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GLOBEFISH HIGHLIGHTS

A QUARTERLY UPDATE ON WORLD SEAFOOD MARKETS

SECOND ISSUE 2021, with Annual 2020 statistics

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Food and Agriculture Organization of the United Nations
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ABOUT GLOBEFISH

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

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

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

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GLOBEFISH Highlights

A quarterly update on world seafood markets

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Dear Reader,

As vaccine roll-out programmes continue across the world, fisheries and aquaculture businesses are now faced with a transformed market landscape that offers both opportunities and continuing challenges. For both fishers and aquaculture operators, a weak market environment and a range of operational difficulties affecting labour, financing, input procurement and logistics all contributed to output contraction in 2020. Tight supply is expected to continue in 2021 for several key species, including cephalopods, pangasius and salmon, although global fish production is expected to return to positive growth. The majority of producers have been quick to adapt to the new circumstances, and the outlook for traditional suppliers to the restaurant sector is steadily improving as restrictions ease.

All nodes of the fisheries and aquaculture value chains have been fundamentally affected by the economic and social upheavals that have taken place since initial lockdowns began. Heavy financial losses have been incurred, but the pandemic has also given rise to new market opportunities. Newly developed distribution channels, an increase in products designed for home consumption and operational adaptations are likely to remain key features of the industry in the years to come. For several species, the pivot towards retail during the pandemic has opened up previously untapped customer segments.

Stakeholders are anticipating a significant demand boost as the reopening of food services supplements the newly strengthened retail business, making increases in fish prices likely for the rest of 2021. However, for some categories such as small pelagics and canned tuna, the return of food services may put a dampener on the market growth observed in 2020. Stricter sanitary requirements and inspection protocols have already increased logistical costs for exporters, particularly those exporting to China. Total trade in fish products is forecast to increase only marginally in 2021 in volume and value terms, due to the lingering effects of the pandemic and other trade-related challenges concerning the industry. These include the remaining tariffs on fisheries and aquaculture products traded between the United States of America and China, and the delays and administrative obstacles faced by traders in the United Kingdom of Great Britain and Northern Ireland as the phased process of the country's exit from the European Union continues.

Never forget to periodically check our website GLOBEFISH for updates on global trade in fisheries and aquaculture products.

Happy reading,
Audun

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ACRONYMS AND ABBREVIATIONS

GLOBEFISH HIGHLIGHTS

ASEAN	Association of Southeast Asian Nations
ASC	Aquaculture Stewardship Council
COVID-19	Coronavirus Disease 19
ELOPY	Hellenic Organization of Aquaculture Producers
EPO	Eastern Pacific Ocean
FAD	Fish Aggregating Devices
FAO	Food and Agricultural Organization of the United Nations
FOB	Fright On Board
FPI	FAO Fish Price Index
GAA	Global Aquaculture Alliance
GAPP	Association of Genuine Alaska Pollock Producers
GOAL	Global Outlook for Aquaculture Leadership
HORECA	Hotellerie-Restaurant-Café
ICES	International Council for the Exploration of the Sea
IMARPE	Instituto del Mar del Peru
ISSF	International Seafood Sustainability Foundation
MENA	Middle East and North Africa
MSC	Marine Stewardship Council NMFS
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
NQSALMON	Nasdaq salmon index
NSC	Norwegian Seafood Council
ODFW	Oregon Department of Fish and Wildlife
PRODUCE	Peru Ministry of Production
SPRFMO	South Pacific Regional Fisheries Management Organization
TAC	Total Allowable Catch
VASEP	Vietnam Association of Seafood Exporters and Producers
WCPO	Western and Central Pacific Ocean

GLOBAL FISH ECONOMY

GLOBAL FISH ECONOMY

Fish traders coming to terms with a new market landscape in 2021



A little over one year after the first lockdowns were introduced in response to the COVID-19 pandemic, businesses around the world can now look back and evaluate the effectiveness of their response to the challenges they have faced. Any hope of a swift resolution and return to normality quickly faded as attempts to lift restrictions were followed by repeated waves of surging cases. This forced entire industries to undergo significant transformations in order to survive. The seafood sector is no exception in this regard, and the pandemic has been the catalyst for some far-reaching changes to consumer behaviour, sales and marketing channels, and product development strategies. Although the financial impact has been severe, one of the positives to emerge from the pandemic has been a more resilient industry and a whole new set of market opportunities. The vaccine rollout programme is now well underway in several key markets. As a result, stakeholders are anticipating a significant demand boost once foodservice demand recovers to supplement the newly strengthened retail business.

While the market impact of COVID-19 has been significant, producer operations have also been heavily affected. Restrictions on the movement of people, difficulties obtaining necessary inputs (like fishing tackle) and the introduction of various sanitary measures that reduced the efficiency of vessel crews contributed to an estimated 0.7 percent drop in capture fisheries production in 2020. However, weak prices, processing difficulties and poor demand were also major drivers behind the slowdown. Alaska pollock production fell while cephalopod fisheries also suffered. However, these effects were most pronounced early on in the pandemic, and lessened as fishers adapted to the new operational constraints and the rapidly evolving market environment.

Last year was also a difficult one for aquaculture producers. The aquaculture sector varies enormously depending on species, but generally aquaculture operators are vulnerable to sudden market downturns because in business terms biomasses at farms are equivalent to perishable inventory that must be sold within a specific timeframe. Aquaculture firms also require a constant supply of inputs, financing and labour, all of which were negatively impacted by the economic and social chaos that characterized the early stages of the pandemic. Combined with the deteriorating market environment, the net effect of these challenges was an estimated 1.3 percent drop in global aquaculture output for 2020. If confirmed, this figure would represent the first decline in aquaculture production at a global level in several decades, reflecting the primary role the sector has played in driving fish supply growth in recent times.

Although the situation markedly improved towards the end of 2020, financial results for the year as a whole took a significant hit and trade revenues contracted. Foodservice demand was markedly reduced for the majority of the year, meaning the impact was more severe for those species heavily dependent on sales from restaurants, hotels and catering (HORECA). The total value of fishery product exports fell by an estimated 5.7 percent, while volumes dropped by 3.9 percent. Exports by China, the world's largest seafood exporter, dropped by around USD 1.8 billion, while total exports by Asian countries fell by some USD 3.2 billion. Exports by South American producers fell by USD 1.1 billion, while European exports were around USD 3 billion lower. The FAO Fish Price Index, measuring aggregate prices for the most heavily traded species, fell from 106 at the start of 2020 to the low 90s due the pandemic effects.

The outlook for 2021 remains uncertain. Although recovery is already underway in several key markets, the rate of this recovery is heavily dependent on the speed and effectiveness of vaccine rollout programmes. Price increases are likely for several species as foodservice demand returns, but the economic damage inflicted by the pandemic have been substantial and it is not yet fully clear what the long-term effects will be. In the meantime, stricter sanitary requirements and inspection protocols already increase logistical costs. At the same time, newly developed distribution channels, products designed for home consumption and operational adaptations are likely to remain key features of the industry, increasing the ability of businesses to respond to future crises of a similar nature and opening new routes for innovation. Beyond the pandemic, there are other trade-related challenges concerning the industry in 2021, such as the remaining tariffs on US-China trade. Traders in the United Kingdom of Great Britain and Northern Ireland are also facing delays and administrative obstacles as the phased process of the country's exit from the European Union creates confusion.

COVID-19 heavily impacts bivalves

The impact of COVID-19 was heavy on the bivalve market last year. All major bivalve exporters reported lower sales, with the exception of Chile, which managed to increase its mussel exports. With vaccines rolling out in North America and Europe, it is likely that the HORECA sector will reopen soon everywhere, which should lead to good demand for bivalve products. Already some positive signs are reported from the scallop sector in the United States of America, where demand is strong as the domestic production is low, so imports are plentiful.

Mussels

Last year, trade in mussels experienced setbacks due to COVID-19. Imports declined by 15 percent in 2020, when compared with 2019. The lockdown of restaurants led to limited imports by France and Italy, the two major markets of this product. France imported some 45 500 tonnes in 2020, a decline of 21 percent when compared to 2020. Italy, which was heavily impacted by the COVID-19 pandemic, reported even less mussel trade. Imports were 35 400 tonnes, or 31 percent less than in 2019.

Despite the COVID-19 crisis and various logistic problems, Chile continues to be the main mussel exporter. The country even managed to increase its exports last year. Some 88 000 tonnes of mussels were shipped from Chile in 2020, which is 14 percent ahead of the 2019 figure. The strong demand for canned products led to a 20 percent increase of frozen mussel exports from Chile to Spain, where this product is mainly canned for retailing. The US market for Chilean mussels also grew in 2020, by some 6 percent over the previous year, making the United States of America the main importer of Chilean mussels.

The French mussel industry is suffering from the prolonged lockdown of the HORECA sector, the main outlet of this product. The current plan is to allow the staged reopening of restaurants from 15 May onwards, based on a successful rollout of the vaccination programme. Despite this decline in demand, prices of alive mussel in France remained stable at EUR 5.00 per kg.

Oyster

Imports of oyster were down in 2020, but less than the mussel trade. Some 55 000 tonnes were imported worldwide, compared to 65 000 tonnes in 2019. However, the United States of America, the top importer of oyster, reported stable imports, while France and Japan reported far lower imports.

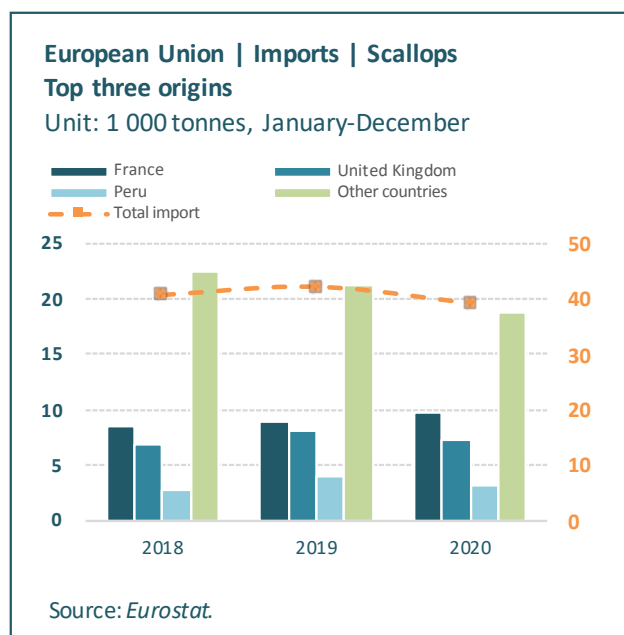
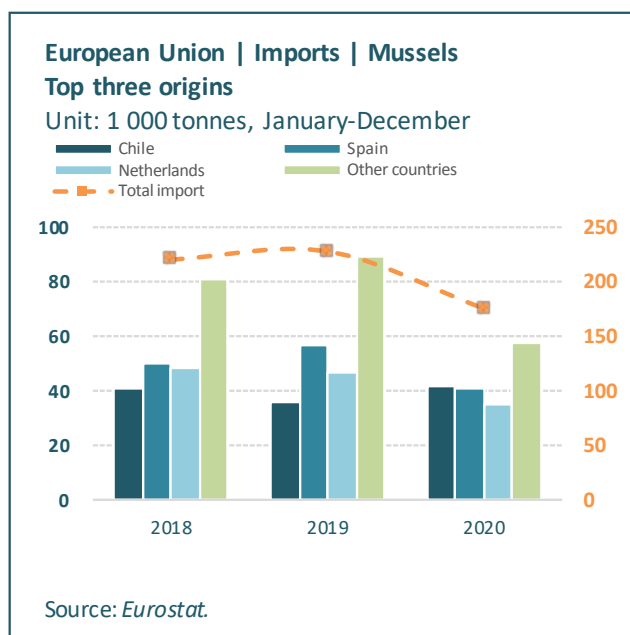
Oyster producers in France have been even more severely impacted than mussel traders by the restaurant closures. Their main sales outlets in the meantime are retail and takeaway or home delivery.

Scallops

Scallop is becoming a scarce product in the United States of America. Last year ended with sky-high prices. The new season started on 1 April, and supply continues to be limited, especially for the large sized scallops. As a result prices are going through the roof. Normally prices of scallops in the US market start to soften in spring and the summer months, but this year seems to be different. It is expected that supply stays below demand at least until the end of July 2021, with record high prices.

The strong demand in the United States of America resulted in high imports. In the first two months of 2021, some USD 39.5 million worth of scallops were imported, 30 percent more than in the same period of 2020. Quantities reached a high 3 500 tonnes, some 1 000 tonnes more than in the same period of last year. The average value of scallops imports went down slightly to USD 13.00 per

BIVALVES



kg. China was the main exporter of scallops to the US market, followed by Peru and Japan. Peru managed to double its exports in the first two months of 2021, indicating the overall recovery of the scallop industry in this country.

Clams

World trade in clams contracted by 10 percent in 2020, to some 265 500 tonnes. Japan and the Republic of Korea, the top scallop importers in the world, both reported lower imports last year. China, by far the main exporter of clams in the world market, reported a 20 percent contraction of its exports last year compared with 2019.

Outlook

Despite the ongoing COVID-19 crisis, the outlook for bivalves remains positive. This year is likely to see a rebound in bivalve production, trade and demand. It is foreseen that the good business climate that had characterized the last years before the COVID-19 crisis will return, once vaccines are rolled out and the HORECA sector opens again. Prices are likely to go up, as demand will be higher than supply.

BIVALVES

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

	2018	2019	2020
Imports			
China	73.8	69.2	60.4
United States of America	21.1	16.0	16.6
France	12.7	14.1	12.5
Other countries	68.0	73.2	70.4
Total	175.6	172.6	159.9
Exports			
China	31.3	30.7	27.5
Peru	6.1	9.8	9.5
Canada	5.9	6.8	6.3
Other countries	55.9	46.8	38.8
Total	99.1	94.1	82.0

Source: Trade Data Monitor.

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

	2018	2019	2020
Imports			
France	59.2	57.4	45.6
Italy	43.3	52.9	35.4
United States of America	31.0	35.8	31.6
Other countries	181.1	180.8	160.6
Total	314.6	326.8	273.2
Exports			
Chile	80.6	76.7	87.9
Spain	70.2	65.8	51.4
Netherlands	58.2	57.6	36.0
Other countries	150.6	174.1	130.7
Total	359.5	374.2	305.9

Source: TDM.

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

	2018	2019	2020
Imports			
United States of America	13.7	10.9	11.1
France	7.4	7.4	6.5
Japan	6.0	5.8	5.5
Other countries	39.4	41.1	32.5
Total	66.5	65.3	55.6
Exports			
France	12.9	15.2	11.3
China	9.9	8.8	10.5
Republic of Korea	10.4	11.0	9.5
Other countries	42.7	38.2	29.5
Total	76.0	73.2	60.8

Source: TDM

World imports/exports of clams, cockles and ark shell
January-December (1 000 tonnes)

	2018	2019	2020
Imports			
Japan	72.1	71.5	66.0
Republic of Korea	56.1	57.8	51.3
Spain	37.2	39.7	42.4
Other countries	116.6	123.9	105.9
Total	282.0	292.9	265.6
Exports			
China	151.5	151.7	129.9
Republic of Korea	15.7	16.5	15.3
Canada	12.4	13.4	10.4
Other countries	79.2	86.8	87.6
Total	258.9	268.4	243.2

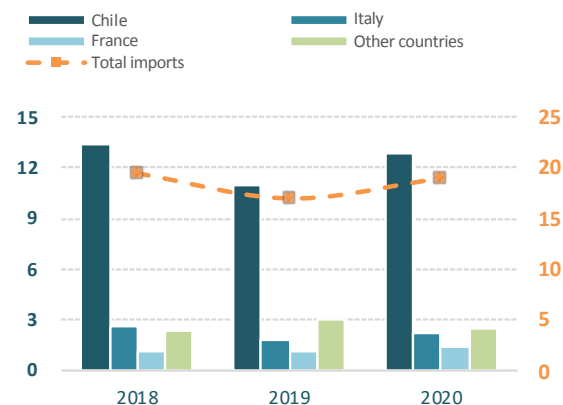
Source: TDM.

BIVALVES

Spain | Imports | Mussels

Top three origins

Unit: 1 000 tonnes, January-December

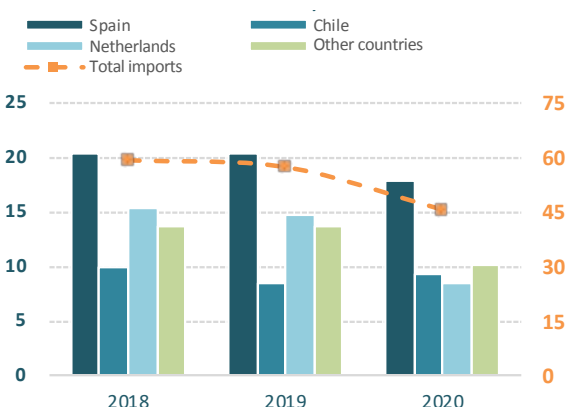


Source: *Agencia Tributaria*.

France | Imports | Mussels

Top three origins

Unit: 1 000 tonnes, January-December

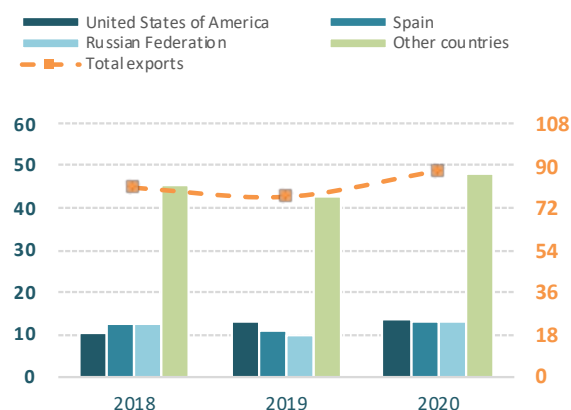


Source: *Eurostat*.

Chile | Exports | Mussels

Top three destinations

Unit: 1 000 tonnes, January-December

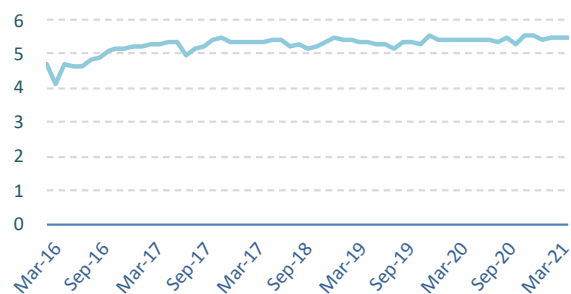


Source: *Chile National Customs Office*.

Prices

Mussels: France

EUR/kg



Monthly average consumer prices in metropolitan France.
Source: *European Price Report*.

CEPHALOPODS

CEPHALOPODS

Cephalopods trade impacted by COVID-19

While international trade in octopus remained relatively stable in 2020, squid trade recorded declines for most major countries. Only the Republic of Korea imported more than in 2019. In Europe trade is slower and the industry is hoping for a re-opening of tourism. Much will depend on whether the COVID-19 pandemic can be controlled through a global vaccination programme.

Octopus

Due to tight supplies and low cold storage holdings in Europe, octopus prices were rising at the end of 2020. The supply situation was not helped by Mexico, which had the worst season in a decade. Octopus landings in Yucatan registered a 50 percent decline in volumes. In 2019, about 16 000 tonnes were caught by the end of October. In 2020, the corresponding figure was just 8 000 tonnes.

Strong demand from Japanese buyers and Spanish processors were noted in January 2021, leading to price increases of several euros per kg. Last year, octopus prices dropped significantly during the summer as a result of COVID-19 restaurant closures. But since then, consumption has risen again, especially of cooked products, not only in Spain but in several European markets. Moreover, retail sales have increased as foodservice mostly remains closed.

Prices are growing despite the fact that quotas for this season in Morocco have been increased by 19 percent to 28 800 tonnes. The season ended on 15 April 2021.

Supplies from Mauritania and Senegal, however, have been much poorer. The weak catches in Mauritania have led authorities to request a 3 – 4 month closure of the fishery. In December 2020, octopus landings in Mauritania were dramatically lower than in December 2019: landings went from 4 883 tonnes in December 2019 to just 654 tonnes in the same month in 2020.

As demand in the retail sector is strong and expected to remain so for months, one would expect that prices would also remain strong, but observers are uncertain about this. Prices will depend on a number of factors, including development of fishing in Northwest Africa, and on whether or not the COVID-19 containment measures in Europe will continue.

Trade

Viet Nam's imports of small frozen octopus in 2020 amounted to 22 106 tonnes, which was the third highest volume reached in ten years. Prices were high, too. The average import unit price for 2020 was USD 6.12 per kg, the second highest in ten years.

Imports of frozen octopus into the Republic of Korea went up by a modest 2 percent in 2020, to 24 322 tonnes. The major suppliers were China, Viet Nam, Thailand and Indonesia. Imports of octopus into the Republic of Korea fell sharply in January and February 2021 compared to the same months in 2020. In fact, total imports during these two months were 66 percent below the same period last year.

In spite of the COVID-19 pandemic, EU imports of frozen octopus from Morocco increased by 11 percent in 2020 compared to 2019, to 34 185 tonnes. However, Moroccan unit value prices went down by 12 percent so the import value stood at EUR 243.45 million (USD 292.1 million).

CEPHALOPODS

Japanese imports of octopus (all types) in 2020 were relatively flat, with a 5.3 percent increase compared to 2019. Total imports amounted to 44 871 tonnes. The two largest suppliers, Mauritania and Morocco, both showed increases in shipments: Mauritania by 15.7 percent to 14 064 tonnes, while Morocco by an impressive 63.7 percent to 11 776 tonnes. China, on the other hand, suffered a setback as exports to Japan dropped by 17.3 percent to 8 357 tonnes.

