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Issue 4/2010

GLOBEFISH HIGHLIGHTS

A quarterly update based on the GLOBEFISH databank

Supply shortages lead to record prices

The brisk international shrimp trade observed during 1H is continuing during the second half of the year. With lower than expected supplies of farmed shrimp, export prices firmed up in 3rd quarter. p. 2

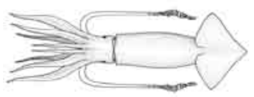
Slow catches,slow buying interest, softer prices

Poor fishing has reduced supply but lack of buying interest keeps prices low. As a result, less volume is landed than expected. This should lead to some firming of prices as buyers are forced to come back on to the market to respect programmes. p. 8

Mixed picture in groundfish markets

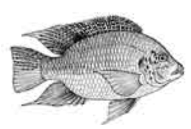
The situation with groundfish species currently presents a mixed picture. Some markets are stable, among them, the EU Alaska pollock market. Others, such as the EU cod market, are showing an increase in prices. p.14

Falling cephalopod supply pushes prices higher



International markets for cephalopods are heavily influenced by disappointing catch levels of squid in the South West Atlantic. This is the second weak season in a row. p. 17

High Chinese exports but production problems



China remains the leading producer but Egypt, Indonesia, the Philippines, Thailand, Taiwan Prov of China, Viet Nam, Malaysia and Myanmar are gearing up production. p. 21

Rising prices because of higher feed costs

Viet Nam remains dominant in the pangasius export market. Despite the shortage of raw material, higher production costs and stringent market requirements, Viet Nam reported 8% growth in pangasius exports during the first seven months of 2010. p. 24

Supply down in 2010 thanks to cutbacks in stocking of juveniles in 2009

The markets for seabass and seabream are relatively stable with good balance between demand and supply. Demand has proven to be more resilient than expected in markets such as Italy and France whereas the situation in Spain and Portugal remains difficult. p. 26

Prices firm as demand is anticipating Christmas

Salmon prices are firming in the European market with good supply from Norway. The market expects higher prices in the run-up to Christmas and stable, high prices in the first two quarters of 2011. p. 29

Record Norwegian mackerel exports

There was little activity in the small pelagics markets during the first half of the year, but in the third quarter fishing activities picked up and large quantities of mackerel were landed and traded. p. 36

Weaker demand puts downward pressure on prices

The market has been quiet lately with prices easing after the record levels reached in April with buyers holding out for lower prices. However, stocks are limited and with landings in Peru 25% below last year's, prices could well rise again. p. 41

Market is tight with growing concerns about poor catch levels in South America

As expected, fish oil prices continued to rise as the recent poor catches in South America are restricting future supplies. Peruvian landings, however, are expected to increase over the coming month but overall catches in the region are likely to be well below last year's. p. 43

FISHINFONETWORK
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About GLOBEFISH

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

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

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A quarterly update
based on
the GLOBEFISH databank

GLOBAL FISH ECONOMY

One of the consequences of the economic crisis in late 2008 and throughout 2009 was the response of aquaculture producers to invest less in future production by reducing stocking levels. Since then, demand in many developing countries especially in the Asian and South American region has been quite resilient, and developed country demand is also now picking up again. As a result, prices for many farmed products such as shrimp, catfish, tilapia and salmon have risen significantly in 2010. The picture for capture fisheries is more mixed with some prices affected by good harvests whereas others are easing upwards as a result of lower quotas.

On the whole, the FAO Fish Price Index shows a strong comeback after the drastic fall registered after the record peak in September 2008. On average, although prices (July 2010 trade data) are now only 2% below the record set in September 2008, price developments have been totally divergent for aquaculture and captured species; in fact, aquaculture prices are now (July 2010) 9.7% higher than in September 2008 whereas wild species are 10.7% lower. Compared with the lowest overall level registered by the index in June 2009, capture species are up 12.7%.

The outlook for the rest of 2010 and early 2011 is positive with demand firming in most markets and no large changes in supply expected.

The negative trends in the international fishery trade registered in late 2008 and in 2009 have been reversed with all the large producing and exporting countries showing large increases this year. During January-July 2010, fishery exports from China, the number one supplier, grew by an impressive 26.8%. Exports from Thailand were also higher by 7.8% during this time compared with the same period last year. Norway's exports were also up significantly.

Import value increased in the traditional developed markets – the USA (+16%), EU (+5.5 in extra-community trade) and Japan (+5%) during January-June 2010 compared with the same period last year. Australia, the largest seafood market in the Pacific, reported 20% growth in its import value for the same period against last year.

This trend is even more prominent the developing world. There was two-digit growth in fishery import values in China, Hong Kong SAR, Korea RP, Malaysia, Brazil and Mexico. Strong national currencies and faster economic recovery in China, India, Malaysia, Indonesia and Brazil have boosted domestic sales of fishery products at good prices throughout 2010, making lower product volumes available for exports. The positive trend in the global fishery trade is expected to persist for the rest of the year.

Supplies of farmed shrimp from Asia and Latin America have been affected by both lower stocking levels and some disease related problems, resulting in higher international prices. Improved consumer demand has supported the price rise, keeping the market firm throughout 2010. In the farmed salmon sector, the supply shortage in Chile and good demand particularly from Europe, Asia and Brazil, have boosted prices worldwide. In Chile, however, production is now increasing again with rising volumes coming to market in 2011.

Demand for tropical farmed fish such as pangasius catfish and tilapia has been strong across the world. These species are gaining ready consumer acceptance even in markets where they were totally unknown only a few years ago. Encouraged by the success of Vietnamese catfish and Chinese tilapia, producers in other countries have recently started to develop their export markets for freshwater fish fillets.

In Asia, there is growing demand for live fish, resulting in high market prices. In ASEAN countries, producers aim to develop full cycle marine aquaculture of Asian seabass, groupers and brackish water tilapia in response to growing demand in the regional markets.

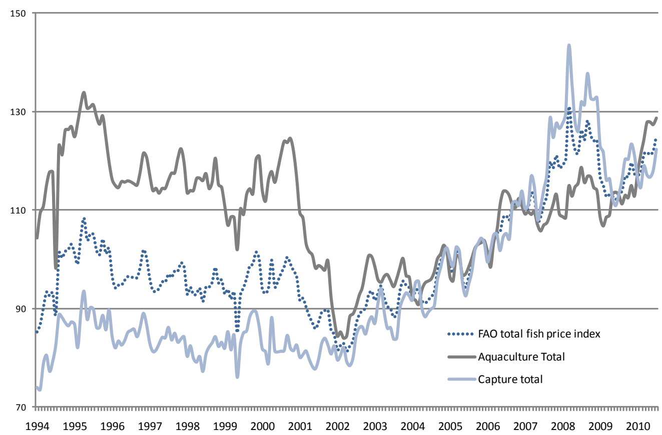
The tuna industry has been suffering from supply shortages because of poor fishing and stricter resource management measures, particularly in the Pacific Ocean. The supply situation is expected to remain tight, thus keeping tuna prices firm. The US and European tuna markets have been affected by the economic crisis, but demand is expected to improve next year.

World fish markets at a glance

	2008	2009 estim.	2010 f'cast	Change 2010 over 2009
	million tonnes			%
WORLD BALANCE				
Production	**142.3**	**143.7**	**145.3**	**1.1**
Capture fisheries	89.7	89.7	89.6	-0.1
Aquaculture	52.5	54.0	55.7	3.1
Trade value (exports USD billion)	101.8	94.8	101.2	6.8
Trade volume (live weight)	55.2	54.9	55.3	0.7
Total utilization				
Food	115.1	116.6	118.2	1.4
Feed	20.8	20.6	20.5	-0.5
Other uses	6.4	6.5	6.6	1.5
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption				
Food fish (kg/year)	17.1	17.1	17.1	0.2
From capture fisheries (kg/year)	9.3	9.2	9.0	-1.3
From aquaculture (kg/year)	7.8	7.9	8.1	1.9

Totals may not match due to rounding.

The FAO fish price index (2005=100)



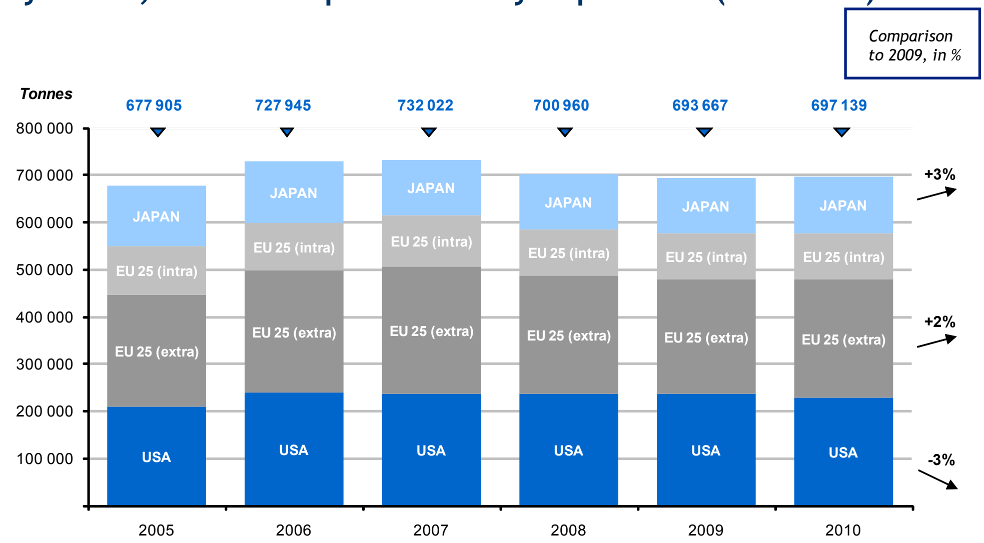
Source: Norwegian Seafood Export Council

SHRIMP

Supply shortages lead to record prices for shrimp

The brisk international shrimp trade observed during January-June is continuing during the second half of the year. With lower than expected supplies of farmed shrimp, export prices firmed up in July, August and September, reaching levels the export industry has not experienced in the recent past. This implies a 'sellers market' as import demand has been good from the major traditional developed markets. Export prices of farmed shrimp remained strong throughout the year and reached highs not seen in the past ten years.

Shrimp Volume Imported by EU-27, USA and Japan - January-September (in tonnes)



In comparison, the black tiger shrimp market remained stronger through January-September and packers reported advance orders for October-December.

Reports from Indonesia and Viet Nam continue to confirm the raw material shortage for the coming months. The situation is comparatively better in India. However, the end of the season is approaching for the entire farming region in Asia, which will culminate in November. The next crop in south Asia, where supplies are highly dominated by *vannamei*, will most likely be in March 2011. Countries that will have cooler (winter) weather are China, Myanmar, Bangladesh and the eastern belt of India; the next crops from these areas can only be expected in April/May.

Thus the market continues to favour sellers and exporters are able to maintain reasonably good prices.

Strong Asian currencies and recovery in consumer demand have also channeled products to the regional markets in East Asia at rising prices. Imports increased in most of the markets compared with last year. The presence of Chinese buyers in the market has been strong. Fresh and frozen *vannamei* are being imported by China from Thailand at high prices that often outbid offers from western or Japanese buyers.

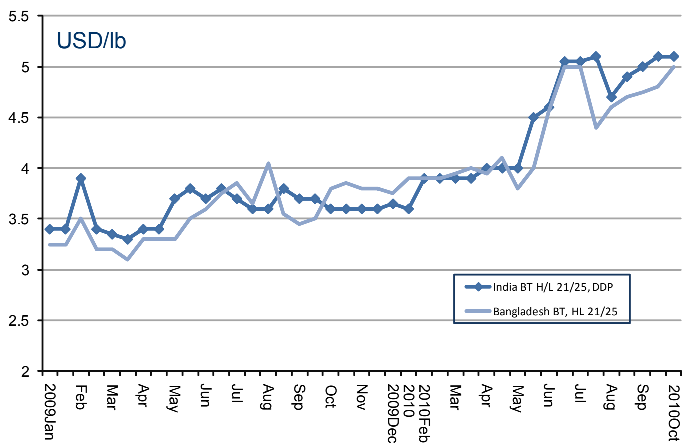
Strong currencies and good local demand in southeast Asia are attracting supplies away from the export trade, particularly for frozen shrimp.

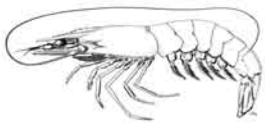
SUPPLY

Hopes for improved supplies of farmed shrimp by August/September did not materialise. Prices remained firm or even advanced further in most of the producing countries.

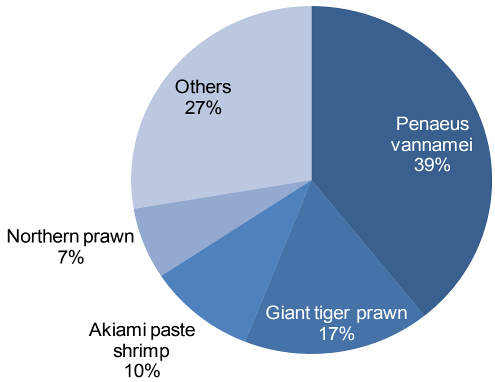
Lower harvests of *vannamei* in Asia and Latin America supported higher imports by the US market from Thailand and Malaysia. Supplies also increased from Ecuador but not enough to overcome shortages from Indonesia and Mexico.

USA: Frozen BT Shrimp prices



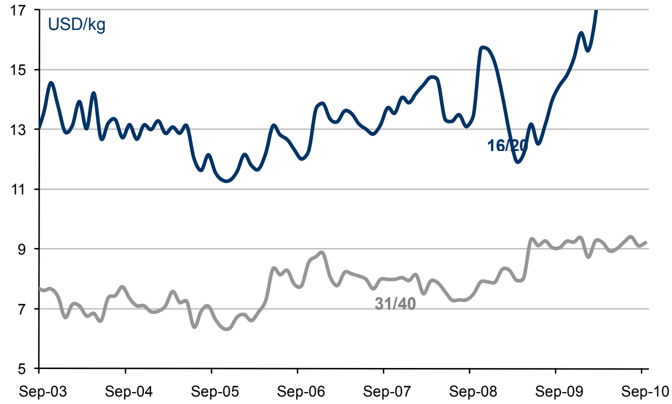


Shrimp production by main species



Source: FAO

Wholesale prices
Shrimp*: Japan



** Black tiger, headless, shell-on, origin: Indonesia*
Source: INFOFISH Trade News; GLOBEFISH AN 10226

TRENDS IN THE MAJOR MARKETS

Japan

Consumer demand for all types of unprocessed food bought for home cooking has weakened this year, perhaps because disposal incomes have improved in 2010. However, there has been increasing demand for semi-processed and processed products in the Japanese market.

Import trends: The strong yen supported lower landing prices and encouraged higher shrimp imports into Japan in 2010. The steady household demand for shrimp favoured retail trade compared with restaurant trade, which has become highly seasonal.

Consumer demand for convenience products has improved. Notably 53% of raw frozen shrimp imports in June consisted of semi-processed and processed products such as PTO-*nobashi*, raw *sushi*, peeled and cooked shrimp among others. Import growth rate for prepared products has been higher this year at the expense of raw shrimp.

