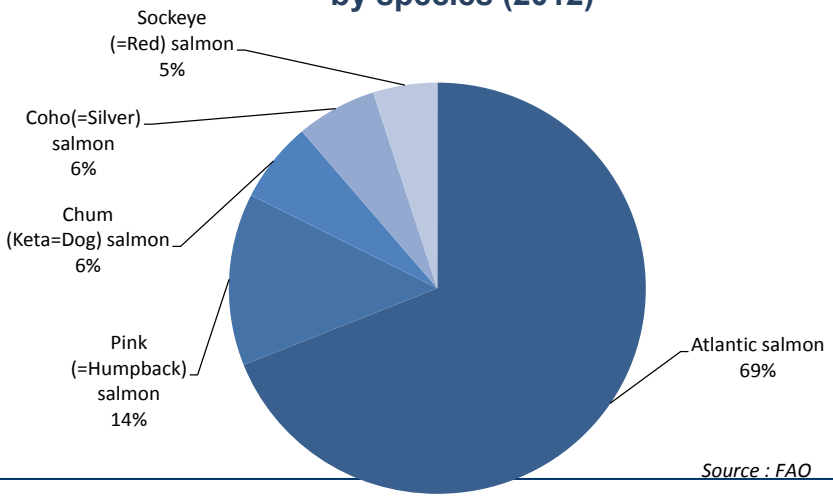
Production

Farmed salmon: World

	Jan-Dec					
	2008	2009	2010	2011	2012	2013*
	(1 000 tonnes)					
ATLANTIC SALMON						
Norway	738	863	940	1065	1232	1100
Chile	389	233	123	264	400	515
UK	129	133	155	158	163	155
Canada	104	100	101	102	108	115
Faeroe Is.	38	51	45	60	77	60
Australia	26	30	32	35	44	31
Ireland	9	12	16	12	12	15
USA	17	14	20	19	19	15
Others	2	3	6	10	12	3
Total	**1451**	**1440**	**1438**	**1726**	**2067**	**2009**
PACIFIC SALMON						
Chile	92	158	123	161	164	160
New Zealand	9	12	13	14	12	12
Japan	13	16	15	0	10	8
Total	**114**	**186**	**151**	**175**	**186**	**180**
Gr. Total	**1566**	**1626**	**1589**	**1901**	**2252**	**2189**

Source: FAO (until 2012) (*) Estimate

Salmon prodution (farmed and wild) by species (2012)



Source : FAO

quarter of 2013, while volume for the same period was up by only 3%. The average export price for the first quarter was NOK 47.6 for fresh whole Atlantics, some 31% higher than in 2013, reflecting the tight balance between low supply and firm consumer demand.

Exports to the EU, the major source of revenue for the Norwegian industry, were up 31% by value for the first quarter, and 3% by volume. Total volume share of the EU was 69%. There was a notable shift in relative shares amongst Norway's major partners, with France and the Russian Federation, the second and third largest markets after Poland, importing 19% and 12% less in volume terms respectively. This points to an adverse consumer reaction to high prices in these markets, while Norway continues to face certain market access difficulties in the Russian market. Export volumes to almost all other EU markets, particularly the Netherlands and the UK, increased in the first quarter.

It is in the non-traditional markets however where Norway must look for expansion. Export value to Asian markets in the first quarter was up by 49% and volume by 14%, while export volumes to the USA doubled with higher prices pushing the value up by an impressive 162%. The USA is still a relatively small market for Norway, importing 6 400 tonnes in the first quarter of 2014, but with Chile's attention increasingly drawn towards the promising Brazilian market and Canadian supply tightening, there appears to be an opportunity for Norway to expand its share considerably by focusing on the higher quality fresh Atlantic segment.

Even as the good times look set to continue in the short to medium term, the Norwegian industry is already looking to the future and the challenges it will bring. Sea lice levels, particularly in the south of the country, have increased relative to last year, and farmers will want to ensure that treatment costs do not eat too much further into profit margins. The extent to which producers will be able to take advantage of proposals to increase the Maximum Allowable Biomass by 5%, given the prerequisite of meeting much stricter sea lice requirements, remains to be seen. On the market side, China remains firmly in the sights of Norwegian exporters, who will not want a tense trading relationship to continue to inhibit their access to a rapidly growing, and potentially enormous, Chinese market.

Trout

Despite the understandable focus on salmon, the trout market also continues to quietly break records. The first quarter of 2014 saw a total of NOK 632 million exported from Norway, a record value. Volumes were 3% down, with the increase in value entirely attributed to soaring prices, particularly for frozen and fillet products. The Russian Federation is the major market for Norwegian trout, taking a 50% share of the total export volume.

Exports (value)
Salmon and Trout: Norway

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(bill. NOK)					
Salmon	**4.7**	**6.4**	**7.5**	**6.7**	**8.2**	**10.7**
Fresh	3.6	4.6	5.6	5.1	6.6	8.7
Frozen	0.2	0.3	0.4	0.3	0.2	0.3
Fresh fillet	0.5	0.8	0.8	0.7	0.8	1.0
Froz. Fillet	0.3	0.5	0.5	0.6	0.5	0.6
Trout	**0.3**	**0.3**	**0.2**	**0.4**	**0.5**	**0.6**

Source: Norwegian Seafood Council

Exports (quantity)
Salmon and Trout: Norway

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Salmon	**150.3**	**180.5**	**175.1**	**226.8**	**217.2**	**220.8**
Fresh	123.4	139.5	140.2	187.3	182.3	186.2
Frozen	8.4	12.1	11.7	12.8	8.7	8.6
Fresh fillet	10.7	17.0	13.3	15.0	15.6	16.5
Froz. Fillet	7.1	11.2	9.3	11.2	10.0	9.2
Trout	**9.0**	**6.9**	**4.6**	**12.8**	**13.1**	**12.4**

Source: Norwegian Seafood Council

However, exports to the latter market were down 16% in the first quarter, while Japan imported 54% more than in 2013.

Chile

The Chilean salmon industry's strategy for disease mitigation and profit maximization appears to be working, as the majority of stock-listed companies turned last year's losses into profits during the first quarter of this year. Indeed, during the first quarter of 2014, salmonids exports (including fish oil and fishmeal) had increased notably by 38.4% in value in comparison with the same time period last year, although a 13.9% fall in volume was registered. This reversal of fortunes has taken place thanks to a combination of cost reduction and strong price performance in Chile's major markets as widespread demand growth into new markets such as China, Brazil, the Russian Federation and the Republic of Korea continues. Chilean profit margins are still below that of the Norwegian industry, although the outlook remains positive with rising prices expected to remain stable in the second semester, despite the recent price drop and emerging disease concerns.

According to IFOP, Atlantic salmon was the most exported species in Chile throughout the first three months of the year with 87 236 tonnes exported valued at a total

Exports (quantity)
Salmon and Trout: Chile

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Salmon	**106.9**	**61.1**	**79.8**	**112.3**	**141.6**	**140.2**
Frozen	83.2	46.9	63.7	80.0	102.0	94.3
Fresh	21.9	11.7	15.0	29.5	37.7	44.5
Canned	1.0	0.5	0.3	0.1	0.1	0.2
Salted	0.2	1.4	0.0	1.8	1.2	0.6
Smoked	0.7	0.6	0.7	0.9	0.6	0.5
Trout	**30.2**	**28.7**	**44.0**	**41**	**38.8**	**16.8**
Frozen	27.8	24.7	39.3	37.0	35.2	14.0
Fresh	1.6	2.8	3.4	2.0	1.9	2.2
Canned	0.0	0.0	0.0	0.0	0.0	0.0
Salted	0.0	0.6	0.0	0.9	0.7	0.2
Smoked	0.8	0.5	1.0	1.2	1.0	0.4
Total	**137.1**	**89.8**	**123.8**	**153.4**	**180.4**	**157.0**

Source: Boletín de Exportaciones del IFOP

Exports (value)
Salmon and Trout: Chile

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(million USD)					
Japan	328	279	450	546	297	356
USA	188	92	149	192	232	378
EU (25)	50	18	19	23	48	67
Lat.America	68	79	107	105	126	211
Others	69	69	154	113	160	211
Total	**702**	**537**	**879**	**979**	**862**	**1224**

Source: Boletín de Exportaciones del IFOP

Exports (unit value)
Salmon and Trout: Chile

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(in USD/kg)					
Salmon	**5.06**	**5.76**	**6.81**	**8.50**	**8.78**	**7.54**
Frozen	4.70	5.22	6.05	9.26	9.70	7.05
Fresh	6.09	7.42	9.54	6.41	6.15	8.46
Canned	6.55	7.03	10.21	10.00	10.00	9.23
Salted	7.86	6.00	6.72	6.11	3.33	6.85
Smoked	12.35	12.78	15.49	14.44	16.70	16.82
Trout	**5.36**	**6.45**	**7.67**	**7.27**	**5.28**	**9.93**
Frozen	5.11	6.25	7.44	6.95	4.91	9.56
Fresh	6.60	7.25	8.53	8.50	7.36	11.14
Canned	6.41	8.25	9.90	0.00	0.00	0.00
Salted	2.80	6.06	6.63	7.78	4.29	6.15
Smoked	11.38	12.11	14.00	15.00	15.00	17.94
Average	**5.12**	**5.98**	**7.12**	**8.17**	**8.03**	**7.79**

Source: Boletín de Exportaciones del IFOP

of USD 739 million. In terms of quantity, a 20.6% increase was registered; regarding value, an important raise of 69.4% was noted. The level of Atlantic salmon harvests was 152 200 tonnes, up 17% compared to 2013.

Coho salmon was the second most importance export species, with 52 928 tonnes traded (22.9% decrease in relation to 2013), valued at USD 317 million. In the case of rainbow trout, exported volume in the first quarter reached 16 839 tonnes, demonstrating a 57% decrease in comparison with 2013. In terms of value, an 18% fall was registered, a consequence of the low international prices.

The total salmonid harvest recorded in the first quarter in Chile was 240 500 tonnes, an increase of 2.5% compared with the same time period in 2013. According to the Report of Fisheries and Aquaculture of the Undersecretary of Fisheries and Aquaculture, this species made up 76% of the total accumulated national fish harvest.

Exports (quantity)
Salmon and Trout: Chile

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Japan	69.1	50.8	70.0	86.5	77.8	51.1
USA	25.4	10.1	13.0	23.0	31.2	36.6
EU (25)	8.1	2.3	2.0	3.3	8.6	8.2
Lat.America	16.0	13.6	14.0	19.2	24.0	28.9
Others	18.4	13.0	24.0	21.5	38.9	32.3
Total	**137.1**	**89.8**	**123.0**	**153.6**	**180.4**	**157.0**

Source: IFOP

Exports (value)
Salmon and Trout: Chile

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(million USD)					
Salmon	**540.5**	**351.6**	**543.0**	**955.0**	**1243.0**	**1056.5**
Frozen	391.2	245.0	379.0	741.0	996.6	665.2
Fresh	133.0	86.8	144.0	189.0	232.0	376.6
Canned	6.5	3.4	2.0	1.0	1.0	2.2
Salted	1.4	8.1	7.0	11.0	4.1	4.3
Smoked	8.3	8.2	11.0	13.0	9.6	8.2
Trout	**161.8**	**185.3**	**336.0**	**299.0**	**205.0**	**167.2**
Frozen	142.2	154.7	288.0	257.0	173.0	133.5
Fresh	10.4	20.3	29.0	17.0	14.0	24.5
Canned	0.1	0.3	0.0	0.0	0.0	0.0
Salted	0.0	3.8	5.0	7.0	3.2	1.4
Smoked	9.1	6.2	14.0	18.0	14.5	7.8
Total	**702.4**	**536.9**	**879.0**	**1254.0**	**1448.0**	**1223.7**

Source: Boletín de Exportaciones del IFOP

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

Source: European Price Report

In recent news, Chilean, Canadian and Norwegian scientists have announced that the complete genome map of Atlantic salmon has now been deciphered. The Minister of Economy, Development and Tourism, Luis Felipe Céspedes, reported this as a big step in moving towards sustainable production of such an important species. Proponents argue that this development will allow for higher productivity in the aquaculture sector and aid in improving the nutrition of salmon, treatment of their diseases as well as creating better conditions for productivity and growth.

UK

In Scotland, there are reports of high sea lice levels, though the UK's excellent performance on export markets continues. So far this year, exporters have managed to increase volumes considerably while maintaining prices just above the GBP 5 per kg level. Similar to Norway, the UK has taken advantage of US demand outpacing supply from Chile and Canada by making up the shortfall in the fresh whole and fresh fillet segments. Another positive development for the UK is the recent signing of an MOU with China, which is intended to strengthen trading relations and ensure both countries are continuously aware of import and export requirements.

On the market side, imports of fresh whole Faroese Atlantics have continued at approximately comparable quantities to last year. Prices in the first quarter were relatively higher but dropped somewhat in April. Meanwhile, lower prices saw increased imports of canned salmon from the US. Overall, consumer demand for salmon is good in the UK, with more smoked salmon purchased at higher prices in the first five months of 2014.

Markets

The Norwegian Seafood Council recently restated its belief that the relentless growth of global demand for salmon is not likely to let up in the foreseeable future. Public awareness of salmon as a healthy diet choice is spreading, particularly amongst the emerging middle-classes in Asia and Latin America. With this core consumer demographic expanding, competition for an already limited resource is only going to increase. Brazil, in particular, is growing at a rapid rate, which may prompt Chilean exporters to direct their efforts proportionally more towards this logistically more convenient market in the future. This will in turn leave supply gaps in other major markets such as the USA and China, which represent attractive opportunities for European producers. However, with only a limited supply of salmon, and Chile now seeking to slow production growth substantially to cut costs and boost profits, the possibility that salmon will eventually become more of a niche product than a commodity must be acknowledged.