Squid

Members of the South Pacific Regional Fisheries Management Organization (SPRFMO) met in January 2021, but failed to agree on measures to limit the fishing of giant squid in the South Pacific. The European Union proposed to implement fishing limits, and Ecuador proposed rules which banned at-sea transshipment. However, the delegations from China, Taiwan Province of China, and the Republic of Korea strongly opposed these proposals.

Illex squid catches by Argentina picked up in March following a period of low landings due to bad weather. As of 3 March 2021, total landings amounted to 50 928 tonnes, which was 4 percent higher than during the same period in 2020. Catches off the Falklands were also up albeit a small increase (+4 percent by mid-March).

A large Chinese fleet of jiggers is fishing alongside the Argentinian fleet, and every month the Chinese fleet catches about 90 000 tonnes. This goes back to China as well as to other markets in competition with Argentinian squid. This activity is in direct competition with the Argentinian fleet, and the Chinese fleet is operating right on the 200 mile limit.

Trade

While octopus trade stayed fairly stable during 2020 despite the COVID-19 pandemic, squid and cuttlefish trade suffered setbacks in most major markets. Only the Republic of Korea increased its imports.

After a year with significant increases in imports of squid and cuttlefish in 2019, China's imports of these commodities dropped by 21.2 percent in 2020, to 306 658 tonnes. Of the major suppliers, only Argentina showed an increase in shipments.

China's exports of squid and cuttlefish fell by 8.3 percent in 2020 compared to 2019, to 444 043 tonnes. The largest market, Japan, imported some 8.4 percent less from China (95 219 tonnes), while Thailand and the Republic of Korea both increased imports from China, by 39.9 percent and 14.4 percent, respectively.

Argentina saw a significant increase in its squid exports during 2020. The export volume was up by 72 percent to 144 736 tonnes, while the export value increased by 84 percent to USD 385.9 million. US squid imports fell to 50 408 tonnes in 2020, down by 23 percent compared to 2019. Import value also dropped, by 24 percent, to USD 239 million. Imports from China, which is the largest supplier and accounted for 43 percent of total US squid and cuttlefish imports in 2020, declined by 34.4 percent.

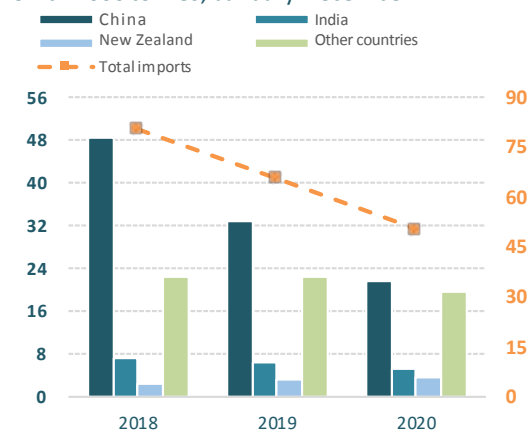
During the first quarter of 2021, US import volumes increased marginally (by 3.2 percent to 13 084 tonnes compared to the first quarter of 2020). Prices increased so that the total import value went up by 6.3 percent.

CEPHALOPODS

United States of America | Imports | Squid and cuttlefish

Top three origins

Unit: 1 000 tonnes, January-December



Source: NMFS.

China | Imports | Squid and cuttlefish

Top three origins

Unit: 1 000 tonnes, January-December

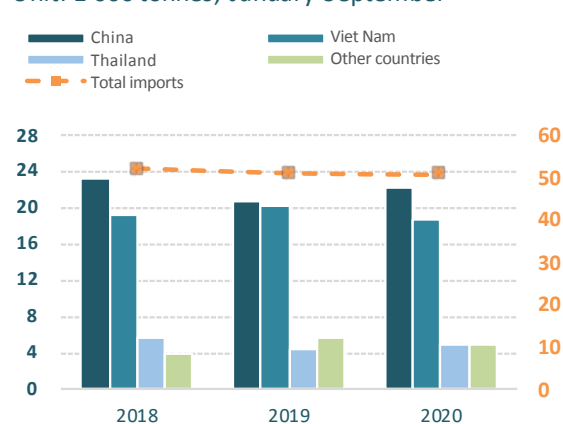


Source: China Customs.

Republic of Korea | Imports | Octopus

Top three origins

Unit: 1 000 tonnes, January-September

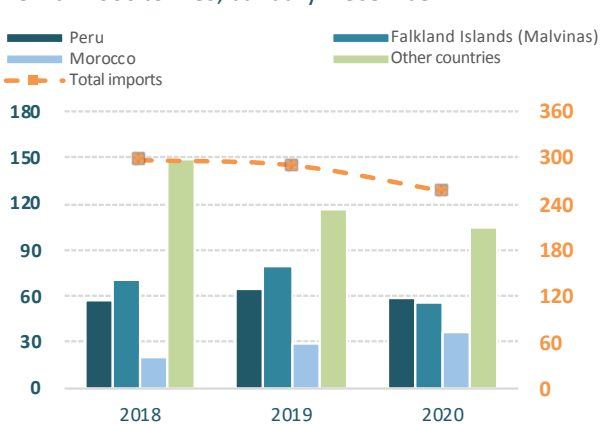


Source: Korea Trade Statistics Promotion Institute.

Spain | Imports | Squid and cuttlefish

Top three origins

Unit: 1 000 tonnes, January-December



Source: Agencia Tributaria, Spain.

Spanish imports of squid and cuttlefish continued to slide in 2020, and ended up at 256 368 tonnes, down by 11.7 percent. The largest suppliers were Peru, the Falkland/Malvinas Islands, and Morocco. The Republic of Korea was the only major market that registered increasing imports of squid and cuttlefish in 2020, with imports increasing by 13.1 percent in 2020 compared to 2019, to 175 472 tonnes. China was the major supplier, with 62 526 tonnes (up 15.5 percent compared to 2019), followed by Peru (down 5.7 percent to 54 226 tonnes) and Argentina (201 percent up to 14 055 tonnes).

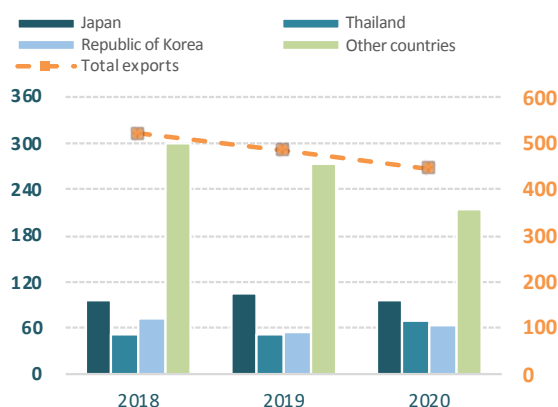
Outlook

CEPHALOPODS

China | Exports | Squid and cuttlefish

Top three destinations

Unit: 1 000 tonnes, January-December

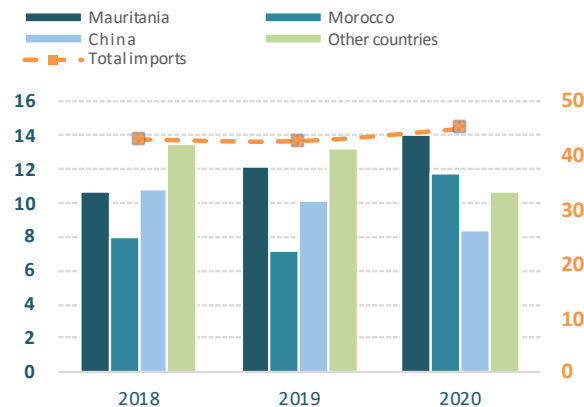


Source: China Customs.

Japan | Imports | Octopus

Top three origins

Unit: 1 000 tonnes, January-December

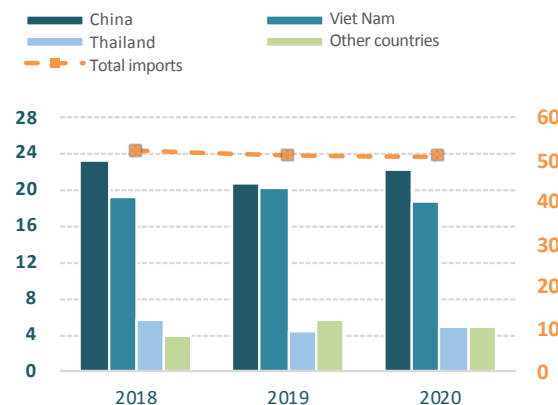


Source: Japan Customs.

Republic of Korea | Imports | Octopus

Top three origins

Unit: 1 000 tonnes, January-December

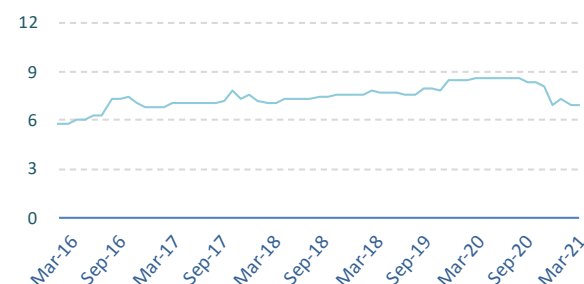


Source: Korea Trade Statistics Promotion Institute.

Prices

Squid: Italy

EUR/kg



Whole, FAS, middle size, origin: South Africa.

Source: European Price Report.

The outlook is uncertain and somewhat mixed, to say the least. For octopus, some observers expect strong sales as soon as restrictions on restaurants are lifted. Prices for octopus may rise as a result of a rather tight supply situation and in response to growth in demand.

For squid and cuttlefish, the situation may be slightly different. Trade volumes were down in 2020 and supplies in 2021 are still somewhat uncertain. If COVID-19 restrictions are lifted and tourism returns in the Mediterranean region, demand could rise significantly during the summer holidays. Prices are also likely to rise again.

Strong demand and prices rising

The crab sector in the United States of America performed well in 2020, and 2021 looks to be even better, if early trends hold. Retail sales of crab were up by 60 percent compared to 2019, and king crab prices were as high as USD 28.00 per lb. The market now seems insatiable. Consumers are shifting to home consumption and are willing to pay very high retail prices.

Supplies

In 2020, a total of 126 910 tonnes of snow crab (*Chionoecetes opilio*) were landed. This constituted 94 percent of the total allowable catch (TAC). In 2021, the TAC has been increased to 142 845 tonnes. Of this, Canada gets 71 498 tonnes, the Russian Federation 44 435 tonnes, Alaska 20 412 tonnes and Norway 6 500 tonnes.

In Alaska, the crab fishery opened in February 2021. Bering Sea crabbers are expecting to land some 40.5 million lbs (18 189 tonnes) of snow crab this year, plus one million lbs (454 tonnes) of Tanner crab. The red king crab fishery started on 1 February 2021, while the golden king crab fishery started on 17 February 2021.

Opilio landings in Alaska were off to a slow start, though. As of the beginning of March, about 7 711 tonnes were landed, but the sizes were small. The Tanner crab fishery in Alaska was slow, too, with about 34 percent of the quota harvested by early March. But demand is good and prices very high.

Demand for snow crab in the United States of America has been very strong, and prices have soared as a result. Retail sales have been strong, while the restaurant industry has been extremely bleak because of the pandemic.

The Canadian Department of Fisheries and Oceans (DFO) announced in late March that the 2021 quota for snow crab in the province of Newfoundland and Labrador was increased by 29 percent compared to 2020, from 29 551 tonnes to 38 186 tonnes. The season runs from early/mid-April until June or July.

In the province of New Brunswick, the outlook is less rosy. The snow crab fishery in the southern Gulf of Saint Lawrence started in early April, with ice still on the water. The quota was reduced by 26 percent compared to 2020, to 21 128 tonnes. The early start (a month earlier than in 2020) was part of an effort to avoid limitations due to the presence of the North Atlantic right whales. The fishery will last until late June, but may be closed earlier if the right whales appear.

The Oregon Dungeness crab fishery opened on 16 February 2021. According to the Oregon Department of Fish and Wildlife (ODFW), all crabs caught in the area north of Cape Falcon need to have their viscera removed and checked to ensure that crab put on the market are safe to consume.

While high levels of the marine biotoxin domoic acid had been registered further north, in the state of Washington, the levels observed in Oregon have been below the alert levels.

RECENT NEWS

The blue crab (*Callinectes sapidus*) is a very popular item on the east coast of the United States of America, particularly around the Chesapeake Bay in Maryland and Virginia. But now the blue crab has been found in Ireland, and there it is not a welcome creature, as it is an invasive species. It is believed that the blue crab eats small crabs of other species, and at times even other blue crab. Irish authorities are worried that the blue crab from the Chesapeake Bay may become more numerous, but so far, only a few have been registered. While it is ruled out that the crab may have migrated from the Chesapeake Bay area to Ireland on its own, it is more likely that it has been transported by boat in ballast water.

International trade

Total global imports of crab (all types) declined by 9.8 percent in 2020 compared to 2019. However, US imports increased by 9.5 percent to 98 009 tonnes, while Chinese imports dropped by 19.1 percent to 46 714 tonnes. The COVID-19 pandemic must be blamed for at least part of this change, as China closed its borders to crab imports for part of the year.

Total crab exports from the Russian Federation in 2020 rose by 9 percent compared to 2019, to USD 1.59 billion. Live crab exports rose by 20 percent to USD 652 million, with China and the Republic of Korea each accounting for just under 50 percent of the total. Russian exports of frozen crab increased by a mere 2 percent to USD 936 million, with the Netherlands and the Republic of Korea being the main markets.

In the first quarter of 2021, Norwegian king crab exports amounted to 1 777 tonnes, double the corresponding 2020 figure. Prices went down by 2 percent to USD 4.10 per kg. Export value soared to USD 52 million, the highest amount ever recorded for a first quarter. Export shipments were particularly strong to China, Hong Kong SAR, the Republic of Korea, the United States of America, and Viet Nam.

US imports of crab (all types) rose by 7.3 percent in 2020 compared to 2019. All major suppliers (Canada, the Russian Federation, Indonesia) registered an increase in shipments. Imports of red king crab were up by 17 percent, while imports of blue king crab were down by 41 percent.

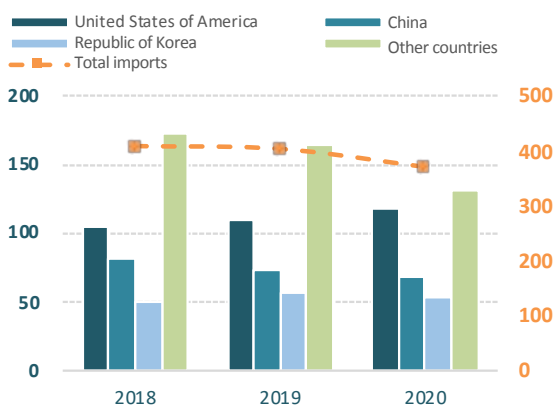
Retail seafood sales increased by an impressive 28 percent in the United States of America in 2020, to USD 16.6 billion. The crab sector did particularly well, with sales increasing by 63 percent compared to 2019, to USD 1.3 billion.

US importers of red and blue swimming crab are under pressure to obtain enough supplies. Production in Indonesia, the major supplier, is slow and supplies are short, with prices predictably climbing. However, the rising prices are not believed to be a result of increasing demand but rather of very tight supplies. US imports of blue swimming crab were down by 9 percent in 2020 compared with 2019. All of the decline was thought to be due to lack of supplies. Indonesia supplied over 50 percent of swimming crab imports into the United States of America in 2020. Venezuela, the Philippines, China and Viet Nam were the other major suppliers.

CRAB

Top three importers of crabs

Unit: 1 000 tonnes, January-December



Source: TDM, estimates.



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Outlook

The record high king crab prices do not seem to drive customers away. Prices for 9 – 12 count leg and claw crab have been selling for as much as USD 28 per lb, but customers are still buying. Apparently, consumers are not used to buying king crab through the retail sector, but rather through restaurants, where the end price is much higher than in retail stores. Menu prices for king crab legs at restaurants would be as high as USD 80 per lb. Compared to that, a retail price of USD 28 per lb appears as a bargain.

The shift to home consumption of crabs could therefore become a lasting trend, even when the restaurant sector reopens. As a result, prices may continue to climb for some time, in spite of the good supply situation.

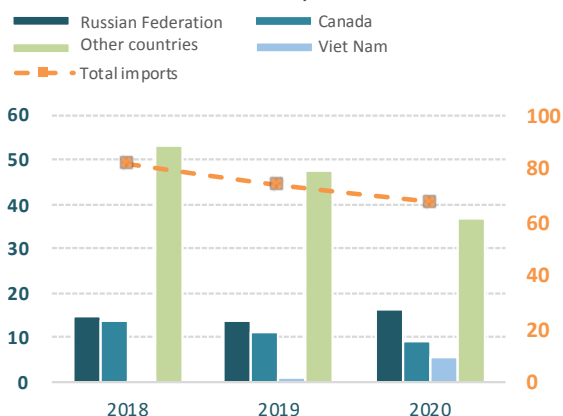
Overall, 2021 looks to be a very good year for the crab sector, no matter how the COVID-19 pandemic develops.

CRAB

China | Imports | crab

Top three origins

Unit: 1 000 tonnes, January-December

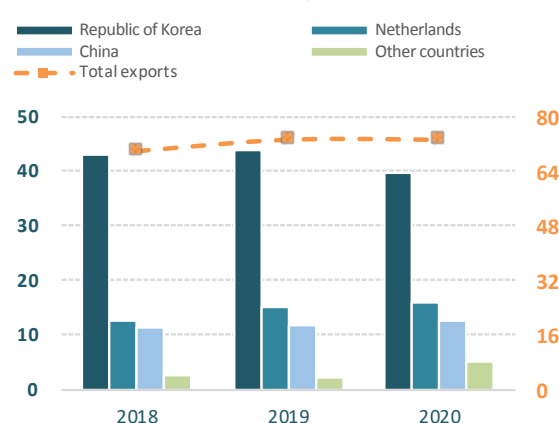


Source: China Customs, estimates.

Russian Federation | Exports | crab

Top three destinations

Unit: 1 000 tonnes, January-December

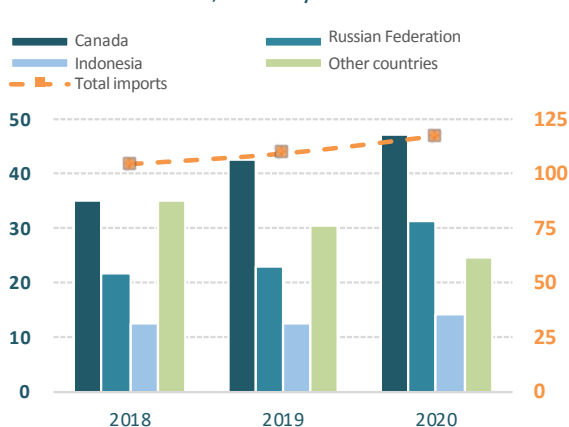


Source: Federal Customs Service of Russia.

United States of America | Imports | Crab

Top three origins

Unit: 1 000 tonnes, January-December

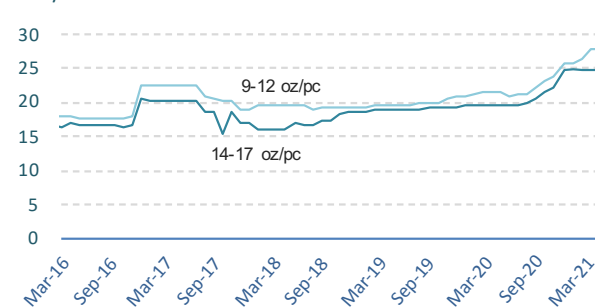


Source: US Census Bureau.

Prices

Crab: United States of America, Japan

USD/lb



Claw and sections, red, EXW New York.

Source: INFOFISH Trade News.

FISHMEAL & FISH OIL

FISHMEAL & FISH OIL

The sector remains confident

The Marine Institute of Peru (IMARPE) concluded its evaluation of the anchovy biomass along the coast in April, with the Peruvian Ministry soon to announce the quota for the first anchovy fishing season. Thus far, there is no negative news concerning the upcoming fishing season and the sector is confident. Overall, 2020 has been a positive time period for the fishmeal and fish oil industry, as the annual production quantity of fishmeal in Peru reached 1.07 million tonnes in 2020, up by 33 percent compared to 2019. Meanwhile cumulative fish oil output saw a year-on-year increase of 37 percent.

Production

In anticipation of the first anchovy season of 2021 in the north-central area of Peru, ongoing fishing activities are occurring in the south of the country with the quota of 409 000 tonnes. Until mid - April, over 30 percent of the quota was reported to be landed.

So far, the overall condition of the anchovy biomass along the coast is quite promising, both in terms of climate and biomass situation and the upcoming season will likely have a positive quota. COVID-19 cases in Peru reached a record high in April, yet implications for the industry still have to be explored.

Summary of 2020

It was believed that COVID-19 would have upended the global fisheries and aquaculture industry in 2020, and the production of fishmeal and fish oil was no exception. However, the fishmeal sector itself was fortunate to be less-impacted by COVID-19, mainly as a result of Peru's positive performance. The first fishing season in the north-center area in 2020 was set at a quota of 2.41 million tonnes which were almost fulfilled completely; while the second season was even more positive with a quota at 2.78 million tonnes which resulted in total landings of 2.45 million tonnes (88 percent).

Apart from the lead producer, other market players, like Chile, the United States of America and European Union, performed well in 2020, and jointly contributed to the successful season of the fishmeal and fish oil sector.

With total landings of anchovy amounting to over 4.45 million tonnes in 2020, Peru's output of fishmeal reached 1.04 million tonnes, up by 30 percent compared to 2019. Nordic countries also reported good progress in fishmeal production, for example, the combined quantity from Denmark and Norway totalled 355 476 tonnes, equivalent to an increase of 12.8 percent compared to 2019. Meanwhile, Chile's production slightly shrunk to 329 025 tonnes (-7 percent).

The yield of fish oil has observed the same progressive pattern, with the leading producers all reporting positive growth.