Imports
Shrimp (by product): Japan

	................Jan-Jun............				
	2006	2007	2008	2009	2010
	(1000 tonnes)				
Live	0.0	0.0	0.0	0.1	0.1
Fresh/chilled	0.0	0.0	0.0	0.0	0.0
Frozen, raw	95.5	85.3	84.1	85.2	86.4
Dried/salted/in brine	1.2	1.0	1.1	1.8	1.5
Cooked, frozen	7.9	8.0	9.1	8.7	9.7
Cooked & smoked	0.2	0.2	0.1	0.1	0.1
Prepared/preserved*	23.8	22.4	20.6	20.9	21.3
Sushi (with rice)	0.1	0.1	0.0	0.1	0.7
Total	**128.8**	**116.9**	**115.0**	**116.8**	**119.8**

*(incl. tempura shrimp) Source: JFTA/INFOFISH

Imports
Shrimp (frozen raw): Japan

			................Jan-Jun............			
	2008	2009	2007	2008	2009	2010
	(1000 tonnes)		(1000 tonnes)			
Indonesia	37.4	34.8	18.6	17.9	17.3	15.7
Thailand	24.9	32.1	10.5	10.4	14.1	17.6
Viet Nam	42.2	39.9	13.5	15.6	14.0	16.3
India	24.0	24.3	9.4	9.3	9.2	9.1
China	16.8	14.9	8.8	7.4	5.4	5.5
Russia	7.8	7.1	5.0	5.2	4.5	4.4
Canada	7.7	7.2	3.8	3.8	3.9	3.4
Greenland	5.6	6.5	2.7	2.6	3.9	2.2
Myanmar	6.8	6.7	na	3.1	2.7	2.1
Malaysia	4.5	5.1	1.7	2.0	2.4	3.1
Philippines	3.5	4.0	1.8	1.6	1.7	1.4
Bangladesh	3.1	2.4	na	1.5	1.5	1.4
Others	12.3	12.6	9.5	3.7	4.6	4.2
Total	**196.6**	**197.6**	**85.3**	**84.1**	**85.2**	**86.4**

Source: GLOBEFISH AN 10127

Demand for *vannamei* shrimp from the retail trade has been good. Supermarket demand has also shifted to the smaller 51/60 counts because of their lower price.

Sales began from mid-September both in the wholesale and import trade. Strong demand was observed for all varieties of large sized shrimp for which local stocks are quite low. Intermediary users in the retail and catering trade have started to procure products for autumn and winter sales. Restaurant trade is still disappointing but consumer demand is improving in retail trade.

In Viet Nam, packers raised their offer price to USD 13.50/kg. Imports by the US and European markets have also increased in anticipation of the Christmas and New Year high consumption season. Considering the upcoming low season from November onwards, buyers are pressing for 2-3 months contracts.

US domestic market remains uncertain but imports increased during the second half of the year to replenish stocks

Since the oil spill incident and subsequent supply shortage from the US Gulf, shrimp prices in the US wholesale trade have increased by 15-20%. Imports intensified in June and July at higher prices to fill the supply gap, particularly for summer sales.

Lower supplies of large sized shrimp, particularly farmed black tiger from Asia, wild catches from Mexico and US domestic sources, eventually pushed up prices to reach their highest levels in two years.

The price surge in import trade continued throughout the third quarter of the year and into early October. Nonetheless, cumulative supplies of imported shrimp during January-July were 1.57% lower than last year's because real recovery in the consumer market has yet to occur.

Shrimp sales in the US are still supported by the steady home consumption whereas the restaurant trade has not improved much in the last two years. Higher imports of prepared products, such as ready prepared dinners and breaded shrimp are indicative of this trend. However, the cheaper raw shell-on products, dominated by the cheaper medium and small sizes shrimp (76%) continue to support consumer demand of this most popular seafood.

Imports
Shrimp: USA

	...Jan-Jun...					
	2005	2006	2007	2008	2009	2010
	(1000 tonnes)					
Thailand	58.1	68.6	75.3	71.1	73.4	81.3
Indonesia	25.4	31.9	26.1	43.2	40.1	29.4
Ecuador	26.0	32.5	32.9	31.8	33.3	35.8
China	17.0	25.7	27.8	23.6	17.3	18.7
Viet Nam	14.9	15.0	12.4	15.1	14.5	14.0
Mexico	6.0	7.1	11.8	7.8	12.4	10.5
India	5.3	7.4	5.9	5.4	8.6	7.2
Malaysia	4.7	7.6	7.7	10.4	7.4	9.1
Guyana	13.4	11.5	7.4	5.2	5.8	4.3
Bangladesh	5.3	4.6	5.0	5.2	5.2	2.9
Peru	7.0	5.4	6.1	4.1	5.2	4.2
Honduras	2.3	1.6	2.0	0.9	1.3	2.2
Others	21.2	19.0	15.7	13.2	11.7	8.9
Total	**206.6**	**237.9**	**236.1**	**237.1**	**236.1**	**228.7**

Source: NMFS

Imports
Shrimp: USA

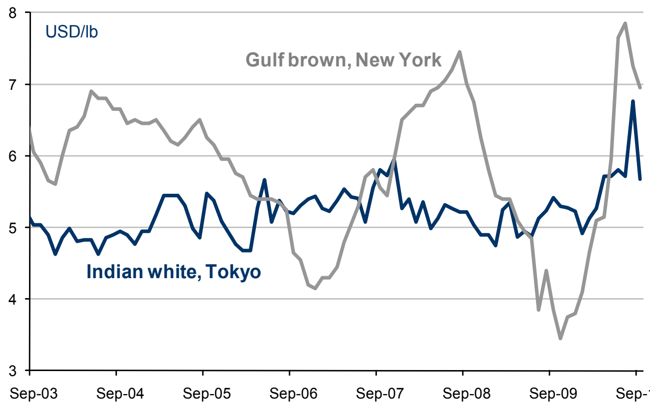
	...Jan-Jun...			
	2009		2010	
	1000 tonnes	1000 USD	1000 tonnes	1000 USD
Peeled frozen	78.2	546.31	76.2	568.48
Other frozen	41.1	307.76	40.0	293.88
Breaded	18.0	93.91	19.7	107.12
Other preparations	0.6	2.77	0.7	3.03
Headless shell-on frozen				
All sizes	92.7	620.92	87.9	591.51
< 15	8.7	98.55	7.7	92.25
15/20	7.0	65.16	5.3	48.70
21/25	11.2	92.42	8.9	68.47
26/30	14.1	93.76	11.2	79.59
31/40	19.4	114.86	17.4	106.25
41/50	12.1	63.20	12.3	68.55
51/60	10.1	48.54	12.4	65.71
61/70	5.3	24.95	7.6	39.73
> 70	4.7	19.48	5.2	22.26
Other products	5.4	40.83	4.3	30.79
Total	**236.1**	**1612.49**	**228.7**	**1594.81**

Source: NMFS

US reviewed anti-dumping tariff rates

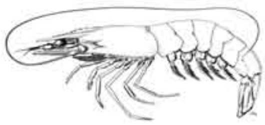
The US Department of Commerce (DoC) published the final ruling on the administrative review on imports of shrimp from Thailand, China and Viet Nam, for the period between 1 February, 2008, and 31 January 2009. Two Chinese shrimp suppliers will have zero duty, while another firm will receive a 9.08% rate, and the remaining exporters will have a 112.81% rate.

Wholesale prices
Shrimp*: USA, Japan



** Frozen, headless, shell-on, 16-20 count*

Source: INFOFISH Trade News; GLOBEFISH AN 10205, 10206



For Thai exporters, one company received a rate of 1.11% and another a rate of 4.49% while the rate for the remaining companies was set at 2.61%.

As for Viet Nam, the DoC has announced its final adjustments in early October. Two companies obtained a tariff reduction; *Minh Phu Seafood Joint Stock Company*, from 3.27% to 2.90% and *Nha Trang Seaproduct Company*, 5.58 to 4.89%. Another 29 companies will have a higher duty, 3.29% instead of 2.89%, and the remainder will have a 25.76% rate. Viet Nam filed a law suit against the US anti-dumping duties at a World Trade Organization (WTO) panel. This is the first lawsuit presented by Viet Nam since it joined the WTO.

In August the DoC also proposed 14 changes to strengthen the anti-dumping and countervailing duty laws, which will make it harder for foreign producers and US importers to defend themselves against anti-dumping allegations.

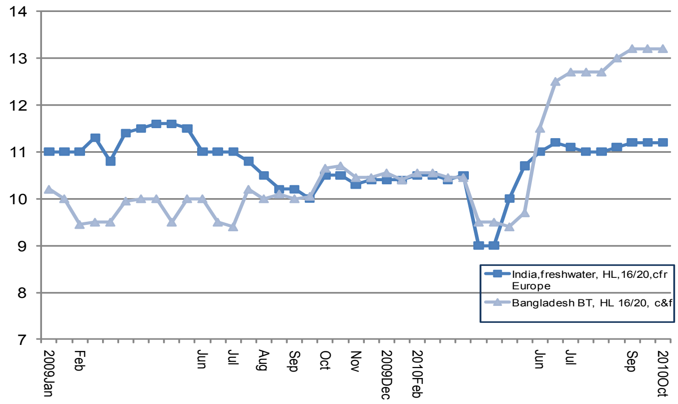
The US economy is growing very slowly, hampered by record high unemployment. This has presented a challenge for market growth of shrimp. Shrimp has been the number one seafood in the US for more than five years. US per capita consumption of shrimp in 2009 remained unchanged at the same level since 2007 of 4.10 pounds or 1.86 kg largely made up of imported shrimp. Domestic landings accounted for only 7% of total supply of shrimp last year.

European markets improved from mid-2010

At the start of the second half of this year, the European shrimp market started to pick up, supported by strong demand and increasing prices. Since July, the black tiger price in the European markets has surprisingly shown a sharp increase as the result of an acute shortage of stocks, forcing importers to buy at higher prices. Prices offered by the UK, German and Dutch buyers have been matching US prices recently. By end of September, black tiger shrimp headless, shell-on 16/20 from India or Bangladesh fetched USD 13.00-13.20/Kg, cfr Europe. Similarly, demand for cooked PUD and freshwater shrimp is also strong, pushing prices up. As the Christmas buying season has just started, the EU markets are expected to remain strong for the remaining months of the year because of tight supply and strong demand elsewhere.

Import trends: Despite the current economic crisis, overall imports of shrimp products into the EU markets grew positively this year. For the first half of 2010, imports of shrimp totaled almost 250 000 tonnes valued at around EUR 1.17 billion, up 2.6% in quantity and 6.5% in value against the same period of 2009. Imports of processed/value added shrimp products grew by 6.4% amounting to 64 805 tonnes with Thailand and Viet Nam managing to increase considerably their exports for processed/value added shrimp products by 22% and 37.8% respectively

European BT shrimp prices



Source: Infofish Trade News

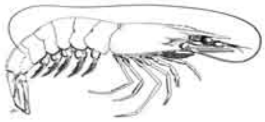
during the reporting period. Imports of traditional fresh/frozen products only increased marginally by 1.3% amounting to 184 493 tonnes this year. Under the fresh/frozen shrimp category, there were sharp increases in imports from Ecuador (22.6%), Thailand (87.1%) and Viet Nam (50.0%), while supplies from India, Argentina and Greenland declined by 15.6%, 17.4% and 2.6% respectively in quantity this year.

Imports

Shrimp: EU-27

	...Jan-Dec...	.............Jan-Jun...........		
	2009	2008	2009	2010
	(1 000 tonnes)	(1000 tonnes)		
Fresh/Frozen (HS 030613/030623)				
Ecuador	68.6	32.5	28.6	35.0
India	56.9	21.8	25.1	21.2
Greenland	47.5	20.9	20.4	19.9
Bangladesh	31.6	12.5	12.3	12.5
Thailand	27.7	6.7	8.4	15.7
China	36.0	16.4	14.4	14.9
Argentina	47.0	8.5	13.9	11.5
Vietnam	24.9	7.5	6.2	9.3
Indonesia	14.0	8.5	6.6	5.5
Colombia	13.7	5.3	5.6	5.5
Canada	8.2	8.6	5.3	3.9
Sub Total (incl. others)	**471.1**	**190.8**	**182.1**	**184.5**
Prepared/Processed (HS 160520)				
Thailand	23.4	6.4	9.7	11.8
Canada	23.6	9.1	12.1	11.4
Greenland	24.1	11.5	11.3	11.0
Iceland	10.6	7.2	4.9	4.9
Indonesia	10.9	4.4	4.9	4.6
Vietnam	9.4	3.4	3.1	4.2
Norway	8.0	4.6	3.8	3.8
Sub Total (incl. others)	**133.8**	**58.0**	**60.9**	**64.8**
Grand Total	**604.9**	**248.8**	**243.0**	**249.3**

Source: GLOBEFISH



During the first half of 2010 the EU countries whose shrimp imports grew most strongly were Italy, Germany, France and the UK, up by 12.0%, 10.5%, 10.35%, 18.5% and 2.0% respectively in quantity compared with the same period of 2009. However, imports into Spain, the largest shrimp importer in the EU, slipped slightly by 4.9%, while Denmark's imports declined by 7.6% in quantity. In Spain, hard hit by the current economic recession and with unemployment around 20%, demand for luxury seafood products including shrimp is badly affected.

Imports
Shrimp: Italy

	...Jan-Jun...					
	2005	2006	2007	2008	2009	2010
	(1000 tonnes)					
Ecuador	7.3	8.9	8.8	8.6	9.2	10.6
India	2.3	2.2	2.2	3.0	2.3	2.9
Argentina	0.9	1.2	3.6	1.9	2.0	2.8
Spain	1.9	1.7	2.8	1.7	2.5	2.3
Denmark	3.1	3.5	3.4	3.0	1.9	2.3
Netherlands	1.6	1.6	1.5	1.4	1.5	2.0
Thailand	0.2	0.4	0.4	0.7	1.0	1.2
France	1.3	1.4	1.0	1.0	0.9	1.1
Vietnam	1.1	1.2	0.8	0.9	0.6	1.0
Others	9.3	9.7	8.8	6.3	5.7	4.7
Total	**29.0**	**31.8**	**33.3**	**28.5**	**27.6**	**30.9**

Source: GLOBEFISH AN 010148

Imports
Shrimp: Spain

	...Jan-Jun...					
	2005	2006	2007	2008	2009	2010
	(1000 tonnes)					
China	9.8	12.3	13.4	13.1	10.6	10.1
Argentina	3.7	4.5	12.7	6.2	11.6	8.3
Ecuador	4.8	7.2	9.8	11.2	7.7	8.3
Thailand	0.0	0.3	0.2	0.9	1.0	4.3
Colombia	3.1	2.9	2.7	2.4	2.6	2.3
Morocco	4.0	2.9	3.3	3.8	2.9	2.2
Portugal	0.6	0.6	0.6	1.2	1.1	1.7
Belgium	1.4	1.2	1.6	1.8	1.9	1.7
Netherlands	1.9	2.0	2.3	1.4	1.7	1.4
France	1.2	0.8	1.9	1.0	0.8	1.3
Mozambique	0.7	1.6	1.4	1.5	1.2	1.2
Tuninisia	0.8	1.0	0.6	0.6	0.5	1.0
Cuba	1.1	1.7	2.1	1.4	1.6	1.0
Others	24.1	25.0	22.0	12.5	11.9	9.6
Total	**57.3**	**64.1**	**74.6**	**59.0**	**57.2**	**54.4**

Source: GLOBEFISH AN 010150

Imports
Shrimp: Germany

	...Jan-Dec...		...Jan-Jun...			
	2008	2009	2007	2008	2009	2010
	(1 000 tonnes)		(1 000 tonnes)			
Thailand	8.9	11.5	3.6	4.3	5.3	6.2
Viet Nam	5.7	9.8	2.0	3.3	3.6	3.8
Netherlands	5.7	4.2	3.4	2.2	2.0	3.4
India	6.4	5.5	3.4	2.8	3.3	2.7
Bangladesh	3.1	6.5	1.1	1.2	3.4	2.6
Belgium	2.6	3.5	1.2	1.1	1.2	2.1
UK	1.6	2.1		0.9	0.9	1.5
Denmark	2.6	2.3	0.6	1.4	1.3	1.3
Others	12.2	12.8	7.1	5.0	4.8	4.9
Total	**48.8**	**58.2**	**22.4**	**22.2**	**25.8**	**28.5**

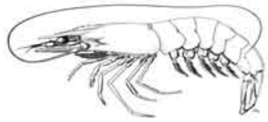
Source: GLOBEFISH AN 010146

Shrimp imports into France reached the highest level this year after 5 years of stagnation. During the first half of 2010, total shrimp imports were recorded at 52 229 tonnes worth EUR 263.6 million (USD 405.5 million), up 18.5% in quantity and 24.2% in value against the same period of 2009. Imports of all categories, chilled, frozen and processed/preserved products, grew by 31.7%, 19.1% and 11.1% respectively in volume. After declining trends in 2008 and 2009, shrimp imports into Italy bounced back and grew 12% in both quantity and value during the first half of 2010, amounting to 30 883 tonnes worth EUR 157 million (USD 212 million).