Exports

Salmon: UK (by product and country)

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
FRESH						
USA	3.9	5.7	8.8	8.8	7.9	10.7
France	3.7	5.2	3.7	4.0	3.2	4.2
China	0.0	0.0	1.0	1.4	2.1	2.7
Ireland	0.8	0.5	0.7	0.8	0.9	1.2
Poland	0.1	0.4	1.2	2.1	1.1	0.6
Germany	0.4	0.5	0.4	0.2	0.2	0.3
Others	1.1	1.7	1.2	2.2	2.9	3.1
Total	**10.0**	**14.0**	**17.0**	**19.5**	**18.3**	**22.8**
FRESH FILLETS						
Ireland	0.4	0.3	0.3	0.5	0.4	0.3
France	0.2	0.2	0.2	0.2	0.3	0.3
Belgium	0.1	0.2	0.1	0.5	0.3	0.2
Others	0.4	0.5	1.5	0.7	0.7	0.5
Total	**1.1**	**1.2**	**2.1**	**1.9**	**1.7**	**1.3**
FROZEN						
France	0.2	0.5	0.6	0.4	0.3	0.4
Russian Fed.	0.1	0.4	0.4	0.7	0.2	0.3
Estonia	0.0	0.0	0.0	0.2	0.3	0.4
Others	0.7	0.5	0.8	0.7	0.6	0.8
Total	**1.0**	**1.4**	**1.8**	**2.0**	**1.4**	**1.9**
OTHER SALMON						
Total	**1.4**	**2.1**	**2.2**	**1.8**	**1.6**	**1.5**
Gr. Total	**13.5**	**18.7**	**23.1**	**25.2**	**23.0**	**27.5**

Source: Her Majesty's Revenue & Customs

France

It is increasingly clear that French consumers are put off by the exceptionally high price of salmon. Volumes are dropping, and cod has become more popular than salmon

Imports

Salmon: France

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Fresh whole	**23.1**	**24.2**	**21.6**	**25.6**	**22.9**	**20.9**
Norway	16.2	17.2	15.0	17.6	17.1	13.7
UK	3.9	4.4	4.4	4.6	3.5	4.9
Frozen Pac	**1.0**	**1.1**	**0.9**	**0.8**	**0.8**	**0.7**
USA	0.8	1.0	0.9	0.8	0.6	0.6
Frozen Atl	**0.5**	**0.7**	**1.0**	**0.2**	**0.2**	**0.1**
Poland	0.0	0.0	0.1	0.0	0.0	0.1
Norway	0.2	0.1	0.1	0.1	0.1	0.0
Smoked	**1.2**	**1.4**	**1.5**	**1.9**	**2.0**	**1.5**
Poland	0.8	1.1	1.1	1.5	1.6	1.1
UK	0.1	0.1	0.1	0.1	0.1	0.1
Germany	0.1	0.1	0.1	0.1	0.1	0.1
Fresh fillets	**2.2**	**2.8**	**2.5**	**3.8**	**5.0**	**3.8**
Norway	1.9	2.4	2.3	3.4	4.2	3.3
Frozen fillets	**5.4**	**5.8**	**5.7**	**4.9**	**5.5**	**5.8**
Chile	2.6	1.9	1.2	1.4	2.0	1.6
China	1.3	2.2	2.5	1.8	1.4	1.6
Norway	0.7	0.7	0.7	0.4	1.0	0.7
Canned	**0.5**	**0.6**	**0.6**	**0.4**	**0.5**	**0.4**
Thailand	0.1	0.1	0.1	0.1	0.1	0.1
Denmark	0.1	0.1	0.2	0.2	0.1	0.1
Germany	0.1	0.1	0.0	0.1	0.1	0.1
Grand Total	**34.2**	**37.0**	**34.0**	**37.6**	**36.9**	**33.1**

Source: DNSCE

as the seafood choice in French baskets. In particular, fresh whole salmon imports are down substantially this year. However, it should be recognised that this is a price effect rather than reflecting a weakening of core demand, evidenced by the increase in total imported value despite lower volumes. As such, the recent drop in price levels to the low NOK 30s may kick start demand once again, as processors seize the opportunity to up their purchases of raw material.

Germany

In contrast to France, the German market has yet to be significantly weakened by the high price level. German consumers are eating more seafood, and although discount chains still hold the biggest share of the salmon retail market, there is increasing demand for quality fresh products. Indeed, imports of fresh whole Atlantics are up considerably this year, unaffected by higher prices, and Norway has been the main benefactor. Imports of frozen fillets also rose, with Chile continuing to increase its share of this segment despite retreating from other major EU markets such as France. Meanwhile, smoked salmon imports, mainly from Poland, have fallen slightly in terms of volume, but high prices meant a small increase in total value.

The Russian Federation

Though mixed tendencies are observed in the Russian market for the domestic catch, production and import of salmon, the market is generally expected to weaken in 2014.

According to the Federal Agency for Fisheries in Russia, the catch of Pacific salmon species (mostly pink and chum) in the Russian Far East has so far this year been good. The Pacific salmon season began on May 28, 2014 in the Far Eastern region and by June 17, 2014, the catch had reached 6 200 tonnes, which is twice as much compared with the corresponding period of the fishing season in 2012.

For imports of Atlantic salmon, Norwegian supplies have decreased considerably in the first four months of 2014. According to the Norwegian Seafood Council, imports of Norwegian salmon to the Russian market fell by 18% to 28 000 tonnes, compared with the same period of 2013. In value terms, the decrease was 4.5% to USD 210 million. Russian imports of sea trout from Norway also deceased notably: by 12.4% to 8 000 tonnes and by 2% to USD 60.3 million. Decreasing volumes of Norwegian exports to the Russian market were influenced by a combination of high prices and the weakening of the RUB.

The Russian farming output of Atlantic salmon amounted to 10 000 tonnes produced by one company in the Barents Sea. There are currently two companies farming Atlantic salmon in The Russian Federation, and the second company expects its first harvest of 3 000–4 000 tonnes in 2014-2015.

USA

Chile continues as the main US salmon supplier after exporting 35 049 tonnes during January-March 2014, which

Imports

Salmon: Germany (by product)

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Fresh salmon	12.4	12.6	12.1	10.8	10.4	14.6
Frozen salmon	1.1	1.6	1.2	0.9	1.4	2.4
Smoked salmon	8.6	7.8	9.4	8.6	9.9	7.7
Fresh fillets	1.9	2.2	1.9	1.9	2.1	1.6
Frozen fillets	8.8	9.6	8.4	6.9	8.5	9.5
Salted	0.8	0.9	1.8	1.7	2.0	0.4
Canned	1.0	1.1	0.9	0.8	0.9	1.4
Total	**34.2**	**35.7**	**35.3**	**31.4**	**35.3**	**37.6**

Source: Germany Customs

Imports
Salmon: Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
Fresh *	**5.2**	**5.4**	**5.0**	**7.0**	**6.1**	**4.8**
Norway	4.4	4.7	4.3	6.3	4.9	4.2
Australia	0.3	0.4	0.4	0.4	0.3	0.1
UK	0.1	0.1	0.1	0.1	0.1	0.1
Canada	0.3	0.1	0.0	0.0	0.5	0.1
Frozen**	**38.8**	**41.4**	**53.2**	**56.1**	**50.6**	**29.3**
Chile	34.8	39.1	48.6	53.6	45.2	25.6
Russian Fed	1.3	0.1	1.2	0.7	3.9	3.3
USA	2.1	1.8	2.0	1.0	0.4	0.3
N. Zealand	0.2	0.1	0.4	0.2	0.6	0.0
Canada	0.2	0.2	0.6	0.2	0.3	0.1
Fresh fillets	NA	NA	NA	1.3	**1.7**	**2.1**
Norway	NA	NA	NA	1.1	1.6	2.1
Frozen fillets	NA	NA	NA	3.9	**2.5**	**5.8**
Chile	NA	NA	NA	1.9	1.1	4.4
Norway	NA	NA	NA	1.6	0.9	0.9
Grand Total	**44.0**	**46.8**	**58.2**	**68.3**	**60.9**	**42.0**

Source: Japan Customs - * mainly Atlantic **mainly Pacific

Imports
Salmon: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Fresh fillets						
Chile	16.5	5.1	7.7	11.1	22.1	23.9
Canada	1.0	2.0	1.6	0.7	1.6	1.0
Norway	2.3	6.8	2.8	0.8	0.8	2.9
Other	1.3	2.2	2.8	2.2	2.7	3.5
Total fresh fillets	**21.1**	**16.1**	**14.9**	**14.8**	**27.2**	**31.3**
Frozen fillets	**8.1**	**6.5**	**5.7**	**13.4**	**18.8**	**19.0**
Smoked	**0.9**	**0.9**	**0.9**	**1.4**	**1.2**	**1.1**
Salted	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total	30.1	23.5	21.5	29.6	47.2	51.4
All salmon	**61.7**	**59.4**	**54.6**	**67.6**	**77.1**	**76.7**

Source: NMFS

represents an increase of 15.3% compared to the 30 411 tonnes shipped in the same period of 2013. In terms of value, an increase of 51% was registered (USD 387 million against USD 257 million).

Canada appears in second place despite a sharp drop of 47% in volume. During the first three months of 2014, the country exported 11 857 tonnes worth USD 109 millions. In terms of volume, China appears very close with 10 617 tonnes.

Japan

Low inventories in Japan, and lower production in Chile has seen prices for frozen Coho reach impressive heights on the Japanese market. However, with buyers reluctant to pay current prices and US and Russian sockeye harvests now exceeding expectations by some distance, there may well be a drop in the second half of the year. Demand for frozen fillets is also good, and prices are approximately stable. Chile has substantially increased its share of this segment in 2014, while Norway's share has fallen.

Outlook

Supply of farmed Atlantics has been somewhat higher than forecasted so far this year, with both Chilean and Norwegian harvests above predicted levels. In addition, wild harvests have been unexpectedly good this year. However, supply is beginning to tighten once again and prices have returned to their upward trend despite some some weakening in July. In general, the market appears to have considerable confidence in the capacity of current demand to absorb current production in the medium term, while the predicted cutback in production growth for 2015 should see another good year for producers. Chile in particular is expected to reap the benefits of a widening gap between supply and demand as the US and Brazilian markets continue expanding. Production costs remain a challenge to be overcome in both Chile and Europe, but calls for consolidation and regulatory prudence show that the industry is intently focussed on ensuring maximum profitability in the years to come.

Future development of the salmon sector depends on three major factors. The first is the growth trajectory of salmon supply, which, in its current form, is subject to multiple constraints. Most importantly, open pen farming is geographically limited in terms of potential sites, but alternatives are still extremely high-cost, and commercially viable examples are generally competitive only through targeted marketing of a niche product. The second factor is the ability of the industry to keep production costs down, primarily those relating to feed and disease control. Global demand for fish feed is growing at over 11% a year, meaning the salmon industry will face stiff competition for a limited resource, while disease represents an ever-present and constantly evolving threat. The third key factor is on the market side, specifically the extent of demand destruction if the high price level is to continue in the long term. Evidence of this has already been seen in some important markets such as France and The Russian Federation, but it appears, for now at least, that growth in newer markets is more than sufficient to support current high prices and the resulting margins.

SMALL PELAGICS

Good supplies of mackerel, tighter for herring

Supplies of mackerel are abundant, pushing prices down. Supplies of herring, anchovies and sardines are tighter and expected to decline further. Consequently, mackerel prices are predicted to stagnate and decline, while herring, anchovy and sardine prices may rise moderately.

News

Norwegian exports of pelagic fish increased slightly during the first half of 2014, reaching a value of NOK 2.6 billion (USD 423 million). Exports of herring actually fell by 10% to NOK 1.3 billion (USD 211 million), while exports of mackerel increased by 41% to NOK 900 million (USD 146 million).

Ukraine has long been an important market for Norwegian pelagic fish and with the present unrest in the country, Norwegian exports to the country have been affected negatively. During the first half of 2014, total Norwegian exports to Ukraine were down by 38%, mainly as a result of the unrest and a tighter credit situation faced by importers.

Researchers are seeing a weakening of this year's El Niño already, and expect that water temperatures will return to normal in the second half of the year. Though landings were down during the first half of 2014 as a result of El Niño , the outlook for fishing off the coast of Peru and Chile is now a bit more optimistic.

Mackerel

Supplies

In 2013 there were large amounts of mackerel in the sea and along the coast of Norway, to the great delight of fishermen. However, other species may have suffered because of all the mackerel. According to researchers at the Institute of Marine Research in Bergen, Norway, it is known that mackerel feed on juveniles of a number of other species, such as herring, saithe, sprat, and sandeel. Thus, the abundance of mackerel may have decimated new generations of these species, although it is still too early to tell.