Exports

The tonnage exported from Peru in 2020 (855 887 tonnes) dropped by 20 percent compared to 2019, which was mainly a result of the poor second fishing season in 2019.

Nearly 77 percent of the Peruvian exports were destined to China, followed by Japan with a 5 percent market share. Exports from Chile increased from 193 000 tonnes in 2019 to 297 000 tonnes in 2020, demonstrating a growth rate of 53.88 percent.

Denmark has been leading fish oil exports accounting for 151 187 tonnes in 2020 compared to 146 090 tonnes in 2019, with most of its products shipped within Europe, to countries with marine fish farming, namely Norway, the Faroe Islands and United Kingdom of Great Britain and Northern

FISHMEAL & FISH OIL



The TAC allocated in the past ten years in Peru (million tonnes)

	1st season	2nd season	Total
2011	3.68	2.50	6.18
2012	2.75	0.81	3.56
2013	2.05	2.30	4.35
2014	2.53	0	2.53
2015	2.58	1.10	3.68
2016	1.80	2.00	3.80
2017	2.80	1.49	4.29
2018	3.32	2.10	5.42
2019	2.10	2.79	4.89
2020	2.41	2.78	5.19

Only refers to the central-north region.

Fishmeal production (1 000 tonnes)

	2016	2017	2018	2019
Peru	632.7	734.9	1405.5	796.0
China	460.0	400.0	570.0	477.0
Thailand	234.4	331.0	376.5	349.5
Chile	300.0	305.0	308.0	310.0
Viet Nam	251.9	242.5	274.7	255.5
Others	2664.1	2864.6	2828.6	2699.0
Total	4543.1	4878.0	5763.3	4887.0

Source: IFFO.

Fish oil production (1 000 tonnes)

	2016	2017	2018	2019
Viet Nam	155,0	160,0	174,0	188,5
Chile	81,0	120,2	151,2	133,0
Peru	113,9	98,7	227,0	126,0
United States of America	113,9	98,7	227,0	126,0
Japan	64,3	80,5	74,5	74,0
Others	526,5	563,8	449,2	524,6
Total	1054,6	1121,9	1302,9	1172,1

Source: IFFO.

RECENT NEWS

Peru normally has two anchovy fishing seasons per year, with the first usually starting from April/May and ending in July/August; the second usually starting in November and lasting until January. The fishing operation terminate either when the quota is filled or called by Peru's Ministry of Production to allow for a smooth spawning process of the pelagic species.

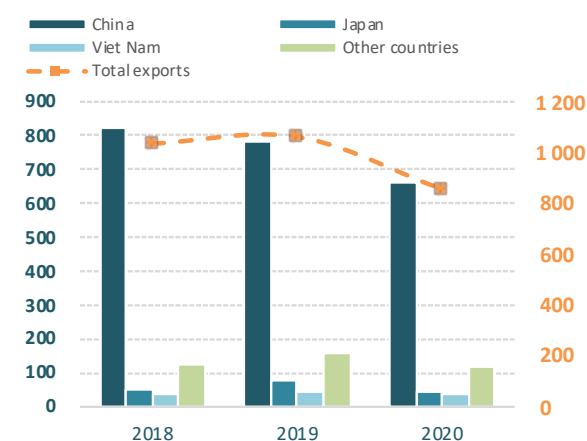
Since the second season is cross-year, the production during that season has a great impact on the exports in the year after, taken into account also the time to transform the raw material to proper fishmeal and fish oil products.

FISHMEAL & FISH OIL

Peru | Exports | Fishmeal

Top three destinations

Unit: 1 000 tonnes, January-December

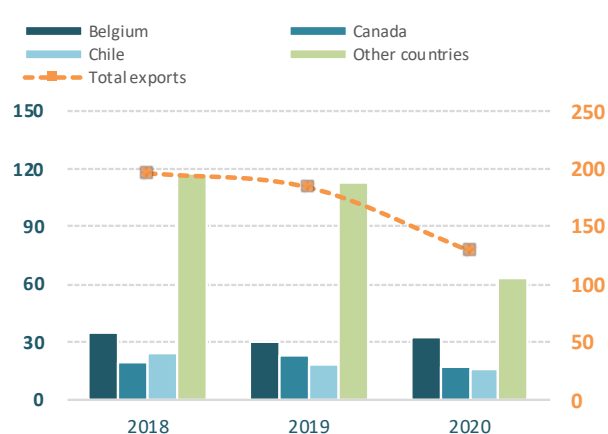


Source: Peru Statistics Office - SUNAT

Peru | Exports | Fish oil

Top three destinations

Unit: 1 000 tonnes, January-December

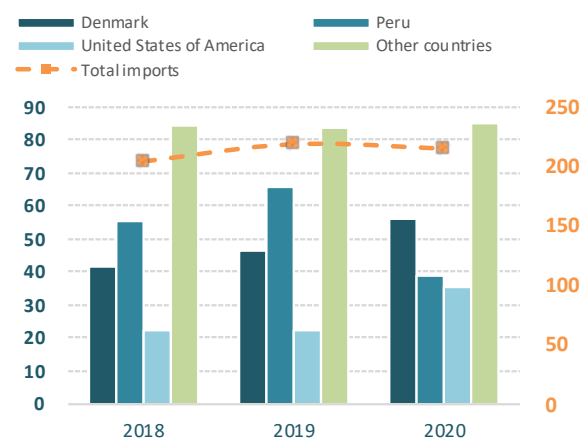


Source: Peru Statistics Office - SUNAT

Norway | Imports | Fish oil

Top three origins

Unit: 1 000 tonnes, January-December

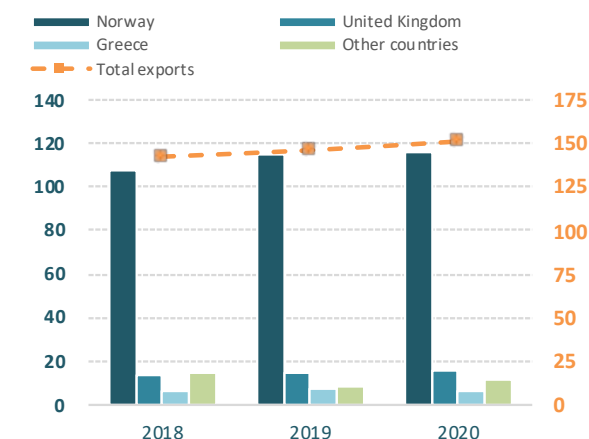


Source: Norway Bureau of Statistics

Denmark | Exports | Fish oil

Top three destinations

Unit: 1 000 tonnes, January-December



Source: Eurostat

FISHMEAL & FISH OIL

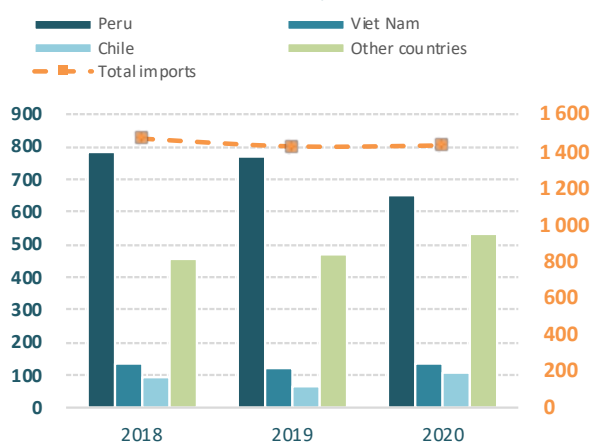


© pixabay/PublicDomainPictures

China | Imports | Fishmeal

Top three origins

Unit: 1 000 tonnes, January-December

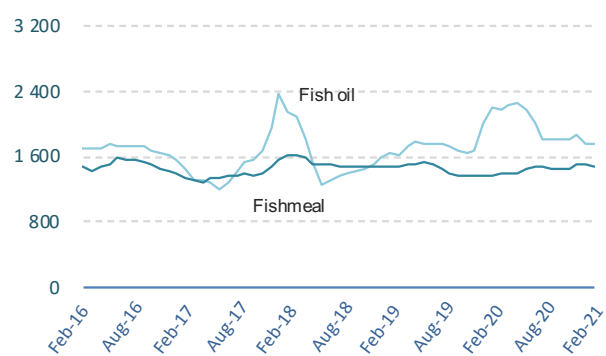


Source: China Customs, estimates

Prices

Fish oil and fishmeal: Europe

USD/tonne

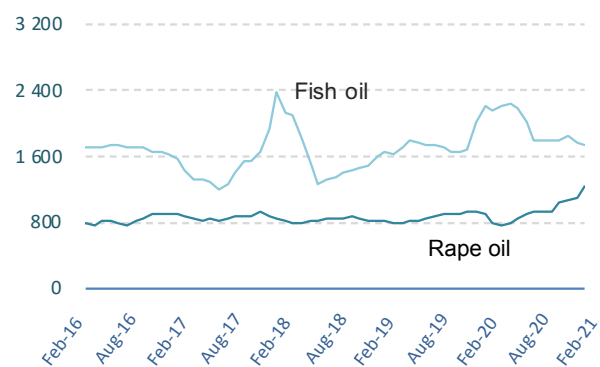


Source: Oil World

Prices

Fish oil and rape oil: Europe

USD/tonne



Source: Oil World

FISHMEAL & FISH OIL

Ireland (salmon), Greece, Italy and Turkey (seabass and seabream). Peruvian exports of fish oil reached 12 779 in 2020, 30 percent lower than 2019.

Markets

China, the largest consumption market for fishmeal, seems to have recovered from the pandemic, and the government has set a GDP growth rate of over 6 percent. Meanwhile the International Monetary Fund (IMF) is slightly more positive, predicting a GDP growth in China at 8.2 percent in 2021. Given the recovered demand in China due to growing pig farming and aquaculture, its domestic supply is insufficient to fill the gap. Thus, fishmeal imports will still be a necessity in the short term.

More specifically, in 2020, Chinese fishmeal imports totalled 1.43 million tonnes, of which over 45 percent was sourced from Peru, a far margin over other producing countries. Upturned imports are seen in some European countries as well. Norway's imports saw minor decreases in 2020, but due to the higher demand of processed fish products, the export value for salmon in 2020 ranked among the second-highest, and in terms of volume it was a record. It is likely that feed demand will remain high, particularly for fishmeal and fish oil which are indispensable in salmon feed for the time being.

Prices

Since the start of the first fishing season in Peru in 2020, the bumper harvest started to soften the hiking trend of prices, which has been further confirmed with the good progress of the second fishing season in Peru. Until early 2021, the prices of fishmeal and fish oil have been stable with minor oscillations. Fishmeal and oil prices in China have been generally stable as well.

Outlook

The cumulative production quantity of fishmeal and fish oil in 2020 exceeded industry expectations, and the first fishing season of 2021 in Peru will likely have a quota of around 2.5 million tonnes. The upcoming aquaculture season in China and the recovered hog farming sector will allow for a further absorption of fishmeal and fish oil globally.

A trend observed in 2020 was China diversifying its sources of imports of fishmeal worldwide. With the normalization of fishmeal reduction in Peru, it is expected that its market share will increase in China. Prices have been stable, and to a great extent this trend will probably continue.

Supply problems in Alaska and China

The COVID-19 pandemic has hit the Alaska pollock industry in the United States of America and reduced production, creating a tight supply situation that affects first and foremost Europe. At the same time, China has closed its ports (and borders) to the Russian Federation, creating a very difficult raw material supply situation for Chinese processors. Prices are volatile, and the outlook is very mixed.

Supplies

In Alaska, the pollock A season is falling behind last year's results. COVID-19 has affected the sector greatly, as a number of facilities have had to close down because of outbreaks. Consequently, raw material is becoming scarce for some operators.

As the A season ends in April, the final catch numbers are lower than expected. However, the uncaught quotas are rolled over to the B season, which starts in June.

US production of Alaska pollock fillets as of mid-March stood at 30 600 tonnes, which was 43 percent lower than last year. At the same time, Russian pollock fillet production increased by 4 percent to 34 000 tonnes, resulting in the unusual situation where Russian pollock fillet production is larger than US production.

RECENT NEWS

The Russian Pollock Catchers' Association (PCA) decided to enter the Western Bering Sea harvesting region for MSC certification in September. The move has been welcomed by both the Russian industry and by European buyers, as this would increase the amount of MSC certified pollock greatly. If approved, it could also alter market conditions. In Europe, demand for non-certified pollock is diminishing, while demand for certified fish is growing. Russian exporters would be able to capture a larger part of this market with an enlarged certification. The Sea of Okhotsk fishery, - some 390 000 tonnes annually – is already MSC certified.

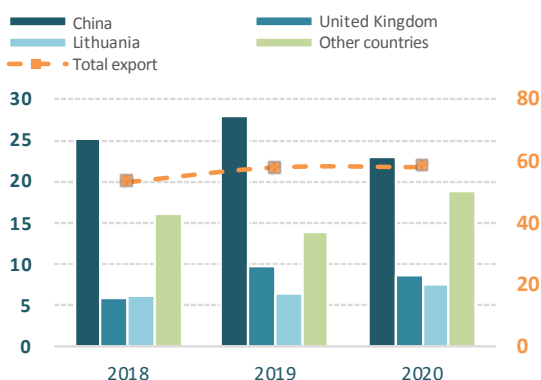
The dispute between the European Union and Norway regarding EU access to fishing grounds around Svalbard (the archipelago far to the north of Norway) has heated up. The Svalbard Treaty, which was retained in 1920 and gave Norway jurisdiction over the islands, allows all signatory nations to engage in commercial activities in the archipelago, but Norway regards the Exclusive Economic Zone (EEZ) around Svalbard as part of the Norwegian EEZ. In December 2020, Norway reduced European Union's quota for 2021 to just 6 004 tonnes of cod in Svalbard waters. This was a 75 percent reduction compared to the quota for 2020. The European Commission then increased the final total allowable catch for cod fishing around Svalbard to 28 431 tonnes. This move is now hotly disputed by Norway.

The EU fleet is now confused about the next steps. The situation is further complicated by the Brexit deal between the European Union and the United Kingdom of Great Britain and Northern Ireland, under which part of the quota is transferred to the United Kingdom. Norway, along with the other Nordic countries, have stated that they will not negotiate anything bilaterally until a trilateral agreement between Norway, the European Union and the United Kingdom of Great Britain and Northern Ireland has been reached. Meanwhile, the EU fleet is at a standstill.

GROUND FISH

Norway | Exports | Cod | Frozen whole Top three destinations

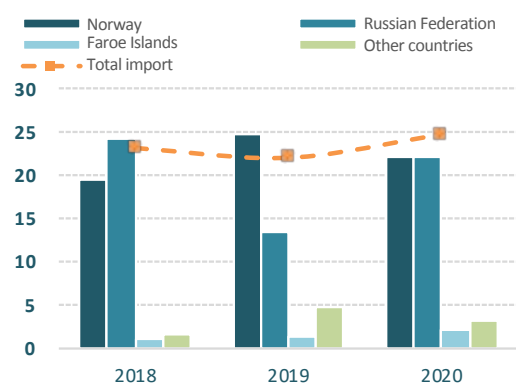
Unit: 1 000 tonnes, January-December



Source: Norway Bureau of Statistics.

Netherlands | Imports | Cod | Frozen whole Top three origins

Unit: 1 000 tonnes, January-December



Source: Eurostat.

China exports of Alaska Pollock, frozen whole, December (1 000 tonnes)

	2018	2019	2020
Exports			
Russia	512.1	636.4	574.7
United States of America	51.3	35.7	26.4
Japan	3.3	10.5	8.9
Other countries	6.6	7.2	2
Total	573.4	689.9	612.2

Source: TDM

Russian Federation exports of Alaska Pollock, frozen whole, January-December (1 000 tonnes)

	2018	2019	2020
Exports			
China	510.1	642	591.6
Republic of Korea	197	134.5	182.6
Belarus	10.7	8.2	11.8
Other countries	10.8	10.7	16.1
Total	728.8	795.4	802.2

Source: TDM.

The annual Skrei (spring-spawning cod caught in the Lofoten and Vesterålen region in Northern Norway) season was off to a late start this year. Skrei is a top-quality cod which is mostly exported fresh to the European market, and at premium prices. For example, in March 2021, fresh skrei export price (fob Norway) was NOK 38.45, while the fresh cod fob price was NOK 30.09. However, demand was down in January and February 2021 due to COVID-19, and prices were lower than during the 2020 season. In anticipation of slower market demand, the Norwegian Seafood Council has stepped up its promotional campaigns in Europe. In Spain alone, some 5 000 points of sale have joined the Skrei campaign.

Market

As the Skrei season was off to a late start this year because of bad weather, Norwegian cod landings were about 8 000 tonnes behind by the end of March with 117 000 tonnes landed in 2021. In spite of price reductions for fresh cod on the European market, Norwegian exporters were diverting more fish to fresh sales and less to production of the traditional products such as air-dried cod (stockfish) and salted and dried cod (klippfish). This could lead to a shortage of klippfish and saltfish later in the year because production of these products has a very limited timeframe as they have to be salted

GROUND FISH

and dried as soon after landings as possible. Although there were some 300 000 tonnes left of the quota at the end of March, this will probably not be landed until later in the year, when conditions for salting and drying are less favourable.

The Russian pollock industry is in trouble, as China has shut out imports from the Russian Federation, citing COVID-19 safety hazards. The Russian Federation normally sells over 60 percent of its Alaska pollock exports to China. Problems started in January 2021, when Chinese customs authorities said they had found strains of live COVID-19 on the packaging of products imported from the Russian Federation. Russian producers of Alaska pollock are now progressively looking to their domestic market and are increasing capacity to serve this market in addition to export markets.

This, plus the lack of whitefish supplies because of logistical issues impacting Chinese processing plants, will create a shortage in the whitefish market. Several Chinese plants closed early for Chinese New Year because workers had to go home early and enter quarantine before the celebrations.

Trade

China, which is the largest importer of Alaska pollock in the world, has run into trouble over the past year. Fourth quarter 2020 exports of Alaska pollock to China's largest market, Germany, fell to 20 700 tonnes, down 42 percent compared to the same period in 2019. Exports to the Republic of Korea also fell during the fourth quarter, by 36 percent to 3 300 tonnes, and exports to the United Kingdom of Great Britain and Northern Ireland were down by 20 percent to 2 600 tonnes. The causes of these declines are several, including port disruption (main Chinese ports Dalian and Qingdao are closed to Russian ships, thus making the raw material supply situation difficult), lower landings, processing problems because of the COVID-19 pandemic and shipment issues.

Total Chinese whole frozen Alaska pollock imports during 2020 fell by 11.3 percent, to 612 242 tonnes. All major suppliers experienced reduced shipments. The Russian Federation, the top supplier, exported 574 758 tonnes, down almost 10 percent compared to 2019. Reduced imports of whole frozen Alaska pollock were reflected in lower exports of Alaska pollock fillets. Total 2020 exports of frozen Alaska pollock fillets fell by 28 percent to just 191 630 tonnes.

While Russian pollock exports to China declined in 2020, exports to the Republic of Korea were up by 35.7 percent to 182 600 tonnes. In fact, in the beginning of 2021, the Russian Federation accounted for 99 percent of Korean imports of frozen Alaska pollock.

Pollock exports from Alaska experienced a lift in November 2020, though, as exports rose by an astounding 59 percent to 22 627 tonnes. Export prices also rose by 17 percent, to USD 2.69 per kg, bringing the November export value to USD 60.98 million.

After a very good year for groundfish exports in 2019, Norwegian exporters had expected another good year in 2020, but COVID-19 dampened this initial positive forecast. Total cod exports in 2020 amounted to 172 000 tonnes, down 4 percent compared to 2019. The value of exports also declined by the same percentage. The loss of the restaurant segment hit exports of fresh cod hard, as demand fell in Europe.

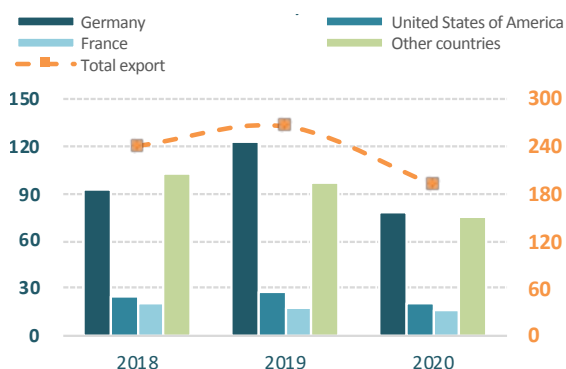
Exports from Norway of traditional products such as klippfish also fell. Klippfish export volume fell by 9 percent to 83 000 tonnes, while the value declined by 10 percent to NOK 4.3 billion. The main reason for the decline was lower demand in Brazil and in Portugal. These are the two main markets

GROUND FISH

China | Exports | Alaska pollock | Frozen fillets

Top three destinations

Unit: 1 000 tonnes, January-December

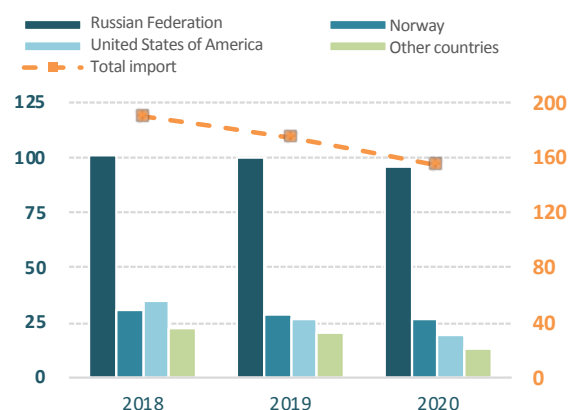


Source: China Customs, estimates.