Imports
Shrimp: France

	...Jan-Jun...					
	2005	2006	2007	2008	2009	2010
	(1000 tonnes)					
Ecuador	3.5	4.3	7.1	10.2	7.9	12.3
India	2.6	3.5	3.8	4.3	5.5	5.9
Thailand	0.9	1.0	2.0	1.5	2.6	4.4
Madagascar	4.1	3.4	3.2	4.2	3.2	3.1
Colombia	1.2	1.4	1.6	2.6	2.7	3.0
Netherlands	3.8	3.1	2.8	2.7	3.0	2.7
Spain	-	-	-	-	1.3	2.6
Viet Nam	1.5	1.3	1.6	1.6	1.5	2.3
Bangladesh	0.6	0.5	0.5	1.7	1.5	2.3
Belgium	2.1	2.4	2.1	2.2	2.0	2.0
Venezuela	0.3	0.4	1.7	1.7	1.7	1.8
Indonesia	2.8	3.1	1.9	1.9	1.6	1.6
Brazil	10.9	9.3	7.5	3.7	3.0	1.5
Denmark	1.9	1.9	1.7	1.3	1.2	1.0
Others	8.2	7.5	7.9	6.5	5.4	5.7
Total	**44.4**	**43.1**	**45.4**	**46.1**	**44.1**	**52.2**

Source: GLOBEFISH



Imports

Shrimp: UK

	....Jan-Dec....		..............Jan-Jun..............			
	2008	2009	2007	2008	2009	2010
	(1 000 tonnes)		(1 000 tonnes)			
Shell-on Coldwater						
Denmark	2.2	2.2	1.0	1.2	1.1	0.8
Others	1.9	1.9	0.7	0.5	0.7	0.8
Total	4.1	4.1	1.7	1.7	1.8	1.6
Shell-on Warmwater						
India	7.6	7.6	4.5	3.6	3.1	3.1
Thailand	4.8	5.4	1.0	1.8	2.1	2.9
Bangladesh	4.6	6.1	2.5	2.2	2.4	2.3
Indonesia	5.9	4.2	2.9	3.1	2.3	2.0
Viet Nam	2.4	3.4	0.4	0.8	0.8	1.2
Ecuador	2.0	2.5	1.5	1.3	1.1	1.0
Honduras	1.7	1.6	0.4	0.4	0.4	0.4
Others	6.5	5.7	2.9	3.1	2.2	2.4
Total	35.5	36.5	16.1	16.3	14.4	15.3
Cooked & Peeled						
Iceland	13.4	12.3	5.2	5.3	4.2	5.0
Thailand	4.9	7.7	1.8	1.4	2.6	3.7
Denmark	6.3	6.7	3.1	2.9	3.2	3.3
Indonesia	2.8	3.3	1.3	1.2	1.4	1.4
Canada	2.6	3.5	1.0	0.6	1.3	1.3
Norway	3.2	2.5	1.1	1.1	1.0	1.0
Viet Nam	1.2	2.1	0.5	0.5	0.5	1.0
Others	6.2	6.2	5.2	6.2	5.0	2.5
Total	40.6	44.3	19.2	19.2	19.2	19.2
Gr. Total	**80.2**	**84.9**	**34.8**	**33.9**	**33.4**	**36.1**

Source: GLOBEFISH AN 010141

This year Thailand and Viet Nam also did well in Germany with their exports growing by 17% and 5.5% respectively against the corresponding period of last year. For the first semester of 2010 overall imports of shrimp into Germany were up by 10.5% against 2009. The UK shrimp market also showed signs of recovery this year with its imports slightly up by almost 2% in 2010. Thailand has become the major supplier exporting 6 600 tonnes, up 40.4% against the previous year with growing exports of cooked and peeled products. Imports from South Asian suppliers, India and Bangladesh were more or less stagnant this year.

Asian shrimp markets are strong

Asia is considered as the largest and fastest growing market for fish and fishery products, including shrimp. This adds another dimension to market dynamics in a region that is the main shrimp producer as well exporter. Demand in Asia for shrimp in particular is driven by the current rapid economic growth. With the signing of free trade agreements, regional trade for shrimp has also been able to grow rapidly in recent years.

Recently buyers from China have been sourcing aggresively for shrimp supplies overseas as demand for shrimp in China has been increasing while the domestic shrimp farming industry has been facing disease related problems lately. Up to July this year shrimp (HS03) imports into China totaled 29 271 tonnes valued at USD 115 million, up 25.5% in quantity and 41.1% in value on a year to year basis. Thailand, the largest shrimp supplier to China, exported 7 264 tonnes shrimp, up 163.6% overtaking Canada as the number one supplier. Exports from Malaysia also increased significantly this year by 57.8%. Hong Kong SAR also imported 13% more shrimp this year amounting to 18 267 tonnes valued at USD 112.8 million, up 22.6% during the same period. Viet Nam, one of the largest shrimp exporters in the region, is also becoming a new market destination for shrimp raw material for re-processing.

With the growing economic power in China, India, Indonesia and other Asian countries demand for luxury seafood products including shrimp is expected to grow faster than the growth in developed markets. With the Asian economy increasingly becoming more integrated, shrimp trade between the countries in the region will also increase to serve the growing domestic markets as well as to supply the large capacity of shrimp processing plants.

OUTLOOK

Increasing imports in September/October by the US and European markets are anticipating the festive seasons at the end of the year. Purchasing will slow in November.

The direction of consumer demand in Japan is still unclear in the absence of promotional campaigns by supermarkets for the coming season. Japanese importers will also have to compete with western and Chinese buyers. However, imports will continue to replenish domestic stocks for consumption at year-end celebrations.

Japanese traders also need to review the inventory situation for next year's Spring festival. Harvests in most of the producing countries will not improve before April/May 2011.

Reports from Indonesia and Viet Nam continue to indicate that the current raw material shortage will continue in the coming months but the recent stringent ruling on imports of fishery products into Viet Nam is creating difficulties for reprocessing plants. Harvests have improved in India. With the end of the shrimp farming season in Asia, no new crops are expected to come to market until March next year.

TUNA

Slow catches in the Indian Ocean but lack of buying interest lead to softening of prices

Poor fishing has reduced supply but lack of buying interest keeps prices low. As a result, less volume is landed than expected. Over time this should lead to some firming of prices as buyers are forced to come back on to the market to respect programmes. Canning sales were disappointing in 2009 but have recovered somewhat this year. Overall tuna supply to Japan including both production and imports, will be lower this year than in previous years, according to Japan's Fisheries Agency.

Prices of skipjack and yellowfin for canning are continuing to rise because of lower catches in the Eastern and Western Pacific. High water temperatures and the resulting thick warm water layers that skipjack schools try to avoid are making fishing less efficient. Catches in the western and eastern Pacific as well as the Eastern Tropical Pacific have been lower because of closures from July to September.

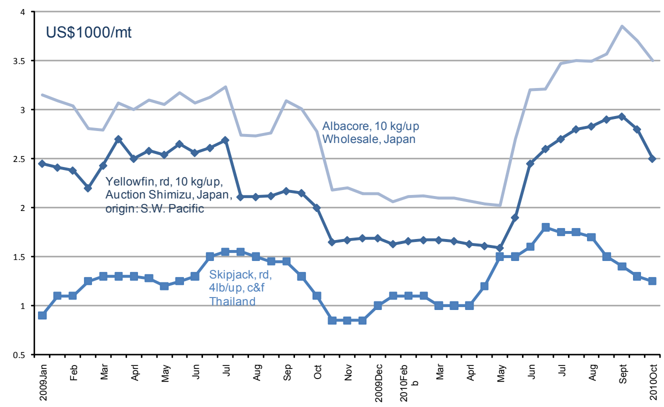
On the supply side, bluefin catches from the Atlantic waters and farmed production from Mexico will be lower this year. Atlantic bluefin fishing was stopped early by the EU Commission as the quota was filled a week prior to the closing date. The bluefin tuna spawning grounds off Mexico have been affected by the oil spill in the Gulf of Mexico and this will have negative impact on the Mexican tuna farming industry.

During the INFOFISH Global Tuna Trade Conference held from 13-15 September 2010 in Bangkok, Thai packers and major raw material suppliers negotiated skipjack prices at slightly lower levels. However, the price did not drop below USD 1 250/tonne, as supplies continue to be tight; some packers even bought at USD 1 300/tonne. Following Bangkok's lead, the price in Ecuador came down.

This year's canned tuna production in Spain and Italy is expected to be lower because of the shortage of canning material, particularly cooked loin imports from Asia and Latin America. However, French canneries have fared better as supplies from their traditional sources of Mauritius, Cote d' Ivoire and Madagascar have remained stable.

Poor fishing in the Eastern Pacific ocean contributed to declining cooked tuna supplies from Ecuador (-12.62%) and El Salvador (-54%) to the EU markets. Supplies from Thailand also fell by 31% compared with the same period last year, as well as from Viet Nam (-94%) and Indonesia. Canneries in these countries are struggling with low raw material supplies and rising tuna prices. Cooked tuna supplies from the Western Pacific producers in Papua New Guinea and Solomon Islands recovered considerably.

Prices
Frozen Tuna Raw Material



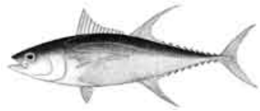
Source: INFOFISH Trade News

Overall imports of cooked tuna loins into the EU were 11% lower at 51 568 tonnes during the first five months of 2010 compared with the same period in 2009.

Japan moves to full cycle bluefin tuna farming

The Japanese government announced its strong support for full cycle farming of bluefin tuna in the country and reports indicate that there will be a budget allocation during 2011-2020 to develop bluefin farming in Japan. *Toyota Tsusho*, one of *Toyota*'s trading arms, will collaborate with *Kinki University* in tuna farming. The company will raise tuna fry supplied by the university. Last year 67 tuna farms, located in 12 prefectures in Japan, harvested 227 800 bluefin tuna. The total weight of these fish was about 10 000 tonnes, accounting for only 2% of the total tuna consumption in Japan. On average each fish weighed 35-40 kg. Nagasaki is the main tuna farming region in Japan where 38 farms are located.

The consumer market appears to be moving back to sashimi tuna, even though prices have risen. In the retail market, there is a growing demand for fresh red meat (*akami*) and fatty tuna (*toro*), compared with the cheaper



frozen red meat. Higher disposable income is allowing consumers to choose better quality food products.

There is also a growing preference for locally farmed bluefin, *Meji-maguro* (young tuna from the Japanese coastal waters), and bigeye tuna. Prices of this category of tuna products are showing some upward movement.

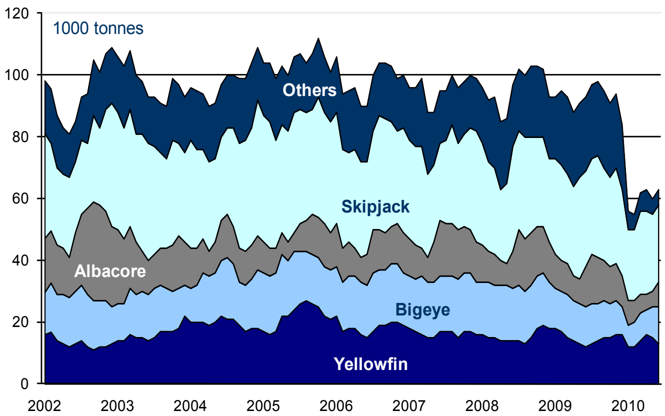
Landings

Tuna: Japan

	...Jan-Jun...					
	2005	2006	2007	2008	2009	2010
	(1 000 tonnes)					
Bluefin						
Fresh	2.0	1.8	1.8	1.9	0.6	0.6
Frozen	0.5	0.3	0.3	0.3	0.0	0.5
Albacore						
Fresh	12.5	4.1	4.1	23.9	26.6	20.8
Frozen	2.3	7.9	7.9	1.8	6.5	3.4
Bigeye						
Fresh	3.9	4.2	4.2	3.3	3.0	1.6
Frozen	11.0	9.5	9.5	11.0	9.1	8.1
Yellowfin						
Fresh	5.2	3.1	3.1	4.8	4.7	4.6
Frozen	13.2	4.8	4.8	4.7	3.2	2.5
Skipjack						
Fresh	28.9	27.6	27.6	20.4	20.7	19.6
Frozen	109.5	112.4	112.4	114.8	106.8	101.7
Total						
Fresh	52.4	40.8	40.8	64.4	58.6	47.3
Frozen	136.7	135.0	135.0	132.5	124.7	116.2
Grand Total	**189**	**209.6**	**175.7**	**196.9**	**183.3**	**163.5**

Coldstorage holdings

Tuna: Japan



Source: INFOFISH Trade News, GLOBEFISH AN 015000

Imports

The global tuna supply situation is also reflected in the half-yearly imports of air-flown tuna (fresh/chilled) into Japan this year. Imports were lower than the previous six years for all the species. However, June is also a slow month for raw fish consumption so prices were not affected by lack of supply.

Imports

Frozen tuna: Japan

	...Jan-Dec...			...Jan-Jun...		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Yellowfin	58.7	15.5	15.5	27.0	22.9	24.8
Bigeye	86.8	15.0	15.2	45.0	39.6	41.6
Skipjack	31.3	4.4	5.8	16.9	32.0	32.5
S. bluefin	8.4	1.2	3.4	0.0	1.0	1.2
Albacore	6.0	0.3	0.3	1.9	3.1	7.5
N. Bluefin	6.3	0.0	0.0	3.9	3.7	0.9
Total	**197.5**	**36.3**	**40.2**	**94.7**	**102.3**	**108.5**

Source: INFOFISH

Imports

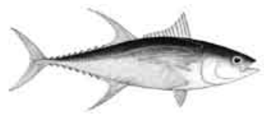
Fresh/chilled tuna: Japan

	...Jan-Dec...			...Jan-Jun...		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Yellowfin	16.9	15.5	15.5	8.0	8.3	7.9
Bigeye	14.5	15.0	15.2	7.5	7.8	5.8
Bluefin	5.1	4.4	5.8	1.9	2.8	2.2
S. bluefin	1.2	1.2	3.4	0.5	1.4	0.8
Albacore	0.3	0.3	0.3	0.1	0.1	0.0
Skipjack	0.1	0.0	0.0	0.0	0.0	0.0
Total	**38.1**	**36.3**	**40.2**	**18.0**	**20.4**	**16.7**

Source: National Statistics

Summer holiday sales were disappointing in Japan

Japan, the world's largest *sashimi* market, was affected by unusually hot weather during July and August, deterring Japanese consumers from eating raw tuna during this period, usually one of the best selling periods of the year. Sashimi tuna imports, fresh and frozen, have also been lower this year but with little or no rise in import or domestic prices.