In April, Iceland once again set a unilateral mackerel quota for 2014 at 147 547 tonnes, which means that Iceland must cut their catch by about 10 000 tonnes compared with last year. In a statement from the Icelandic Government, this quota was noted as "restrained and responsible". "Our 2014 mackerel quota supports Iceland's efforts to preserve the mackerel stock, which should be the long term management goal," said Iceland's Minister of Fisheries and Agriculture, Sigurdur

Imports

Frozen Mackerel: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
UK	0.4	0.6	1.9	3.4	3.8	2.2
Ireland	1.4	1.6	1.7	1.5	2.0	1.4
Netherlands	1.2	1.1	0.8	2.4	0.8	0.9
Poland	0.8	0.8	1.0	0.1	0.3	0.6
Norway	0.3	0.9	0.2	0.1	0.3	0.6
Denmark	1.4	0.9	1.1	0.4	0.3	0.3
Others	0.4	0.5	0.8	0.6	0.4	0.1
Total	**5.9**	**6.4**	**7.5**	**8.5**	**7.9**	**6.1**

Source: Germany customs

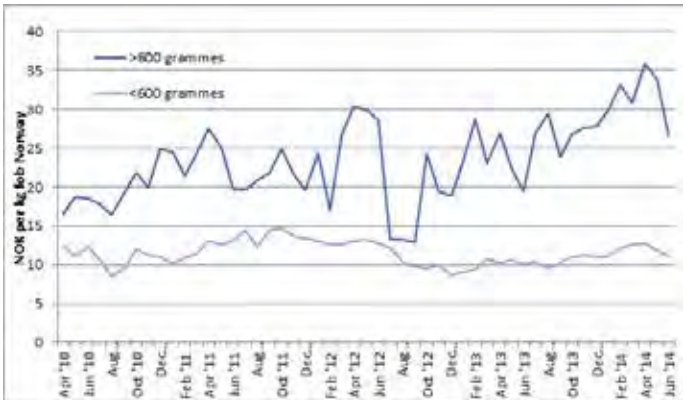
Exports

Frozen Mackerel: Norway

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	4.0	6.2	7.5	13.2	8.0	11.9
Nigeria	0.2	0.3	2.9	1.2	0.6	7.5
Netherlands	0.3	0.3	1.7	4.1	1.4	6.1
Japan	4.8	2.4	2.1	7.5	4.6	5.0
Turkey	5.0	7.5	7.2	7.3	4.9	4.8
Lithuania	0.5	0.1	1.3	2.7	2.5	3.5
Poland	2.5	2.9	2.7	1.6	1.6	3.3
South Korea	3.4	2.8	5.6	1.7	1.4	2.2
Russian Fed	5.5	8.5	8.2	7.5	6.8	1.1
USA	0.3	0.6	0.3	0.4	0.8	1.1
Ukraine	3.4	2.7	3.0	2.4	4.5	1.0
Germany	0.2	0.0	0.1	0.1	0.2	0.7
Others	6.1	3.7	5.5	7.6	9.4	4.2
Total	36.2	38.0	48.1	57.3	46.7	52.4
Nigeria	0.8	0.3	24.9	3.0	7.5	1.1
Belarus	1.7	1.3	2.5	1.3	1.2	1.1
Others	4.3	4.8	13.6	7.2	11.6	11.3
Total	**52.0**	**78.5**	**176.3**	**128.1**	**115.7**	**97.0**

Source: Statistics Norway

Norwegian frozen mackerel export prices



Source: NSC/Central Bureau of Statistics, Norway

Ingi Johannesson, in a comment.

The Department of Fisheries, Hunting and Agriculture of Greenland set its quota for mackerel at 100 000 tonnes for the 2014 season. Of this, 52% is allocated to domestic vessels, as the Department wishes to give priority to the domestic industry.

Horse mackerel is a major species harvested by South African and Namibian fleets. Now China is getting into this fisheries as well, though in an indirect way. China Fishery Group, part of Pacific Andes International, has sold a large freezer-trawler to a Namibian joint venture company, in which China Fishery Group is a part owner. The vessel, which is 120 meters in length, will be the largest ever Namibian-owned fishing vessel. The vessel will be stationed in Walvis Bay and will be fishing for horse mackerel. In a comment, Namibian Minister of Fisheries and Marine Resource, Bernard Esau, said: "This is the kind of investment in future growth that the Government of Namibia is keen to see".

Exports and imports

During the first quarter of 2014, Norwegian mackerel exports increased noticeably. Exports of frozen whole mackerel increased by 12% by volume, to 52 400 tonnes at an FOB value of NOK 622 million (USD 101 million). China was the main importer, strengthening its position as the number one importer of frozen Norwegian mackerel as they accounted for almost 23% of Norwegian frozen mackerel exports (by volume). Average export prices were up by 23% during the first quarter, which explains why the export value increased as much as it did.

It is worth noting that Nigeria has returned as a major buyer of Norwegian mackerel this year. While Nigeria imported only 600 tonnes of Norwegian mackerel during the first quarter of 2013, in 2014 this had increased more than twelvefold, to 7 500 tonnes. However, Nigeria is taking the lower quality mackerel, and the average price of frozen mackerel exported from Norway to Nigeria was only NOK 8.83 per kg, compared to NOK 12.25 per kg for mackerel exported to the EU. In the second quarter of 2014, exports to Nigeria rose even more, and the country became the second largest market for frozen Norwegian mackerel after China. While most of the mackerel exported to Nigeria is consumed domestically, most of the mackerel exported to China is further processed there before being shipped to Japan.

Despite this recent growth for Nigeria, there is great uncertainty about this market. The Nigerian Government announced this year that it will cut fish imports by 25% in 2014, by 50% in 2015 and by 75% in 2016. It is highly unlikely that domestic production can replace imports, at least in the short term, which annually amounts to about 780 000 tonnes. The Government may face a difficult situation if it actually cuts imports by as much as it says it will. The effect could be a severe weakening of traditional and well-established distribution systems for fish and fishery products leading to shortages and a drop in fish consumption.

Germany is an important European market for mackerel, but during the first quarter of 2014, imports fell compared with the same time period in 2013. Total imports of frozen mackerel amounted to 6 100 tonnes, compared to 7 900 tonnes during the same period last year (-22.8%). The main suppliers, the UK and Ireland, both saw declines in shipments, while Poland and Norway doubled their exports to Germany, albeit from a very low base.

Prices

Frozen mackerel prices have been on an upward curve since mid-2012, although there have certainly been ups and downs. A new peak was reached in April 2014, but this was followed by a sharp drop in June. In view of the expected availability of mackerel in the months to come, prices will probably not come back up for some time.

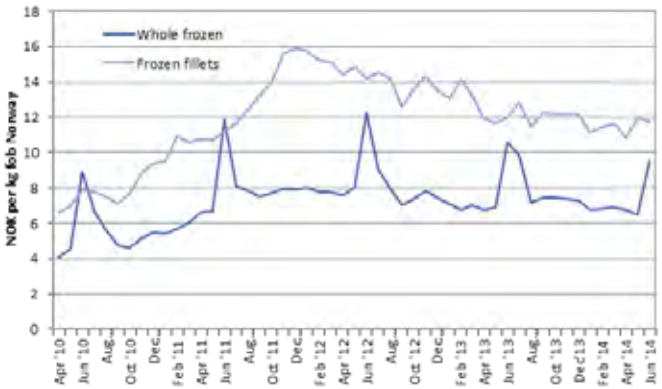
Herring

Supplies

In May, ICES issued revised advice for mackerel catches in the North East Atlantic, increasing the recommended limit from 890 000 tonnes to 1 011 000 tonnes. This is still lower than the TAC of 1.24 million tonnes that the EU, the Faroe Islands and Norway agreed upon in March. The EU commented that it has no plans to adjust the mackerel quota further (Source: Undercurrent News).

Although the "Herring War" has been going on for some time now, it now seems that it has come to a conclusion, for the time being at least. In June, the

Norwegian frozen herring export prices



Source: NSC/Central Bureau of Statistics, Norway

Imports
Fresh and Frozen Herring: Japan

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Russian Fed	2.7	3.1	2.3	2.9	3.1	3.1
Norway	2.0	1.5	1.6	1.0	1.4	1.2
South Korea	0.4	0.0	0.0	0.0	0.0	0.3
Others	0.6	0.8	0.2	0.3	0.3	0.3
Total	5.7	5.4	4.1	4.2	4.8	4.9
Total	**33.4**	**30.2**	**35.4**	**30.9**	**24.0**	**31.0**

Source: Japan Customs

European Commission announced that it has lifted its sanctions on imports from the Faroe Islands. As part of the agreement, the Faroe Islands have agreed to stop their proceedings against the sanctions in the World Trade Organization WTO.

In Alaska, the Togiak herring biomass has fallen by 7%, to about 157 448 tonnes. Consequently, this year's herring season, which started in May, will yield lower landings. The on-shore processors have reduced their production capacity accordingly. It is also said that there is an oversupply in the herring market that depresses prices on that side of the continent. The first week of fishing was a disappointment, as no herring schools were spotted.

Exports and imports

Norwegian herring exports during the first half of 2014 fell in volume due to poorer landings. Just during the first quarter of 2014, exports fell by 12.3%, to 51 500 tonnes. This trend continued through the second quarter, as exports registered a decline of 5.8% compared with

Exports
Frozen Whole Herring: Norway

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Russian Fed.	56.9	60.5	30.8	30.9	18.9	16.8
Lithuania	9.8	11.7	9.1	11.0	6.2	11.8
Ukraine	39.3	35.4	26.6	21.3	11.6	9.1
Latvia	0.8	2.7	1.9	1.8	2.1	4.1
Egypt	3.0	17.3	10.5	11.1	8.2	1.9
Germany	1.1	1.1	2.9	1.9	1.5	1.4
Netherlands	3.1	4.8	3.4	0.7	2.8	1.2
Kazakhstan	3.7	5.7	3.9	1.3	1.1	1.2
Nigeria	59.9	45.4	38.9	2.4	2.2	0.5
Others	15.3	17.2	11.6	8.9	5.0	3.5
Total	**192.9**	**201.8**	**139.6**	**91.3**	**59.6**	**51.5**

Source: Statistics Norway

Exports
Dutch Frozen Herring

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Egypt	11.3	3.6	6.2	7.1	18.9	21.0
Nigeria	2.2	15.8	5.2	22.0	13.2	7.9
China	5.6	8.4	6.6	6.4	6.4	5.3
France	0.1	0.2	0.5	1.0	0.3	0.9
Lithuania	0.3	0.1	0.2	1.2	0.1	0.7
Thailand	0.4	0.5	0.6	0.6	0.5	0.6
Germany	0.5	0.8	0.5	0.6	1.0	0.6
Others	1.8	1.5	1.6	3.5	4.1	0.0
Total	**22.9**	**31.2**	**21.3**	**40.5**	**43.9**	**41.1**

Source: Eurostat

Imports
Frozen Herring Fillets: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Norway	5.4	6.2	4.3	5.7	2.8	4.0
Denmark	0.5	0.4	0.6	1.8	2.1	2.1
UK	0.0	0.0	0.1	0.4	1.1	0.4
Iceland	0.0	0.2	0.4	0.5	0.6	0.4
Ireland	0.1	0.1	0.1	0.2	0.8	0.2
Netherlands	0.3	0.2	0.3	0.2	0.2	0.2
Others	0.3	0.3	0.2	0.2	0.0	0.0
Total	**6.6**	**7.4**	**6.0**	**9.0**	**7.6**	**7.3**

Source: Germany customs

the first half of 2013. In terms of value, there was a 13.7% decline during the first quarter demonstrating a slight price decrease compared with last year. During the first half of the year, prices fell by 6.7% compared with the first half of 2013.

The Russian Federation was the main market for Norwegian frozen herring both in 2013 and in 2014. However, during the first quarter of 2013, exports to The Russian Federation declined by 11% in volume, but only by 8.7% in value, indicating a slight price increase on the Russian market. In total, Norwegian export prices fell by 1.6% during the first quarter of 2014.

Exports of Norwegian frozen herring to Lithuania almost doubled during the first quarter, while there was a 21.5% decline in exports to the Ukraine. Exports to Egypt fell dramatically during the first quarter, by almost 77%.

Dutch exports of frozen herring also declined slightly, from 43 900 tonnes in the first quarter of 2013 to 41 100 tonnes in the same period in 2014 (-6.4%). It seems that Egypt has shifted to the Netherlands as its main supplier, and exports from the Netherlands to Egypt rose by 11%, making Egypt the most important market for Dutch frozen herring. Exports to Nigeria dropped markedly (-40%), while there were some increases in shipments to European countries.

Frozen herring fillets is a popular product in Germany, and the country imported 7 300 tonnes of this during the first quarter, just slightly less than in the same period in 2013. Norway is the main supplier by far, accounting for 55% of imports.

Imports of fresh and frozen herring into Japan were fairly stable during the first quarter of the year. There was a very slight increase in volume, but very little movement among the relative positions of the suppliers.

On the Polish market, one of the major markets for herring in Europe, sales have been dropping. During the first quarter of 2014, sales dropped by 7%, and this is worrying the industry. The main competitor to herring, it seems, is chicken. In response, the industry is now changing the image of herring, from an old-fashioned food item sold mainly in family-size jars and eaten mainly at Christmas and Easter, into a "hot, attractive" product that can compete with salmon and chicken (Source: Undercurrent News).

Prices

Herring prices follow certain patterns. While whole frozen herring usually have a price peak in June every year, frozen fillets follow a more even pattern throughout the year. Since the beginning of 2012, prices for frozen fillets have been on a downward trend, but they seem to have stabilized over the past couple of months. At least, they have not fallen further, although they are at their lowest level since July 2011. Prices for whole frozen herring have followed the expected pattern this year, although one may register a slight downward trend, as the peak in June 2014 was below the peaks in June 2013 and June 2012.

Over the next few months, it is expected that prices will edge lower, but not by much. Supplies are expected to be a little tighter, so this may help prevent any dramatic declines.

In the face of market uncertainty, Norwegian fishermen and processors agreed on cutting the minimum price for North Sea herring as of July 1 by NOK 1.00 (USD 0.15). The major markets, The Russian Federation and Ukraine, are facing great uncertainty because of the on-going political and military conflict. In addition, tougher import restrictions in Nigeria has led to uncertainty on that market, too.

Anchovies and sardines

The Pacific Fisheries Management Council (PFMC) of the USA in April set the quota for the West Coast sardine fishery for 2014/15 at only 65% of the previous year. This decision was made because there are signs of a dwindling stock.

Peru's catches of anchovy have been slow this year, and fishermen do not expect that the 2.53 million tonne quota will be filled. El Niño usually gets the blame for poor landings, but this year El Niño off the coast of Peru lost its strength in June, and in July, water temperatures are expected to return to normal. However, in May and June temperatures were abnormal, and this must have affected the fishing. In addition, the Ministry of Production in July decided to suspend anchovy fishing in a number of areas for five days due to the high concentration of juveniles in the catches. This also contributed to lower landings of anchovies in Peru.

On the eastern side of the Atlantic, researchers have registered an increase in the anchovy biomass. Undercurrent News reports that Azti Technicalia, a Basque Country-based marine research center, reported that the anchovy biomass in the Bay of Biscay has risen by 58%. However, researchers also warned against increasing the fishing quotas too rapidly.