China | Imports | Cod | Frozen whole

Top three origins

Unit: 1 000 tonnes, January-December

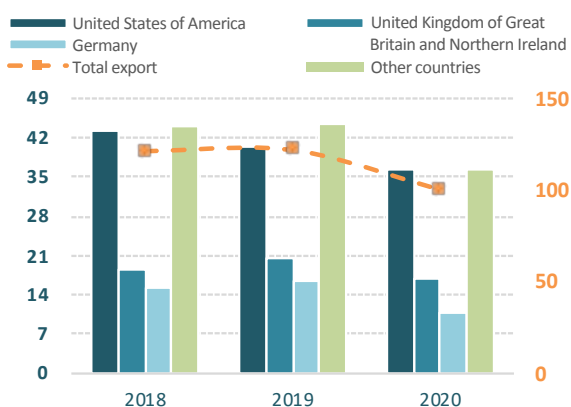


Source: China Customs, estimates.

China | Exports | Cod | Frozen fillets

Top three destinations

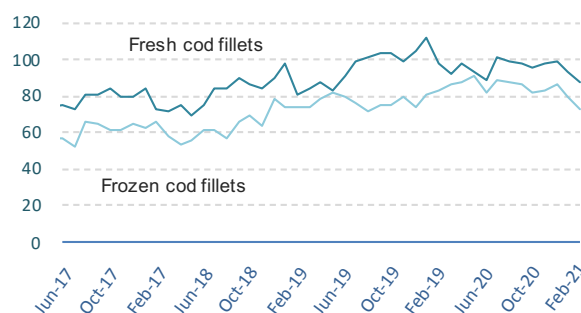
Unit: 1 000 tonnes, January-December



Source: China Customs, estimates.

Export price Cod: Norway

NOK/kg



Source: Norwegian Seafood Council.

for salted and dried cod from Norway.

Prices

Prices for US pin-bone out (PBO) pollock fillet blocks and surimi have been rising to almost record levels of USD 3 600 – 3 700 per tonne in the beginning of 2021.

With limited demand from the white tablecloth sector, prices for fresh Skrei dropped 30 percent in January. While COVID-19 is most likely to blame for this, the 20 percent quota increase has also put pressure on prices. Total Norwegian landings as of mid-March were down 6 percent compared to 2020, but prices had dropped by 20 percent. Normally, a 20 percent quota increase would lead to about a 15 percent price decline.

Outlook

The outlook for the groundfish sector is turbulent and complex. While Chinese production of frozen Alaska pollock fillets is declining because of a stop in imports of round-frozen fish from the Russian Federation, and US supplies are tight because of the COVID-19 situation, some markets are looking up. However, the fresh fish market is not likely to recover fully until the COVID-19 situation is under control in major markets and the restaurant sector reopens.

Meanwhile, the retail sector is doing well and much demand has shifted to home consumption. It is not expected that this trend will remain equally strong in the future, as consumers seem hungry for eating out as soon as the possibility occurs. Recent news from New York, where bars and restaurants have reopened, indicate that there will be a strong boom in restaurant and foodservice sales as the pandemic subsides.

Prices are volatile. Cod prices are down, as are Russian pollock prices, but prices for US pollock are up as a result of tighter supplies from Alaska. According to early indications in 2021, prices will stay high.

LOBSTER

LOBSTER

Trade volumes are down, but China is back

International trade volumes declined in 2020, mostly because restaurants closed due to the COVID-19 pandemic. But China now appears to be recovering, demand is growing and during the last few months of 2020, Chinese lobster imports grew significantly.

Supplies

Canada's Department of Fisheries and Oceans has announced that they will introduce a maximum catch size for lobsters in 2021 in Lobster Fishing Area 22 (LFA 22), including Magdalen Islands in the province of Quebec. The proposed maximum sizes range from 127-150 mm. About half of the lobster fishermen favour 145 mm as the maximum size. The purpose of imposing this maximum size is to increase production, as larger lobsters carry more eggs. The survival rate of larvae from larger spawners is also higher than for smaller spawners.

New regulations to protect the right whales from getting entangled in lobster trap ropes have been proposed by the National Oceanic and Atmospheric Administration (NOAA), and the fishers are just becoming accustomed to the rules. Environmental groups, however, are not happy with the rules and claim that they do not go far enough. Lobster fishers, on the other hand, complain that the new rules mean added cost for them. The National Marine Fisheries Service has estimated that about 2 500 lobster trap vessels would be affected by the new rules.

All members of the Maine Congressional delegation in Washington DC have spoken out in favour of the fishermen's situation by writing a letter directly to the White House and asking the US President to become involved in the matter. The senators and congressmen claim that the new rules may ultimately end Maine's lobster fishery by 2030. Maine is the largest lobster producer in the United States of America, and accounts for about 80 percent of total landings, which are about 70 000 tonnes annually.

Last year was a difficult year in most respects, also for the Maine lobster industry. Recent figures show that the 2020 Maine lobster harvest fell by 5 percent compared to 2019, to 43 545 tonnes. And 2019 was by no means a top year. The catch in 2019 was 17 percent lower by volume than in 2018. Most of the blame for the 2020 development is placed on COVID-19. Export markets for US lobsters were collapsing, and the industry had to adjust fishing efforts as a mode to survive. For example, they had to change handling and packaging to accommodate the change from export markets to retail sales and e-commerce. This added cost to operations, which of course reduced profits.

Market

The Chinese lobster market, which has been so important for both US and Canadian lobster exporters, was slow during the first phases of the COVID-19 pandemic. Australian lobsters have fetched high prices on the Chinese market as US lobsters have been limited in supply and costly because of the 25 percent tariff imposed by China since 2018. Canadian lobsters were profiting from this situation, as were lobsters from Cuba. However, the tariff on US lobsters was eased a bit in January 2020, when the 25 percent tariff on US lobsters was lifted. Chinese purchases from the United States of America increased in the last months of 2020. As China lifted some of the restrictions on daily life, for example by opening up restaurants again, demand for lobsters increased. The United States of America exported lobsters worth USD 127 million in 2020, an increase of 49 percent compared to 2019. During the month of December 2020, US lobster exports to China amounted to USD 31 million, making it the biggest lobster sales to China in a single month since 2018.

LOBSTER

US sales of lobsters to China were most likely helped by the fact that relations between China and Australia cooled off at the end of 2020, and Beijing imposed a ban on imports from Australia. The Australian rock lobster industry switched to selling lobsters on the domestic market, but as a result prices fell markedly, from about AUD 100 (USD 78) per kg to just AUD 30 (USD 23.40) per kg. Total Australian rock lobster exports in November and December 2020 dropped dramatically, while New Zealand took over much of China's trade from Australia. Another incident that hurt Australian lobster exports to China was the re-entry of the United States of America on the Chinese market at the end of 2020. During the months of November and December, China imported 3 223 tonnes of fresh and live US lobsters worth USD 51.2 million, by far the largest shipments during a two-month period since 2018. North American lobsters are very popular in China, and as US lobsters were allowed back on the market, many importers switched to the *Homarus* species instead of the rock lobsters. Demand is good for live lobsters, and the re-entry of the US market will inevitably increase trade. While imports went up, prices fell by 5 percent, though.

Global trade in lobsters declined during 2020. Total exports declined by 15.8 percent, to 166 432 tonnes. Australia was hardest hit of the top exporters, with a 27.6 percent decline. The United States of America and Canada also suffered declining numbers by 18.8 percent and 13.6 percent, respectively. Canadian exports declined to all the major markets.

EU imports were down by 15.5 percent, to 21 429 tonnes during 2020 compared to 25 361 tonnes in 2019. However, Chinese imports of lobster went up by 5.4 percent in 2020 compared to 2019, to 48 367 tonnes, indicating that the Chinese market is recovering and returning to more normal conditions. While Canada saw a decline of 19.1 percent in shipments to China, the United States of America experienced a 267 percent increase in shipments, albeit from a very low base: from 1 752 tonnes in 2019 to 6 426 tonnes in 2020.

Price

Prices fell in all main markets such as Europe and North America. While EU imports of lobsters from Canada increased by 5 percent in 2020 compared to 2019, the value fell by 9 percent. But in the beginning of 2021, prices varied widely in North America. In February, Canadian lobstermen were paid CAD 12.00 per lb one day, and a few days later the prices jumped to CAD 15.00 per lb. The price swings in Canada were also felt in Maine, where similar price variations were experienced.

Outlook

It is now feared that the high prices could push down demand in North America and Europe. Part of the blame for high prices must be placed on lower landings, both in Canada and in Maine, during the first months of 2021.

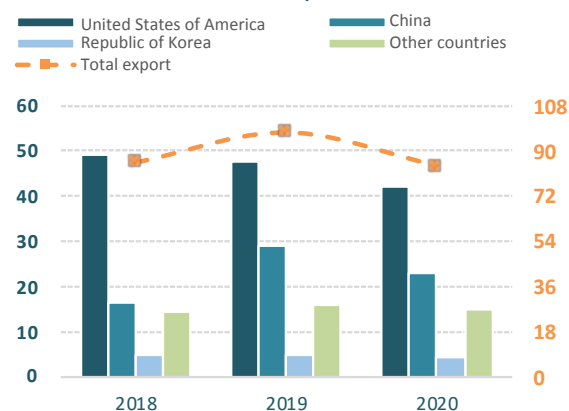
A return to "normal" would undoubtedly help the lobster industry. Lobster is a typical white tablecloth restaurant item, and those restaurants have been closed for long periods in most markets. Fortunately, it looks like China is returning to a more stable and normal state, and therefore lobster sales in China will probably come back up. In North America and Europe, it will take longer, no doubt, since the COVID-19 pandemic is far from over there. Prices will most likely stay relatively high in North America and Europe, but lower in Asia. Supplies are a bit tight, which pushes prices up.

LOBSTER

Canada | Exports | Lobster

Top three destinations

Unit: 1 000 tonnes, January-December

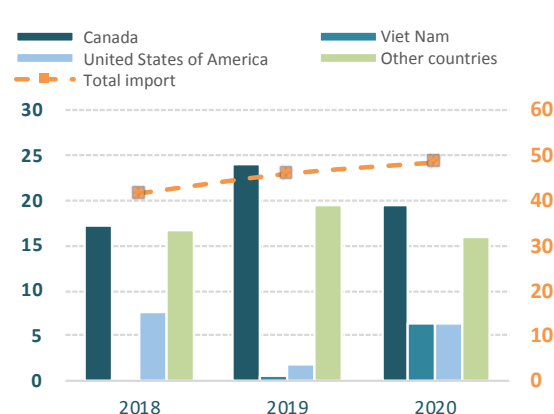


Source: Canada Statistics.

China | Imports | Lobster

Top three origins

Unit: 1 000 tonnes, January-December

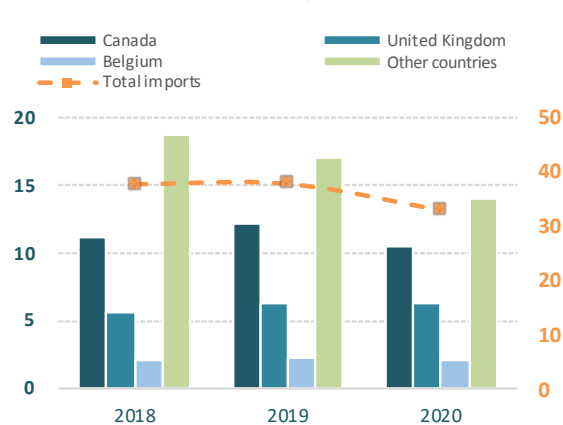


Source: China Customs, estimates.

European Union | Imports | Lobster

Top three origins

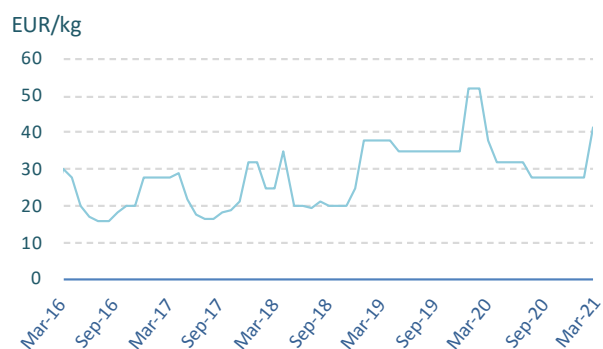
Unit: 1 000 tonnes, January-December



Source: Eurostat.

Prices

European lobster: Europe



Live, origin: Ireland; 400–600, 600–800 g/pc.

Source: European Price Report.

LOBSTER

United States of America imports/exports of lobster
December (1 000 tonnes)

	2018	2019	2020
Imports			
Canada	49.4	48.1	42.5
Nicaragua	0.9	0.9	1.5
Brazil	1.4	1.6	1.5
Other countries	5.0	4.6	4.1
Total	56.7	55.2	49.6
Exports			
Canada	29.0	25.5	19.4
China	9.1	5.0	8.3
China, Hong Kong SAR	3.2	2.4	1.8
Other countries	12.2	9.5	4.9
Total	53.4	42.4	34.4

Source: TDM estimates.

World imports/exports of lobster
January - December (1 000 tonnes)

	2018	2019	2020
Imports			
United States of America	56.7	55.2	49.6
China	41.5	45.9	48.4
Canada	29.4	25.9	19.8
Other countries	60.1	59.0	46.1
Total	187.7	186.0	163.9
Exports			
Canada	85.6	97.6	84.3
United States of America	53.4	42.4	34.4
Australia	8.9	8.9	6.5
Other countries	60.8	48.8	41.2
Total	208.8	197.7	166.4

Source: TDM estimates.



Pangasius costs rising all along the supply chain as COVID-19 impact lingers

Last year saw pangasius farming operations in Viet Nam slow significantly as the global pandemic took a heavy toll on demand, logistics and processing activities. While core markets are now gradually coming back to life, trade restrictions and rising costs are presenting new challenges to suppliers.

Production

In Viet Nam's Mekong Delta, the source of the vast majority of internationally traded pangasius, 2020 was a difficult year. According to the Vietnamese Ministry of Agriculture and Rural Development (MARD), cumulative stocked farming area in the region reached 5 700 hectares by the end of the year, a 9 percent drop compared with 2019. While issues with saltwater intrusion earlier in the year played a role, the primary factor was the sweeping impact of the COVID-19 pandemic. While the reopening of the key Chinese market later in 2020 offered some potential relief to Vietnamese suppliers, new border inspection requirements, an estimated 30 percent increase to the cost of feed and fry and a general atmosphere of uncertainty and weak consumer confidence has continued to drag on sector recovery. Farmers, processors and packers are hesitant to take on additional risk in the face of repeated COVID-19 waves.

Outside of Viet Nam, accurate estimates of pangasius production remain difficult to come by, but the most recent survey by the Global Aquaculture Alliance (GAA) suggests that total production in 2020 reached around 2.5 million tonnes, a drop of around 7.5 percent compared with the prior year. In China, the emerging industry centered in Hainan and Guangdong is focusing on developing the infrastructure, technology and farming practices to compete with the much more mature Vietnamese sector, particularly in the domestic market. Elsewhere, Brazil has reported rapid growth in recent years, albeit from a very small baseline, reaching around 5 000 tonnes in 2020.

Trade and markets

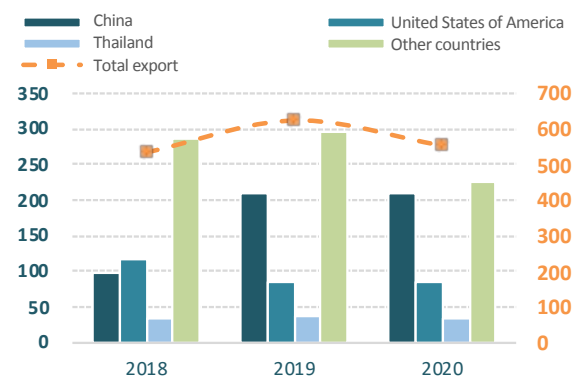
According to Vietnamese authorities, all exports of pangasius derived products totalled almost 800 000 tonnes in 2020, a year-on-year drop of around 12 percent. The majority of this volume consists of frozen fillets, although Viet Nam also exports a number of other product forms. China is the top market, with a reported 145 Vietnamese enterprises and cooperatives exporting some 308 900 tonnes to mainland China and China, Hong Kong SAR in 2020. This represents a 5 percent decline compared with 2019, with a more severe drop prevented by a strong recovery in volumes in the third quarter as Chinese buyers resumed purchases. This resurgence was tempered, however, by the significantly tighter certification, inspection and traceability measures introduced by Chinese authorities in response to COVID-19 related scares.

The majority of Viet Nam's other pangasius export markets also saw declines in 2020 due to effects of the pandemic on market demand and freight costs, with exports to the ASEAN region dropping by 18 percent and exports to the European Union down by 19 percent. Some notable exceptions to this trend were the UK and US markets, which actually registered increases in pangasius imports in 2020. Retail demand for pangasius is reportedly strong in most markets, with differing levels of foodservice activity accounting for the variation.

PANGASIUUS

Viet Nam | Exports | Catfish | Frozen fillets Top three destinations

Unit: 1 000 tonnes, January-December



Source: TDM, estimates.



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Prices

The pandemic saw pangasius export prices fall steeply earlier in 2020 but market tightening lifted frozen fillet prices slightly towards the end of the year to around USD 2.20 per kg (FOB, Ho Chi Minh). Farmgate prices remain stuck at around VND 20,000 (USD 0.86) per kg.

Outlook

While considerable difficulties remain, the general consensus of the pangasius industry is that the worst effects of the pandemic are now past, and the outlook for the remainder of 2021 is relatively more positive. In fact, the concern now is that the boom and bust cycle that has characterized the pangasius sector in recent years will enter the boom phase. The new restrictions on Viet Nam's trade with China have introduced additional costs and constraints, and potentially represent an opportunity for Chinese domestic producers, but indications for other markets are more favourable. In particular, the recently established free trade agreement between Viet Nam and the European Union will see duties reduced on pangasius products and likely allow for expansion in this key market.

Lackluster ending to salmon market in 2020

While efforts to shift sales and marketing efforts to retail channels have generally been quite effective, the global salmon sector has certainly not escaped the pandemic's effects unscathed. A weak end-of-year market dragged down prices and squeezed margins all along the supply chain.

Amidst the sweeping market impact of rolling lockdowns throughout 2020, seafood businesses across the world have been scrambling to reposition themselves to take advantage of rapidly changing consumer behaviour. The most prominent themes of the new market environment are a renewed focus on retail, an acceleration of e-commerce development, an emphasis on products intended for easy home cooking, and a general consumer preference for products with longer shelf lives. After many years of profitable growth, the salmon sector has built a truly global market, powered by efficient supply chains, expensive marketing campaigns and continuous product innovation. This has put the industry in a relatively strong position to weather the effects of the pandemic by rapidly diverting volumes to retail, even though foodservice sales traditionally make up a little less than half of farmed salmon sales.

Production

Atlantic salmon

Global output of farmed Atlantic salmon is estimated to have increased by around 3-4 percent in 2020 to 2.7 million tonnes (live weight equivalent). While somewhat slower than the 7 percent growth recorded in 2019, this would represent another all-time peak year for global production. The two largest producers, Norway and Chile, both posted positive growth of around 2 percent and 8 percent respectively, although estimates for Chile vary significantly. These figures would put Norway and Chile's respective shares of the global total at 51 percent and 29 percent, proportions that have remained relatively steady for the last 8 years or so. The third and fourth largest producers are the United Kingdom of Great Britain and Northern Ireland and Canada, who accounted for around 7 and 5 percent of the 2020 total. Amongst emerging producers, both Iceland and the Russian Federation continue to rapidly increase farmed Atlantic production.

In Norway, the total number of salmon harvested in 2020 reached 376.7 million fish, almost exactly on a par with 2019. Market uncertainty related to COVID-19 earlier in the year meant harvesting was delayed at many sites and the average harvested weight was higher compared with the previous year. These delays also magnified the seasonal spike in Norwegian harvest volumes after the summer, leading to a sustained lull in farmgate prices in the second half of the year that was compounded by new lockdowns. The impact on farmer margins was considerable, with earnings before interest and taxes/kg well down for most companies and dropping into the red for Norwegian-owned operations in some other regions, particularly Canada where mortalities have been very high.

Chilean salmon farmers encountered multiple business challenges in 2020, including a truck driver strike, fish escapes and a variety of difficulties associated with the pandemic. Freight restrictions, particularly for air-flown fillets, severely inhibited normal operations and many companies accumulated significant frozen inventories. Required health and safety protocols added more administrative burdens and costs, and although aquaculture firms generally reported production and processing costs in line or below target levels, falling prices and market weakness meant financial losses for many companies.

SALMON

In Scotland, a strong rebound in 2019 from a difficult 2018 was followed in 2020 by flat or marginally negative output growth. Despite facing the same market difficulties as other producers, Scottish farmers have seen production efficiency gain in 2019 and 2020.

Other farmed salmonids

Norwegian farmed trout supply was tight in 2020, with a reported 24.6 million fish harvested compared with 25.5 million in 2019. In contrast to the salmon sector, late year biomasses were significantly down year-on-year. In Chile, trout harvests are expected to be flat year-on-year, although full year figures are not yet available. Chilean coho output is estimated to have fallen slightly.

Wild salmon

Last year's wild salmon catches were poor in both Alaska and the Russian Far East. The Russian Federation reported a total harvest of around 272 000 tonnes of all species combined, 40 percent lower than 2019 and 50 percent lower than 2018. In Alaska, according to the Alaska Department of Fish and Game (ADF&G), salmon fishery revenues were down 61 percent relative to the previous year as the total catch came in 42 percent lower than 2019, or 12 percent lower than 2018. For the commercially important pink salmon fisheries, comparisons between even and odd year runs are more appropriate due to the presence of distinct populations returning every two years.

Markets

The ease of the transition to a new market landscape shaped by the effects of the pandemic has not been the same for all producer nations, however. Norway has benefitted from its role as primary supplier to the EU market, where foodservice sales have accounted for around 36 percent of the total. An increase in retail sales in major EU markets has been accompanied by strengthening demand for prepackaged convenience products and the launch of new home delivery services. In some markets, such as Germany, the increase in home consumption has more than offset the loss in sales in the foodservice segment.