Imports
Tuna pouches: USA

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Thailand	16.5	19.3	16.5	10.8	11.5	11.7
Ecuador	10.8	13.5	11	6.6	5.2	6.5
Others	3.8	5.9	3.6	2.6	2.8	4.0
Total	**31.1**	**38.7**	**31.1**	**20.0**	**19.5**	**22.2**

Source: NFMS: GLOBEFISH AN 11038

Imports
Canned tuna (excl. pouches): USA

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Thailand	66.1	64.7	78.8	32.8	36.7	56.0
Philippines	26.6	25.9	25.1	16.2	14.8	11.1
Indonesia	14.1	13.5	13.1	9.0	7.7	8.3
Ecuador	1.9	0.7	1.6	0.5	1.1	1.7
Others	25.3	27.8	23.4	16.2	12.8	16.3
Total	**134.0**	**132.6**	**142.0**	**74.7**	**73.1**	**93.4**

Source: NFMS: GLOBEFISH AN 11032

Imports
Fresh Tuna : USA

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Albacore	0.9	0.7	0.7	0.3	0.4	0.2
Yellowfin	18.0	15.9	14.2	8.7	7.6	8.1
Bigeye	5.6	5.5	5.5	3.0	2.7	2.5
Bluefin	1.1	0.4	0.4	0.2	0.2	0.2
Skipjack	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	0.2	0.0	0.2	0.1	0.2
Total	**25.7**	**22.7**	**20.8**	**12.4**	**11.0**	**11.2**

Source: ITN

Imports
Tuna loins: USA

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Thailand	7.8	14.9	10.1	8.0	4.7	13.2
Fiji	11.0	10.7	12.7	5.2	5.8	6.3
Trin & Tob	10.5	9.7	9.4	5.1	5.1	4.2
Ecuador	1.2	0.9	0.1	0.3	0.0	0.1
Others	13.3	9.0	16.4	4.8	5.7	9.6
Total	**43.8**	**45.2**	**48.7**	**23.4**	**21.3**	**33.5**

Source: NFMS: GLOBEFISH AN 11056

US non-canned tuna market improved

Surprisingly, the non-canned tuna market has been more positive this year. Compared with fresh products, frozen tuna loins and steaks have gained in popularity in retail and catering trade. The average import price of frozen tuna fillet has been stable at USD 8.50-8.70 /kg.

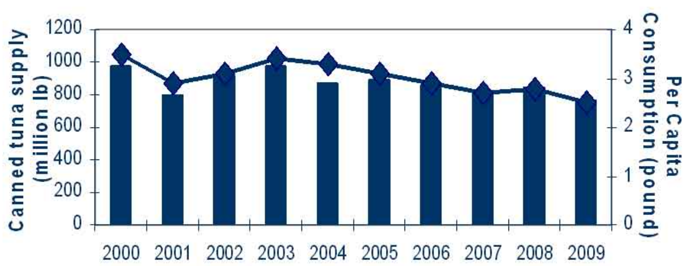
..... but canned tuna demand suffered

Usually, bad economic times mean more demand for canned tuna as consumers switch to cheaper products. However, this did not happen last year as the tuna raw material price remained high. According to the US National Marine Fisheries Services latest report, US canned tuna consumption declined from 2.8 lbs in 2008 to 2.5 lbs last year, down 10.7%. In addition to the economic recession and lower supply, the higher price of canned tuna in 2009 contributed to lower consumption. The consumer price index for canned seafood, including canned tuna, was 11.3% higher last year compared with 2008.

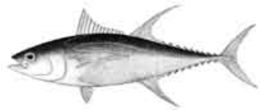
US canned tuna sales in the retail sector during the 12 month period ending 19 June 2010, sales consisted of 32.3 million cases worth USD 1.75 billion, more or less on par with the whole year of 2009. In value, canned tuna sales have been growing since 2004, but declined in volume, as the average price of canned tuna has increased during this period.

Imports of canned tuna by the US have been growing strongly and were up by 5.3% in 2009 and 24.9% in the first half of this year in terms of quantity. These imports were needed to fill the gap left by the declining supply from domestic production (US pack). The total canned tuna supply to the US dropped to 762.7 million lbs (344 000 tonnes) last year from 848 million lbs (382 000 tonnes) in the previous year. There was a significant drop (-22%) in domestic production (US pack) while imports increased by 5.3%. The share of domestic production in the total canned tuna supply has declined over the years from 68% in 2000 to 48% last year while at the time same imports

Canned tuna supply and per capita consuption: US



Source: Source: US NMFS



increased from 32% to 52%. With the closing of the cannery in the American Samoa, a similar trend is likely to be seen in the near future.

Imports
Canned Tuna: US

	January - June				% Change		Total	
	2010		2009		2009/2010		2009	
	Tonnes	USD 1 000	Tonnes	USD 1 000	Quantity	Value	Tonnes	USD 1 000
Canned tuna in oil								
- White meat (Albacore)	178	1 177	150	1 115	+18.7	+5.6	410	2 805
- Light meat	1 700	5 697	1 590	4 944	+6.9	+15.2	3 258	10 482
Canned tuna in brine								
- White meat (Albacore)	12 734	57 260	8 882	41 089	+43.4	+39.4	18 220	84 659
- Light meat	78 787	194 978	62 438	180 005	+26.2	+8.3	120 133	330 391
In pouch/flexible/pack.								
- White meat (Albacore)	2 635	14 781	2 288	12 718	+15.2	+16.2	4 456	23 966
- Light meat	19 530	77 176	17 249	85 399	+13.2	-7.5	34 045	160 704
Grand total	**115 564**	**351 068**	**92 596**	**319 496**	**+24.8**	**+9.9**	**18 523**	**613 007**

Source: US NMFS

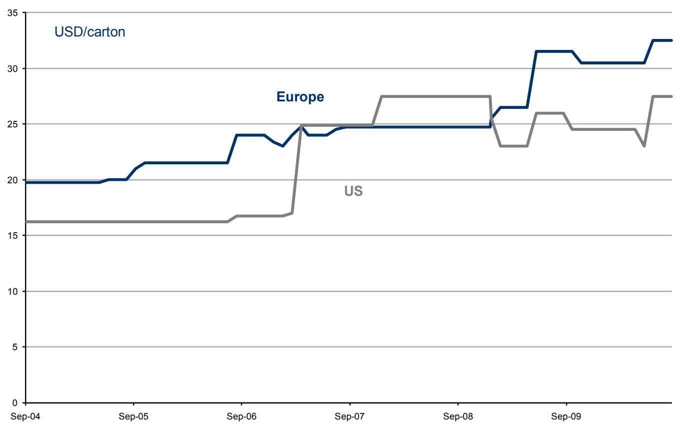
Trends in US imports

Thailand remains the largest canned tuna supplier to the US market supplying 58% of total imports. Imports from the Philippines, the second largest supplier however, were down by 17.9% to 13 898 tonnes. Other countries that recorded strong export growths in 2010 were Viet Nam (+63.7%), Ecuador (+32%) and Indonesia (+6.9%).

As the US economy is still struggling and the weakening dollar and high unemployment rates are contributing to market uncertainty, recovery in demand for canned tuna is only likely to occur in 2011. Tighter supply and higher prices are also contributing factors.

In the long term, however, the tuna industry is very optimistic about the growing demand for canned tuna. Health considerations and convenience are two important factors that will stimulate demand. US canned tuna packers have been aggressively promoting tuna as healthy food with high omega-3 fatty acids, nutritious, low in fat, calories and cholesterol, and a convenient as well as affordable product. The industry, through the National Fisheries Institute (NFI) is also pushing FDA and EPA to revise the 'outdated' guidance on seafood consumption for pregnant women and has received support from doctors and researchers.

C&F prices
Canned tuna*: USA, EUROPE



* 48x6.5 oz Europe, 48x6 oz USA, chunk, origin Thailand
Source: GLOBEFISH AN 11101, 11102

Set back in the EU canned tuna market

The impact of the economic crisis in the EU has been felt in the canned tuna market as well. Major companies supplying canned tuna saw opportunities to promote canned tuna as as convenient and affordable product. Cut-price promotions highlighting the advantages of canned tuna for households eating at home have had positive results.

During summer the canned tuna trade was fairly quiet and it seemed buyers had sufficient stock. Though the Euro moved up slightly against dollar, it did not have a significant impact as the market was overshadowed by low supplies and high prices. There has been a speculation in the market that towards the end of 2010 the raw material situation for skipjack may improve, and thus prices may decline further. There is also growing interest in eco-label certified canned tuna in European markets, but it seems that consumers may not be ready to pay premium prices for certified products.

Import trends

The economic crisis has affected canned tuna markets in Europe as reflected by declining imports this year. For the period of January-June 2010, imports of canned, prepared and preserved tuna into the EU decreased by 3.7% year on year amounting to 232 649 tonnes. Among the major suppliers, Ecuador, Mauritius and Papua New Guinea managed to increase their shipments to the EU by 7.8%, 29.7% and 64.5% respectively; while imports from major ASEAN suppliers, Thailand, the Philippines, Indonesia and Viet Nam declined by 10.4%, 26.0%, 18.3% and 24.6% respectively in quantity during the period under review. Other major suppliers that lost shares were the Seychelles (-11.65%) and Ivory Coast (-22.2%).

EU: Imports of Canned and Prepared/Preserved Tuna into the EU-27, 2008-2010 (in tonnes)

	Total		January – June	
Country	**2010**	**2009**	**2008**	**2009**
Ecuador	56 877	104 215	55 598	52 750
Thailand	38 811	70 650	33 072	43 330
Philippines	20 454	50 841	25 601	27 642
Mauritius	22 558	44 664	22 208	17 396
Seychelles	17 951	41 703	22 161	20 305
Cote d Ivoire	14 042	31 764	20 222	18 055
Ghana	14 486	27 550	13 874	13 381
Papua New Guinea	9 309	16 207	1 301	5 660
Colombia	6 126	13 958	10 729	6 487
China	4 993	4 862	1 764	3 999
El Salvador	5 514	15 333	7 383	10 111
Indonesia	4 270	11 034	4 655	5 226
Vietnam	2 983	7 354	3 943	3 956
Madagascar	3 044	7 334	4 213	4 728
Guatemala	4 459	5 852	1 116	2 714
Solomon Islands	1 750	2 194	1 069	276
Peru	1 359	1 184	293	598
Total (incl. others)	**232 649**	**465 730**	**237 747**	**241 496**

Source: Euro Stat

During the first half of 2010 imports of canned tuna into the major EU importing countries also experienced negative trends, apart from the UK market. Up to June this year canned tuna imports into the UK were about 61 600 tonnes, up 12.2% year on year. Mauritius and Ghana managed to increase significantly their exports by 70.75 and 36.5%, while exports from the Seychelles and Thailand dropped by 15.8% and 23.7% respectively in quantity this year.

However imports of canned tuna into France, Italy and Germany were lower during the reporting period. After strong growth last year, canned tuna imports into France suffered a setback this year with imports declining from 56 500 tonnes during the first half of 2009 to 50 400 tonnes this year. Imports from Spain, the largest supplier, increased by 16%, but shipments from Ivory Coast, Madagascar and the Seychelles were down 14.5%, 64.7% and 1.5% respectively in 2010.

Canned tuna imports into Italy have been more or less stagnant for the past few years and this year is no exception. During January-June 2010, canned imports dropped marginally by 5.9% to 41 700 tonnes from 44 300 tonnes last year. Spain, as the main supplier, managed to increase exports significantly by 32.3%, while imports from Ivory Coast dropped by 46.3% this year.

Though Germany is considered to be a price sensitive market for canned tuna, but it was less affected this year compared with other markets with the imports only slightly down by 1.2%, from 32 200 tonnes last year to 31 800 this year. Lower supplies from major suppliers, the Philippines (-23.8%) and Ecuador (-32.4%), were offset by increased shipments from Thailand (+14.3%), PNG (+180%) and the Seychelles (+216.7%) this year.

Canned Tuna Imports into Selected Major EU Markets

	January - December			January - June			%
Market	**2007**	**2008**	**2009**	**2008**	**2009**	**2010**	
	(1 000 tonnes)			(1 000 tonnes)			
UK	130.5	144.0	116.1	64.0	54.9	61.6	+12.2
Italy	76.9	83.8	83.4	44.7	44.3	41.7	-5.9
France	106.3	83.7	101.5	54.7	56.5	50.4	-10.8
Germany	85.1	80.6	67.5	37.4	32.2	31.8	-1.2

Source: FAO-Globefish

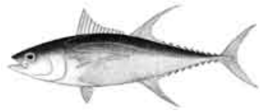
With the European economy expected to recover by 2011 demand for canned tuna is also expected to pick up next year.

Thailand gets more share in the global canned tuna industry

The Thai tuna industry continued to expand in the global canned tuna market. It has managed to maintain a strong hold in the US and Middle Eastern markets and has successfully penetrated the emerging markets in African and Latin American countries. With the acquisition of *MW Brands* by the *Thai Union Frozen Product* (TUF) group, the market scenario especially in Europe may change in the near future.

In July this year the world's largest producer of canned tuna TUF PCL agreed to buy *MW Brands* from *Trilantic Capital* for EUR 680 million (USD 883 million). This acquisition was approved by the TUF stakeholders in the following month. *Thai Union* said the acquisition would provide an entry into Europe's canned seafood market, the largest in the world by sales and would reduce its reliance on the US market.

The acquisition will improve market access for the Thai canned tuna industry, which has been affected by



Exports

Canned tuna: Thailand

	...........Jan-Dec...........			...........Jan-Jun...........		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
USA	87.7	94.9	112.7	43.7	48.1	59.8
Egypt	25.1	34.6	39.8	21.7	14.1	25.4
Australia	33.3	39.7	32.4	18.7	15.3	20.6
Libya	28.8	33.8	33.7	18.1	15.5	11.1
Canada	26.4	28.1	30.8	14.8	16.3	14.4
Japan	25.7	28.3	24.3	12.8	12.9	11.8
Saudi Arabia	21.2	19.6	17.0	10.5	7.1	4.9
UK	13.4	15.8	17.0	8.2	9.7	6.2
Germany	11.7	6.4	3.6	3.3	1.7	2.9
South Africa	9.8	8.4	9.8	5.0	5.6	4.9
Others	184.5	196.5	164.3	90.0	85.8	112.7
Total	**467.6**	**506.1**	**485.4**	**248.9**	**232.1**	**274.7**

Source: GLOBEFISH AN 10080

the high EU import duty. Last year Thai exports of tuna products to the EU declined by 2% while exports to the US, Canada and Middle East markets increased by 28%, 9% and 7% respectively in quantity over the previous year.

Thai exports trend

Strong demand from major markets coupled with aggressive expansion to emerging markets has resulted in significantly higher Thai canned tuna exports this year. During the first half of 2010, the country's canned tuna exports increased significantly by 18.7% against the same period of 2009, amounting to 266 673 tonnes. In value, however, exports were only up by 4.4% to THB 26.1 billion (USD 816 million). There were sharp increases in sales to some major markets such as the USA, Germany, Australia, Egypt, Argentina and the Netherlands, by 25.6%, 38.5%, 79.0%, 76.5% and 120.7% respectively in quantity. Exports to the emerging markets China, Chile and Poland also showed significant growth this year. However, exports into some traditional markets such as to the UK, Japan, Syria and Saudi Arabia declined.

As the main player in the global tuna industry, the Thai canned tuna industry also faces some challenges, including sustainability related issues in particular measures to eliminate IUU fishing, the fluctuation of raw material prices that cannot be easily adjusted and a variety of trade barriers. To have better market access, the Thai canned tuna industry has been pushing the government to sign a bilateral free trade agreement with the EU as negotiation through the ASEAN bloc is rather slow.

Japanese canned tuna market remains steady

During the first half of this year, canned tuna imports into Japan increased marginally by 2.5% in quantity year on year, amounting to 20 390 tonnes. In value terms, however, imports declined by 6.8% to JPY 1.98 billion (USD 23 million). Imports of canned skipjack/bonito and yellowfin were up 18.9% and 7.3% in volume respectively, but imports of prepared/preserved tuna under the 'others' category declined sharply by 25.8% during the period under review. Thailand, Indonesia and the Philippines supplied the bulk of imports taking around a 95% share of total imports. Indonesia and the Philippines increased their exports significantly by 16.6% and 47.2% respectively, but imports from Thailand declined by 6.2% in quantity during the first half of the year.