Chile's pelagic landings rose by almost 28% during the first three months of 2014, to 522 600 tonnes. Sardine catches were particularly good, and more than doubled compared with the same period in 2013. By the end of the first quarter, 53% of the quota for sardines had already been caught. However, the quota for 2014 was cut dramatically by 38.3% to 373 000, so during the next nine months, only 176 000 tonnes can be landed. Thus, there could be a rather tight supply situation for sardines

Imports
Canned sardine: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Morocco	2.2	2.0	1.2	1.2	1.4	1.3
Peru	0.1	0.2	0.3	0.3	0.3	0.3
Netherlands	0.1	0.2	0.2	0.2	0.1	0.1
Others	0.2	0.1	0.1	0.1	0.1	0.1
Total	**2.6**	**2.5**	**1.8**	**1.8**	**1.9**	**1.8**

Source: Germany customs

Imports
Canned sardine: UK

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Morocco	1.2	1.4	0.8	0.8	1.0	1.5
Portugal	0.8	1.3	1.3	1.3	1.4	0.8
Thailand	0.2	0.8	0.1	1.2	0.9	0.6
Others	0.4	0.3	0.3	0.1	0.2	0.3
Total	**2.6**	**3.8**	**2.5**	**3.4**	**3.5**	**3.2**

Source: Her Majesty's Revenue & Customs

in South America.

Brazil has decided to extend the import tax reductions on frozen sardines for another five months from May. The import tax was reduced from 10% to 2%, and will now be in effect until 30 September. The main objective of this import tax reduction is to ensure the supply of frozen sardines on the domestic market.

Supplies of sardines on the Japanese market declined early this year, and in June, supplies were about 60% lower than normal. Consequently, prices rose, and according to reports on SeafoodSource.com, sardine wholesale prices in Japan rose by 30 to 50%. Japanese traders are now expecting further price increases in July and August.

Canned sardines

Over the past 15 months, imports of canned sardines into the European market have been flat or slightly declining. The trend from 2013 seems to continue into 2014, as there were slight reductions in first quarter imports into Germany (-5.3%), France (-26%), and the UK (-8.6%). Morocco was the main supplier of canned sardines to all major markets. For all small pelagic fish, landings in Morocco reached more than MAD 726 million in April 2014 compared with MAD 684 million a year earlier. The National Office for Fisheries reported an increase of 6% in value and 7% in volume in its latest statistics. First-hand prices of sardines ranged from MAD 1-3.5.

Imports
Canned sardine: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Ecuador	0.8	1.1	0.8	1.5	1.4	1.5
Canada	1.6	1.6	1.5	1.3	0.9	1.5
Poland	0.4	0.9	1.5	1.1	1.4	1.1
Morocco	1.2	1.1	1.3	1.0	1.3	1.0
Thailand	1.6	1.1	1.0	1.8	1.3	1.0
China	0.2	0.3	0.4	0.9	0.3	0.7
Philippines	0.5	0.5	0.9	0.5	0.5	0.7
Others	1.7	1.0	0.8	1.0	0.8	0.9
Total	**8.0**	**7.6**	**8.2**	**9.1**	**7.9**	**8.4**

Source: NMFS

In the USA on the other hand, there was a 6.3% increase in canned sardine imports during the first quarter of the year. However, the USA registered a 13% decline in imports in 2013, so it is not yet back to the 2012 level. Ecuador and Canada are the main suppliers.

Outlook

The outlook for the small pelagics industry is mixed. Supplies of mackerel will be good, while supplies of herring will be tighter. Herring prices are expected to remain relatively flat, perhaps with a very slight decline, while mackerel prices might slide a bit further. For anchovies and sardines, it is expected that there will be noticeable reductions in supplies, and as a consequence prices for these species may rise.

FISHMEAL AND FISH OIL

Fishmeal and fish oil prices back on upward trend due to low production during the first quarter of 2014

Faced with growing demand from the aquaculture and terrestrial animal feed sectors, production of fishmeal in the first quarter did not respond quickly. Low catch (1% of the quota) in North-Center Peru in January, a fishing ban imposed on many Chilean fishing areas for most of this period, and the slow start of the season in Europe were the major causes of lower production. Prices of fishmeal and fish oil resumed an upward trend after a short stand-by in the last few months of 2013.

Production

Fishmeal production from the top five supplying countries (Peru, Chile, Denmark, Norway and Iceland) was 17% lower in the first quarter compared with the same period in 2013. As usual, January was the last month for anchovy landing in North-Center Peru and for most of February and March there was no catch being reported from the South. According to IFFO, Peru alone produced 42.7% less fishmeal in the first quarter. The fishing ban on most Chilean fishing areas remained until early February, after which time the anchovy catch improved greatly. Accordingly, Chile produced 26.4% more than the same period of 2013 (Source: IFFO). Iceland/North Atlantic produced less than half of the volume of 2013 due to the slow start and severe weather.

For fish oil production, although Peru, Denmark/Norway and Iceland/North Atlantic produced significantly less in the first quarter (-41.2%, -39.6% and -61.3% respectively according to IFFO), Chile almost doubled its production from 26 665 tonnes to 51 604 tonnes. In the first quarter, fish oil production from the top five countries dropped by 11.1% to 94 000 tonnes.

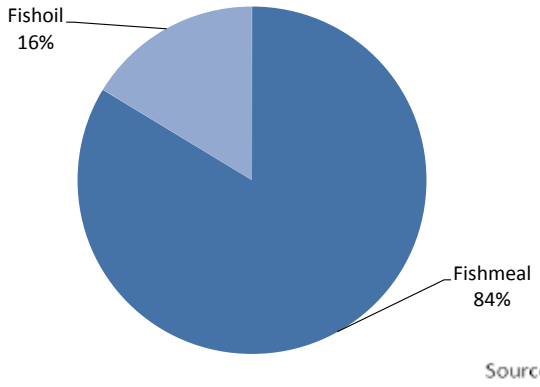
Export

Peruvian fishmeal exports for the first quarter period were reported at 369 400 tonnes, which was 165% more than the volume reported during the first quarter of 2013. Exports to all of the major destinations increased considerably. This big increase was based on the extremely low export volume in the first quarter of 2013 as the result of low anchovy catch quota in 2012. China had the largest market share, accounting for 66.6% of Peruvian fishmeal exports. In Chile, the export volume fell slightly from 63 800 to 62 000 tonnes. Although China

Recent news

The six year long dispute between Chile and Peru over 38 000 maritime square kilometers has been settled by the International Court of Justice by imposing new borders between the two countries. However, the ruling seems to have limited impact on anchovy production. Several Peruvian companies reported huge losses in 2013 but are making noticeable progress in diversifying their markets. Speculations on the amount of the next fishing quota made closing future contracts difficult, and more evidence indicating the potential comeback of the El Niño phenomenon left the sector with further uncertainty.

Fishmeal and Fish Oil production (2011)



Production
Fishmeal: 5 major producers

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Peru/Chile	256	131	215	201	174	159
Denmark/ Norway	80	82	56	41	76	65
Iceland	35	39	49	115	93	42
Total	**371**	**252**	**320**	**388**	**399**	**331**

Source: IFFO * these figures refer only to IFFO member countries

Production
Fish oil: 5 major producers

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Peru/Chile	45	21	49	48	40	59
Denmark/ Norway	20	22	18	21	22	14
Iceland	6	11	17	41	32	13
Total	**76**	**54**	**84**	**112**	**106**	**94**

Source: IFFO * these figures refer only to IFFO member countries

Exports
Fishmeal: Peru

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	231.8	197.2	107.6	263.1	116.2	246.2
Germany	54.9	51.9	16.4	40.5	6.8	33.8
Japan	36.3	23.9	12.2	31.8	10.9	15.0
Taiwan PC	7.4	10.7	6.0	6.0	0.3	10.7
Viet Nam	na	na	8.9	19.8	2.7	14.9
UK	na	na	5.8	18.9	2.2	2.9
Others	96.9	69.0	135.1	78.6	0.2	45.9
Total	**427.4**	**352.7**	**292.0**	**458.7**	**139.3**	**369.4**

Source: Produce

Exports
Fishmeal: Chile

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
China	65.8	34.7	26.0	17.0	38.0	27.3
Japan	12.5	5.2	9.0	3.0	8.4	3.0
Spain	4.8	7.5	4.0	na	2.9	6.3
Rep of Korea	4.9	4.1	3.0	1.0	1.2	5.5
Italy	5.9	2.9	3.0	2.0	2.9	3.3
Taiwan PC	4.0	1.0	0.7	2.5	0.6	1.1
Germany	3.9	2.0	7.0	na	na	na
Others	14.9	13.2	26.3	6.5	9.8	15.4
Total	116.7	70.8	79.0	32.0	63.8	62.0
Others	46.7	72.2	51.8	38.6	65.5	45.5
Total	**393.3**	**533.5**	**276.8**	**238.9**	**236.7**	**179.2**

Source: Produce

Imports
Fishmeal: Germany

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Peru	62.9	38.1	14.0	35.0	14.6	24.9
Morocco	0.0	12.9	17.9	4.6	15.5	2.7
Denmark	0.4	3.0	6.4	1.4	6.2	2.2
France	1.1	0.6	0.8	1.2	0.7	0.8
Iceland	0.0	0.0	1.5	0.0	7.1	0.0
Chile	2.4	0.0	2.0	5.4	0.0	0.0
Others	0.8	4.1	1.2	6.9	8.9	0.8
Total	**67.6**	**58.7**	**43.8**	**54.5**	**53.0**	**31.4**

Source: Germany Customs

Imports
Fishmeal*: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Chile	1.8	4.7	2.9	3.5	4.5	7.0
Mexico	5.7	3.6	1.6	2.9	3.6	3.3
Canada	0.7	1.3	0.8	1.3	0.8	1.1
Others	2.3	0.8	0.7	0.8	1.3	1.4
Total	**10.5**	**10.4**	**6.0**	**8.5**	**10.2**	**12.8**

Source: NMFS * excluding solubles

Imports
Fishmeal: UK

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Ireland	6.9	0.4	0.8	1.9	4.8	3.0
Peru	7.3	8.9	7.2	8.0	1.1	1.7
Germany	0.9	3.1	2.8	1.7	3.6	1.6
Norway	1.1	2.4	0.0	0.0	1.1	1.2
Chile	0.0	0.1	0.3	0.0	0.6	1.0
Spain	0.0	0.0	0.0	0.0	0.3	0.6
France	0.2	0.3	0.4	0.3	0.2	0.2
Denmark	1.1	8.1	7.0	0.0	2.4	0.0
Iceland	0.0	0.0	1.4	1.3	2.4	0.0
Others	0.4	2.3	0.7	1.3	0.8	0.6
Total	**17.9**	**25.6**	**20.6**	**14.5**	**17.3**	**9.9**

Source: Her Majesty's Revenue & Customs

still accounted for 44% of Chilean fishmeal export, their import volume dropped by 28% in the first quarter of 2014 compared with the same time period last year. Japan also reduced its import of fishmeal from Chile (-64%) during the period.

In the case of fish oil, Peru almost tripled its exports from 21 700 in the first quarter of 2013 to 60 000 tonnes in the first quarter of this year. Exports to all the major destinations increased considerably, and Chile regained its position as the top Peruvian fish oil export destination. In comparison, Chilean fish oil exports almost halved during the period. According to IFFO, Viet Nam contributed 4 200 tonnes of fish oil to China during the first quarter of 2014, accounting for a 67.2% market share and representing a 307.9% increase from last year.

Markets

Germany

Germany reported total fishmeal imports of 31 400 tonnes in the first quarter, registering a 40.8% drop compared with the same time period last year. Although Peru sold 10 300 tonnes more fishmeal to Germany (+70.5%), imports from Morocco, Denmark and Iceland

Exports
Fishoil: Peru

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Chile	6.0	10.8	8.0	19.2	2.3	21.1
Belgium	12.8	21.9	3.7	14.8	6.4	14.0
Denmark	8.6	1.7	6.4	18.6	10.3	12.5
Norway	4.7	7.2	1.2	8.6	0.2	3.8
China	1.1	0.6	1.6	1.7	0.0	2.6
Canada	5.8	7.2	4.9	3.8	0.0	0.1
Australia	4.2	3.8	0.0	4.1	0.0	0.0
Others	9.3	4.7	1.6	15.9	2.5	5.9
Total	**52.5**	**57.9**	**27.4**	**86.7**	**21.7**	**60.0**

Source: Produce * included under "others"

Exports
Fishoil: Chile

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Belgium	0.0	0.0	0.0	2.1	1.4	1.5
Indonesia	na	na	0.8	0.6	0.6	1.3
Viet Nam	1.0	1.0	1.4	0.9	0.9	1.0
Japan	2.0	1.9	2.4	2.1	1.3	0.4
China	3.4	2.1	0.9	0.9	1.2	0.3
Norway	0.0	2.4	0.0	1.6	2.3	na
Denmark	0.0	4.0	2.3	na	na	na
Others	5.4	2.3	3.4	6.0	12.6	7.1
Total	**11.8**	**13.6**	**11.2**	**14.1**	**20.2**	**11.6**

Source: Boletín de Exportaciones del IFOP

Exports
Fish oil: USA

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Menhaden	6.3	10.1	3.4	0.3	6.4	7.5
Other	3.8	3.7	4.8	4.6	3.6	3.3
Total	**10.1**	**13.8**	**8.7**	**5.2**	**10.0**	**10.8**

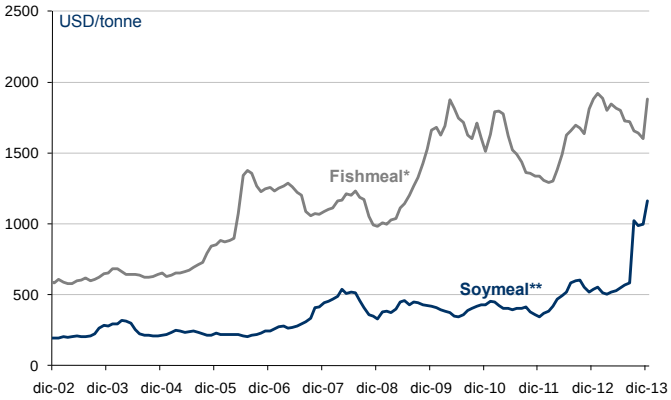
Source: NMFS

fell greatly mostly due to reduced production in these areas.