For Chile, dependence on markets like the United States of America, Brazil and China mean that it has been more exposed to the sudden evaporation of foodservice demand. The very same trends are being observed in these countries, however. In the US market, the increasing trend in restaurant dining as opposed to cooking seafood at home has been sharply reversed by the pandemic. Meanwhile online sales of seafood reportedly more than doubled in the United States of America in 2020 compared with the prior year, with the proportion of all sales accounted for by e-commerce increased from 6 percent to 30 percent between March and September 2020. Online shopping introduces new models for consumer behaviour, notably increasing brand loyalty because the time and effort invested in finding the right product is relatively higher. It also opens up new opportunities and challenges for marketers, with social media simultaneously offering a platform for acquiring customers and represent a potential source of negative publicity.

Trade

According to full-year figures from the Norwegian Seafood Council (NSC), Norway's exports of farmed Atlantic salmon reached 1.1 million tonnes in 2020, worth NOK 70.1 billion (USD 7.44 billion). This represents an increase in volume of 2 percent and a decrease in value of 3 percent, reflecting weak

Top three global producers of farmed Atlantic salmon
(1 000 tonnes)

	2017	2018	2019*	2020*	2021*
Atlantic salmon					
Norway	1 237	1 285	1 368	1 360	1 405
Chile	614	677	746	805	724
United Kingdom	190	162	194	181	186
Other countries	320	330	321	367	381
Total	2 361	2 454	2 629	2 713	2 696

Source: FAO (until 2018), *estimate.

export prices in the second half of the year in particular. As consumer focus shifted to value-added seafood options, the share of processed products in Norwegian export revenues increased from 20 percent in 2019 to 23 percent in 2020, with increased volumes passing through processing centers in Poland and Denmark. At the same time, the effects of the pandemic saw a higher proportion of salmon being directed to EU markets such as France, Spain and the Netherlands.

In the United Kingdom of Great Britain and Northern Ireland, Scottish salmon exporters struggled in 2020 with logistical delays associated with the range of new post-Brexit trade requirements. These include additional border checks, paperwork and other added costs that are reportedly costing the Scottish seafood industry around GBP 1 million a day. Combined with the impact of the COVID-19 pandemic, this saw Scottish exports fall 27 percent year-on-year to GBP 451 million in 2020. By volume, the decline was 23 percent, to 72 155 metric tonnes. While air freight restrictions prompted exporters to turn their attention from distant markets such as the United States of America and China to the European Union, the Brexit-related difficulties have left the industry unable to find relief.

The main destination markets for Chilean salmon in 2020 were the United States of America, Japan, Brazil, the Russian Federation and China, together accounting for 81.4 percent of Chilean salmon exports. Chile's salmon exports reached USD 4 382 million in 2020, 14.6 percent lower than in 2019. China, one of the fastest growing markets for Chilean salmon, temporarily closed its borders in 2020 to salmon imports due to concerns over the possible transmission of COVID-19 via salmon products, something that was subsequently ruled out by the scientific community, producers and government authorities.

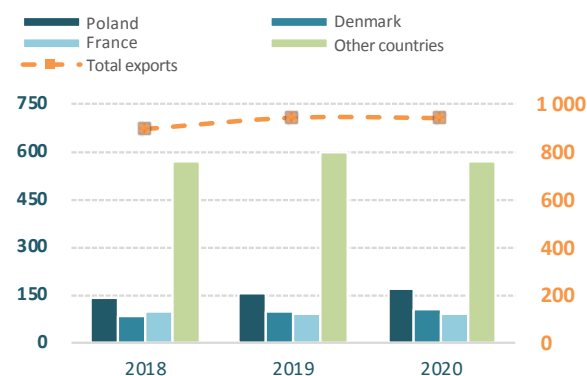
The long-term trend is more positive. According to a study by the Chilean Salmon Council, the recent growth of Chile's salmonid exports has been greater than that of total exports and of all non-mining goods. Between 2010 and 2020, annual salmon exports have increased at an average annual rate of 8 percent, and the share of salmon in Chilean exports in terms of value has almost doubled in the last decade.

In the United States of America, salmon imports in 2020 totaled 444 956 tonnes worth USD 4.1 billion, an increase of 4.3 percent in terms of volume and a decrease of 2.4 percent in value compared with 2019. Fresh farmed Atlantic salmon was the main imported product, accounting for 174,024 tonnes worth USD 1.7 billion, or around 39 percent of all volume imported and 41 percent in terms of value. The second most imported product was whole fresh farmed Atlantic salmon (26.7 percent in terms of volume and 21 percent in value).

SALMON

Norway | Exports | Salmon | Fresh whole Top three destinations

Unit: 1 000 tonnes, January-December



Source: Norway Bureau of Statistics.

United States of America imports of salmon January-December (1 000 tonnes)

	2018	2019	2020
Fresh fillets			
Chile	117.4	122.2	136.4
Norway	18.8	18.2	18.4
Canada	8.4	7.5	8.7
Other countries	10.7	13.9	12.9
Total	155.3	161.7	176.3
Frozen whole			
Canada	74.1	74.6	72.3
Chile	9.7	11.5	15.6
Faroe Islands	8.9	13.6	10.7
Other countries	38.0	38.8	25.4
Total	130.7	138.5	124.0

Source: TDM.

Prices

Despite a relatively swift pivot towards retail sales, salmon prices in all major markets weakened substantially over the course of 2020 as traders struggled to move volumes in the face of logistical issues, rolling lockdowns and general uncertainty. In Norway, post-summer harvest volumes pushed the Fish Pool Index down to the low NOK 40s (USD 4.4-4.5) as the year wore on, and the traditional end-of-year spike fell well short of the norm. In Chile, prices for Trim D fresh fillets (FOB, Miami) spent the majority of the year at levels not seen since early 2016, USD 3.5-4 per kg. Coho prices were also reportedly well down, although prices for farmed trout were not so badly affected. In the first part of 2021, however, both Norwegian and Chilean salmonid prices have shown some signs of recovery.

Outlook

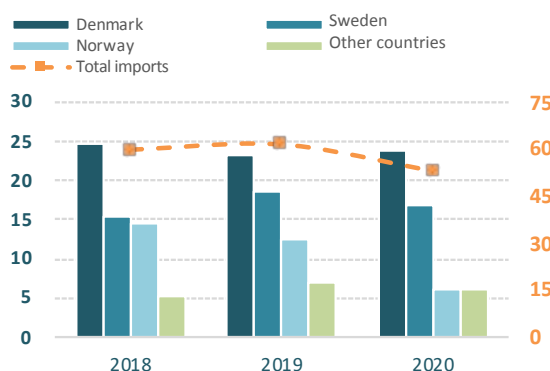
Regulatory limits on smolt stocking, a surplus of large fish and the frozen inventories built up over the course of 2020 have all contributed to the forecasted decline in output in Chile in 2021. The magnitude of the contraction is not yet clear, but estimates range from 10-20 percent, concentrated towards the second half of the year. In Europe, Norwegian supply is expected to increase by around 3-5 percent, with similar growth forecast in the United Kingdom of Great Britain and Northern Ireland. Overall, the outlook is for flat or marginal growth in global farmed Atlantic production. This should see prices lift somewhat, but they are not expected to return to the exceptionally high levels achieved in recent years, with Fish Pool forward contracts for the second half of 2021 averaging NOK 55.71 per kg.

On the market side, caution continues to prevail as the vaccine rollout schedule remains highly uncertain in most countries. Two important questions are the speed with which people return to restaurant dining and other pre-pandemic consumption patterns, and how long the changes that have taken place over the duration of the lockdown period will persist. Certainly, the innovations in

SALMON

Germany | Imports | Salmon | Fresh whole Top three origins

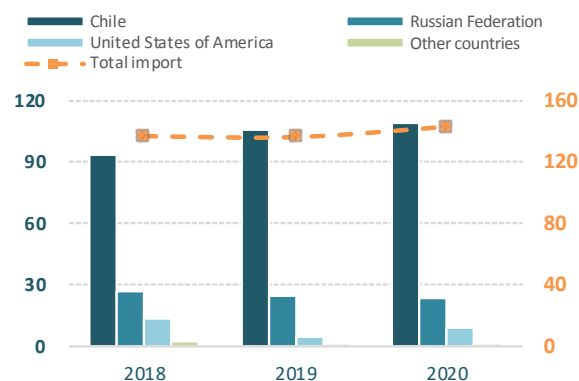
Unit: 1 000 tonnes, January-December



Source: Eurostat.

Japan | Imports | Salmon | Frozen whole Top three origins

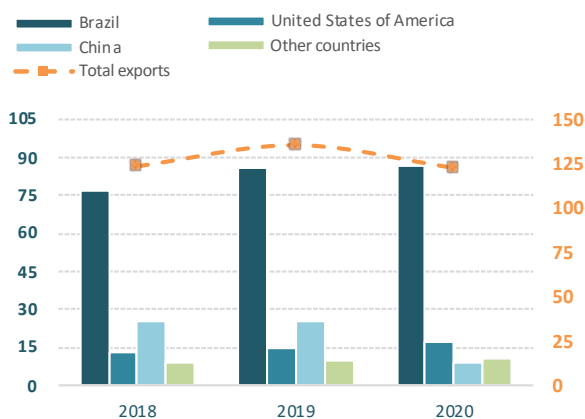
Unit: 1 000 tonnes, January-December



Source: Japanese Ministry of Finance and the Customs.

Chile | Exports | Salmon | Fresh whole Top three destinations

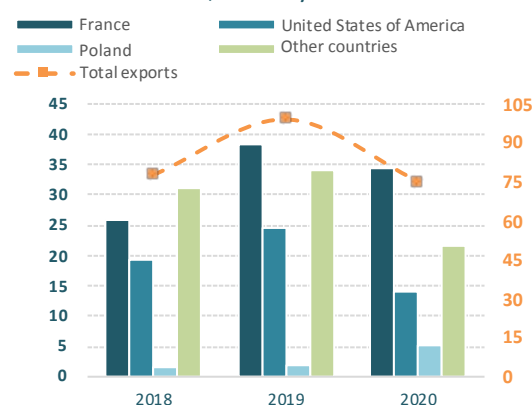
Unit: 1 000 tonnes, January-December



Source: Chile National Customs Office.

United Kingdom | Exports | Salmon | Fresh whole Top three destinations

Unit: 1 000 tonnes, January-December



Source: Eurostat.

e-commerce sales, convenience products and delivery platforms are here to stay, and the salmon market will be more resilient in the longer term as a result. Aside from issues related to COVID-19, EU buyers, the Scottish industry and the UK government will be actively seeking to smooth out the multitude of problems being faced at the newly created EU-UK border, although there are concerns that requirements (such as additional health checks) yet to be introduced will see the situation worsen.

SEABASS & SEABREAM

SEABASS & SEABREAM

Bass and bream industry awaits foodservice reopening

The Mediterranean bass and bream aquaculture sector has been saved from the worst effects of the COVID-19 pandemic by virtue of a timely contract in supply and a boost to retail sales. In future, the industry is looking to capitalize on good prices without repeating the familiar pattern of overly rapid production growth.

Production

Mediterranean harvests of bass are estimated to have dropped by around 10 percent in 2020, in contrast to flat or marginally higher bream production. The contraction in bass supply reflects a sector-wide response to the historically low bass prices observed on European markets in 2019, as well as the losses at Spanish farms due to Storm Gloria.

Turkey, now the world's largest producer, should see a drop in production of both species in line with reduced juvenile stocking over the last two years. This marks a departure from the longer-term trend that had seen European market prices pushed down by rapid growth in Turkish supply volumes, lower production costs for Turkish producers and a weak Turkish lira.

In Greece, the largest EU producer of bass and bream, recent sector consolidation has been accompanied by commitments to invest in farming, hatchery and processing capacity. Demand from Spain to make up domestic supply shortfalls and higher prices than expected mitigated the financial damage of the pandemic to some extent. In early 2021, however, the Hellenic Organization of Aquaculture Producers (ELOPY) said that some companies are in need of urgent government support following a difficult year.

Trade and markets

As increasingly severe measures to control the spread of COVID-19 across the European continent were being introduced in early 2020, the bass and bream sector faced a challenging market situation as demand from the hotel, restaurant and catering (HORECA) sector effectively disappeared. Despite short-lived returns to near-normality in some markets, repeated waves of COVID-19 kept foodservice businesses in states of partial or complete lockdown throughout the year and significantly reduced tourist-driven sales. This was particularly damaging for companies focusing on larger fish, as these sizes are typically directed to the restaurant market. Companies without diversified product ranges including value-added, convenience options were also at a relative disadvantage as the bulk of sales shifted to retail.

Despite the pandemic-related difficulties experienced in 2020, total bass and bream export revenue increased by some 5 percent during the year, to EUR 1.3 billion. Broken down by species, bream export value grew by some 9 percent to EUR 714 million, while bass export value was more or less flat year-on-year at EUR 600 million. Greek exports of both species increased 12 percent to EUR 520 million while Turkey posted a 4 percent gain to EUR 377 million. The overall increase is explained primarily by a combination of higher average prices and additional volumes exported by Greece to Spain to make up the supply shortfall there.

Prices

Prices for both bass and bream improved in 2020, as tight supply more than offset the weak market environment. Greek fresh whole 300-450 g bream hit EUR 4.80 per kg (CIF, Italy) in August, while the

SEABASS & SEABREAM

Top global producers of seabass (1 000 tonnes)

Producers	2016	2017	2018	2019	2020
Turkey	80.8	100.0	115.0	125.0	112.0
Greece	42.8	44.5	45.0	47.0	42.0
Egypt	24.8	31.1	31.0	32.0	30.0
Spain	23.5	18.3	17.0	17.0	11.5
Italy	7.2	7.0	7.0	7.0	7.0
Croatia	5.3	5.6	6.2	6.4	6.0
France	5.0	4.9	5.0	5.0	5.0
Others	8.1	9.7	9.5	8.8	8.8
Total	197.6	221.1	235.7	248.2	222.3

Refers to European seabass only.

Source: FAO (unt I 2018) (*) estimate.

Top global producers of seabream (1 000 tonnes)

Producers	2016	2017	2018	2019	2020
Turkey	58.7	61.7	72.0	71.0	69.0
Greece	50.0	56.3	61.0	61.0	68.0
Egypt	27.6	36.3	36.0	34.0	35.0
Tunisia	16.0	20.1	19.0	18.0	18.5
Spain	13.5	18.2	18.9	18.5	13.0
Italy	8.5	8.7	9.5	8.5	9.5
Others	24.3	28.6	29.5	28.5	30.0
Total	198.6	229.9	245.9	239.5	243.0

Refers to Gilthead bream only.

Source: FAO (unt I 2018) (*) estimate.

same size bass reached EUR 4.69 per kg in the same month. Meanwhile, Turkish export prices for fresh whole bass and bream peaked at EUR 4.24 and EUR 3.78 per kg (FOB, Turkey) respectively. In 2021, prices for both species have been climbing in anticipation of market recovery as supply stays tight.

Outlook

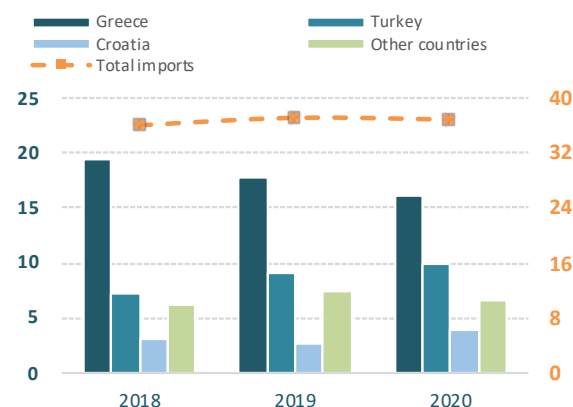
Greek production is forecast to increase by around 12 percent in 2021, while Turkish bass and bream production is expected to continue dropping, by an estimated 10-15 percent. With Turkish banks increasingly less willing to lend due to the economic climate, Turkish bass and bream companies have looked elsewhere, with leading firm Kilic Deniz recently securing a loan of EUR 80 million from European development banks. While the anticipated recovery in HORECA demand in Europe following a successful vaccine rollout should lift prices in major markets, the industry as a whole will need to ensure that a stable supply growth trajectory is maintained. An extended period of consistent profitability is crucially important for a sector that has historically struggled with the damaging effects of the boom and bust cycle.

SEABASS & SEABREAM

Italy | Imports | Seabream | Fresh

Top three origins

Unit: 1 000 tonnes, January-December

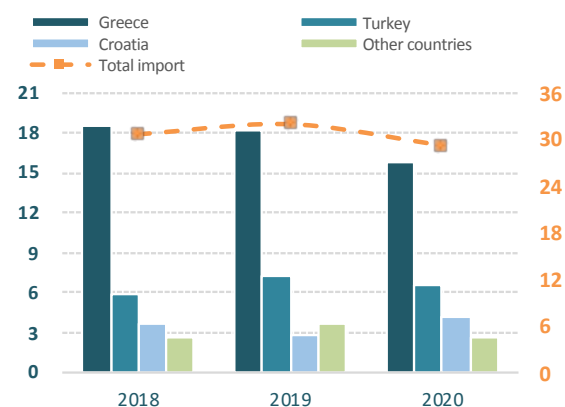


Source: ISTAT - National Institute of Statistics.

Italy | Imports | Seabass | Fresh

Top three origins

Unit: 1 000 tonnes, January-December

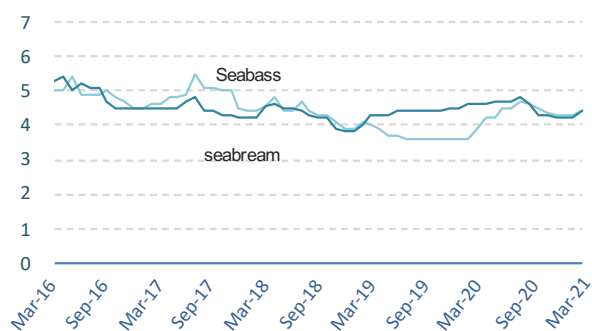


Source: ISTAT - National Institute of Statistics.

Prices

Seabass and Seabream: Italy

Euro/kg



Source: European Price Report, 300-450 gr/pc, Origin: Greece.



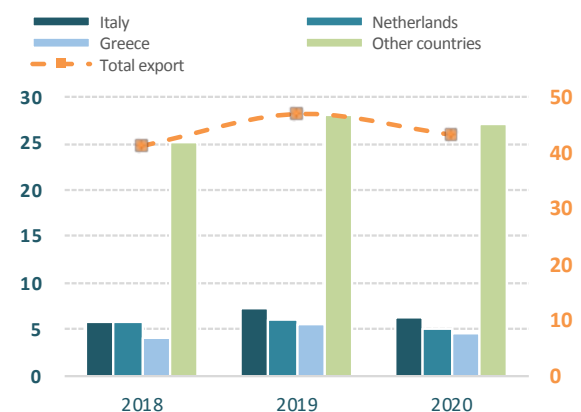
©unsplash/Brian Yurasits

SEABASS & SEABREAM

Turkey | Exports | Seabass | Fresh

Top three destinations

Unit: 1 000 tonnes, January-December

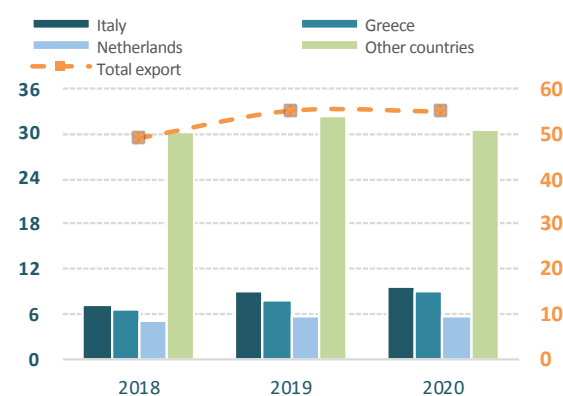


Source: Turkey Statistical Institute.

Turkey | Exports | Seabream | Fresh

Top three destinations

Unit: 1 000 tonnes, January-December

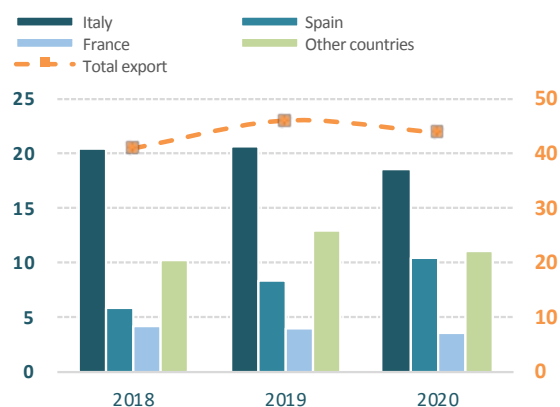


Source: Turkey Statistical Institute.

Greece | Exports | Seabass | Fresh

Top three destinations

Unit: 1 000 tonnes, January-December

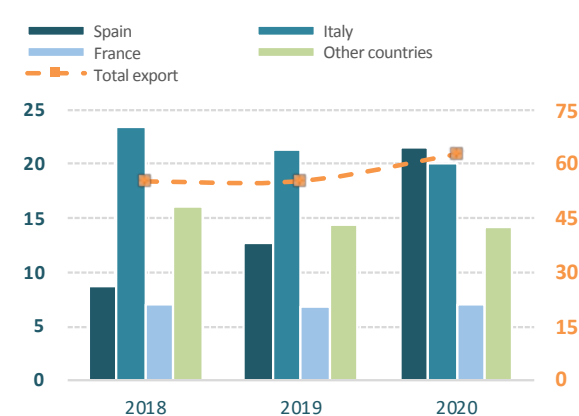


Source: Eurostat.

Greece | Exports | Seabream | Fresh

Top three destinations

Unit: 1 000 tonnes, January-December



Source: Eurostat.