Imports of Canned, Prepared, Preserved, Tuna, Skipjack and Bonito

Japan

	Annual				January - June			
	2008		2009		2010		2009	
	Tonnes	JPY Million	Tonnes	JPY Million	Tonnes	JPY Million	Tonnes	JPY Million
Canned yellowfin tuna (HS. 160414092)								
- Thailand	16 234	8 781	15 025	6 718	6 846	2 825	7 158	3 272
- Philippines	3 231	1 551	3 503	1 360	2 100	756	1 503	622
- Indonesia	4 130	2 334	4 104	2 004	2 344	1 124	1 793	915
- Vietnam	510	202	372	144	120	39	155	63
Sub total (incl. others)	**24 165**	**12 920**	**23 082**	**10 280**	**11 436**	**4 763**	**10 657**	**4 907**
Canned skipjack/bonito (HS. 160414010)								
- Philippines	498	221	287	128	114	40	203	94
- Indonesia	3 109	1 963	3 432	1 736	1 488	680	1 448	736
- Thailand	6 098	3 288	7 982	356	4 309	1 739	3 312	1 511
Sub total (incl. others)	**9 713**	**5 476**	**11 796**	**5 448**	**5 953**	**2 479**	**5 007**	**2 363**
Others (HS. 160414099)								
- Thailand	5 676	3 118	5 416	2 149	1 582	562	3 113	1 246
- Philippines	865	472	1 097	436	764	313	317	113
- Indonesia	552	340	427	189	281	101	286	123
- Vietnam	2 511	1 347	1 887	883	736	323	877	416
Sub total (incl. others)	**9 868**	**5 437**	**9080**	**3 808**	**3 506**	**1 377**	**4 726**	**1 976**
Grand total	**43 746**	**23 833**	**43 958**	**19 536**	**20 895**	**8 619**	**20 390**	**9 246**

GROUNDFISH

Mixed picture in groundfish markets: hake remains tight whereas good Alaska pollock supply prospects will ease prices

The situation with groundfish species currently presents a mixed picture. Some markets are stable, among them, the EU Alaska pollock market. Others, such as the EU cod market, are showing an increase in prices. The surimi market is also showing signs of growing. Supplies of hake from Argentina remain tight. Alaska pollock is stable at present but should see growing quantities next year.

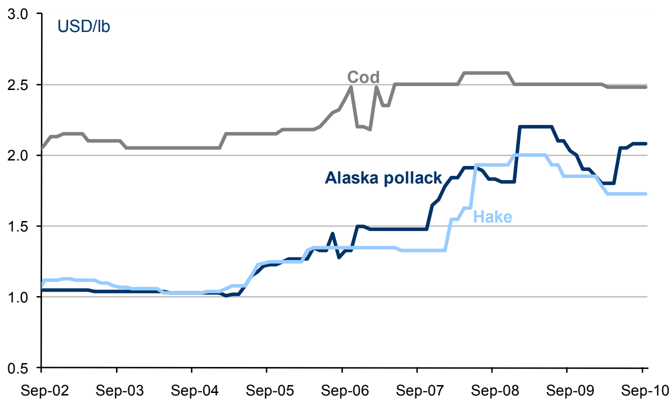
SURIMI

Surimi sales in France in the readymeal market have increased by 13% in the first 6 months of 2010, reaching EUR 251 million. This positive trend indicates that consumers have renewed their interest in this product. During the financial crisis when consumers were more cost-aware non-essential products, such as surimi, declined in popularity. Surimi, with a fish content of 38-40% is a particular favourite with families as it is an easy way of encouraging children to eat fish. As far as the European surimi market is concerned, the strong Euro is pushing prices of raw material downwards.

ALASKA POLLOCK

Prices in the European Alaska pollock market are stable, both for whole fish and fillets. The B-season fishing in the US went well and a quota increase is forecast for next year. American scientists are proposing to increase the quota of Alaska pollock but have not yet fixed any exact quantities. The forecast lies between 900 000 tonnes and 1.1 million tonnes. Discussion on the proposed quota will take place during the upcoming Groundfish

C&F prices
Groundfish blocks: USA



Source: GLOBEFISH AN 010805, 010806, 010834

Imports
Frozen Alaska pollock fillets: Germany

	..........Jan-Dec..........			..........Jan-Jun..........		
	2007	**2008**	**2009**	**2008**	**2009**	**2010**
		(1 000 tonnes)				
China	78.5	89.7	85.9	43.3	45.3	43.3
USA	55.2	53.4	30.0	29.4	13.5	29.4
Russian.F.	25.4	28.9	25.9	16.7	13.2	16.7
Others	5.3	4.9	6.4	1.9	2.9	1.9
Total	**164.4**	**176.8**	**148.2**	**91.3**	**75.0**	**91.3**

Source: Statistisches Bundesamt

Imports
Frozen Alaska pollock fillets: France

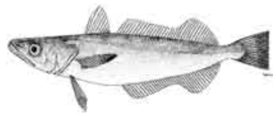
	..........Jan-Dec..........			..........Jan-Jun..........		
	2007	**2008**	**2009**	**2008**	**2009**	**2010**
		(1 000 tonnes)				
China	18.6	21.7	22.2	11.5	12.9	9.8
Russian Fed.	4.0	7.1	5.8	4.2	3.4	2.4
USA	10.3	7.9	6.0	4.6	3.1	2.5
Germany	4.4	4.2	2.7	2.3	1.2	1.9
Others	0.7	0.6	1.0	0.1	0.1	0.1
Total	**38.0**	**41.5**	**37.7**	**22.7**	**21.1**	**17.3**

Source: National Trade Statistics

Imports
Frozen cod fillets: Germany

	..........Jan-Dec..........			..........Jan-Jun..........		
	2007	**2008**	**2009**	**2008**	**2009**	**2010**
		(1 000 tonnes)				
China	12.2	12.1	4.6	6.7	4.3	6.7
Poland	3.8	2.2	2.3	1.5	1.0	1.5
Denmark	1.5	1.8	1.3	1.1	0.8	1.1
Russia	1.1	1.1	0.5	0.7	0.4	0.7
Iceland	0.3	0.2	1.0	0.2	0.3	0.2
Norway	0.6	0.2	0.3	0.1	0.1	0.1
Others	2.7	2.1	1.5	0.8	0.8	0.8
Total	**22.2**	**19.7**	**11.4**	**11.1**	**7.7**	**11.1**

Source: Statistisches Bundesamt



Forum and will certainly have an important impact on the outlook for 2011.

COD

US cod consumption has fallen by 59% between 1997 and 2009, from 0.5 kg/pc to 0.2 kg/pc. Strong demand in the UK and in southern Europe has boosted demand also thanks to the strong Euro. Cod was the eighth most consumed seafood species in the US last year, followed by clams and pangasius. In the EU, cod prices increased slightly as a result of the new regulations on EU catch certificates reducing import availability at the beginning of this year.

HAKE

Lower catches by Argentina

Argentinean catches of hake in the first semester of 2010 were 16% lower than in the same period in 2009, totaling 167 807 tonnes. Although all species showed declines, the most significant drop both in total landings and in relative terms, was shown by hoki (from 61 133 tonnes in 2009 to 44 750 tonnes in 2010, -27%). Landings of hubbsi hake between January and June totaled 121 634 tonnes (-11,6%). Considering accumulated landings up to August, the drop is steeper for hoki (-33%), while landings of hubbsi registered a 7.6% reduction, totaling

Imports
Frozen hake fillets: Germany

	..........Jan-Dec..........			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
USA	6.1	6.3	7.2	2.5	2.4	3.0
Argentina	6.1	3.5	5.1	1.7	1.9	1.9
Peru	4.1	3.7	4.2	2.2	1.6	2.4
Chile	1.0	1.5	0.8	0.6	0.3	1.0
Russian Fed.	0.0	0.0	0.0	0.0	0.0	0.0
Others	4.5	5.6	6.4	2.5	3.1	3.1
Total	**21.8**	**20.6**	**23.7**	**9.5**	**9.3**	**11.4**

Source: Statistisches Bundesamt

51 288 tonnes and 167 869 tonnes respectively. Recently, the Federal Fishing Council set the Total Allowed Catch (TAC) of hoki for 2010 at 150 000 tonnes, although the recommendation from the National Fisheries Research and Development Institute was for a lower TAC. The Argentinean and Uruguayan Sea Front Joint Technical Commission have established a fishing ban for the Common Fishing Zone between 1 October and 31 December. Catches in this area have been lower as a result of the fragile state of the resource as well as a strike that kept the Uruguayan fishing fleet out of operation for almost three months.

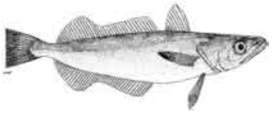
Imports fell slightly in the first semester

Exports of hake between January and June totaled 79 514 tonnes worth USD 178 million. Compared with the same period in 2009, foreign trade fell 4% in terms of volume and 3% in terms of value, with a subsequent increase of 1% in unit value. However, export performance differed for individual species in the period reviewed. Exports of hubbsi grew 5% both in quantity and value, reaching 69 304 tonnes and USD 156.6 million, and accounting for 87% and 88% of total exports in terms of volume and value respectively. Sales of hoki, on the contrary, fell 40% in quantity and 36% in value, to 9 540 tonnes and USD 19.2 million, and added to a drop in exports of Southern hake (although this species has a marginal share in trade), it drove down export figures in the first half of 2010. Frozen fillets are a more important export product, representing 57% and 68% of traded volume and value. Trade in this category fell 3% in quantity as a result of a 26% drop in hoki sales. Brazil was the destination for 45% of trade in the period reviewed. Unit value of frozen fillets grew 3% in comparison with the first semester of 2009. Uruguay purchased 92% of fresh whole hake exports, mainly for further processing and re-export. Exports of whole frozen fish fell by 11% in volume, as positive growth in sales of hubbsi could not compensate for the 52% drop in exports of hoki.

Imports
Cod-like groundfish: USA

	..........Jan-Dec..........			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Fillets						
China	74.5	71.0	74.8	35.1	38.2	34.4
Iceland	11.1	6.6	6.5	4.3	5.1	5.0
Canada	5.5	2.3	2.4	1.9	2.3	2.6
Norway	0.2	0.8	0.8	0.4	0.6	0.4
Others	6.4	5.9	4.7	3.4	3.2	7.8
Total	**97.7**	**86.6**	**89.2**	**45.1**	**49.4**	**50.2**
Blocks/Slabs						
China	41.7	35.2	38.9	17.8	21.4	18.1
Russian Fed.	0.8	1.3	2.9	0.3	1.8	0.8
Iceland	0.8	0.9	1	0.2	0.7	0.3
Argentina	2.0	2.3	1.4	1.5	0.5	0.3
Canada	2.1	0.7	0.5	0.3	0.3	0.1
Norway	0.1	0.2	0.6	0.0	0.1	0.4
Others	1.7	1.4	1.4	0.8	0.9	1.0
Total	**49.2**	**42.0**	**46.7**	**20.9**	**25.7**	**21.0**
Gr. Total	**146.9**	**128.6**	**135.9**	**66.0**	**75.1**	**71.2**

Source: NMFS



It is worth noting that in the first semester of 2010 Latin America was the main importer of Argentinean hake with 35% and 39% of total volume and value in 2010, against 28.6% and 30% in 2009. Driven by the increase in trade with Brazil and Uruguay, exports to Latin American countries grew by 19% in quantity and 27% in volume, totaling 28 170 tonnes worth USD 69.5 million. The EU market is the second biggest importer in the period reviewed, with 26 114 tonnes worth USD 63.2 million (33% and 35.5% of total trade respectively, and -10% and -12.6% in comparison with the same period in 2009). Sales to the US fell 46% in terms of volume.

Supply to remain tight

Supplies of hake from Argentina should not be expected to increase much, given the fragile state of the resource. Availability of hubbsi, although lower, is still at similar levels to those in 2009. Figures for hoki landings indicate that supply will certainly be considerably lower this year. The effect that this will have on prices will depend on demand from international markets and final availability of products. Lower catches, and higher export volumes indicate that supply for the domestic market could be lower, which might be reflected in an increase in the wholesale price index, which the Agriculture Ministry reported had fallen in May and June, but recovered in July and August by 8% and 2% respectively.

OTHER GROUNDFISH SPECIES

HADDOCK

As far as haddock is concerned, prices are stable and the B-season fishing in the US went well. There is a quota increase forecast for next year.

SAITHE

There is strong demand for saithe in the EU and prices are increasing.

At the beginning of the year, pollock, cod and haddock caught by Russian vessels (in the far East and Barents Sea) were not allowed to be imported by the EU as Russia had not notified the European Commission as to which authority would issue the required catch certificates. Also, no back-dating of certificates was possible even if Russia subsequently provided them. European buyers appealed for leeway on this issue before serious impacts on trade were felt, but fortunately Russia was able to supply the list of competent authorities by mid-February. In particular, in Germany, 25% of the 700 000 tonnes of fish consumed every year is pollock, 50% of which is of Russian origin.

As of 1 August this year, Russian fish produce entering the European Common Market will have to have a new 'health passport'. This will include pollock, Pacific Russia's principal fish export to Europe. The new health safety document takes the place of an existing one, which will no longer be valid.

OUTLOOK

The outlook for groundfish markets is relatively positive in the short term also thanks to supply limitations for tilapia and pangasius. A quota increase is expected for Alaska pollock and haddock for next year.

Supplies of hake from Argentina remain tight and with price increases expected.

Following the slow recovery in the European economy, demand should firm up for groundfish products, including value added products such as surimi.

NAMIBIAN HAKE REPORT

Nambian hake landings

Namibian landings of hake declined in the first quarter of 2010 to 57 948 tonnes, compared with 77 801 during the same period in 2009. For 2009 as a whole, Namibian landings of hake totalled 137 312 tonnes, an 8% increase compared with 2008.

Management measures to hake sector

In general, landings of Namibian hake decreased between 2005 and 2008, and then picked up slightly from 2009. Signs of the hake fishery recovery were noted from 2008; hence the TAC and quota allocation increased slightly to 135 500 tonnes in 2009 and to 145 000 tonnes in the 2010 fishing season. However, actual catches have generally declined in 2010 mainly as a result of external economic weaknesses.

Hake exports

The main destination of Namibian hake products is the EU, in particular Spain. Traditionally Spain accounts for 70% of Namibian hake exports. These are sold mainly in whole frozen form.

During 2009, Namibian exports of hake products fell by 46% to 34 000 tonnes from 63 000 tonnes in 2008. During the first quarter of 2010, hake exports (4 750 tonnes) were valued at about USD 14 4 million and in the second quarter of 2010 4 500 tonnes were exported valued at about USD 11.2 million. According to industry speculators, the future outlook for the sector still looks bleak because of the global economic recession coupled with the strengthening of the Namibian dollar (equivalent to South African Rand) against major currencies.

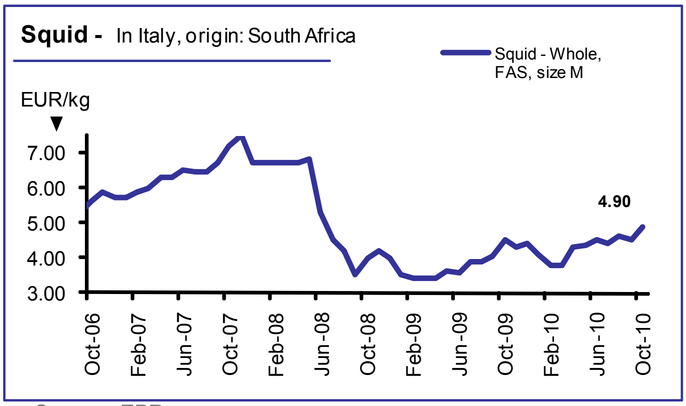
CEPHALOPODS

Market concern over falling cephalopod supplies pushes prices higher

International markets for cephalopods are heavily influenced by disappointing catch levels of squid in the South West Atlantic. This is the second weak season in a row and there is concern about whether the biomass has been permanently reduced or whether the low catch levels are a cyclical phenomenon. With demand for squid showing some upward movement this year, prices are rising quickly. The situation for octopus is not much better. Morocco's current two-month fishing ban is limiting supply with rising octopus prices as a result.