USA

US fishmeal imports increased by 25.5% to 12 800 tonnes when comparing the first quarter of 2014 with the same time period last year. This amount represents the highest import volume in the past six years. Chile and Mexico were the major suppliers contributing 80.5% to the US market combined. US demand was primarily from the terrestrial animal farming industry.

Prices
Fishmeal and Soymeal



Source: Oil World, GLOBEFISH

UK

The UK imported 9 900 tonnes of fishmeal in the first quarter of 2014, an almost 43% reduction when compared with the same time period last year, making it the lowest importing volume in six years. No imports from Iceland and Denmark were reported, although last year the two countries contributed a 28% market share to the UK. In general, the current fishmeal imports into the UK have been on a downward trend since 2010.

Prices

Due to the strong demand from aquaculture and the terrestrial farming sector, fishmeal and fish oil prices in 2013 were in general quite high. In December 2013, the fishmeal prices gradually came down to USD 1 553 per tonne, and fish oil prices down to USD 1 600 per tonne. In the first quarter of 2014, due to limited production, both prices started to increase again. Soymeal prices were relatively stable during the period and its substitution role for fishmeal will continue to strengthen.

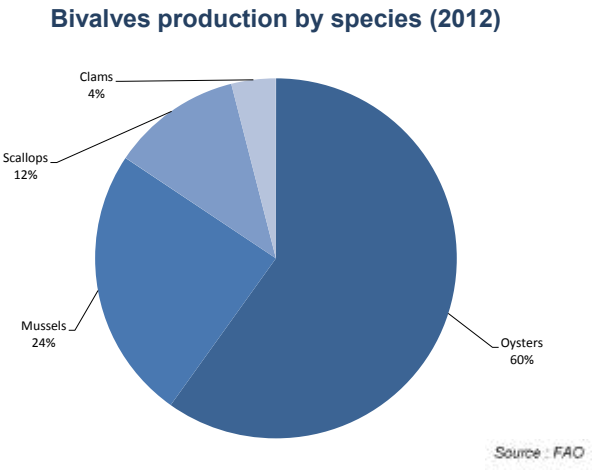
Outlook

The demand for fishmeal and fish oil from aquaculture and the terrestrial farming industry will remain strong in the long-term. Demand in Viet Nam will continue to strengthen as it became the fourth largest export destination for Peruvian fishmeal due to the fast aquaculture development in the country. Increased demand from the direct human consumption industry will also continue to push up the fish oil price in general.

As the investigation over anchovy stocks is still ongoing, there is no news yet about the quota for 2014, which will obviously affect production and prices. Although the fear of a strong El Niño effect in 2014 has subsided somewhat lately, the sector is still faced with significant uncertainty this year.

First quarter decline in EU imports of scallops and mussels

The first quarter of 2014 was characterised by a noticeable decline in EU imports of both mussels (-11%) and scallops (-14%). Spain's imports of both species have severely declined by 44% and 70% respectively. Overall, global export of mussels declined slightly while that of scallops has increased moderately. The modest international trade of oysters during the first quarter has not shown any sign of changes compared with the same period in 2013.



Mussels

The overall global export of mussels declined by 1.8% during the first quarter of 2014 compared with the same time period in 2013. This trend reflects a very diverse production situation. While sales from large-scale producers in Chile, the Netherlands and Denmark declined by 11%, 14% and 12% respectively, other producers, such as Spain and New Zealand, performed well and boosted their exports by 11% and 18%.

EU

EU imports of mussels declined during the first quarter of 2014 by a severe 11% compared with the first quarter of 2013. Total global purchases dropped by 5 800 tonnes to 45 100 tonnes. Imports within the intra-EU declined by 2 900 tonnes (-7%), whereas extra-EU imports dropped down to 8 100 tonnes (-26%), compared with 11 000 tonnes during the first quarter period of 2013.

France, the top EU and global importer during the first quarter, remained stable with their imports, at 13 800 tonnes. Imports from the Netherlands, France's main supplier, declined by 12%, while purchases from Spain, France's second largest supplier, increased by 10%. The most noticeable movement in French imports during the first quarter of 2014 were supplies from Italy (+220%) and from Denmark (+140%).

Italy, the second largest EU importer, has seen its imports drop by 8% (-1,000 tonnes) during the first quarter 2014 compared to the same period in 2013, buying less from Spain (-500 tonnes, -5%) and from Chile (-500 tonnes, -3%).

Spain's imports from Chile experienced an even more dramatic decline (-53%), with 1 900 tonnes less compared with the first quarter of 2013. All together, Chilean mussel exports declined by 11% in volume.

During the first quarter of 2014, the EU's global imports of mussels plunged to 45 100 tonnes (-11%). After four years of imports surpassing 50 000 tonnes during each first quarter, this 2014 amount is close to the first quarter 2009 level.

UK

According to The Telegraph, a high concentration high concentration of the bacteria *Escherichia coli* has led to a ban on *Mytilus edulis* mussels in parts of Cornwall in May 2014. The Food Standard Agency, the UK governmental body in charge of food safety, downgraded the water quality of more than ten estuaries from grade B to grade C, making it unlawful to harvest the shells in these waters. This decision was a consequence of wet weather, which caused sewage to be washed into waterways affecting water quality.

Scotland

Despite the bacteria issue that caused a number of producers to voluntarily suspend commercial production for several months in 2013, production of mussels *Mytilus edulis* for the market for end consumers reached 6 757 tonnes in 2013, reflecting a 8% increase compared with 2012 (Source: Scottish Shellfish Farm Production Survey, 2013). The historical record of Scottish production was reached in 2010 with 7 199 tonnes harvested.

Chile

The Grupo Dani canning company was approved this past April with the Friend of the Sea standard for Chilean mussels farmed by Pesquera Catalunya in the South East Pacific (Source: FIS). During the World Cup, Chile has taken the opportunity to promote its food products, including its mussels.

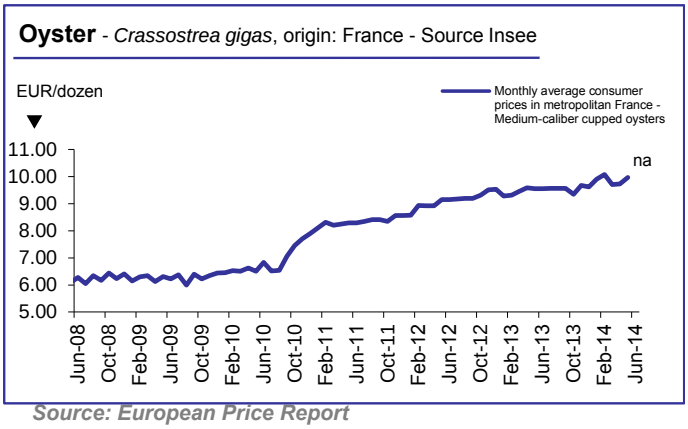
Imports/Exports
Mussel: World

	Jan-Mar	
	2013	2014
	(1 000 tonnes)	
IMPORTS		
France	13.8	13.8
Italy	12.1	11.1
USA	7.8	8.6
Belgium	4.4	3.7
Netherlands	8.5	4.8
Spain	5.0	2.8
Germany	3.0	4.5
Russian Fed.	1.4	1.2
UK	1.3	1.3
Republic of Korea	1.4	0.9
Total	69.8	63,6*
Total	**213.0***	**209.8***
EXPORTS		
Chile	16.8	14.9
Netherlands	10.9	9.4
Spain	12.6	14.0
New Zealand	8.3	9.8
Denmark	9.1	8.0
Canada	3.5	3.3
Ireland	4.8	3.6
Italy	1.6	1.6
Greece	0.3	0.3
UK	3.4	1.6
China	2.0	1.6
Ireland	4.7	3.6
Total	**74.0**	**72,7***

Source: GTIS * estimates

Germany

The blue mussels fishery in the Wadden Sea of Lower Saxony earned Marine Stewardship Council certification in late 2013. In 2010, fishers there landed 1 070 tonnes of blue mussels.



Source: European Price Report

Imports
Mussels: EU-27

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
France	14.4	18.5	16.9	14.9	13.8	13.8
Italy	10.0	11.5	10.5	10.2	12.1	11.1
Belgium	4.7	4.1	4.7	4.4	4.4	3.7
Netherlands	4.7	7.2	6.3	9.1	8.5	4.8
Spain	2.5	4.5	4.8	3.5	5.0	2.8
Germany	4.0	2.9	4.5	7.5	3.0	4.6
UK	1.2	1.1	1.6	1.4	1.3	1.3
Portugal	0.6	0.7	0.6	0.5	0.8	0.7
Others	3.8	2.3	2.3	2.1	2.0	2.3
Grand Total	**45.9**	**52.8**	**52.2**	**53.6**	**50.9**	**45.1**
Total Intra	**36.6**	**41.5**	**39.4**	**45.4**	**39.9**	**37.0**
Total Extra	**9.3**	**11.3**	**12.8**	**8.2**	**11.0**	**8.1**

Source: EUROSTAT and Customs

Oysters

World trade of oysters has remained very limited and stable at around 10 000-11 000 tonnes during the first quarter of the year. International purchases from the three largest importers, the USA, Japan and Hong Kong SAR, have not moved when compared to the same period the year before. France, the fourth largest global importer, has increased their imports by 9% due to a severe decline in domestic production from the high mortality caused by a herpes type virus (Globefish Highlights, April 2014).

Sales from the Republic of Korea, the world's top exporter, climbed 17%, while sales from China decreased by 29%.

France

In France, the number one market for oysters in Europe, average retail prices remain very high, at EUR 9.95 per kg in May 2014, compared with EUR 6.45 per kg in May 2010 for the same variety (*Crassostrea gigas*) and same size (66g to 85g per oyster). This price increase is a consequence of the supply shortage (Source: INSEE).

USA

Three years after the BP Deep Water Horizon oil spill in the US Louisiana Gulf, oyster producers are experiencing one of their lowest production years on record. The steep decline in natural beds resources and the fall in harvest is suspected to be a consequence of the oil spill, though experts have no specific explanation of the cause of the low presence of oysters. Since the Gulf produces 70% of US oysters, the unavailability pushes dock prices inevitably up, with increases of 50% reported (Source: Gulf Seafood Institute, Seafoodsource.com, April 2014).

Imports
Mussels: France

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Netherlands	4.0	5.2	5.6	5.0	4.2	3.7
Spain	3.3	3.5	3.3	3.4	3.0	3.3
Chile	1.6	2.5	2.2	1.7	2.0	2.0
Italy	0.8	1.1	1.3	1.0	0.5	1.6
Denmark	0.4	0.6	0.1	0.1	0.5	1.2
UK	1.3	1.4	1.1	1.3	2.1	1.0
Ireland	2.1	3.7	2.9	2.0	1.0	0.6
Others	0.9	0.5	0.4	0.4	0.5	0.4
Total	14.4	18.5	16.9	14.9	13.8	13.8
Total	**44.9**	**43.7**	**51.8**	**48.7**	**44.7**	**42.5**

Source: Direction Nationale des Statistiques du Commerce Extérieur – DNSCE

Imports
Mussels: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Spain	7.7	7.9	6.4	8.9	9.3	8.8
Chile	0.8	2.0	2.5	0.9	1.7	1.2
Greece	0.2	0.1	0.3	0.1	0.2	0.2
Ireland	0.3	0.5	0.4	0.1	0.2	0.2
Others	1.0	1.0	0.9	0.2	0.7	0.7
Total	**10.0**	**11.5**	**10.5**	**10.2**	**12.1**	**11.1**

Source: Eurostat

Imports
Mussels: Spain

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Chile	1.5	3.0	3.4	2.4	3.6	1.7
Italy	0.0	0.1	0.1	0.3	0.4	0.4
New Zealand	0.5	0.6	0.7	0.4	0.3	0.4
France	0.3	0.5	0.4	0.3	0.5	0.3
Others	0.2	0.3	0.2	0.1	0.2	0.0
Total	**2.5**	**4.5**	**4.8**	**3.5**	**5.0**	**2.8**

Source: Agencia Tributaria

Scallops

According to estimates for the first quarter of 2014, world exports of scallops reached 29 800 tonnes, a 7% increase compared with the same period in 2013. China is by far the number one exporter of scallops (36% market share), with 10 700 tonnes exported during the first three months of the year, reflecting a 23% rise compared with the same period in 2013.

Imports/Exports
Oyster: World

	Jan-Mar	
	2013	2014
	(1 000 tonnes)	
IMPORTS		
USA	1.8	1.8
Japan	1.4	1.4
Hong Kong	1.5	1.5
France	1.1	1.2
Italy	0.8	0.9
Canada	0.7	0.6
Belgium	0.5	0.5
Total	**10,5***	**10,5***
EXPORTS		
Republic of Korea	1.8	2.1
China	2.1	1.5
France	1.7	1.7
Ireland	1.2	1.5
Canada	0.8	0.8
USA	0.9	1.0
Total	**11,3***	**11,1***

Source: GTIS

* estimates

EU

The total EU import of scallops dropped by 14% to 10 900 tonnes in the first three months of 2014 compared with 12 700 tonnes during the same period in 2013. The decline in the first quarter of 2014 has been exceptionally important (1 900 tonnes less, or -28%) when only considering the intra European movements of goods, compared with 2013. Purchases of extra-EU countries have remained rather stable at 6 000 tonnes (+2%).