2020 farmed shrimp production declined in Asia but increased in Latin America

Global shrimp trade in 2020 was characterized with good consumption and strong imports in the United States of America, the single largest world market for shrimp. By offering stable supplies at cheaper prices, Ecuador captured a larger shares of the US and European markets. In the second largest market, China, import declines were negligible from Ecuador but significant from Asian sources. Despite strong increases in Ecuadorian production, total world farmed shrimp production declined by 600 000 tonnes.

Supply

Affected by the COVID-19 pandemic, global production of marine farmed shrimp in 2020 was nearly 15 percent lower year-on-year. The decline was 20 percent from Asian sources but production increased by 22 percent in Latin America because of the significant rise in Ecuador's harvest (+ 19 percent; 705 000 tonnes).

World production of farmed marine shrimp
(1 000 tonnes)

	2016	2017	2018	2019	2020 (e)
China	800	700	850	500	500
India	400	700	670	640	640
Viet Nam	240	600	650	465	465
Indonesia	390	450	355	285	285
Thailand	300	305	300	285	285
Philippines	60	70	72	37	37
Bangladesh	50	60	35	25	25
Malaysia	30	35	48	45	45
Total Asia-Pacific*	2 270	3 020	3 100	2 385	2 385
Total Latin America**	600	700	700	975	975
World Total	2870	3720	3800	3935	3 360

Source: INFOFISH World Shrimp Trade Conference

2019, Aqua Culture Asia Pacific Magazine and industry sources

Notes: *includes also Myanmar, Australia, Iran, Saudi Arabia.

** Ecuador, Mexico, Brazil, Peru, Nicaragua, Colombia and others

This year, the aquaculture season in Asia started in March with positive prospects. In Latin America the main production season was over in February.

Sea-caught shrimp

Amidst COVID-19 challenges in the country, 2020 shrimp catches in Argentina remained below 2019 levels, because of smaller biomass, a delayed catch season and slower processing operations.

International trade

Exports

Ecuador overtook India as the top shrimp exporter in 2020. The country had a 6.8 percent rise in annual exports. Moreover, its farmed production increased by a hefty 100 000 tonnes resulting in the cheapest export prices to the world market. Ecuadorian sales to the main market China was only 1 percent lower in 2020 but increased by 52 percent in the United States of America, 23 percent in the European Union and 55 percent in the Russian markets. Indonesia was the only other country reporting increased shrimp exports in 2020.

SHRIMP

World top exporters of shrimp
January - December (1 000 tonnes)

	2018	2019	2020	% change 2020/19
Ecuador	373.7	481.4	509.3	5.8
India	469.7	476.5	416.8	-12.5
Viet Nam*	212.7	230.1	221.4	-3.9
Indonesia	146.8	147.3	175.0	18.7
China	144.6	114.2	105.5	-7.6
Thailand	122.9	121.2	109.1	-12.1
Argentina	124.5	109.4	84.0	23.2
Denmark	65.6	63.8	72.5	13.6

Source: National data.

World top importers of shrimp
January - December (1 000 tonnes)

	2018	2019	2020	% change 2020/19
China	*177.9	*478.4	502.2	4.8
European Union	593.4	580.3	568.6	-2.0
United States of America	491.6	496.3	535.1	7.9
Japan	154.4	154.3	145.7	-4.7
Republic of Korea	55.5	59.2	57.6	-3.0
Viet Nam*	320.2	103	40.0	-61.2
Taiwan	32.1	34.5	38.9	12.9
Canada	38.5	37.9	36.8	2.9

Source: National data.

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

	2018	2019	2020
Imports			
Ecuador	76.7	322.8	318.7
India	35.5	155.5	105.4
Viet Nam	13.8	38.6	33.4
Other countries	132.0	205.1	162.2
Total	258.0	722.0	619.7
Exports			
Japan	26.7	21.5	31.9
United States of America	51.7	29.2	26.5
China, Hong Kong SAR	15.4	12.4	14.4
Other countries	122.9	102.2	86.7
Total	216.6	165.4	159.5

Source: China Customs, estimates.

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

	2018	2019	2020
Imports			
Ecuador	104.3	106.7	131.3
Greenland	58.5	58.9	70.8
Viet Nam	73.2	65.9	68.6
Other countries	593.9	572.9	544.2
Total	829.9	804.4	814.8
Exports			
Germany	40.3	43.2	43.3
France	33.4	33.3	31.7
Italy	31.1	26.4	26.8
Other countries	240.3	245.5	239.7
Total	345.2	348.4	341.5

Source: TDM.

India exports of shrimp
December (1 000 tonnes)

	2018	2019	2020
Exports			
United States of America	247.6	280.9	260.4
China	46.1	160.2	101.5
Japan	36.2	39.7	39.7
Other countries	288.1	192	178.1
Total	618.0	672.8	579.8

Source: TDM.

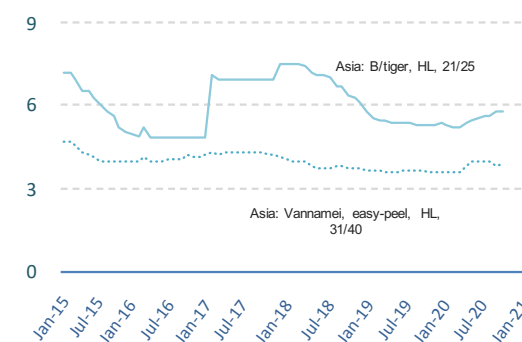
SHRIMP



Prices

Shrimp: United States of America

USD/lb



FROZEN SHRIMP, USA (ex-warehouse NY, USD/lb).

Source: *INFOFISH Trade News*.

Most exporting countries needed to adjust market requirements to accommodate the large shifts in consumer demand from HORECA to retail trade, for raw as well as for processed shrimp.

Imports

Global shrimp imports declined marginally in 2020 compared with 2019. Strong imports in the United States of America compensated declines in the large markets of China, Japan, Spain, Italy and Southeast Asia.

Combined imports of the top four markets, the European Union, United States of America, China and Japan, were 2.4 percent lower in 2020 than in 2019 at 2.485 million tonnes, with 80-82 percent share of the international shrimp trade.

European Union

Against the backdrop of 2019, shrimp trade in Europe weakened in 2020 although summer demand was better compared with the rest of the period.

In the European Union, total imports of shrimp increased marginally (+1.3 percent; 814 825 tonnes) over 2019. Large imports from Ecuador (+23 percent; 131 300 tonnes) compensated supply drops from other sources in the review period. Supplies from Ecuador increased by two-digits in most of the top markets in the European Union (Spain, France, the Netherlands), but declined in Denmark and Italy.

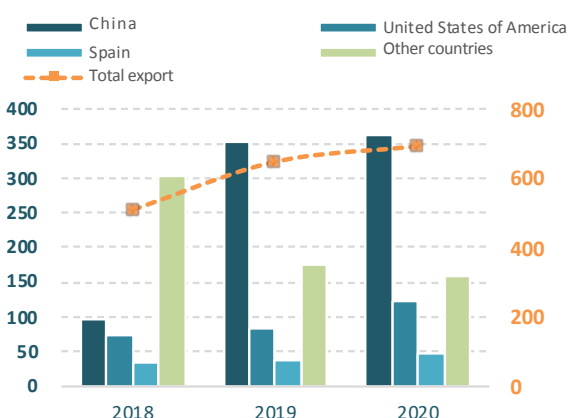
Extra-EU trade: Compared with 2019, the share of extra-EU supply in European total imports remained unchanged at 73 percent (597 595 tonnes). However, processed shrimp imports were lower by 4.5 percent at 106 830 tonnes in 2020. Imports of coldwater shrimp were 23 percent higher during this period dominated by supplies from Greenland and Canada, while supplies from Argentina fell by 14.8 percent.

SHRIMP

Ecuador | Exports | Shrimp

Top three destinations

Unit: 1 000 tonnes, January-December

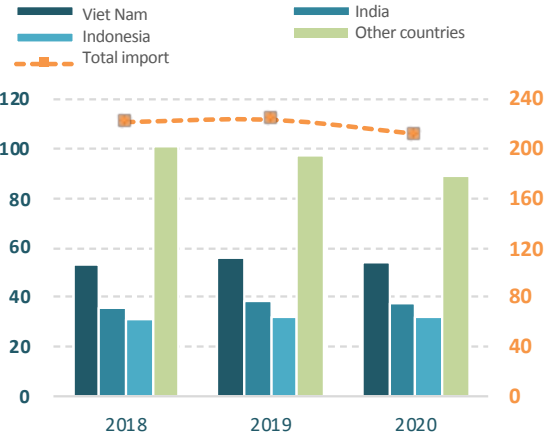


Source: EuroStat.

Japan | Imports | Shrimp

Top three origins

Unit: 1 000 tonnes, January-December

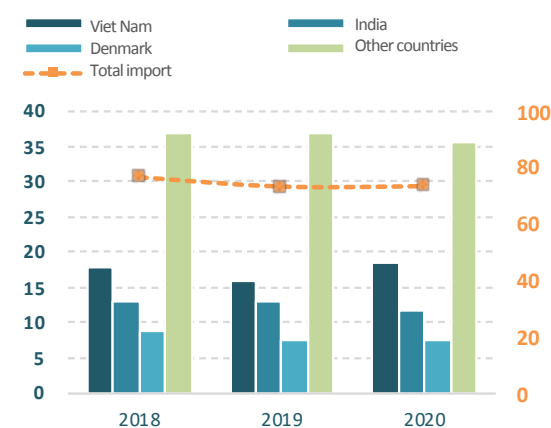


Source: Japanese Ministry of Finance.

United Kingdom | Imports | Shrimp

Top three origins

Unit: 1 000 tonnes, January-December

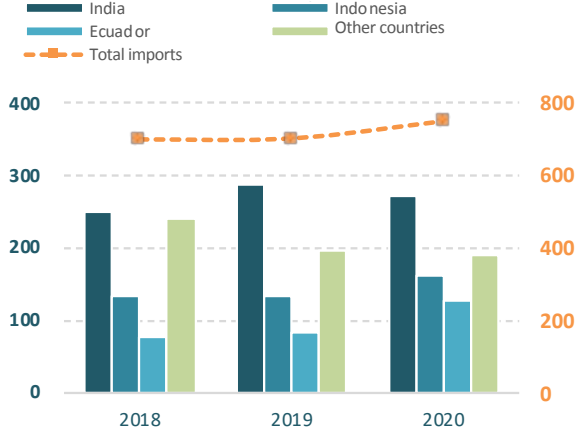


Source: Eurostat.

United States of America | Imports | Shrimp

Top three origins

Unit: 1 000 tonnes, January-December



Source: US-NMFS.

Outside the European Union, the Russian Federation was the top market in Europe and imported 45 000 tonnes of raw shrimp (+20 percent) and 3 500 tonnes of processed shrimp (+48 percent). Raw shrimp supplies in this market increased from Ecuador by 68 percent to 16 100 tonnes and by 77 percent from Greenland to 9 260 tonnes. Viet Nam was the main supplier of processed shrimp (+149 percent to 5 145 tonnes).

Similarly, imports were higher in Ukraine (+47 percent to 12 050 tonnes), dominated by coldwater shrimp (50 percent) from Canada, Greenland, Denmark, and Norway) and 30 percent farmed shrimp. Imports increased in the Swiss market but declined in Norway.

SHRIMP

United States of America

The pandemic was a determining factor in the behaviour of the US shrimp market in 2020. Shrimp sales in the foodservice sector were affected by the lockdown measures with the majority of this business operated under "take away". Subsequently demand for the large sized shrimp weakened but medium and small sizes experienced sales boosts in the consolidated retail trade. Moreover, wholesale prices were stable supported by increased supplies from Ecuador at low prices.

Total supply of shrimp in the US market was about 5 percent higher in 2020 compared to the previous year with decreased domestic landings and increased imports. According to the US Census Bureau, shrimp imports totalled 747 775 tonnes valued at USD 6.5 billion, up 6.8 percent in volume and 7.4 percent in value compared to 2019. This set a new record for a sixth consecutive year of rising imports. With lower exports India remained the top supplier while imports increased from Indonesia and Ecuador.

The record high imports in 2020 is an extraordinary development in the US market despite the year-long pandemic crisis and tumbling restaurant business. Imports of raw shell-on and processed shrimp increased by 10 and 22 percent respectively. But peeled shrimp imports, a product group generally popular in the catering sector, had a 2.8 percent setback with reduced supplies from all sources but Ecuador (+52 percent; 46 000 tonnes). Imports of processed shrimp in the United States of America increased by 22.6 percent to 179 365 tonnes and held 24 percent share in total shrimp imports during 2020.

Demand trend of 2020 also persisted during the first quarter of 2021 and imports increased during January–February of this year

China

Taking into account the large domestic production of shrimp and shrinking exports, China is the world's largest market for this product group. Increasingly, any boost in local demand is met through imports.

From the second half of 2020 shrimp demand improved in the market, facilitated by rising e-commerce. Restaurant business also improved in the last quarter of the year when the mid-Autumn festivals helped to reduce inventories of imported shrimp. Monthly imports increased in November and December 2020 to replenish stocks for the Lunar New Year in early 2021. Nonetheless, there was a 100 000 tonnes shortfall (-15 percent) in 2020 annual imports, which were estimated to be 700 000 tonnes (including unreported border trade). Ecuador remained the top supplier despite some transitory restrictions on exports to China. Imports from most other sources declined excluding Greenland, Indonesia and Iran.

Consumer demand for shrimp in China also improved during the 2021 Chinese New Year.

Japan

Unlike the other large markets, consumption of shrimp was low among Japanese households affected by the pandemic crisis. Business in the restaurant trade was dull. Subsequently imports in 2020 declined to a two-decade low at 211 940 tonnes. Imports of the popular processed shrimp declined by 6 percent while raw shrimp imports (shell-on and peeled) were 5 percent below 2019 levels.

Asia/Pacific

Moderate intra-regional shrimp trade in Southeast Asia and Far East (excluding Japan and China) continued with mild drops in imports during 2020. Amplified home delivery services in the retail and catering trade helped to stabilize sales in Malaysia, Singapore, Viet Nam, Taiwan Province of China, and Republic of Korea but with some weakening in imports.

Price

During the first quarter of 2021, ex-farm prices of vannamei remained the lowest in Ecuador and highest in China. Prices increased slightly in Ecuador but not enough to sustain long-term economies of farms as feed and fuel prices were rising.

In Asia, the post-Lunar New Year prices for fresh shrimp remained firm in the regional markets. The new season's harvest in Southeast Asia is yet to reach the market for further price adjustment.

Outlook

The aquaculture season in Asia began in April with a forecast for a 10-12 percent increase in farmed shrimp production during 2021. In Latin America where the seasonal low happens during March-May, production in Ecuador is expected to be high again in 2021.

In India the first seasonal harvest of 2021 in the largest farming region Andhra was delayed from February to early April because of late seeding of ponds, but produced improved yield compared with the same period in 2020. However, the strong surge of COVID-19 cases since mid-April remains a big concern for the export industry in general in India. Although there has been no lockdown as of mid-May, the rising infection and death tolls in the country will slowdown raw material supplies and export processing until the present crisis improves.

Supplies for the new season in Viet Nam, Thailand, Malaysia are yet to show up in the markets, while in Indonesia it varies because of the large production area. The forecast for China is still unclear but production is unlikely to increase much compared with 2020.

Market analysts in the United States of America predict price stability and some increases as additional supplies are absorbed by the market. The outlook seems to be positive with the approach of the spring season. US imports during the first two months of 2021 increased with additional supplies from Ecuador and reduced imports from India.

In China, imports from Ecuador increased by a hefty 22 percent during the first two months of 2021, while total imports remained 15 percent below last year's with falling supplies from all sources in Asia.

The COVID-19 related restrictions of foreign visitors to Japan during the upcoming summer Olympic games also hinders the restaurant trade in 2021, leading to less demand for shrimp.

Supported by the vaccination programmes in the United States of America, China, Europe, and other countries, consumer confidence may improve during the second half of 2021.

SMALL PELAGICS

SMALL PELAGICS

Capelin is back at record high prices

After a year of a total ban on capelin fishing, Iceland has opened up for a limited quota in 2021. But there is still no quota in Norwegian waters. With this fishery now active again, and a very strong demand in the market, prices have soared.

The North Atlantic mackerel fishery was off to a good start, as was the herring fishery. In Peru, the anchovy quota is expected to remain the same as last year at five million tonnes.

Mackerel

The mackerel fishery in Norway started well in 2021. During the first week of the year, a total of 30 600 tonnes were sold on auction, compared to just 10 000 tonnes during the same week of 2020. Most of the landings in Norway came from foreign vessels fishing west of Shetland. Prices were lower than in 2020, though. As of the end of January, a total of some 62 500 tonnes of mackerel were landed, up 71 percent compared to the same period in 2020.

The mackerel stocks in Canadian Atlantic waters are in bad shape. According to the Department of Fisheries and Oceans (DFO), the number of spawn-age mackerel in this region is at the lowest level ever recorded. This does not bode well for mackerel catches in the coming years. Mackerel caught in this area are mainly used as bait for the lobster fishery. In 2020 the Total Allowable Catch (TAC) was set at 8 000 tonnes, but only 7 772 tonnes were actually caught.

Trade

2020 was a strong year for Norwegian exports of frozen mackerel, which increased 26 percent by volume, to just under 300 000 tonnes. Prices were a bit weaker than in 2019, though, so the export value increased by only 16 percent to NOK 5 billion. Demand was very good in markets like Japan, Taiwan Province of China and the Republic of Korea.

China's imports of whole frozen mackerel dropped by 21.5 percent to just 117 769 tonnes. The two largest suppliers (Norway and the Russian Federation) registered declines in shipments, while the third largest supplier, the Republic of Korea, increased shipments massively, from 2 365 tonnes in 2019 to 13 713 tonnes in 2020.

Imports of atka mackerel into the Republic of Korea also increased impressively in 2020. Total imports reached 12 069 tonnes, 48 percent higher than in 2019. The largest supplier by far was the Russian Federation, which accounted for 85 percent of the total. The rest was supplied by the United States of America.

Herring

When the Alaska roe herring fishery opened on 27 March 2021, it was with limited participation by the herring fleet. Last year the fishery was closed, and in 2019 there was a very limited fishery. But with a quota of over 33 300 tonnes this year, 2021 could be a good year.

While herring stocks in Alaska are on the rise, the fishers are finding it hard to find markets that will accept the fish. The favoured size is less than 240 g per fish, but the herring landed has been in the 285 – 330 g range.

SMALL PELAGICS

MACKEREL FARMING BEING TESTED IN JAPAN

Aquaculture of small pelagics is very modest, and mackerel farming is certainly not a very hot item. But now Nippon Suisan Kaisha Ltd are working to start farming of chub mackerel (*Scomber japonicus*) in Japan. In their facility in Yonago City they started operations in April 2020 with tests that are expected to run until the end of March 2023. The operation is a recirculating aquaculture system (RAS) facility, and there are a number of challenges related to this. The use and cost of electricity will be high. Dealing with solid waste and keeping the water quality at an acceptable level is another challenge. Operating costs must be kept low, because chub mackerel is not a high-value fish. Typical prices for chub mackerel on Japanese fresh fish markets are from USD 2.08 to USD 5.20 per kg.

RECENT NEWS

Over the past decade, demand for this fish has been declining. The herring is usually frozen round and shipped to Japan, where the roe is extracted. Consequently, the male fish has no value, and after the roe has been taken, the female fish are also discarded. It is estimated that only about 12 percent of Pacific herring is used for human consumption. The Alaska Seafood Marketing Institute claims that if the discarded herring was turned into fillets, it would increase the wholesale value by USD 11 million per year.

On the US east coast, Maine authorities have announced new rules for the commercial herring fishery, prohibiting certain kinds of fishing. The herring caught in this region is mostly used for bait for lobster trap fishing.

The Norwegian herring fishery was off to a good start in January. The good fishing continued through mid-February, when about 32 percent of the 2021 quota of 494 785 tonnes for Norwegian spring-spawning herring had been caught. Thus, landings were ahead of 2020 thanks to good demand. Prices to fishermen were NOK 5.52 per kg, compared to NOK 5.22 in the same period in 2020.

Trade

Norway's exports of frozen herring dropped dramatically in 2020. Total export volume dropped by 33.2 percent to 127 352 tonnes valued at NOK 996.5 million (USD 117.2 million). Exports to the largest importer, Egypt, declined by only 1.7 percent, while exports to the second and third largest markets (Nigeria and Lithuania) dropped by 45 percent.

Russian exports of whole frozen herring increased by 17.7 percent in 2020 compared to 2019, to 215 620 tonnes. The majority of this increase was due to a very strong rise in shipments to the Republic of Korea (+99.2 percent). Other large markets, China and Nigeria, had only modest increases (+2.3 percent and +7.3 percent, respectively).

EU imports of Norwegian frozen herring fillets amounted to 114 494 tonnes in 2020 with a FOB value of NOK 1.5 billion. This represented an increase of 48 percent by value and 31 percent by volume compared to 2019. The average FOB price per kg increased from NOK 11.79 to NOK 13.34.

SMALL PELAGICS

German imports of prepared or preserved herring slightly went up in 2020, with total imports reaching 47 195 tonnes, compared to 43 820 tonnes in 2019 (+7.7 percent). The largest suppliers were Poland, which accounted for almost 78 percent of the total, and Denmark (10 percent of total).

Capelin

The Icelandic capelin fishery is on again, after a few difficult years. Iceland's fisheries authorities have now set the 2021 quota for capelin at 127 300 tonnes. This is a substantial increase from 2020, when the quota was 66 300 tonnes. However, the Icelandic quota is shared with other countries, and Norway, which again has no quota in its own waters in the Barents Sea, gets 41 808 tonnes of Iceland's fish.

As capelin, and especially capelin roe, has been absent from the market for a few years, prices are sky high. In 2018, when Norway last had a capelin quota, first-hand prices to the fishermen were NOK 2.50 – 2.60 (USD 0.29 – 0.31) per kg. In 2021, prices as high as NOK 12.30 (USD 1.45) per kg for whole fish have been reported.