OUTLOOK

The outlook for cephalopods is not bright with a sharp reduction in production over the last decade. It is true that catches of the various species historically have shown some cyclical variation but most observers fear that the major cause is inadequate management measures in the main fishing areas. The situation is aggravated by unclear borders in some of the richest fishing areas and lack of co-operation between the bordering states. Prospects are quite uncertain therefore, with prices expected to rise further.



Source: EPR

SQUID MARKETS

Spain: a small increase in demand from a disastrous 2009

The leading market for squid showed an 8% rebound in 2010 compared with 2009. Last year however was difficult for Spain with squid imports down 25% from 2008.

Growth in Italian market

Italy's squid imports grew again this year, up 15% from last year, which was a challenging one. Import levels are in fact now at the same level as in 2008. As can be expected, imports from Argentina were down again, whereas Spain and Thailand remain Italy's principal suppliers.

Imports

Squid: Spain

	............Jan-Dec...........			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Falkland/Malv.	40.3	45.6	34.2	19.4	16.2	20.9
Argentina	61.3	54.4	28.1	26.5	15.4	0.0
India	12.8	15.5	15.1	6.6	6.2	10.9
China	6.4	6.7	14.1	3.6	3.6	5.3
Morocco	1.4	3.3	4.0	1.5	2.0	3.1
South Africa	3.5	4.5	3.7	2.4	2.0	2.9
Peru	4.5	1.2	3.0	0.6	1.4	6.7
Korea Rep.	2.0	2.9	1.0	1.3	0.7	0.0
USA	1.7	2.2	1.5	1.8	0.3	1.4
New Zealand	0.1	0.1	0.1	0.0	0.0	0.1
Others	11.8	14.0	8.9	8.6	4.7	5.4
Total	**145.8**	**150.4**	**113.7**	**72.3**	**52.5**	**56.7**

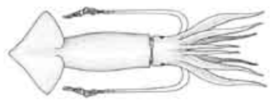
Source: GLOBEFISH AN 10450

Imports

Squid: Italy

	............Jan-Dec...........			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Spain	25.2	22.1	27.4	12.6	14.9	15.7
Thailand	22.8	23.4	22.3	12.4	11.0	11.6
Argentina	10.7	10.0	4.7	5.9	2.4	2.1
S. Africa	3.7	3.7	4.8	0.4	2.3	2.9
India	2.9	3.5	4.2	1.4	2.0	4.3
Peru	3.4	0.9	2.5	1.5	2.0	1.2
New Zealand	0.1	0.1	0.0	0.0	0.0	0.0
Others	32.8	23.2	20.4	12.3	8.0	11.0
Total	**101.6**	**86.9**	**86.3**	**46.5**	**42.6**	**48.8**

Source: GLOBEFISH AN 10455



Other markets: mixed

Japan's squid imports in the first half of the year also declined from last year, down 15% in volume on 2009's figures. Conversely, US import volumes are on an upward trend this year, up 8%.

Imports
Squid: Japan

	............Jan-Dec...........			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
China	30.2	26.1	23.7	11.9	11.1	12.3
Peru	7.8	12.8	10.4	5.2	6.8	1.2
Thailand	8.1	7.1	6.8	3.2	3.1	4.2
Viet Nam	6.8	5.5	5.5	2.4	2.7	2.7
Argentina	10.4	6.3	3.0	2.0	2.2	0.3
USA	5.4	3.9	4.0	3.8	1.6	2.0
New Zealand	3.3	0.9	1.4	0.5	1.3	0.4
India	1.0	1.2	1.3	0.5	0.5	0.8
Korea Rep.	0.9	0.8	0.4	0.0	0.3	0.3
Morocco	0.2	0.2	0.4	0.0	0.3	0.4
Taiwan PC	0.4	0.2	0.0	0.0	0.0	0.2
Others	2.6	2.8	2.2	1.3	0.8	1.1
Total	**77.1**	**67.8**	**59.1**	**30.8**	**30.7**	**25.9**

Source: GLOBEFISH AN 10437, *) included under others

Imports
Squid: USA

	............Jan-Dec...........			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
China	28.8	27.7	26.1	12.4	11.9	15.4
Rep. Korea	3.1	5.4	5.9	2.1	3.9	3.5
Taiwan PC	5.9	5.4	6.9	2.8	3.4	2.7
Thailand	7.2	8.2	4.7	4.7	2.7	2.3
India	4.5	6.9	3.8	2.8	1.9	2.5
Peru	0.1	2.0	3.2	0.9	1.6	1.6
New Zealand	2.5	1.0	1.0	0.6	0.6	0.8
Others	10.3	8.5	4.5	2.9	2.6	2.2
Total	**62.4**	**65.1**	**56.1**	**29.2**	**28.6**	**31.0**

Source: GLOBEFISH AN 10459

SQUID SUPPLY

Argentine statistics released by the Subsecretaría de Pesca y Acuicultura show squid landings in national harbours in the period January - August 2010 of 43 600 tonnes, a decrease of 34% from the same period in 2009. This signifies another weak year for Illex with low catches reported in the entire South West Atlantic. Although the situation has improved somewhat in September with catches above those of September last year, Argentine landings are still 2% below those of a very weak 2009. In fact, the current year's landings by Argentina are only 25% of 2008 landings.

Exports
Argentina: Squid

	.........Jan-Dec.........			..........Jan-June.........		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Spain	58.4	61.2	20.3	26.1	15.3	6.9
China	37.6	66.8	10.8	16.9	9.6	4.6
Italy	11.5	9.3	3.8	5.0	3.1	2.3
Japan	10.7	6.2	2.8	3.6	2.4	0.4
Brazil	2.3	2.4	2.7	0.9	2.0	1.3
Korea, Rep	4.4	4.0	2.1	1.6	1.7	NA
Others	24.3	25.5	7.9	13.1	6.6	12.6
Total	**149.2**	**175.3**	**50.4**	**67.2**	**40.7**	**28.1**

Source: Redes

Argentina: Landings of Illex Squid, in tonnes

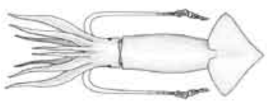
	2008	2009	2010	Change 09-10
January-June	219 859.7	58 344.0	30 093.1	-48.4%
January-September	254 200.4	66 538.7	65 136.1	-2.0%
Annual	**255 530.9**	**71 414.1**		

Source: INFOPESCA

In the first half of 2010, Argentina exported 21 800 tonnes valued at USD 37 million, a drop in volume of 47% and 9% in value. Compared with 2008 however, export volumes are down 45 %. As a result of the low catches, it came as no surprise that average prices were up 70%. Spain, which traditionally is Argentina's main market for squid, saw volumes fall 55% from 2009.

Reduction in catches hurts Taiwanese fishery sector

According to the China Post, catches by Taiwanese vessels were only 30 000 tonnes during this year's fishing season ending in June, not even half of the 68 700 tonnes caught in 2009. And this was after a disastrous 2009 when landings dropped 71% from the previous year. The main reason for the fall is that Taiwanese boats have been unable to secure adequate squid catches in the south-west Atlantic Ocean near the Falkland Islands/Malvinas and Argentina - the world's main squid fishery.



Reports are unclear as to whether or not the plunge is a cyclical change or is a warning sign that marine resources are drying up. Chiu Tai-sheng, professor at the National Taiwan University's Institute of Zoology, said historical data on squid catches in the south-west Atlantic show a production cycle of five to six years.

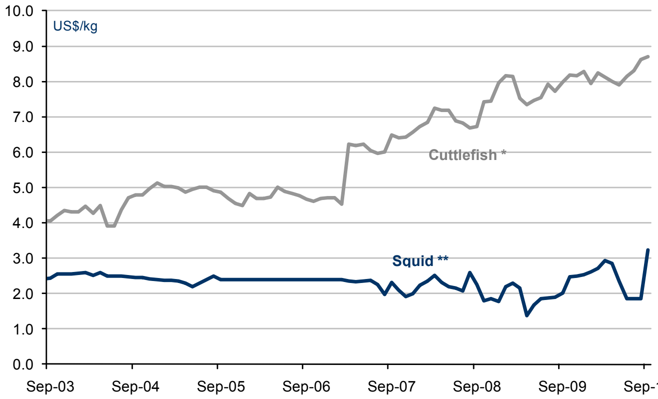
However, Professor Chiu said that compared with the average catch of 150 000-160 000 tonnes a year in the past, which accounts for one-third of the world's production, fishermen may have overfished by catching nearly 300 000 tonnes of squid in 2007 and 240 000 tonnes in 2008. Professor Chiu said further that climate change may also have contributed to the declining returns.

South Africa: moderate squid catches and rising prices

In the South East Atlantic, catches have remained moderate. Lack of squid supplies from other sources has resulted sharp price increases also in Southern Africa. With low levels of stock in the distribution pipeline, the market has reacted quickly to the growing shortages.

The local fishery will have a closed season from 19 October to 23 November. This is a further encouragement to rising prices.

Wholesale prices
Cuttlefish, squid: Japan



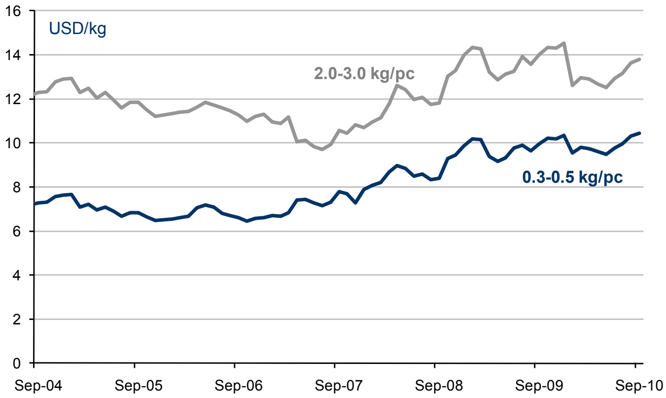
** whole 10 kg/block, 0.4-0.6 kg/pc;*
*** whole 7.5 kg/block, 21-25 pc/kg;*
Source: INFOFISH Trade News, GLOBEFISH AN 10501, 09

OCTOPUS

Morocco's fishing ban pushes prices higher

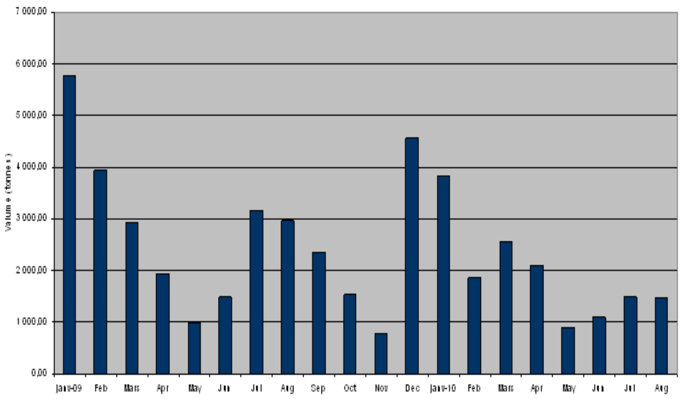
With a total octopus production of 32 350 tonnes in 2009, Morocco's subsequent reduction of catch quota explains the low levels reached during the current year. From January to September 2010, total production dropped 38% to 15 700 tonnes from 25 500 tonnes last year during the same period. As a result, the Moroccan authorities have announced a two month fishing ban from 1 October 2010 in the southern part of Morocco that represents more than two thirds of total Moroccan octopus catches.

Wholesale prices
Octopus: Japan



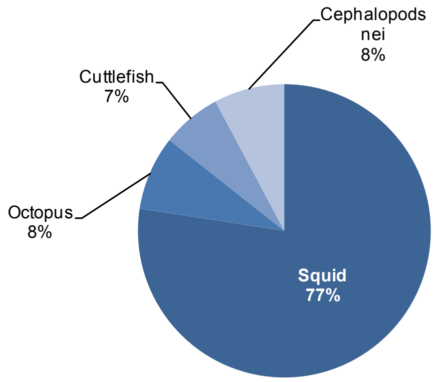
Source: INFOFISH Trade News, GLOBEFISH AN 10507

Production
Octopus: Morocco

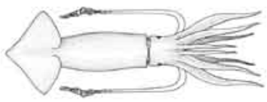


Source: Office des Changes, August 2010

Cephalopods production by species



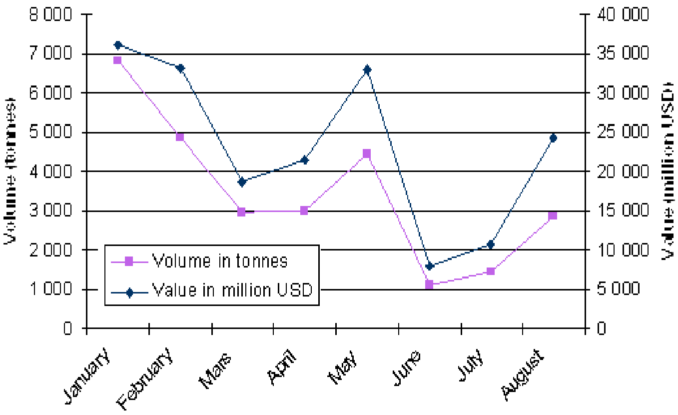
Source: FAO 2008



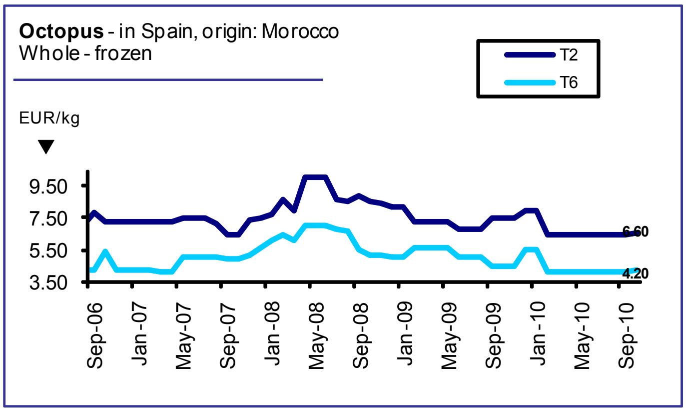
Exports down in line with quota reductions

Frozen Moroccan octopus exports totalled 27 500 tonnes for the two quarters of 2010 valued at USD 185 Million. This is in line with the catch quota reduction. Exports are expected to slow down in the final quarter of 2010 causing a further rise in prices.

Production
Octopus: Morocco



Source: Office des Changes, August 2010



Source: EPR

Imports
Octopus: Japan

	............Jan-Dec...........			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Mauritania	14.0	12.6	26.5	8.1	11.0	5.7
Morocco	10.3	10.9	13.8	7.8	7.5	6.7
China	7.2	6.7	5.5	4.0	2.1	4.1
Viet Nam	4.8	5.5	3.7	2.6	2.1	1.3
Spain	1.8	2.7	3.0	1.6	0.9	0.6
Thailand	1.8	1.2	1.4	0.6	0.8	0.5
Others	6.9	5.1	2.3	2.9	0.8	0.4
Total	**46.8**	**44.7**	**56.2**	**27.6**	**25.2**	**19.3**

Source: GLOBEFISH AN 10438

Octopus markets show declining imports in 2010

With declining quotas and production levels, it is not surprising that prices are rising in major markets. Import volumes are also down in all the major markets of Italy, Spain and Japan.