France is by far the largest EU importer. With 4 700 tonnes bought during the period of January to March 2014, France absorbed 43% of all scallops entering into the EU in that period. Italy came second with 1 300 tonnes imported, which is 13% or 200 tonnes less than the same period a year earlier.

Peru, the largest supplier of *Argopecten purpuratus*, performed strongly in its exports to France, with supplies soaring to 1 900 tonnes during the first quarter 2014, recording a 90% increase. Meanwhile, US exports to France declined sharply by 67% to 300 tonnes.

Imports/Exports
Scallop: World

	Jan-Mar	
	2013	2014
	(1 000 tonnes)	
IMPORTS		
USA	6.9	9.8
France	4.6	4.7
China	3.5	2.6
Hong Kong	2.9	2.6
Republic of Korea	2.1	1.7
Canada	1.6	1.4
Italy	1.5	1.3
Taiwan PC	1.3	0.9
Spain	2.3	0.7
Total	**36.2**	**33.5**
EXPORTS		
China	8.7	10.7
Peru	2.4	3.8
UK	2.7	2.5
USA	3.1	2.4
Canada	1.2	1.7
Argentina	1.6	1.4
Belgium	1.0	1.3
Netherlands	0.5	1.0
Total	**27.9**	**29,8***

Source: GTIS

* estimates

Imports
Scallops: France

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
Peru	1.1	1.8	1.9	1.1	1.0	1.9
UK	1.3	0.8	1.0	1.0	1.0	1.0
Argentina	1.6	1.4	1.2	0.9	0.9	0.7
USA	1.0	0.6	0.6	0.5	0.9	0.3
Canada	0.2	0.3	0.2	0.1	0.2	0.2
Others	1.1	1.6	1.2	1.2	0.6	0.6
Total	6.3	6.5	6.1	4.8	4.6	4.7
Others	2.8	1.5	2.1	2.3	1.7	1.4
Total	**17.7**	**18.8**	**19.9**	**18.5**	**13.5**	**14.0**

Source: Direction Nationale des Statistiques du Commerce Extérieur – DNSCE

France's imports of the UK *Pecten maximus* remained stable with some 1 000 tonnes imported during the first quarter of year 2014, reflecting a stable flow since 2008.

Imports
Scallops EU

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
France	6.3	6.5	6.1	4.8	4.6	4.7
Italy	1.4	1.6	1.7	1.6	1.5	1.3
Netherlands	0.7	1.1	0.5	0.8	1.2	1.3
Belgium	0.7	1.1	1.2	0.9	1.0	1.2
Spain	2.5	1.8	1.9	1.2	2.3	0.7
Denmark	0.2	0.2	0.8	0.8	1.0	0.6
Others	16.5	1.9	1.4	1.5	1.1	1.1
Grand Total	**28.3**	**14.2**	**13.6**	**11.6**	**12.7**	**10.9**
Total Intra	**13.1**	**5.7**	**6.0**	**6.0**	**6.8**	**4.9**
Total Extra	**15.2**	**8.5**	**7.6**	**5.6**	**5.9**	**6.0**
Total Extra	**0.6**	**0.4**	**0.6**	**1.0**	**1.5**	**1.2**

Source : EUROSTAT and Customs*

Imports
Scallops: Italy

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
UK	0.8	0.8	0.8	0.8	0.8	0.7
France	0.3	0.3	0.4	0.4	0.3	0.3
Peru	0.1	0.1	0.2	0.1	0.1	0.1
Spain	0.1	0.1	0.1	0.1	0.0	0.1
Denmark	0.0	0.0	0.1	0.0	0.1	0.1
Others	0.1	0.3	0.1	0.2	0.2	0.0
Total	**1.4**	**1.6**	**1.7**	**1.6**	**1.5**	**1.3**

Source: Eurostat

Imports
Scallops: Spain

	Jan-Mar					
	2009	2010	2011	2012	2013	2014
	(1 000 tonnes)					
France	0.2	0.4	0.2	0.2	1.6	0.2
UK	0.2	0.3	0.2	0.2	0.2	0.1
Italy	2.0	0.9	1.0	0.5	0.2	0.2
Others	0.1	0.2	0.5	0.3	0.3	0.2
Total	2.5	1.8	1.9	1.2	2.3	0.7
Total	**9.3**	**8.6**	**7.6**	**7.2**	**4.9**	**6.4**

Source: Agencia Tributaria

Italy's imports of scallops were very modest with 1 300 tonnes purchased during the first quarter of 2014, recording a 200 tonnes (-13%) decline over the same period last year.

The most severe decline was noticed with Spanish imports which declined by 70% during the first quarter of 2014 compared with the same time period in 2013.

UK

The UK is Europe's largest producer of pectinadae species including *Pecten maximus* and *Aequipecten opercularis*, also called Queenies. These molluscs' species are found in diverse concentrations around the coast of the country.

Isle of Man

In the Isle of Man, *Aequipecten opercularis* is a specialty, celebrated at the Sure Queenie Festival, which is organized in late June of every year. In 2013, the Man queen scallops have been awarded the EU Protected Designation of Origin (PDO) status. This award means that queenies landed elsewhere or that do not meet the specifications set by the PDO cannot claim to be Isle of Man Queenies. To obtain the label, the scallops must to be caught in a light, low impact trawl that does not damage the seabed or force any grit into the shell, be landed day fresh into the Isle of Man, be hand processed within 24 hours of landing, have roe on and be without any added water.

In 2014, tougher restrictions have been introduced by the Mann government to help regulate the queen scallop fishing industries in the Irish Sea. New licences delivered by the government will restrict harvest in terms of catch size and length of the fishing season. Other measures recently brought in include a minimum landing size, a minimum net mesh size, a weekend ban on fishing, fishing curfews and the introduction of a defined zone in which queen scallops can be fished for using dredges. The 2013 season which ran between June and October produced 4 000 tonnes.

Imports/Exports
Clam/Cockle/Ark shell

	Jan-Mar	
	2013	2014
	(1 000 tonnes)	
IMPORTS		
Japan	18.8	19.0
Republic of Korea	14.6	17.8
Spain	5.6	5.7
USA	4.8	4.8
Portugal	2.0	2.4
China	3.0	2.4
Thailand	1.2	1.6
Italy	2.2	2.4
Singapore	1.4	1.3
Taiwan PC	0.8	0.9
Canada	0.7	0.8
Hong Kong	0.8	0.9
Total	**58.3***	**61.1***
EXPORTS		
China	36.1	41.8
Republic of Korea	1.9	1.0
USA	2.6	2.0
Italy	2.5	1.6
Canada	1.8	2.0
Thailand	3.1	2.5
Portugal	0.8	1.6
Netherlands	1.7	1.6
UK	0.5	0.7
Chile	0.7	1.0
Taiwan	0.8	0.4
Total	**55.7**	**59.8***

Source: GTIS * estimates

Clams, cockle, ark shell

The world trade of clam, cockle and ark shell species was estimated at 60 000 tonnes during the first quarter period of 2014. Japan is by far the largest importing country, with a 31% market share. The Republic of Korea comes second, with 17 800 tonnes imported in the first quarter, compared with 14 600 tonnes (+22%) during the same time period last year. China is the largest supplier of these species, with 41 800 tonnes exported during the first quarter of 2014, supplying a 70% share of world exports.

Outlook

Mussels and scallops are the most intensively traded bivalves at the international level, with 60 000 and 30 000 tonnes respectively traded during the first three months of 2014. In contrast, oyster trade is comparatively limited (10 000 tonnes during the same period). The EU is an active market with a few large producing and consuming countries, some of which are dependent upon external supplies. This is clearly the case for France, a net importer that consumes far more scallops than it produces. In comparison, Spain is a net exporter as the country produces more mussels than it consumes.

International trade with EU members (intra and extra) is subject to strict sanitary controls, and during the first quarter of 2014, 19 bivalve mollusc consignments have been rejected at the border compared with 16 during the same time period the year before. The major detected risk to human health was *salmonella spp.* and norovirus Group II.

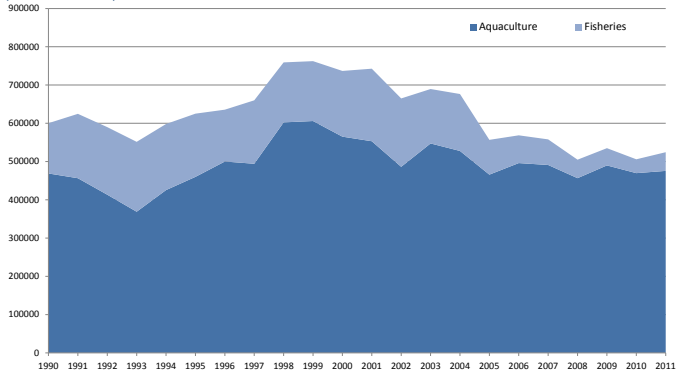
The European market for mussels

This issue's special feature reports on the European market for mussels, and is a summary of a GLOBEFISH Research Programme publication (Volume 115, April 2014) written by Marie-Christine Monfort. For full references, please visit: www.globefish.org/vol-115-the-european-market-for-mussels.html

European production of mussels

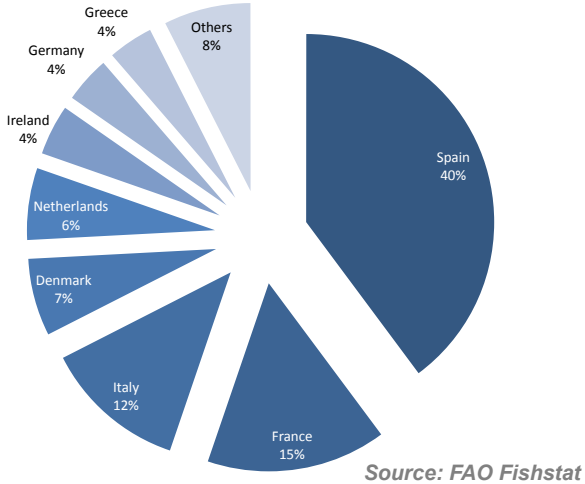
The overall production of mussels in Europe peaked at nearly 750 000 tonnes in the late 1990s and has since declined to about 550 000 tonnes in the past few years. On a global scale, Europe is a major contributor of mussels, supplying over a third of the total production. Aquaculture is by far the main source of mussels and is responsible for over 90 percent of total landings. *Mytilus edulis* and *M. galloprovincialis* are the two main species harvested and cultivated in Europe.

Figure 1. European production of mussels (tonnes)



Source: FAO Fishstat

Figure 2. Production of mussels by volume and by country, 2011 (tonnes)



Source: FAO Fishstat

Major EU suppliers

Three countries are responsible for two thirds of all European mussel production. Spain is very clearly the largest producer with over 200 000 tonnes per year, followed by France with a stable production of around 80 000 tonnes. Italy is the third main producing country with 65 000 tonnes. Most of the supplies from all three countries come from aquaculture.

Spain

In Spain, farming is based on mussel spawn, collected from wild populations, and then grown on horizontal systems of ropes suspended in the water by buoys, pipes or floats. Galicia, located in the northwest of Spain, is by far the largest production area in the country, where more than 90 percent of all mussels are produced. Two other autonomous communities producing mussels are Catalonia and Andalusia, each producing less than 10 percent of the production volumes in 2012. Mussel farming is a family-owned business; in Galicia in 2012, it was estimated that around 3 350 rafts were held by around 2 300 families.

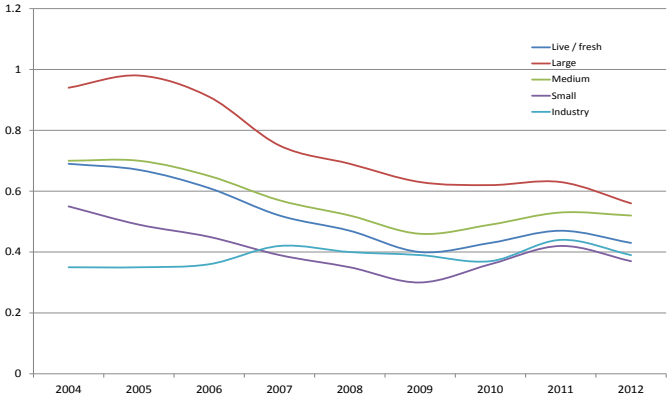
Prices for Spanish mussels have followed a long term declining trend and price differences by category have tended to shrink.

Table 1. Production of mussels, Spain, in tonnes

2000	2001	2002	2003	2004	2005
247 748	246 042	193 463	205 652	231 652	158 196
2006	**2007**	**2008**	**2009**	**2010**	**2011**
228 840	209 673	180 273	198 784	189 312	208 848

Source: FAO Fishstat

Figure 3. Live mussels ex-farmed, prices in EUR per kg (2004-2012)



Source: Xunta de Galicia

France

In France, mussel farming is undertaken along both the Atlantic and the Mediterranean coast. All mussel juveniles are collected in the wild. Ropes are immersed in the seas waiting for spats to attach themselves. The ropes are then fixed to wooden poles called "bouchots", which are arranged in horizontal lines. Ex-farm prices have not been published since 2008, when they averaged EUR 1.55 per kg. In comparison, in the same year, fisheries mussel prices to fishermen did not climb above EUR 0.91 per kg. Many mussel-growing areas all along the coast have entered into specific quality schemes, following more or less stringent specifications.

Italy

In Italy, the culture of mussels is well developed and this species represents 48 percent of the volume of all farmed marine products. The mussel production comes from 220 production sites or farms, 60 percent (132) of which are located in southern Italy and Sardinia. National production of mussels does not satisfy domestic demand. Therefore, mussels are also imported, mainly from Spain (75 percent) and Greece (22 percent). Overall, mussel imports have increased in the past ten years. Over the last five years there has been a slight slowdown in production (-1 percent per annum), mainly due to the decline in domestic demand as a result of the economic downturn. Mussel prices in Italy seem to have suffered considerably from the decline in domestic demand. In the first quarter of 2013, the average production price of farmed mussels (depurated) was EUR 0.78 per kg, with a decrease in price of 9.2% compared with the same period in 2012, mainly because of the drop in demand.