Asia is the main market for capelin roe, but it is also sold in many other markets. For whole capelin, Japan is the main market.

On the other side of the Atlantic, the Newfoundland branch of the World Wide Fund for Nature (WWF) has called for a halt to the capelin fishery on the Canadian East Coast. The Canadian Department of Fisheries (DOF) in their recent stock assessment indicated that the biomass is near the long-term average and will likely remain this way. In 2020, some 16 000 tonnes of capelin were landed from this fishery.

Anchovy/Sardines

It is expected that the total quota for Peruvian anchovy will be about 5 million tonnes, on par with 2020. However, both weather and politics may change the final figure. In 2020, 88 percent of the quota was caught in the second season (12 November 2020 to 25 January 2021).

The first anchovy season of 2021 started on 10 March, with a quota of 409 000 tonnes. The fishing will continue until the quota is caught, or at the latest by 30 June 2021. The second Peruvian anchovy season in 2020 ended in January with a total of 90 percent of the quota (2.78 million tonnes) caught. EU imports of frozen sardines from Morocco increased by 27 percent in 2020 compared to 2019. The total volume amounted to 45 877 tonnes with an EU import value of EUR 35.3 million (USD 42.5 million).

The European Union imported 29 494 tonnes of prepared or preserved sardines in olive oil from Morocco during 2020. This represented an 8 percent decline compared to 2019. But the average import value increased by 3 percent, to EUR 4.13 (USD 4.99) per kg in 2020.

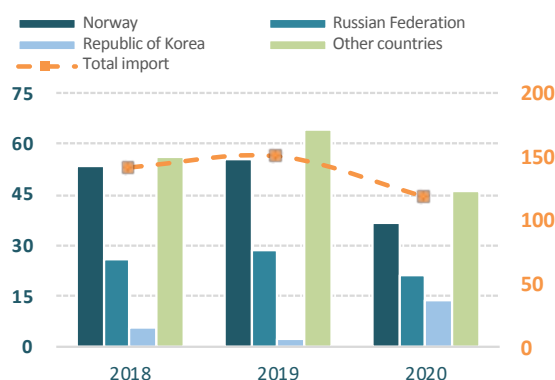
Outlook

While trade may have been negatively affected by the COVID-19 pandemic (especially on markets in developing countries), demand has been good in developed markets.

SMALL PELAGICS

China | Imports | Mackerel | Frozen whole Top three origins

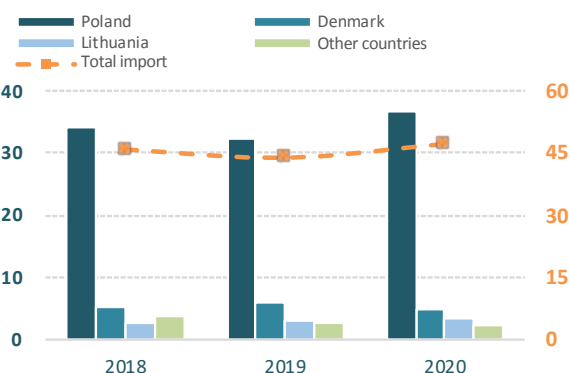
Unit: 1 000 tonnes, January-December



Source: China Customs, estimates.

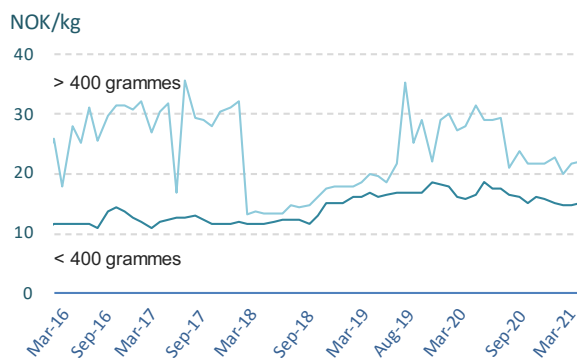
Germany | Imports | Herring | Prepared/preserved Top three origins

Unit: 1 000 tonnes, January-December



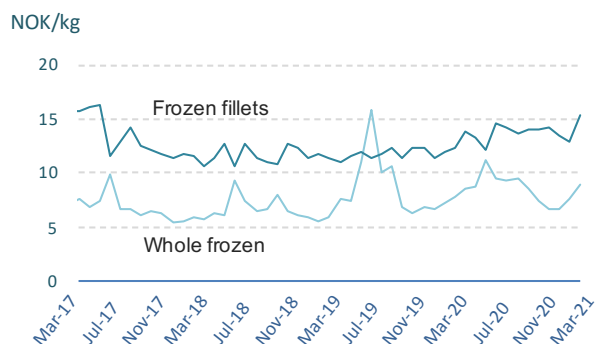
Source: Eurostat.

Export prices Mackerel: Norway



Source: Norwegian Seafood Council.

Export prices Frozen herring: Norway



Source: Norwegian Seafood Council.

The mackerel fishery in Northern Europe looks good, as does the herring fishery. In addition, the capelin fishery is looking up for the first time in years, and prices will remain quite high as market demand is very strong.

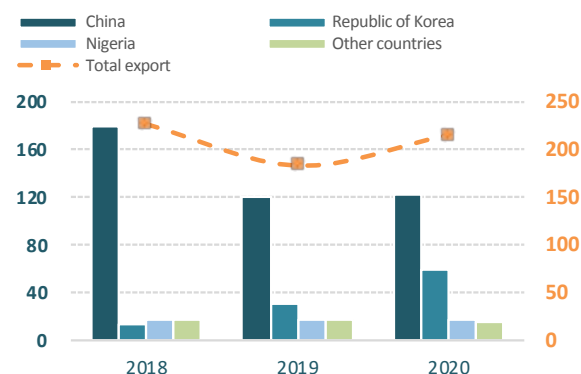
With a smaller quota for Atlantic mackerel, it is expected that supplies may be a little tighter in 2021. For herring, the quota was increased this year, so supplies should be ample, but prices may weaken.

SMALL PELAGICS

Russian Federation | Exports | Herring | Frozen whole

Top three destinations

Unit: 1 000 tonnes, January-December

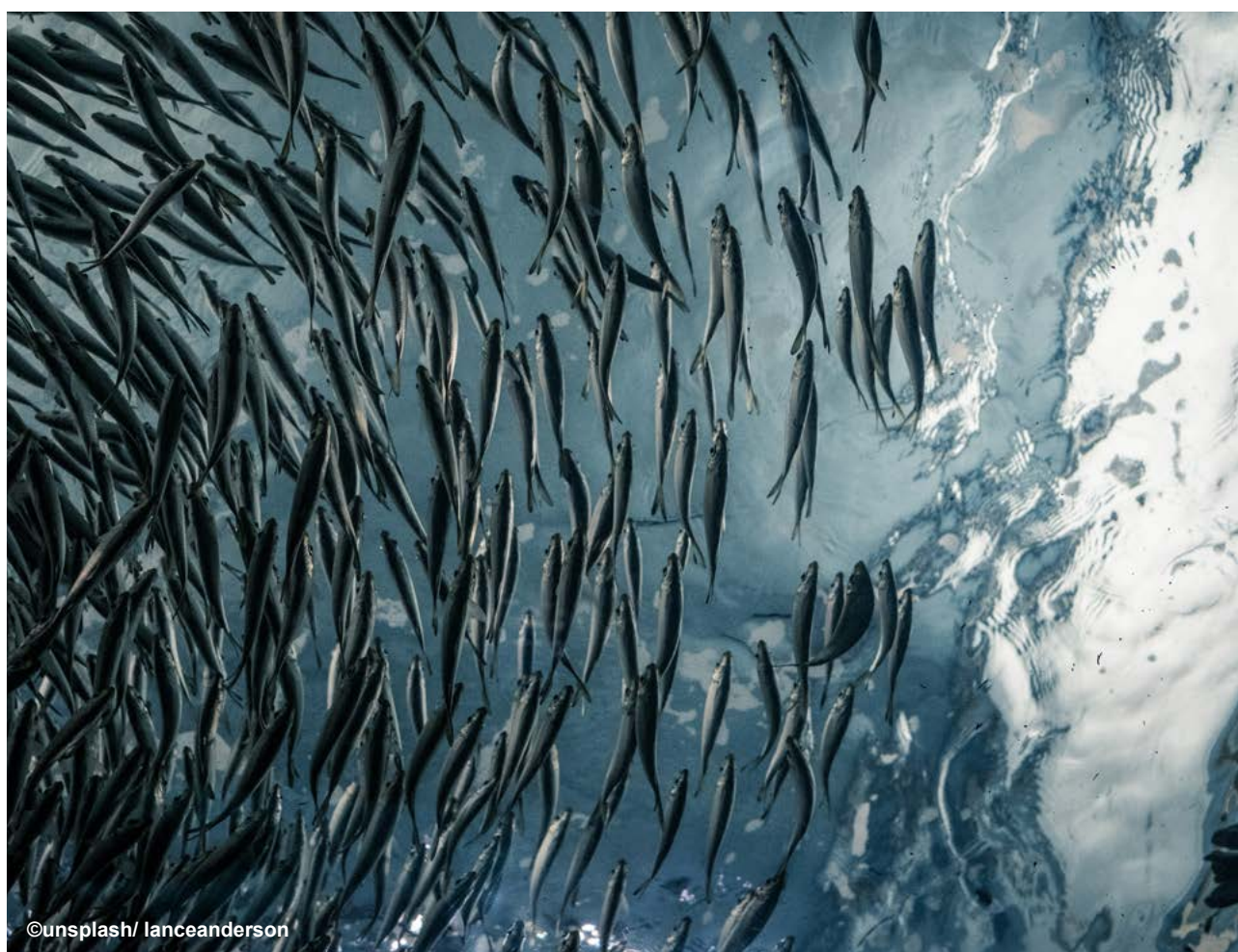


Source: Federal Customs Service of Russia.

Norway exports of frozen whole small pelagics January-December (1 000 tonnes)

	2018	2019	2020
Mackerel			
Japan	63.5	48.7	59.4
China	41.7	47.3	38.3
Republic of Korea	25.6	28.3	36
Other countries	113	102.8	156
Total	243.9	227.2	289.9
Herring			
Egypt	24.1	42	41.3
Nigeria	8.1	42.1	22.9
Lithuania	22	28.1	15.4
Other countries	76.7	78.2	47.6
Total	131.1	190.6	127.3

Source: TDM.



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Tilapia sector growth to resume after shaking off pandemic effects

After the initial impact of the emerging COVID-19 pandemic in Q2 2020, the global tilapia industry was able to rapidly adapt to the new market landscape by leveraging its retail experience and price advantage. The sector is expected to resume its steady expansion in 2021, although rising costs present a challenge that must be overcome.

Production

The most recent available estimates, released by the Groundfish Forum at the end of 2020, put global tilapia production at almost 7 million tonnes in 2020. This figure would be approximately level with 2019 and would mark a significant slowdown relative to the long-term growth trend, reflecting the effects of the COVID-19 pandemic on production, processing and markets.

In China, the range of restrictions imposed in the early part of 2020 in an attempt to stem the spread of the virus initially translated into significant operational difficulties for tilapia farms in Southern China but their impact was short lived. By mid-year, the situation in China had improved considerably and the tilapia sector was able to restart before too much damage was inflicted. The total drop in China's tilapia production in 2020 is expected to be around 3 percent, to around 1.7 million tonnes. Total supply from Asian producers, which also includes significant output from countries such as Indonesia and the Philippines, is estimated to have reached around 4.55 million tonnes, around 50 000 tonnes below the 2019 figure.

In Latin America, the tilapia aquaculture industry generally reported positive results despite the various challenges and uncertainties. Brazil produced 12.5 percent more tilapia than in 2019, at 486 000 tonnes, a growth rate that surpassed all other aquaculture species in the country. This figure was achieved despite the mass upheaval experienced in the first half of the year as the country was struggling with the rapid spread of COVID-19. Elsewhere, Mexico's total farmed tilapia production during 2020 reached 72 595 tonnes. Mexican tilapia production fell significantly in 2020 compared to 2019 due to the COVID-19 pandemic, less projected demand and higher costs for producers. Some states registered decreases of up to 50 percent. Local governments in Mexico are providing tilapia fingerlings to support small-scale producers in poor areas, benefiting families by generating sources of employment. Colombia saw an increase in output in 2020, driven by the optimization of farming areas and improvements in technology and feed.

Beyond the various issues associated with the pandemic, farmers in both Asia and Latin America are facing rising costs for feed, land and labour. In China's Guangdong Province, in particular, tilapia farmers are seeing increasing pressure on their profit margins and some have been switching their focus to more profitable species.

Markets and trade

In the United States of America, the most important consumer market for tilapia, consumption remained relatively stable throughout the pandemic. The species, the fourth most popular fish species amongst US consumers, saw retail sales soar as house-bound consumers sought out easy-to-prepare, versatile seafood options. According to the National Oceanic and Atmospheric Administration (NOAA), 190 453 tonnes of tilapia worth USD 615 million were imported in 2020, representing increases of 10 percent in terms of volume and 2.3 percent in value compared with 2019. Frozen tilapia fillets made up most of these imports, accounting for 61 percent of value. China, the top supplier of the United States of America's market, faced various challenges in this market in 2020 due to a combination of factors such as supply contraction, competition from Latin American

TILAPIA

**United States of America imports of frozen whole tilapia
January-December (1 000 tonnes)**

	2018	2019	2020
Frozen tilapia			
China	9,3	9,3	11,6
Taiwan, Province of China	3,0	3,9	5,6
Viet Nam	0,8	0,6	0,4
Other countries	0,5	0,9	0,4
Total	13,6	14,7	18,0

Source: TDM.

**United States of America imports of frozen tilapia fillets
January-December (1 000 tonnes)**

	2018	2019	2020
Frozen fillets			
China	112.8	92.8	104.8
Indonesia	5.7	7.6	6.3
Honduras	0.8	2.2	2.1
Other countries	4.3	5.3	4.1
Total	123.7	107.9	117.3

Source: TDM.

**United States of America imports of fresh or chilled
tilapia fillets, January-December (1 000 tonnes)**

	2018	2019	2020
Fresh or chilled fillets			
Honduras	7.4	6.9	7.8
Colombia	6.5	5.4	7.5
Costa Rica	4.2	4.6	2.9
Other countries	3.5	2.9	3.9
Total	21.6	19.9	22.1

Source: TDM.



producers as well as Vietnamese pangasius, in addition to the 25 percent US tariff on Chinese tilapia imports. The latter tariff, imposed by the previous US administration as part of the US-China trade conflict, was lifted in April 2020 but then reinstated in August when tilapia's exemption expired. Combined with rising production costs, this has made the traditional US frozen market increasingly less appealing for the Chinese producers and focus has been gradually shifting to developing alternative export markets, expanding the range of value-added products and increasing domestic sales.

In Latin America, too, the developments in 2020, particularly those driving up freight costs, offered marketers an incentive to target the domestic market. At the same time, however, the difficulties faced by competing Chinese suppliers and the retail advantage of tilapia in the United States of America presented an important opportunity to boost US sales. Colombia's exports were 11 595 tonnes in 2020, 65 percent up compared with the previous year, consolidating its position as the main supplier of fresh tilapia to the US market. Brazil exported just under 6 000 tonnes to the United States of America in 2020, and the industry is looking to increase export revenue. However, tilapia exporters remain frustrated by the EU ban on fishery products from Brazil that has been in place since the end of 2017. Meanwhile, Costa Rica exported 3 379 tonnes worth USD 21 million during 2020, with almost the entirety of this volume consisting of fillets to the United States of America. The foreign trade promotion agency (PROCOMER) is recommending offering competitive prices as well as products based on quality, to differentiate from Chinese tilapia.

TILAPIA

China exports of tilapia frozen fillets
January-December (1 000 tonnes)

	2018	2019	2020
Frozen tilapia			
United States of America	112.8	92.8	104.8
Mexico	75.4	70.6	75.7
Costa Rica	6.5	6.4	6.9
Other countries	41.2	39.8	34.7
Total	236.0	209.6	222.1

Source: TDM.

China exports of frozen whole tilapia
January-December (1 000 tonnes)

	2018	2019	2020
Frozen tilapia			
Cote d'Ivoire	39.4	45.8	46.9
United States of America	22.9	24.4	24.8
Mexico	10.1	14.5	13.1
Other countries	30.0	35.8	47.2
Total	102.4	120.5	132.0

Source: TDM.

Prices

Rapid market recovery after early year difficulties saw wholesale prices for Chinese tilapia remain relatively stable throughout 2020, averaging between CNY 7.5-8 (USD 1.09-1.16) per kg for 500-800g live tilapia (DAP, Hainan) for most of the year. In the US market, however, increased import supply during the tariff exemption period helped push average prices down by 10 percent to USD 3.29 per kg (CIF) for the year as a whole.

Outlook

Positive output growth is expected to resume for the global farmed tilapia sector in 2021, although there is some discrepancy in forecasts for Chinese production. Whereas some analysts were predicting an increase in production as the market recovery continues, more recent reports point to a further contraction this year, due to rising costs and a particularly cold winter affecting fish survival rates in Guangdong. The US market will remain challenging from the Chinese perspective, at least so long as the tariff remains in place, but domestic market interest from retail and foodservice buyers should be sufficient to keep prices from falling too far back after spiking in early 2021 on Lunar New Year demand. For other producers, pandemic-related developments remain a central focus and the speed at which vaccines are rolled out will have direct implications for freight rates, consumer demand, product preferences and operational costs.

Prices of raw tuna firmed up in April

International trade for canned and processed tuna posted positive results during the first quarter of 2021. However, the weak market trend continues for fresh and frozen tuna for direct consumption, which command higher prices than canning raw material.

Supply

According to the Status of the Stocks report published by the International Seafood Sustainability Foundation (ISSF) in March 2021, 87.6 percent of the commercial tuna catches worldwide continues to be sourced from stocks at “healthy” levels of abundance, 9.6 percent came from overfished stocks, and 2.8 percent came from stocks at an intermediate level of abundance.

In 2020, tuna catches in the major fishing grounds remained stable while some price increases occurred for frozen tuna for the canning following increased demand for end products in the global canned tuna market.

Raw Material Imports

During the 2020 review period, tuna raw material imports increased in most of the large processing countries in Asia and Europe. Compared with 2019, imports in Thailand were 18 percent higher at 800 000 tonnes, including 42 815 tonnes of cooked frozen loins (+20 percent).

In the Philippines, imports of frozen skipjack (mostly used to produce canned tuna) increased by 3 percent to 110 520 tonnes. Meanwhile, frozen yellowfin imports declined by 22 percent to 45 000 tonnes due to weak demand for non-canned tuna in the international trade.

In Europe, Spanish tuna canners imported less whole/raw tuna (-8 percent; 159 100 tonnes) as domestic landings increased, but more cooked frozen loins (+8 percent; 107 600 tonnes) for reprocessing in 2020. Cooked loin imports also increased in Italy (+20 percent; 43 100 tonnes), Portugal (+41 percent; 12 000 tonnes) and France (+6.8 percent; 8 550 tonnes).

Fresh and frozen tuna market (non-canned)

The COVID-19 pandemic halted the decade long growth of non-canned tuna trade worldwide. The damaging impact was profound particularly for fresh tuna used for making sushi/sashimi and for other food preparation in up-scale western style restaurants and hotels. Exports of fresh tuna were also hampered by the shortages of scheduled passenger flights between sources and overseas markets.

Japan

The prolonged pandemic crisis reduced consumption of sashimi tuna in Japan. Many businesses ranging from popular sushi shops to up-scale seafood restaurants, closed down in 2020 due to lack of business. Sales of fresh tuna (local and imported) in particular were hit hard due to reduced sales in the catering trade. Imports of fresh tuna reached a historically low in 2020 at only 8 500 tonnes, down by 27 percent compared with 2019.

However, overall imports of fresh and frozen sashimi grade tuna including loins remained stable at 171 755 tonnes, on par with the volume imported in 2019.

To make-up for shortfalls in business, some intermediate wholesalers (who normally sell to retail

TUNA

World top exporters of canned/processed tuna
January - December (1 000 tonnes)

	2018	2019	2020	% change 2020/19
Thailand	514.5	532.9	258.2	9.3
Ecuador	222.3	239.1	247.5	3.5
China	105.8	123.4	136.3	10.4
Spain	108.5	100.3	106.1	5.6
Philippines	81.2	77.8	88.6	13.9
Indonesia	82.2	95.6	82	-14.1

Source: *National data.*

World top importers of canned/processed tuna
January - December (1 000 tonnes)

	2018	2019	2020	% change 2020/19
United States of America	208.7	212.9	260.4	22.1
European Union	730.6	748.1	803.9	7.5
Japan	65.2	65.1	67.2	3.3
Saudi Arabia	43.4	48.6	64.6	33.3
Egypt	50.6	48.5	43	-11.2
Thailand	26.1	35.9	42.8	19.2

Source: *National data.*

Note: (*) Estimated through import and export sources

European Union imports of canned and preserved tuna
January-December (1 000 tonnes)

	2018	2019	2020
Canned/preserved tuna			
Ecuador	138.2	160.5	159.2
Spain	111.8	105.5	123.2
Philippines	55.7	56.2	49.8
Other countries	424.6	425.6	471.8
Total imports	730.4	747.9	803.9

Source: *TDM.*

Thailand exports of prepared and preserved tuna
January-December (1 000 tonnes)

	2018	2019	2020
Prepared/preserved tuna			
United States of America	99.0	104.9	144.1
Egypt	50.4	46.3	55.8
Japan	39.5	35.8	40.1
Other countries	325.5	345.9	342.7
Total imports	514.5	532.9	582.7

Source: *TDM.*

stores and high-end restaurants) have started direct sales of 'ready-to-eat' raw tuna slices in take-away style tray-packs to individual customers, making these products available through on-line and in person purchases. Many restaurants are also selling fresh and frozen sushi online, a trend that started in mid-April last year, and this type of sales have been brisk since.