Imports
Octopus: Spain

	............Jan-Dec...........			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Morocco	19.6	23.2	20.0	16.0	12.9	11.8
Mauritania	4.9	4.5	9.2	2.9	4.4	2.1
China	1.6	1.8	3.7	1.2	1.9	0.2
Viet Nam	2.2	1.6	1.7	0.9	0.7	0.9
Portugal	1.7	2.2	1.1	1.7	0.6	0.7
Senegal	0.5	0.6	0.9	0.4	0.3	0.4
Others	8.8	8.7	6.7	5.3	2.1	4.8
Total	**39.3**	**42.6**	**43.3**	**28.4**	**22.9**	**20.9**

Source: GLOBEFISH AN 10452

CUTTLEFISH

Imports up in all markets

Although there is little substitution in world cephalopod markets because of the large difference in product characteristics, limitation of supply of squid and octopus do seem to be forcing importers to move some demand towards the remaining alternative, cuttlefish. In fact, imports in all markets increased during the first half of 2010; in Spain up 167%, Japan more than 100% and Italy up 15%. Prices have risen as a result.

Imports
Cuttlefish: Japan

	............Jan-Dec...........			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Thailand	11.5	8.3	7.5	1.8	1.6	3.4
Viet Nam	5.1	4.5	4.0	0.9	1.0	1.7
Malaysia	1.6	1.7	1.9	0.3	0.4	0.9
Morocco	3.9	2.2	2.8	0.3	0.2	1.8
Korea Rep.	0.3	0.6	0.8	0.1	0.1	0.3
China	0.4	0.1	0.0	0.0	0.0	0.0
Ghana	0.5	0.0	0.0	0.0	0.0	0.0
Mauritania	0.1	0.0	0.0	0.0	0.0	0.0
Others	2.6	2.3	2.0	0.6	0.5	0.8
Total	**26.0**	**19.7**	**19.0**	**4.0**	**3.8**	**8.9**

Source: GLOBEFISH AN 10439

TILAPIA

Record Chinese exports despite production problems caused by cold winter in 2009

Recently FAO reported global tilapia production at 3.5 million tonnes in 2008 of which 2.8 million tonnes came from aquaculture. China, the leading producer, consumer and exporter of tilapia, harvested 1.1 million tonnes of farmed tilapia in 2008. In Asia, Africa and Latin America, tilapia aquaculture increased significantly during the last decade, supporting developing countries' food security programmes and contributing to their fishery export earnings. China, Egypt, Indonesia, the Philippines, Thailand, Taiwan Province of China, Viet Nam, Malaysia and Myanmar are the most significant producers of farmed tilapia.

Supply and markets

China's tilapia exports, mainly dominated by fillets, increased 288% during 2004-2009 reaching 260 000 tonnes (product weight). Despite lower production since the beginning of this year, caused by cold weather conditions and a delay in production, exports in the first seven months of 2010 posted a 30% rise compared with last year. Slightly more than 165 000 tonnes of tilapia went to the export market during January-July 2010.

The world's largest importer of tilapia - the USA - maintained its growth rate and is also the main market for Chinese tilapia.

The US market for Chinese whole frozen tilapia remains steady, in spite of a price increase at source. Importers are confident that the improvement of farm harvests could avoid new price rises in the future. The popularity of this fish in the USA remained unaffected during the economic recession though overall consumption of fishery products fell by 1.25% in 2009. For tilapia, however, consumption increased slightly. Tilapia is the second most popular fish in US retail stores, behind salmon, and the 5th most popular fishery product overall. During January to July 2010, total imports of frozen tilapia (which constituted 87% of all tilapia imports) strengthened by 15% from the same period last year. In July 2010, frozen tilapia imports also grew by 15% from the same month in 2009. Indonesia, Taiwan PC and Thailand are some of the major suppliers besides China. Bangladesh and the United Arab Emirates have recently emerged as suppliers. Higher demand for frozen fillets is increasingly replacing demand for whole fish imports. China exported 21.4% more frozen fillets during this period.

In the fresh fillet market, the Latin American sources Ecuador, Honduras and Costa Rica retained their position as the leading suppliers although supplies slipped down a little from Ecuador.

Meanwhile, the industry leaders in Central America foresee better export opportunities to the EU markets

Exports
Tilapia: China

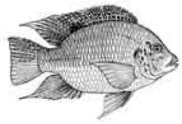
	.........Jan-Dec.........			..........Jan-Jun..........		
	2007	**2008**	**2009**	**2008**	**2009**	**2010**
		(1 000 tonnes)				
USA	122.0	118.6	134.4	50.8	55.6	66.5
Mexico	39.3	36.5	36.2	17.9	17.5	21.4
Russia	19.3	17.1	21.9	9.4	10.3	9.9
Israel	4.1	4.2	6.6	1.3	1.8	2.8
Germany	1.2	1.7	2.0	0.8	0.8	1.3
Hongkong China	1.5	0.3	1.1	0.2	0.3	0.6
Belgium	1.4	2.3	1.6	0.8	0.7	1.1
Porto Rico	1.3	1.7	1.2	0.6	0.6	0.7
Dominican Rep.	1.4	0.5	1.0	0.1	0.6	0.6
Canada	0.7	0.6	2.4	0.3	0.8	1.1
Others	23.0	40.9	49.7	14.1	14.2	31.3
Total	**215.2**	**224.4**	**258.1**	**96.3**	**103.2**	**137.3**

Source: GLOBEFISH

Exports
Tilapia: China

	.......Jan-Dec.......			..........Jan-Jun..........		
	2007	**2008**	**2009**	**2008**	**2009**	**2010**
		(1 000 tonnes)				
frozen whole	14.0	12.7	33.1	4.3	7.1	32.2
frozen fillets	5.1	8.0	134.8	2.7	41.9	81.1
other tilapia	196.1	203.7	90.2	89.4	53.8	23.5
Total	**215.2**	**224.4**	**258.1**	**96.4**	**102.8**	**136.8**
		(million USD)				
frozen whole	1.6	2.0	4.8	0.6	1.1	5.0
frozen fillets	1.4	3.2	44.4	0.9	14.9	28.1
other tilapia	46.1	68.2	21.6	25.2	14.5	6.2
Total	**49.1**	**73.4**	**70.8**	**26.7**	**30.5**	**39.3**

Source: GLOBEFISH



Imports
Fresh Tilapia Fillets: USA

	............Jan-Dec............			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Ecuador	11.9	8.5	9.1	4.7	4.8	4.1
Honduras	7.9	8.3	6.5	4.5	3.2	3.5
Costa Rica	4.8	5.6	5.7	2.9	2.9	3.2
El Salvador	0.3	0.5	0.5	0.2	0.2	0.2
Brazil	0.2	0.5	0.3	0.3	0.2	0.2
Taiwan PC	0.0	0.6	0.2	0.4	0.1	0.1
China	0.0	3.1	0.0	1.2	0.0	0.0
Others	1.1	2.1	2.2	1.2	1.0	1.2
Total	**26.2**	**29.2**	**24.4**	**15.4**	**12.4**	**12.5**

Source: GLOBEFISH

Imports
Whole Frozen Tilapia: USA

	............Jan-Dec............			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
China	32.5	29.0	29.7	14.7	11.9	11.3
Taiwan PC	13.5	15.9	13.2	8.3	7.3	7.5
Thailand	0.2	3.3	0.9	1.8	0.6	1.0
Panama	0.1	0.3	0.1	0.1	0.0	0.0
Indonesia	0.0	0.2	0.0	0.1	0.0	0.0
Ecuador	0.2	0.2	0.0	0.0	0.0	0.0
Hong Kong	0.1	0.2	0.0	0.1	0.0	0.0
Others	0.3	0.5	0.4	0.5	0.3	0.2
Total	**46.9**	**49.6**	**44.2**	**25.6**	**20.1**	**20.0**

Source: GLOBEFISH, *) included under others

Imports
Frozen Tilapia Fillets: USA

	................Jan-Dec...........			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
China	87.5	87.2	100.7	36.6	44.9	57.5
Indonesia	8.6	9.6	8.8	4.8	4.0	4.6
Taiwan PC	2.6	2.1	2.3	1.2	1.1	1.0
Ecuador	0.4	0.5	1.1	0.2	0.5	0.3
Thailand	0.0	0.4	0.7	0.1	0.2	0.5
Panama	0.2	0.4	0.3	0.1	0.1	0.1
Viet Nam	0.1	0.0	0.2	0.0	0.1	0.1
Others	1.2	0.4	0.8	0.2	0.5	0.0
Total	**100.6**	**100.6**	**114.8**	**43.2**	**51.4**	**64.5**

Source: GLOBEFISH

Imports
Tilapia (by product form): USA

	...........Jan-Dec...........			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Whole frozen	46.9	49.6	44.2	25.6	20.1	20.0
Frozen fillets	100.6	100.6	114.8	43.2	51.4	64.5
Fresh fillets	26.2	29.2	24.4	15.4	12.4	12.5
Total	**173.7**	**179.4**	**183.4**	**84.2**	**83.9**	**97.0**

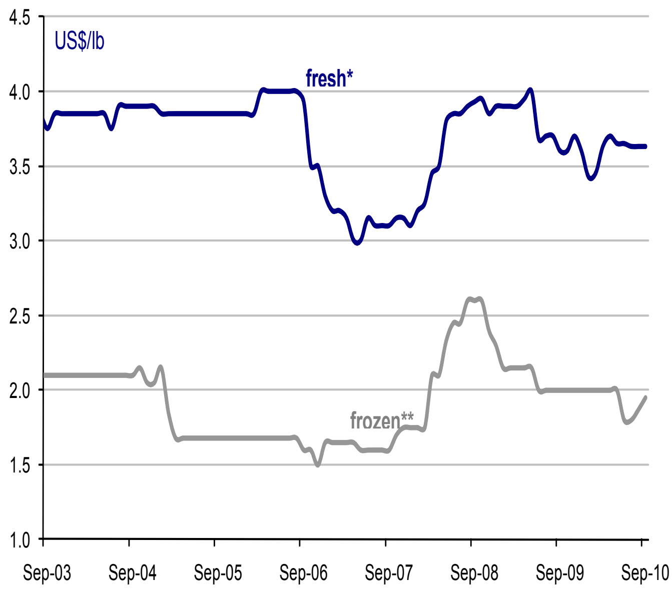
Source: GLOBEFISH

facilitated by the FTA signed between the six producing countries in Central America and the EU. The agreement was signed in May this year.

Dominated by supplies from China, Mexico has emerged as an important market for tilapia. China's tilapia exports to Mexico during this time totaled 25 500 tonnes, 32% higher than the year before.

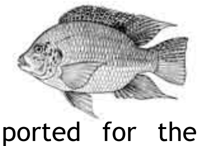
In Europe, the cheap tropical finfish market is dominated by pangasius at present. However, tilapia, an alternative choice, is also making inroads in a market that historically was monopolized by coldwater species. An estimated 25 000-30 000 tonnes of tilapia, whole and

Wholesale price
Tilapia fillets: USA



**) origin South America; **) origin China*

Source: Oil World, GLOBEFISH AN 11702, 11706



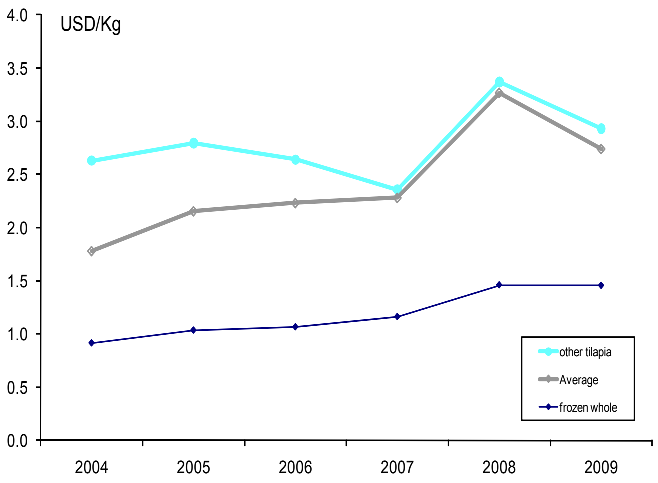
fillet, were imported into the EU market in 2009. China dominated supplies. Indonesia, Uganda, Thailand and Ecuador also increased exports to the leading markets of Poland, Spain, Germany, Holland, the UK, Italy and France. Imports are continuing this year from most of the sources. China alone supplied 10 000 tonnes of tilapia fillets during January-July to the EU market.

Tilapia exports are also increasing from southeast Asia. During January-July 2010, Indonesia exported nearly 10 000 tonnes of tilapia fillet to the US and EU markets. Total tilapia exports from Thailand were 10 000 tonnes including fillet.

Fisheries authorities in the Philippines are encouraging local fishermen to move into aquaculture production and to breed tilapia, in particular, for the export market. Tilapia is traditionally considered as "poor people's food" in the Philippines and most of the production is consumed locally. The Philippines exported 150 tonnes of frozen tilapia to the US market during the first half of this year compared with just 2 tonnes a year ago.

Taiwan PC, one of the leading producers of tilapia increased exports to major markets during the first half

Unit value
Tilapia exports: China



Source: elaborated from National Trade Statistics

of this year. According to Taiwan Customs, total exports of frozen tilapia amounted to 18 392 tonnes of which about 11% were fillets. Products were mainly supplied to the USA, Saudi Arabia, Canada, Korea RP and Japan.

In the traditional Japanese market, freshwater tilapia is not a popular fish. Only a small quantity of whole frozen tilapia is generally imported for the immigrant Asian workers in Japan. However, tilapia farmed in brackish water has more appeal. Taiwan PC has successfully introduced izumi daie quality brackish water tilapia fillet to the Japanese sashimi market at an attractive price (USD 6.50/kg, FOB). In the price sensitive Japanese market, this fish is gaining popularity in the raw sushi and sashimi trade, as it is cheaper than bream or yellowtail farmed in Japan. The market imported 270 tonnes of frozen tilapia from Taiwan PC this year.

The largest share of south and southeast Asia's tilapia production, excluding China, is marketed locally. There seems to be a growing consumer acceptance and a willingness to pay increased market prices for quality tilapia in Taiwan PC, Malaysia, Singapore and Thailand. In the last three years, the retail price of live and fresh tilapia in Southeast Asia increased by 50-60%, as did the ex-farm price. Malaysia's national airline has introduced tilapia fillet to their on-board menu. In India as well, the price of fish in the local market is strengthening supported by the growing demand for tropical fish fillets. This demand is being met by increasing imports, including frozen tilapia fillets imported mainly from China. The food service sector is the main user.

The trend is similar in other parts of the world. Brazil, the largest producer of farmed tilapia in Latin America increased tilapia production by 255% in the last ten years, with exports as the initial target market. Today the strong domestic market absorbs most of Brazil's tilapia production, which reached almost 100 000 tonnes in 2009.

Some producers are imposing import restrictions on tilapia to protect the domestic industry. The Ministry of Agriculture and Fisheries of Jamaica implemented a ban on tilapia imports from Southeast Asia in April 2010. The ban was imposed ostensibly because of quality concerns about the imports. At the same time encouragement was also given to reviving the ailing domestic tilapia sector that is currently affected by cheaper imports.

OUTLOOK

Prices of Chinese tilapia are expected to increase from October this year, as a result of an anticipated 20% drop in production in China. Farmers were discouraged by the low prices fetched last year and hence reduced stocking density. In addition the severe winter weather at the beginning of the year also reduced survival rates. However, the demand for convenient and affordable products will encourage increased tilapia culture.

PANGASIUS

Rising prices although small farmers suffer from low profitability because of higher feed costs

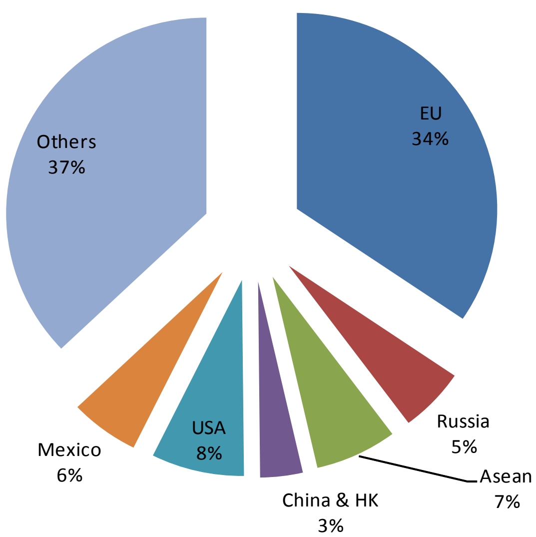
Viet Nam remains dominant in the pangasius export market. Despite the shortage of raw material, higher production costs and stringent market requirements, Viet Nam reported 8% growth in pangasius exports during the first seven months of 2010.