Table 3. Italy: Production of mussels by production mode (tonnes)

	1990	1995	2000	2005	2006
Aquaculture	84 200.0	84 000.0	94 000.0	63 577.0	61 928.0
Fisheries	20314.0	21425.0	44200.0	NA	NA
	2007	**2008**	**2009**	**2010**	**2011**
Aquaculture	58 479.0	67 239.0	76 800.0	64 256.0	64 300.0
Fisheries	NA	NA	NA	NA	NA

Source: FAO Fishstat

Major non-EU suppliers

EU internal demand is largely covered by domestic production. Imports from external sources outside the EU do not exceed 15 percent of the total demand. Imports include predominantly frozen, cooked meat.

Chile

Chile is the fourth largest producer of mussels in the world. The cultivated mussel (*M. chilensis*) sector in Chile has experienced a very rapid expansion in output over the last ten years, with production jumping from 20 000 tonnes in 2000 to 290 000 tonnes in 2011. The main processed product forms include IQF meat and half shell. Since 2007, this export oriented industry has been boosted by the drop in customs duties when entering the EU market. Much of the production of Chilean mussels is exported to the European market, including The Russian Federation, and to a growing extent also to South American countries. By contrast the cholga and giant mussels are consumed locally.

New Zealand

New Zealand produces a large volume of farmed mussels, which in the past rivaled Spain's production. The species used is *Perna canaliculus*, also called the green-lipped mussel, which is one of the largest mussels in the world. The industry is very export oriented and products are sold in a large number of countries (78 in 2011), including Spain, the UK, Germany and France; four major

Table 4. Chile: Production of farmed mussels (tonnes)

1990	1995	2000	2005	2006
2103	5595	23477	87736	126952
2007	**2008**	**2009**	**2010**	**2011**
153 433	187 064	166 952	221 522	288 583

Source: FAO Fishstat

Table 5. New Zealand: Production of farmed mussels (tonnes)

Aquaculture	1990	1995	2000	2005	2006
	8596.0	24271.0	77167.0	143865.0	145533.0
Aquaculture	**2007**	**2008**	**2009**	**2010**	**2011**
	342 050.0	307 574.0	89 773.0	241 017.0	174 731.0

Source: FAO Fishstat

Table 6. Norway: Production of farmed mussels (tonnes)

2000	2001	2002	2003	2004	2005
851	920	2 557	1 829	3 747	4 885
2007	**2008**	**2009**	**2010**	**2011**	**2012**
2 660	2 035	1 649	1 930	1 743	1 967

Source: ssb.no

markets in Europe. The farmed product is sold under the trade-marked name Greenshell™ mussels, which has developed into New Zealand's biggest aquaculture business and the largest (by value), single species of seafood exported today. In 2012, New Zealand mussel farmers exported 34 000 tonnes of green-lipped mussels, worth a total of NZD 190 million.

Turkey

Despite a well-established aquaculture sector and steady growth in Turkey's aquaculture output of finfish in recent years, mussel farming has not been able to flourish. Production levels of around 1 500 tonnes in the early 2000s declined to 5 tonnes in 2011. No production of farmed mussel was reported for 2012. For wild mussel production, volumes reached 2 093 tonnes in 2012.

Norway

Blue mussel farming has a long history in Norway, although it is still a relatively small industry. In 2011, Norwegian farmers produced 1 742 tonnes of blue mussels (*M. edulis*), which can be found along the entire coast of Norway. Although it has been recognized for many years that the Norwegian coast could offer good potential for blue mussel farming, this industry has been declining for some time. This is possibly due to considerable financial losses followed by the closing down of several mussel farms.

Trade

In 2012, the EU and its 27 members imported 155 000 tonnes net of products, worth EUR 250 million. The trade between EU members is largely dominant, with over 90 percent of total trade in value. Europe as a whole is a large market for mussels, but consumption is particularly high in three of the countries. The rest of the zone offers undoubtedly a huge potential for further sales.

Table 7: EU 27 imports of mussels in all forms (tonnes in product weight)

Tonnes	2010	2011	2012
Intra trade			
Fresh, live	134 241	138 372	138 892
Frozen	11 886	11 085	10 939
Prepared canned	7 920	7 739	8 585
Prepared preserved not sealed	6 394	5 814	3 545
Extra trade			
Fresh, live	488.0	216.0	444.0
Frozen	7 302	8 986	5 889
Prepared canned	6 873	11 834	9 046
Prepared preserved not sealed	29 434	40 824	26 909
Total	**197 665**	**224 870**	**204 249**

Source: Eurostat

Table 8. EU 27 imports of mussels in all forms (million EUR)

Values	2010	2011	2012
Intra			
Fresh, live	172.0	206.0	197.0
Frozen	31.0	32.0	30.0
Prepared canned	27.0	27.0	25.0
Prepared preserved not sealed	18.0	16.0	10.0
Extra			
Fresh, live	0.7	0.6	0.8
Frozen	21.0	30.0	22.0
Prepared canned	17.0	30.0	24.0
Prepared preserved not sealed	55.0	82.0	56.0
Total	**341.7**	**423.6**	**364.8**

Source: Eurostat

Table 9. EU trade of live and fresh mussels, 2012 (tonnes)

	Imports	Exports
EU27_INTRA	136 303	124 593
Netherlands	39 718	21 746
Spain	37 368	3 712
Denmark	14 936	66.0
Ireland	12 106	408.0
Greece	9 401	226.0
UK	8 877	421.0
Italy	5 901	31 150
Germany	4 566	16 206
France	2 445	35 363
Belgium	643.0	24 633
Portugal	63.0	710.0

Source: Eurostat

Consumption

Spain, France and Italy make up 78 percent of the total consumption, representing only 35 percent of the population. The eight countries listed in the table below absorb 96 percent of the total mussel market, with 65 percent of the population. This means that the remaining 19 countries and 35 percent of all EU consumers eat just 4 percent of mussels available on the market.

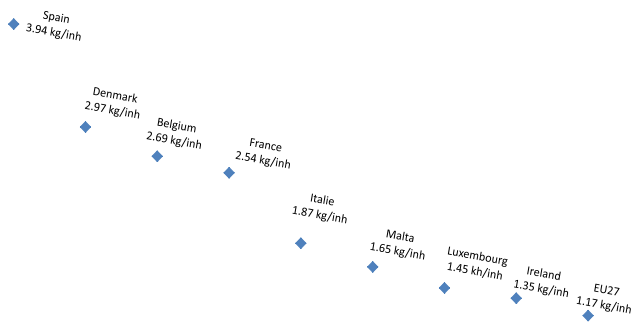
The level of consumption is highly variable according to country. The four countries of Spain, Denmark, Belgium and France, totalling 128 million inhabitants, have a per capita consumption that is well above average at 3.08 kg per year, whereas consumption by the remaining population of nearly 300 million is 200 g per annum at most.

Table 10. Estimates of the consumption per major national markets

	Apparent consumption	% of total EU market
Spain	182 063	0.3
France	165 707	0.3
Italy	113 847	0.2
Germany	36 271	0.1
Belgium	29 899	0.1
Denmark	16 564	0.0
UK	14 966	0.0
Greece	13 421	0.0

Source: Fishstat (2011), EU External commerce (201) with conversion factors

Figure 4. Consumption kg per inhabitant



Source: Fishstat (2011), EU External commerce (201) with conversion factors

Adding values to mussels

In a context of declining natural resources and increasing production costs, adding value to seafood products, and to lesser extent to aquaculture products, is a major concern for producers and public authorities. Fishing less and selling better is something most industry participants would like to achieve, but do not always have the knowledge to accomplish. Superior quality, a unique origin, or a particular method of production, may be the means to add value. Seafood and aquaculture products offer many possibilities both because of the diversity of their characteristics, and also the diversity of buyers' expectations.

Some of the types of processing and labelling that mussel processors have undertaken for adding value to their products are described below.

Labelling

In today's world of claims and counter claims about food products, consumers are faced with so much information that unsurprisingly, there is confusion and uncertainty about what to believe. The situation becomes increasingly more complex every day. Thus, the problem is not only to inform consumers, but also to present relevant and reliable facts in a way that catches the attention of consumers. Mussel producers have the choice of a range of labelling options, possibilities for accreditation and values to promote.

Organic labeling

Organic production of seafood in Europe was launched in 2009 and is now governed by EU Commission Regulation 710/2009. Organic mussels fall into this regulation. Production requires quality products coming from a sustainable production system, which respects natural equilibrium and biodiversity, human health and animal welfare. Fundamental principles in organic production prohibit the use of:

- Synthetic chemicals;
- GMO and GMO derived products; and
- Ionising treatment

The organic requirements for mussels look at stocking density, seed collection sustainability and a sustainable management plan following the principles of organic production. Products that meet these requirements can carry the EU organic logo. The demand for organic food in general and organic seafood in particular, is growing fast in Europe.

The EU organic label can be applied to production complying with several different standards that were developed by either public or private bodies. Producers choose the standards they feel most comfortable with, or the standards that are best recognized by buyers and consumers of the market they target. The French Ministry of Agriculture, the United Kingdom Soil Association, and the German Naturland Company are some of those that offer organic mussel standards complying with the EU rules.

Ireland is Europe's main producing country for organic mussels. The first export test shipments date back to 2010, and in 2011 sales began on a commercial scale. In France, two producers have entered this production method so far, and their products are AB (agriculture biologique or organic agriculture) certified. Compared with non-certified products, the premium obtained on organic mussels on the French market was estimated to be EUR 0.20–0.30 per kg at the pre-process stage and EUR 0.40–0.50 per kg at the post-process stage. Several large-scale buyers have indicated that they would buy, or would be interested in buying, limited volumes of organic mussels in response to the demands of a small proportion of the population. However, the product quality appears to be the same, with the organic stamp more applicable to the production process (waste management, fibre for

Table 11. Seafood labels and brands

Public (official) labels	Private certifications	Collective brands	Private brands
Organic (environment) 	MSC (environment) 	(origin, other values) 	(diverse brands, diverse values) 
Protected Designation of Origin (origin) 	Friend of the Sea (environment) 		

Source: Author's personal observations

the rope, etc.).

In Spain, the first organic commercial shipments started in 2012. After the EU Commission Regulation was issued, some of the Galician producers decided to apply for recognition of their mussel production as organic. Since it began, Galician production of organic mussels grew quite quickly. In 2012, 160 tonnes of mussels were collected and sold in 4 bateas for a value of EUR 95 700, i.e. at an average price of EUR 0.60 per kg. This is considered to be a higher price compared with conventional products and is sufficient to cover the extra cost of undertaking the certification procedure. The first successes have inspired further production according to these rules. In 2013, 70 to 80 bateas are expected to go for organic production and small processing industries are interested in buying it.

Eco-labels

Eco-labelling standards set criteria for the environmental responsibility of the fisherman or the sustainability of the stock that is being fished. One of the most well known eco-labels for seafood is the Marine Stewardship Council (MSC), which sets standards for wild fisheries. Friend of the Sea is an NGO that certifies sustainable fisheries and aquaculture.

In January 2010, Denmark's Limfjord mussel industry was the world's first mussel fishery to receive MSC certification. This fishery comprises 27 fishing vessels that produce about 30 000 tonnes of mussels annually. Since then, an additional ten mussel fisheries have received this well recognized resource certification.

Collective labels and brands

Collective branding by a group of producers is currently the favoured marketing tool for businesses selling to consumers in the case of fresh or little processed fisheries and aquaculture products in Europe, with several hundred labels existing. All collective brands dedicated to aquatic products, promote a higher quality based on a combination of attributes; such as rigorous production practices, particular fishing technique, particular area of production, or even country of production.

Table 37. List of mussel fisheries MSC certified as of March 2013

Fishery	Gear type	Tonnage
Denmark blue shell mussel	Boat dredges	22 407
Exmouth mussels	Harvesting machines - mechanized dredges	180.0
Isefjord and East Jutland Danish blue shell mussel	Boat dredges	4 737
Limfjord blue shell mussel (rope grown)	Miscellaneous gear, traps - not specified	17 786
Netherlands blue shell mussel	Boat dredges, harvesting machines - not specified	56 600
Netherlands suspended culture mussel	Harvesting machines - not specified	500.0
North Menai Strait mussel	Boat dredges	7 695
Royal Frysk Jutland mussels	Boat dredges	6 599
Seafood Romo East Jutland and Isefjord blue shell mussel dredge	Boat dredges	8 386
Shetland & Scottish Mainland Rope Grown Mussel Enhanced Fishery	Miscellaneous gear	4 698
VMI East Jutland blue shell mussel dredge	Boat dredges	3 100

Source: www.msc.org

Table 38. List of mussel fisheries Friend of the Sea certified as of March 2013

Mussel *(M. chilensis)*

Chilean blue mussels, Blue Shell, Mussel, Ria Austral S.A., Mussel, Rivamar, Mussel, St. Andrews, Mussel, Stavis, Mussel, Toralla, Mussel, Trad Ocean, Mussels, Huimar, Mussels, Orizon S.A., Mussels, Setraco NV,

Mussel *(M. galloprovincialis)*

Mussel, Frinsa del Noroeste, Mussel, Kinkawooka Mussels, Mussel, Mariscos Linamar, Mussel, Spring Bay Seafoods, Mussels

Mussel *(M. edulis)*

Mussel, Scottish Shellfish Marketing Group, Mussels, Blueshell Mussels Ltd, Mussels, C&S Mussels, Mussels, Cribba Sound Shellfish Ltd, Mussels, East Voe Shellfish, Mussels, Fassfern Mussels, Mussels, Hunter Shellfish Ltd, Mussels, Inverlussa Shellfish, Mussels, Loch Eishort Mussel Culture, Mussels, Loch Laxford Shellfish Ltd, Mussels, Muckairn Mussels, Mussels, North Atlantic Shellfish Ltd, Mussels, Northmaven Marine Ltd, Mussels, Olnafirth Sea Farm Ltd, Mussels, Selivoe Shellfish, Mussels, Snadder og Snaskum AS, Mussels, Unst Shellfish Ltd

Source: www.friendofthesea.org

The mussel market in the future

The mussel market offers considerable potential for

further development with good reasons for anticipating a sustained future. However, at all levels within the industry, including production and processing, profitability levels are low, and have declined in recent years (PricewaterhouseCoopers, 2006).