United States of America

Non-canned tuna imports flourished in the US market during the last 8-10 years and its share in total tuna imports reached 25 percent in 2019. That share dropped to 17 percent in 2020 because of waning in the restaurant business during the COVID-19 crisis. In 2020, imports of fresh and frozen tuna including fillets fell by 23 percent compared with 2019. Declines were significantly large for fresh tuna (-28 percent; 12 390 tonnes) and for frozen fillet/steaks (-18 percent; 33 265 tonnes). Although retail demand increased during the year, it was not enough to offset short-falls in the foodservice sector.

Other Markets

Contrary to the trends in Japan and US markets, imports in the European Union were positive for frozen tuna fillets/steaks. The top importers were France, Spain, Italy, and Germany. Compared with 2019, imports from the extra-EU sources increased by 1.7 percent to 26 000 tonnes in 2020 and the leading suppliers were Viet Nam, the Republic of Korea, Mexico, Ecuador and the Maldives.

In the Russian Federation imports decreased for frozen tuna fillet (-38 percent; 3 535 tonnes) but

TUNA

Japan | Imports | Tuna | Frozen whole Top three origins

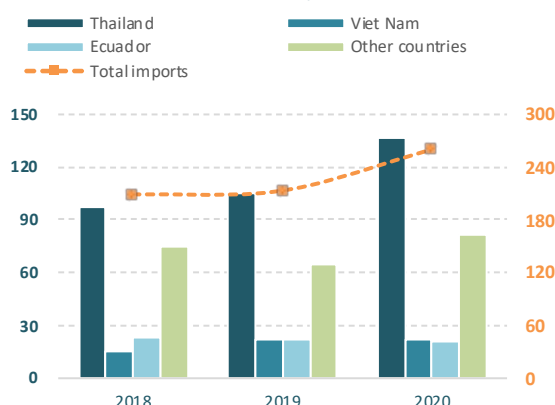
Unit: 1 000 tonnes, January-December



Source: Japanese Ministry of Finance and the Customs

United States of America | Imports | Tuna | Prepared/preserved Top three origins

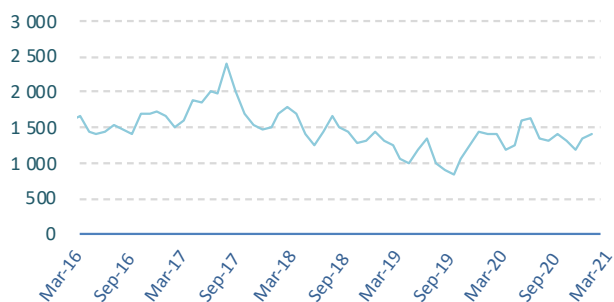
Unit: 1 000 tonnes, January-December



Source: NMFS

Prices Skipjack: Thailand

USD/tonne



1.8Kg lb/pc & up, CFR Bangkok, origin: Western Pacific
Source: INFOFISH Trade News



©unsplash/elsbethcat

increased in Ukraine (+42 percent; 555 tonnes). Imports declined in Canada, Switzerland, Turkey due to falling tourism and catering trade.

In East Asia, the Republic of Korea was the second largest import market for frozen tuna fillets after Japan, and imported 6 200 tonnes (+8 percent) in 2020. The market preference for the Mediterranean origin bluefin is strong, largely supplied by Italy, Morocco, Spain and Malta. However, imports declined in Thailand, Singapore, China, Hong Kong SAR and other regional markets.

Canned tuna trade

This shelf-stable but affordable protein, was possibly one of the very few fishery products that enjoyed good demand worldwide during the pandemic crisis. Although demand suffered during the early months of 2020 because of the acute falloffs in the catering trade, rising home consumption seemed to have filled up demand gaps and kept the global market strong.

Exports

Canned and processed tuna exports increased from Thailand, Ecuador, China and Spain, with their ranking in the international trade remaining unchanged during 2020.

Exports of cooked frozen loins increased from China, Ecuador, Papua New Guinea, Solomon Islands destined to the canneries in Europe and Thailand.

Imports

Home consumption of canned tuna increased during the pandemic period and boosted international and domestic trade for this product group worldwide. However, demand remained weak in the foodservice sector throughout 2020.

Consumer demand for canned/pouched tuna and similar product groups increased in the large traditional markets and also in the emerging and niche markets worldwide during 2020.

North and South America

In the United States of America, which is the world's single largest import market for this product group, there was a 22 percent rise in processed tuna imports. Imports increased from the top suppliers that is Thailand (+30%), Viet Nam (+1.6%), Mexico (+180%) and Indonesia (+5%), but declined from Ecuador (-6%).

Colombia remained the second largest import market in the Americas, where Ecuador had a 72 percent market share. Canadian imports increased by 8.5 percent to 36 643 tonnes. Thailand dominates this market with an 80 percent market share. Annual imports also increased in Peru (+24 percent), Chile (+28 percent), and Argentina (+7.8 percent) which helped Ecuador's export boost to the regional markets. Imports in Brazil continued its negative trend.

Europe

Canned tuna sales increased in the European Union market, in favour of European/regional producers. Imports of canned and processed tuna in the European Union totalled 804 000 tonnes in 2020 (including 179 030 tonnes of cooked loins), a 7.5 percent increase compared to 2019. The top importers were Spain, Italy, Germany, the Netherlands, and France.

Although there was a 2.5 percent rise in imports from extra-EU sources, the share of extra-EU in total imports declined from 72 percent in 2019 to 68 percent (545 073 tonnes) in 2020 due to reduced imports of tuna for direct consumption.

Outside the European Union, imports increased in Switzerland, Ukraine, but declined in the Russian Federation and in Norway in 2020.

Asia / Pacific and Others

The MENA (Middle East and North Africa) region was one of the main target markets for canned tuna of Asian producers. Although imports in Egypt weakened, the others regional countries (Saudi Arabia, Libya, United Arab Emirates, Iraq, Yemen, Syria, Jordan, Kuwait, Qatar) imported more canned tuna in 2020 compared with previous years.

In the Pacific, imports in Australia, a market for higher value canned tuna, declined in 2020. Imports increased in most of the medium and small scale markets in the East and south Asian regions.

Prices

In general, international prices of non-canned tuna in 2020 were less affected for frozen loins, saku and steaks compared with whole/dressed and chilled or frozen tuna. In Japan, the auction prices of fresh local bluefin were 20-30 percent lower than in 2019 because of the dull restaurant trade.

For canning raw materials, the average price of frozen whole skipjack was 15 percent higher at USD 1 355 per tonne during the review period. There has been some softening in prices during January-March 2021 at USD 1 285 per tonne for delivery to Bangkok. The comparative ex-vessel price was USD 1 700 per tonne in Manta, Ecuador and USD 1 250 per tonne in Seychelles.

Outlook

During the first quarter of 2021, tuna landings were low to moderate in the major fishing zones, while raw material demand was stable from canneries worldwide. Frozen skipjack prices increased in April, compared with March.

Thai canners continue to procure more cooked loins for which imports increased by 20 percent during January-February 2021. This trend is likely to continue.

Raw material stocks are currently moderate in Ecuadorian canneries with stable prices of skipjack and yellowfin. However, the price differential between skipjack prices in Manta and Bangkok remains unusually wide at USD 350 per tonne. Canners in Ecuador are facing low buying interest from Europe.

In Europe, frozen skipjack and yellowfin prices increased in April due to shortages in the Atlantic Ocean. Prices of cooked skipjack loins also increased.

During the first quarter of 2021, international trade for processed tuna mirrored the positive trend of 2020 in most markets. January-February 2021 imports of canned tuna increased in the United States of America (+21 percent) and Canada (+6 percent). In Asia, the trend is similar in Japan and other markets.

In Japan, the Spring festival season of April-May brought some hope for a consumption boost in the domestic sashimi tuna trade. However, consumers remain cautious in view of the continued pandemic scare. It is expected that restaurant businesses will remain limited in 2021.

Social responsibility in fisheries and aquaculture value chains

Fish is one of the most traded food commodities worldwide, with millions of people depending on fisheries and aquaculture activities as a source of jobs, income, and livelihoods. FAO estimates that 59.5 million people are directly engaged in the primary sector of fisheries and aquaculture¹.

The fisheries and aquaculture sector has one of the most challenging and hazardous work environments to ensure decent work. Social issues have become a major concern in the industry, where the media has highlighted cases of labour right violations and human rights abuses, found to take place at different stages of the fisheries and aquaculture value chain – especially in fish harvesting, farming and processing stages. As a result of the increased awareness, industry associations, labour unions, and policymakers have undertaken initiatives to address the existing weaknesses, seek remedies, and improve performance through increased monitoring, control, transparency, surveillance, traceability and certification.

In addition, the COVID-19 pandemic has led to a severe public health problem. It has triggered an economic crisis associated with many measures taken by countries to contain the contamination rate, such as lockdowns, home confinement, travel bans, and business closures, among others. Even though retail food businesses, such as supermarkets, grocery and convenience stores, and takeaway restaurants are deemed essential and remain operational in many countries, restrictive measures have created a challenging environment where access to food could become more problematic.

Consequently, value chains have been disrupted, causing negative impacts on the supply, demand and logistics of fisheries and aquaculture products. Furthermore, adverse social and business consequences affected workers, small-scale fishers, farmers, companies, and restaurants. Therefore, COVID-19 affected the overall employment and livelihoods in the sector.

The impacts of the pandemic in economic and social terms are severe. Soaring unemployment rates, income losses and rising food costs have jeopardized access to food in developed and developing countries alike. Each percentage point drop in global Gross Domestic Product (GDP) is expected to result in an additional 700 000 stunted children in social terms. According to the World Bank, about 100 million people can dive into extreme poverty. Smallholder farmers and their families, food workers in all sectors, and those living in commodity- and tourism-dependent economies have been particularly vulnerable to the economic and social effects of the pandemic.

Nevertheless, many of the problems associated with access to food exist even before the COVID-19 pandemic. In 2019, almost 690 million people went hungry. According to The State of Food Security and Nutrition in the World 2020, the pandemic might have pushed an additional 100 million people into chronic hunger in 2020, which means unemployed people, lower wages, and unacceptable working conditions, among others.

FAO's commitment to social responsibility

Since 2014, the FAO Fisheries Division organizes the "Vigo Dialogue", a global consultation process promoting decent working conditions within the fisheries and aquaculture sector.

The Vigo Dialogue is a multi-stakeholder consultation process aiming to identify the sector's main

SOCIAL RESPONSIBILITY

social problems and challenges to suggest priority actions. The Dialogue focuses on measures to combat human and labour rights abuses in fisheries and aquaculture value chains.

From 2014 to 2018, the Vigo Dialogue was organized in collaboration with the Spanish Association of Wholesalers, Importers, Transformers and Exporters of Fishing and Aquaculture Products (CONXEMAR) as a parallel event during the annual International Frozen Seafood Products Exhibition in Vigo, Spain.

In 2019, the eighth edition of the International Congress in Vigo (Spain), organized by FAO and CONXEMAR, focused on the social sustainability of the fisheries sector, already covering the traditional theme of the Vigo Dialogue, which did not take place. The International Congress discussed the importance and the recognition of human and labour rights worldwide to improve social practices along with fisheries and aquaculture value chains. It was attended by approximately 350 participants from the industry, government institutions, Non-Government Organizations (NGOs), associations, unions, civil society and academia.

In addition, FAO has a specific mandate conferred by FAO Member countries on social responsibility to promote human and labour rights along with the fisheries and aquaculture value chain. Thus, FAO is working on developing a guidance on social responsibility in the fisheries and aquaculture value chain. This guidance aims to compile existing international instruments and guidelines related to the fisheries and aquaculture value chains. It will be a voluntary, non-binding and practical instrument, which is being developed in cooperation with relevant specialized agencies and stakeholders.

In the first half of 2019, FAO developed the first draft guidance on social responsibility. In order to receive inputs and have an inclusive participation of different stakeholders in the fisheries and aquaculture sector, FAO conducted four "Dialogues" worldwide – Agadir, Brussels, Rome and Shanghai. Participants representing trade unions, governments, NGOs, academia, civil society, industry, and international organizations, amongst others, attended these Dialogues.

The first event organized by FAO was the "Agadir Dialogue", in February 2019, during the 5th Edition of Halieutis Expo in Morocco. It was a regional event attended by 38 participants from the industry, governments, regulatory bodies, regional institutions, civil society and professional organizations. The event facilitated an open discussion where it was highlighted and addressed the main challenges regarding social issues in fisheries and aquaculture value chains from a regional perspective. Participants gave inputs and suggestions to feed the development of the draft guidance.

The "Brussels Dialogue" was held on 8 May 2019 during the Seafood Expo Global 2019 in Belgium. It was an open event with more than 80 participants. The primary purpose was to present the outline of the draft Guidance developed by the two external consultants and to discuss and share experiences regarding social issues in the fisheries and aquaculture value chains. Representatives from the industry, trade unions, associations, NGOs, institutions, international organizations, amongst others, discussed and provided inputs to make the guidance more inclusive and robust.

In June 2019, the "Rome Dialogue" was a two-day event focusing on trade unions, global NGOs, and the industry, with more than 25 participants attending the event. The main objective of the Dialogue was to identify potentially missing gaps in the draft guidance. Participants discussed the main problems of the various sub-sectors of the value chains (small-scale fisheries, large-scale fisheries, industrial fisheries and post-harvest activities) through dynamic group discussions.

SOCIAL RESPONSIBILITY

The "Shanghai Dialogue" took place in July 2019 in China, with the support of the Shanghai Ocean University. The event gathered 11 experts with different backgrounds in fisheries and aquaculture value chains. The primary purpose was again to discuss relevant issues and gaps related to the draft guidance. Participants were divided into groups to discuss production and post-harvest activities, using the same dynamic model as in the Rome Dialogue.

Also, FAO participated in other events, conferences, and workshops related to social issues in fisheries and aquaculture to assess all the nuances to be eventually addressed in a future guidance. These events included the Organisation for Economic Co-operation and Development (OECD) Committee for Fisheries, SEAFISH Seafood Ethics Common Language Group meetings, Poland's VI Fish Congress, Global Sustainable Seafood Initiative (GSSI) meetings, the General Fisheries Commission for the Mediterranean (GFCM) Conference, Long Distance Fleet Advisory Council (LDAC) Seminar on labour and social dimension for sustainable fisheries, as well as FAO project meetings such as the FAO workshop in Costa Rica on social sustainability in fisheries.

During this extensive consultation process, FAO also established an online public consultation with the draft guidance open for comments and suggestions. The online consultation was released through the FAO GLOBEFISH website and remained open for one and a half months during the summer of 2019. The online consultation was able to reach relevant stakeholders who could not attend the FAO Dialogues. More than 750 comments were received from 57 contributors. The feedback received on the consultation was reviewed and analyzed to feed the development process of the draft guidance. Furthermore, by adopting the 2030 Agenda for Sustainable Development, countries have committed to leaving no one behind in their implementation of the Sustainable Development Goals (SDGs) and recognizing human dignity as being fundamental to reach these goals.

The SDGs relevant to the current work of FAO in the development of a guidance framework on social responsibility in fisheries and aquaculture value chains are:

- SDG1: End poverty in all its forms everywhere;
- SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- SDG5: Achieve gender equality and empower all women and girls;
- SDG8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all;
- SDG10: Reduce inequality within and among countries;
- SDG14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development;
- SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

In addition, FAO continues to carry out other constant activities focusing on the three pillars of sustainability, including the social dimension. For example, the collaboration with the Blue Ports Network initiative allowed stakeholders to contribute to the SDGs by enhancing the economic dimension and improving social and environmental activities linked to ports. This initiative identified the protection of labour rights of fishers limited and its regulation poor. Furthermore, in vessel operations, illegal, unreported and unregulated fishing practices are closely linked to labour abuse, exploitation and human trafficking.

SOCIAL RESPONSIBILITY

FAO mandate in social responsibility and background information

In order to discuss fisheries-related issues, FAO has two important bodies. The main one is the biggest global forum to discuss political topics related to fisheries and aquaculture issues is the Committee on Fisheries (COFI). The Committee is held every two years in the FAO Headquarters in Rome (Italy). The second one is the Sub-Committee on Fish Trade (COFI:FT), which provides a forum for consultation on technical aspects of international trade in fish and fishery products, including pertinent aspects of production and consumption.

During sessions of COFI:FT, FAO Member countries set a specific mandate to FAO to promote social sustainability in fisheries and aquaculture value chains, mainly the recognition and protection of human and labour rights in national and international value chains.

In 2016, at the 15th Session of COFI:FT (Agadir, Morocco), FAO Member countries highlighted the increasing concerns about social and labour conditions in the industry².

At the next session, in 2017, in Busan, South Korea, FAO Member countries recognized the complexity of addressing social issues relative to human and labour rights in fisheries and aquaculture value chains. It was recommended that FAO collaborate with interested partner organizations and stakeholders to develop a guidance document to assist value chain actors in improving the implementation of existing instruments³.

Later on, in 2018, at the most important global policy body on fisheries, the FAO COFI recommended the development of a guidance on social responsibility in fisheries and aquaculture value chains in cooperation with relevant stakeholders, including industry and fish worker associations. The guidance should promote decent work and the recognition of human and labour rights in the sector⁴.

More recently, in 2019, in Vigo, Spain, the COFI:FT recommended FAO to continue the work on social responsibility in fisheries and aquaculture, and to develop a specific document to inform the main existing challenges, relevant existing international instruments, tools and key stakeholders⁵.

During the last Session of COFI (2021), FAO Member countries called on FAO to continue working on a practical guidance on social responsibility in the fisheries and aquaculture value chains. It was highlighted that it should be based on existing international instruments and guidelines in cooperation with relevant specialized agencies and stakeholders, reiterating its specific, voluntary, and non-binding nature.

FOOD SAFETY ISSUES

FOOD SAFETY ISSUES

Detentions and Rejections of cephalopods in the European Union, Japan, and United States of America

According to the latest available trade data from 2018, the main importing countries of cephalopods were Spain, Japan, and Italy. The major producing countries of cephalopods were Viet Nam, China and Madagascar. This section portrays the profile of border rejections of cephalopods in the European Union (Member Organization), Japan and the United States of America. Rejections are categorized by chemical, microbiological and other hazard categories¹.

European Union

There were 30 alerts and border rejections of cephalopods in the EU28 in 2019, representing one percent of the total import rejections of fisheries and aquaculture products at European borders. The main cause for alerts and border rejections was due to the “other causes” category with 24 cases recorded, 21 of which were due to poor temperature control, mostly found in octopus, and two for an unauthorized operator in squid. Chemical issues were the second cause of alerts and border rejections with five cases, four of which were due to the presence of cadmium in cuttlefish and squid and one case due to additives in octopus. Lastly, there was recorded one case of *Listeria monocytogenes* in squid. It is important to highlight that the number of cases of import rejections is similar in comparison with 2018, when there were recorded a total of 29 cases of alerts and border rejections in cephalopods.

Cephalopods rejected at the European borders by hazards (number cases)

		2018			2019
Causes			Causes		
Poor temperature control	13		Poor temperature control	21	
Unauthorized operator	8		Cadmium	4	
Cadmium	5		Unauthorized operator	2	
Attempt to illegally import	1		Additives	1	
Issues of health certificate	1		Labelling	1	
Unfit for human consumption	1		<i>Listeria monocytogenes</i>	1	
Total	29		Total	30	

Source: RASSF.

Japan

There were 13 import rejections of cephalopods in Japan in 2019, representing 12 percent of the total rejections of fisheries and aquaculture products in Japan. The main cause of rejections was due to microbiological issues with 11 cases. The second cause of detentions was recorded under the chemical category with two cases: one due to the presence of chloramphenicol and one due to the presence of sorbic acid, both detected in squid. Under the microbiological category, the main

¹ The “other causes” category includes general issues such as packaging, labelling, improper health certificate and allergens. In general, it refers to all causes not included under chemical, microbiological, histamine and parasite.

FOOD SAFETY ISSUES

issue was coliform with six cases mainly found in cuttlefish, followed by live bacteria mostly detected in squid, lastly only one case due to the presence of *Escherichia coli* in squid. It must be noted that import rejections of cephalopods increased from seven cases in 2018 to 13 cases in 2019.

Cephalopods rejected at the Japanese borders by hazards (number cases)

2018		2019	
Causes		Causes	
Coliform	4	Coliform	6
Live bacteria	2	Live bacteria	4
<i>Escherichia coli</i>	1	Chloramphenicol	1
Total	7	<i>Escherichia coli</i>	1
		Sorbic acid	1
		Total	13

Source: Ministry of Health, Labour and Welfare

United States of America

Cephalopods import rejections in US borders were 57 in 2019, representing four percent of the total import rejections of fisheries and aquaculture products. The main cause of detention was due to the other cause's category with 38 cases, 37 of which due to products being unfit for human consumption mainly detected in octopus and one case due to labelling issues in squid. The second case of import detentions was due to microbiological issues with 19 cases, 14 of which due to the presence of *Salmonella* mainly in octopus and five cases due to the presence of *Listeria monocytogenes* only detected in squid. It is important to highlight that the number of cases of import rejections is similar in comparison with 2018, when there were recorded a total of 55 cases of alerts and border rejections in cephalopods.

Cephalopods rejected at the American borders by hazards (number cases)

2018		2019	
Causes		Causes	
Unfit for human consumption	28	Unfit for human consumption	37
<i>Salmonella</i>	22	<i>Salmonella</i>	14
<i>Listeria monocytogenes</i>	4	<i>Listeria monocytogenes</i>	5
Labelling	1	Labelling	1
Total	55	Total	57

Source: FDA

References:

- For further information you can visit the following website: www.fao.org/in-action/globefish/fishery-information/border-rejections/en/
- Rapid Alert System for Food and Feed (RASFF)
- Ministry of Health, Labour and Welfare (MHLW)
- US Food and Drug Administration (FDA)



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