The economic performance of mussels on the European market may be challenged by some threats detected at the production level as well as on the marketing side. Though access to recent information on the profitability of the mussel production industry has not been available, it has been observed that some countries seem to have withdrawn somewhat from previous ambitions (Norway, Croatia, Ukraine), with declining production over the past five years.

Constraints and threats

At the production level, a number of external risks may alter the overall output on sale, in particular unreliable seed resources and poor water quality, pollution, biotoxins, and finding spaces for future sites. At the market level, challenges exist relating to the low price of imports, which could pose a threat to local production, expensive transport and logistics and consumer reluctance to eat mollusks. Please review the full GLOBEFISH Research Programme Publication (Volume 115), to learn further about these constraints.

Opportunities

Mussels are a low fat low calorie food and an excellent source of sodium (243mg), selenium (76 mcg), vitamin B12 (20 mcg), zinc (2.3 mg), and foliate (64 mcg), and as such, its consumption may be recommended. Furthermore, mussels are a moderately priced source of marine protein.

Based on the assumption that consumption could be increased by 200 g per inhabitant in high consumption countries and by 500 g in low consumption countries, this would demand an additional production of 190 000 tonnes. If the employment ratio found in Spanish mussel culture is applied to this extra volume, this would open jobs for around 9 500 people (Caballero G. et al., 2008).

In some existing markets, where the penetration rate is not particularly high, the market needs to be developed to attract more young people and to achieve better overall penetration. This is particularly applicable to sales of fresh, live product. There is a heavy reliance on the value added/ready cooked market, which could be seen as vulnerable to imports of frozen products from Chile, for example. Some markets, such as the UK, have very low per capita consumption but a growing population, so there is good potential for increasing the domestic market.

Despite the overall high consumption in European countries, mussels are not well known, not only in areas distant from the coast, but in high consuming countries as well. Getting people to show an interest in the product, and subsequently buying it, would require a combination of several factors: information dissemination to explain the product to consumers, facilitating the presence of the product in restaurants or retail shops, and last but not least, offering products in an easy-to-access format. Trying to sell live mussels in Hungary would certainly be very challenging, while the chances of success would probably be higher for pre-packed mussels in paprika sauce.

Promoting mussels as an environmentally friendly food could be another promotional strategy. According to a recent report by the Scottish Aquaculture Research Forum, “Carbon Footprint of Scottish Suspended Mussels and Intertidal Oysters” (Meyhoff Fry J., 2011), rope-grown mussels have a carbon footprint of just 0.25 kg of carbon dioxide equivalents per kilogram of mussels harvested, or 0.6 kg of carbon dioxide equivalents per kilogram of mussel meat. This good result may make mussels even more attractive to retailers, who are actively seeking to reduce the carbon impacts of products on their shelves.

The study also compared the cradle-to-gate carbon footprints of mussels with other seafood and meat products, and concluded that mussels can justifiably be promoted as a low-carbon food.

Processed mussels could help overcome logistic constraints as well as consumer reluctance. As a result of limited shelf-life, shipping live mussels a few hundred kilometres from the coast requires a fast and efficient logistic network. In comparison, vacuum packed items sold fresh, with or without sauce, enjoy a longer shelf-life and facilitate the distribution of the product. Looking at the situation in France, this sort of convenience product has proved to be effective in attracting new categories of clients. This example is only one among many, and product innovation yet to come will make mussels a much better distributed food item.

Conclusions

The European market for mussels is estimated to be slightly below 600 000 tonnes in equivalent live animal weight, of which 500 000 tonnes is of domestic origin and about 100 000 tonnes of international origin (net balance import-export). The popularity of mussels differs from country to country, where per capita consumption varies from less than 200 g to nearly 4 kg. Mussel meat is a high quality marine protein, highly competitive in food markets, yet more could be done to promote this species. Provided proper value added production takes place and promotional initiatives are undertaken, based on the realistic assumption that consumption per capita will increase, the market should open up for additional volumes, offering numerous qualified jobs at production and processing levels.

Fish and fishery products statistics[1]

	Capture fisheries production		Aquaculture fisheries production		Exports			Imports		
	2011	2012	2011	2012	2011	2012	2013 estim.	2011	2012	2013 estim.
	Million tonnes (live weight equivalent)				USD billion					
ASIA	**48.9**	**50.2**	**54.8**	**58.9**	**50.1**	**51.3**	**53.1**	**42.5**	**43.9**	**42.6**
China[2]	16.8	17.2	38.9	41.5	19.8	20.9	22.2	12.2	12.2	12.9
of which China, Hong Kong SAR	0.2	0.2	0.0	0.0	0.6	0.7	0.9	3.5	3.7	3.8
& Taiwan Province of China	0.9	0.9	0.3	0.3	2.3	2.0	1.7	1.0	1.0	1.0
India	4.3	4.9	3.7	4.2	3.5	3.4	4.6	0.1	0.1	0.1
Indonesia	5.7	5.8	2.7	3.1	3.2	3.6	3.8	0.4	0.4	0.4
Japan	3.8	3.6	0.6	0.6	1.9	1.8	2.0	17.3	18.0	15.4
Korea, Rep. of	1.7	1.7	0.5	0.5	2.0	2.0	1.8	3.9	3.7	3.6
Philippines	2.4	2.3	0.8	0.8	0.6	0.8	1.2	0.2	0.2	0.3
Thailand	1.8	1.8	1.2	1.2	8.1	8.1	7.0	2.7	3.1	3.2
Viet Nam	2.5	2.6	2.8	3.1	6.2	6.3	6.3	0.7	0.8	0.9
AFRICA	**7.7**	**8.2**	**1.4**	**1.5**	**5.2**	**5.4**	**5.3**	**5.4**	**5.3**	**7.3**
Ghana	0.3	0.4	0.0	0.0	0.1	0.0	0.0	0.3	0.2	0.3
Morocco	1.0	1.2	0.0	0.0	1.4	1.6	1.8	0.1	0.1	0.2
Namibia	0.4	0.5	0.0	0.0	0.8	0.8	0.8	0.0	0.0	0.0
Nigeria	0.6	0.7	0.2	0.3	0.1	0.3	0.2	2.0	1.5	3.0
Senegal	0.4	0.5	0.0	0.0	0.3	0.3	0.3	0.0	0.0	0.0
South Africa	0.5	0.7	0.0	0.0	0.6	0.6	0.5	0.3	0.4	0.5
CENTRAL AMERICA	**2.4**	**2.2**	**0.3**	**0.3**	**2.1**	**2.3**	**2.4**	**1.4**	**1.7**	**1.9**
Mexico	1.6	1.6	0.1	0.1	1.1	1.1	1.1	0.6	0.7	0.8
Panama	0.2	0.1	0.0	0.0	0.1	0.1	0.2	0.0	0.1	0.1
SOUTH AMERICA	**14.0**	**10.1**	**2.1**	**2.3**	**12.6**	**12.8**	**13.7**	**2.8**	**2.8**	**3.4**
Argentina	0.8	0.7	0.0	0.0	1.5	1.3	1.5	0.2	0.2	0.2
Brazil	0.8	0.8	0.6	0.7	0.2	0.2	0.2	1.3	1.2	1.5
Chile	3.1	2.6	1.0	1.1	4.5	4.3	4.9	0.4	0.4	0.4
Ecuador	0.5	0.5	0.3	0.3	2.5	2.8	3.6	0.3	0.2	0.1
Peru	8.2	4.8	0.1	0.1	3.1	3.3	2.7	0.1	0.1	0.2
NORTH AMERICA	**6.2**	**6.2**	**0.6**	**0.6**	**10.4**	**10.4**	**10.7**	**20.1**	**20.3**	**21.8**
Canada	0.9	0.8	0.2	0.2	4.2	4.2	4.4	2.6	2.7	2.8
United States of America	5.2	5.1	0.4	0.4	5.8	5.8	6.0	17.5	17.6	19.0
EUROPE	**13.3**	**13.1**	**2.7**	**2.9**	**46.4**	**44.3**	**46.8**	**55.9**	**53.5**	**55.9**
European Union [2]	5.1	4.6	1.3	1.3	30.1	28.8	29.8	49.8	47.2	48.9
of which Extra-EU	"		"	0.0	5.3	5.7	5.3	26.7	24.9	25.4
Iceland	1.1	1.4	0.0	0.0	2.2	2.2	2.3	0.1	0.1	0.1
Norway	2.3	2.2	1.1	1.3	9.5	8.9	10.3	1.3	1.4	1.3
Russian Federation	4.3	4.3	0.1	0.1	3.3	3.2	3.4	2.7	2.7	3.1
OCEANIA	**1.2**	**1.3**	**0.2**	**0.2**	**2.9**	**3.1**	**2.9**	**1.8**	**2.0**	**2.1**
Australia	0.2	0.2	0.1	0.1	1.0	1.0	1.0	1.5	1.6	1.6
New Zealand	0.4	0.4	0.1	0.1	1.2	1.2	1.2	0.1	0.2	0.2
WORLD [3]	**93.7**	**91.3**	**62.0**	**66.6**	**129.8**	**129.5**	**134.9**	**129.9**	**129.6**	**135.0**
World excluding Intra-EU	"	"	"	"	104.9	106.4	110.4	106.8	107.3	111.5
Developing countries	69.3	67.2	58.0	62.3	68.6	70.5	72.9	34.1	35.1	39.0
Developed countries	24.4	24.1	4.0	4.3	61.1	59.0	62.0	95.9	94.4	96.0
LIFDCs	14.0	14.8	6.5	7.3	7.2	7.4	8.6	4.2	3.6	5.5
LDCs	9.4	9.8	2.7	3.0	2.7	2.6	2.1	0.8	0.9	1.1
NFIDCs	21.3	18.5	4.0	4.3	9.8	10.1	9.5	3.2	3.9	4.3

1 Production and trade data exclude whales, seals, other aquatic mammals and aquatic plants. Trade data include fish meal and fish oil. 2 Including intra-trade. Cyprus is included in Asia as well as in the European Union. Starting with 2013 data, EU includes Croatia. 3 For capture fisheries production, the aggregate includes also 64 081 tonnes in 2011 and 37 360 tonnes in 2012 of not identified countries, data not included in other aggregates. Totals may not match due to rounding.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AVANCE DE PROGRAMA

08:15-09:00 h. OPENING. Centro Social Novacaixagalicia 24-26 Policarpo Sanz, Vigo

09:00-09:40 h. REGISTRATION

09:40-10:10 h. SECTION I GLOBAL OUTLOOK FOR SHRIMP. MARKETS AND DEMAND
Mr. Audun Lem. Ph D. Head of Products, Trade and Marketing Branch,FAO

10:10-10:45 h. SECTION II GLOBAL SHRIMP/PRAWN RESOURCES. WILD AND FARMED

10:35-10:45 h. ***PANEL DISCUSSION***

10:45-11:05 h. COFFEE BREAK

11:05-13:00 h. SECTION III WILD SHRIMP
- **USA/Canada/Gulf of Mexico:** Mr. Ángel Rubio. Director Latin America,UNER BARRY
- **Argentina**
- **Europe:** Mr. Mikael Thinghuus. CEO, ROYAL GREENLAND
- **Africa (Mozambique/Madagascar/Nigeria).** PRIMSTAR
- **Asia (India):** Mr. A.J. Tharakan. National President, SEAFOOD EXPORTERS ASSOCIATION OF INDIA

12:45-13:00 h. ***PANEL DISCUSSION***

13:00-14:00 h. LUNCH

14:00-14:50 h. SECTION III FARMED SHRIMP
- **Latin America:** Mr. Rodrigo Laniado. President SONGA
- **Asia:** Mr. Robins McIntosh. Senior Vice President C.P. FOODS PCL

14:50-15:05 h. ***PANEL DISCUSSION***

15:05-15:25 h. SECTION IV BIOSECURITY AND DISEASE MANAGEMENT
Mrs. Melba Reantaso. Aquaculture officer Aquaculture Service, Philippines, FAO

15:25-15:40 h. ***PANEL DISCUSSION***

15:40-16:00 h. COFFEE BREAK

16:00-17:20 h. SECTION V CERTIFICATION AND TRACEABILITY
Round Table:
- Global Sustainable Seafood Initiative, GSSI
- Mr. Emile Avalon. European Market Development. Global Aquaculture Alliance, GAA
- Mr. Frederic Millet. CIPRO Auditor,Integrity Assessment&Training, GLOBAL GAP
- Aquaculture Stewardship Council, ASC
- Mr. Finnian O'Luasa, European Seafood Manager, BORD BIA

17:20-18:20 h. ROUND TABLE: Sustainability, social and environmental issues
With the participation of Ministers

18:20-18:30 h. CLOSING

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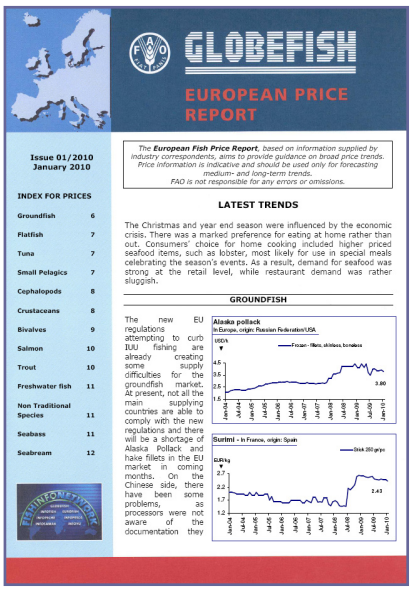

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