Despite the economic recession, the EU imported 250 345 tonnes of frozen freshwater fillets including pangsasius valued at USD 733 million in 2009, up 3.1% in quantity from the previous year. Encouraged by the rising demand for tropical finfish, in particular, other producing countries in Asia have begun to supply pangasius fillet to domestic and foreign markets.

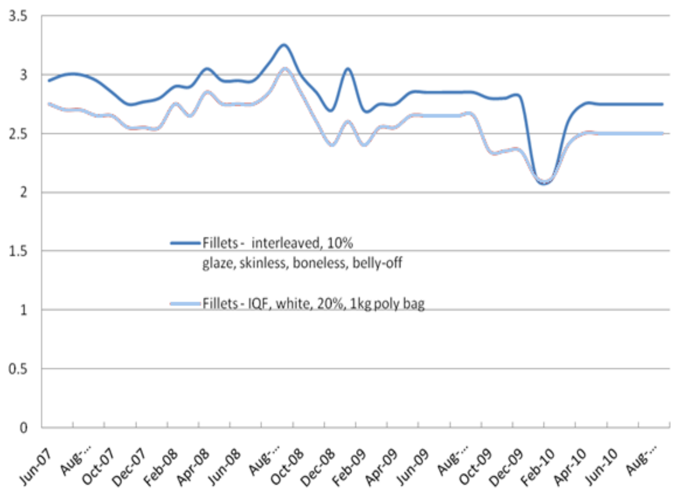
The EU continues to be the largest market for pangasius. According to Eurostat, the EU market imported some 85 389 tonnes of frozen pangasius fillet during January-May 2010. Viet Nam contributed an 86% share of total supply. New comers to the market are China, Thailand and Bangladesh.

Outside the EU, Russia is one important market for pangasius. According to Russian Customs, about 18 000 tonnes of freshwater fillet including pangasius entered the market during January-June 2010. Viet Nam supplied 48%, which is presumed to be pangasius fillet. Compared with the same period last year supplies from Viet Nam to Russia declined by 40% because of some temporary import restrictions. At present the preference in the Russian market is for tilapia fillets from China.

Pangasius exports from Viet Nam - in quantity Jan-Aug 2010



'Panga' Catfish fillet prices, cfr Spain



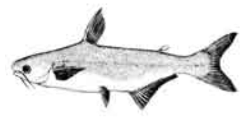
Source: Infofish

Currently, the single largest country market for pangasius is the USA, where pangasius is now the 10th most popular fish/seafood. In 2009, the per capita consumption was 0.356 pounds (0.158 kg).

This year's total imports of pangasius up to the end of July reached 32 648 tonnes, indicating a 8% rise in supply. While the bulk of supplies came from Viet Nam, imports also came from China, Thailand, Cambodia and Malaysia.

The Viet Nam Association of Seafood Exporters and Producers (VASEP) confirmed that the US Department of Commerce has issued a decision on anti-dumping tax for catfish imported from Viet Nam, increasing the tariff on several Vietnamese businesses. Taxes on frozen pangasius fillets will increase by 100-120% to USD 4.22/kg, which is higher than the current retail price in the US market.

The US domestic catfish industry continues to struggle with competition from Vietnamese pangasius and more recently with the Gulf oil spill. In an effort to create distance from the negative publicity surrounding the oil spill, the Louisiana Department of Agriculture and Forestry



Imports

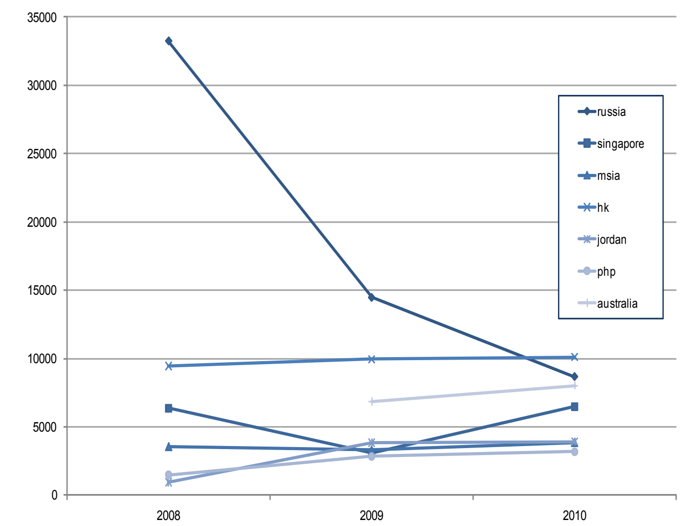
Frozen Catfish: USA

	..........................Jan-Jun....................				
	2006	2007	2008	2009	2010
	(1 000 tonnes)				
Viet Nam	3.4	7.3	12.5	16.4	19.6
China	1.9	7.8	9.2	4.3	5.6
Thailand	1.5	2.9	3.5	3.5	1.4
Malaysia	1.4	0.5	0.5	0.1	0.3
Indonesia	0.0	0.4	0.4	0.2	0.1
Others	0.6	0.3	0.7	0.9	1.0
Total	**8.7**	**19.1**	**26.8**	**25.4**	**28.0**

Source: GLOBEFISH

issued a press release reminding consumers that Louisiana farm-raised catfish are freshwater fish and untouched by the Deepwater Horizon oil spill affecting the Gulf of Mexico. The Agriculture and Forestry Commissioner Mike Strain, D.V.M., emphasized that Louisiana farm-raised catfish are grown in freshwater ponds mainly in north Louisiana far away from oil impacted areas. In a related development, new laws in Tennessee and Mississippi will require restaurants to tell customers where they get their catfish. A similar law is already in practice in Arkansas and Georgia. The new state laws are intended to make catfish safer for consumers and to help level a playing field tilted unfairly against American catfish farmers, according to industry sources.

Pangasius fillet imports into other markets, January - June 2010 (tonnes)



Source: EPR; GLOBEFISH AN 10512, 10514

Along with the rising popularity of tropical fish fillet, other producing countries have started to promote pangasius in domestic and international markets. There is already an established market for pangasius fillet in several Southeast Asian countries, although most of the end consumers know it as "dory". While imports from Viet Nam continue to dominate this market, domestic products, whole and fillet, are now available on the market. Some high-end supermarkets in Southeast Asia have introduced locally produced quality fillets, which are sold at the fresh-fish counter.

Malaysia imported 21% more frozen fish fillet during January to May this year where pangasius made up nearly 45% of the supply. Major exporters were Viet Nam, Indonesia and China.

Vietnamese pangasius fillet has been well received by the Indian market this year. Currently, restaurants and high-end hotels are the main users of imported fishery products. However, products such as breaded fish fillet and fish fingers are popular in the domestic market as imports arrive in mixed containers. Viet Nam and Thailand are the main suppliers of value added frozen fishery products imported for the 'convenience market'.

According to the Department of Commerce, India, total imports of frozen fillet during the first quarter of 2010 were valued at nearly USD 1 million. Viet Nam increased supply by 342% in quantity from 19 tonnes to 83 tonnes during this period. Notably, Indian per capita fish consumption is lower than the global average, offering good market opportunities for local and imported fishery products.

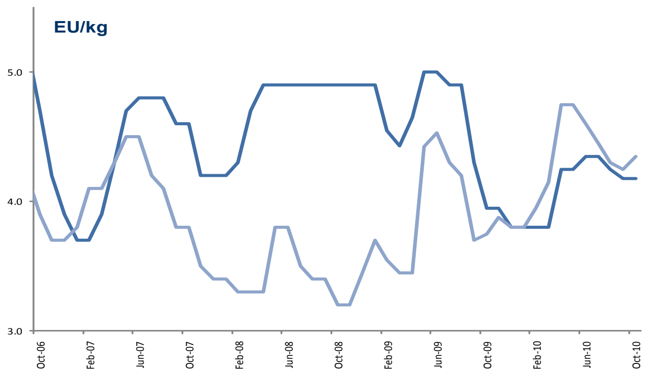
OUTLOOK

Under the current economic conditions, demand for pangasius will continue to grow because its cheap and affordable price makes it an attractive purchase. With increasing demand in domestic as well as international markets, many countries in Asia are already increasing production to cater for domestic needs as well as existing and new export markets. Although exports from Viet Nam, in particular, have risen this year, many small farmers are facing bankcruptcy because of rising feed costs. Export prices have not kept pace with the increasing cost of raising the fish and Mekong Delta farmers have asked the government for permission to establish a pangasius association to address this and other issues. If approved it could be set up in the final months of this year.

Supply down in 2010 thanks to cutbacks in stocking of juveniles in 2009

The markets for seabass and seabream are relatively stable with good balance between demand and supply. Demand has proven to be more resilient than expected in markets such as Italy and France whereas the situation in Spain and Portugal remains difficult. Prices have risen somewhat with supply declining in both 2009 and 2010 as producers have stocked fewer juveniles in response to the economic crises. The outlook for prices is positive with rising quotations expected, especially for bream. Prospects for 2011 are also positive although a scarcity of reliable biomass estimates makes projections difficult for this sector.

Prices
Seabass and Seabream: Italy



fresh whole 300-450 gr/pc, origin Greece
Source: EPR; GLOBEFISH AN 10512, 10514

As a result of lower stocking levels in 2009, average prices for producers are better this year thanks to significantly higher prices for bream, whereas bass prices have come down. Most producers are now into profit despite higher costs on feed and transportation. Turkish producers have benefited from a strong local market, whereas Spanish companies with their heavy reliance on domestic sales have suffered from weak demand and tough competition from Greek and Turkish producers. Greek producers are mostly producing for exports and have been relatively unaffected by the lower domestic demand. However, they were hit by a once-off social contribution levy on profitable companies and, therefore, experienced worsening half-year results in 2010, also a result of higher costs. In this respect, it is good to be reminded of the major cost components in the Greek seabass-seabream industry: feed 46%, labour 18%, fingerlings 15%.

The outlook for the commodity in the short to medium term is fairly positive as production will be lower in 2010 and 2011 with stable or slightly higher average prices as a result.

MARKETS

Italy: good underlying growth thanks to consumer preferences

Italy, the largest import and consumption market for bass and bream is surprisingly resilient. Despite stagnating or falling consumer expenditure on food, the almost ubiquitous distribution of farmed seabass and bream in all the modern retail channels as well as in most restaurants with fish on the menu guarantees that volumes are fairly stable. Import volumes in the first six months of 2010 increased by 12% to 21,500 tonnes. Greece remains the dominant supplier followed by Turkey. Values were up a very positive 23% to EUR 102 million in the first half year as a result of the higher prices.

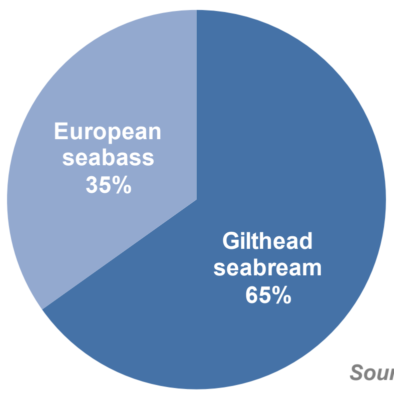
It is interesting to note how traditional the Italian market is in terms of selection of species. Bass and bream have always been preferred species and consumption continues to grow thanks to deeper penetration in the various market segments. At the same time, competition

Production
Seabass (*Dicentrarchus labrax*): World

	2005	2006	2007	2008	2009*	2010*
			(1 000 tonnes)			
Greece	36.0	40.0	35.6	35.5	42.0	40.0
Turkey	21.1	30.0	42.3	50.0	32.0	30.0
Italy	8.6	9.1	8.7	8.7	9.0	9.0
France	4.3	5.6	8.7	6.5	4.0	4.0
Spain	5.5	8.9	9.8	10.3	10.0	8.0
Egypt	5.3	2.1	7.6	11.1	2.0	2.0
Croatia	1.9	1.6	2.8	2.7	2.0	2.0
Portugal	1.5	1.4	1.8	1.6	2.0	2.0
Tunisia	0.6	0.5	1.2	1.1	1.0	1.0
Others	0.7	0.6	3.3	3.3	1.0	1.0
Total	**85.5**	**99.8**	**121.9**	**130.9**	**105.0**	**99.0**

Source: FAO/AQUAMEDIA (for 2007and 2008), (*) Provisional

Seabass and seabream production



Source: FAO 2008

from salmon is limited as salmon is not growing in Italy in the fresh segment with growth mostly taking place in value-added products such as smoked and canned salmon.

The competition with other whitefish species including freshwater species is only moderate as Italian consumers distinguish between fresh products such as bass and bream, and frozen or defrosted products such as pangasius. Over time this could change somewhat but as long as bass and bream remain in the consumer's mind as a fresh fish from the Mediterranean, the position is likely to be fairly entrenched.

Spain: consumption suffers

Spanish consumers are even more reluctant to spend now that unemployment figures have reached 20%. Fish consumption is not immune and imports of bass and

Production
Seabream (Sparus aurata): World

	2005	2006	2007	2008	2009*	2010*
			(1 000 tonnes)			
Greece	44.0	60.0	50.2	52.2	88.0	83.0
Turkey	17.5	22.5	34.3	33.2	31.0	27.0
Spain	15.6	20.2	21.5	23.5	25.0	20.0
Italy	8.5	8.9	8.6	8.7	9.0	8.0
Egypt	5.7	3.0	4.1	7.2	3.0	3.0
Israel	3.4	2.8	2.2	2.2	3.0	4.0
Portugal	2.5	1.6	2.2	1.8	2.0	2.0
Croatia	1.1	1.0	1.2	1.8	1.0	1.0
France	1.9	2.2	2.1	2.1	2.0	2.0
Others	0.0	0.0	5.7	8.1	0.0	0.0
Total	**102.8**	**125.0**	**132.1**	**140.8**	**167.0**	**153.0**

Source: FAO/AQUAMEDIA (for 2007 and 2008), (*) Provisional

Imports
Seabream and Seabass: Spain (value)

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
			(million Euro)			
Seabream						
(all species)						
Greece	23.2	25.5	30.8	14.1	15.4	16.2
France	2.2	1.0	3.2	1.2	1.7	1.7
Morocco	2.0	3.4	1.6	0.8	0.8	0.6
Total	**34.4**	**33.0**	**39.7**	**20.4**	**19.9**	**20**
Seabass						
Greece	17.6	22.8	15.4	11.8	7.9	10.1
Turkey	15.0	7.7	9.5	6.2	5.8	4.8
France	5.7	6.1	4.6	3.0	2.5	0.2
Morocco	1.3	2.0	0.6	0.3	0.2	0.1
Total	**42.5**	**43.3**	**36.4**	**22.6**	**17.2**	**17.7**
Gr. Total	**76.9**	**76.3**	**76.1**	**43.0**	**37.1**	**37.7**

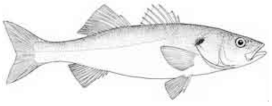
Source: Spanish national statistics

Imports
Seabream and Seabass: Spain (quantity)

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
			(1000 tonnes)			
Seabream						
(all species)						
Greece	5.1	5.6	8.5	4.1	4.5	3.8
France	0.1	1.1	0.4	0.1	0.2	0.2
Morocco	0.7	0.5	0.4	0.2	0.2	0.1
Total	**6.4**	**8.6**	**9.5**	**5.6**	**5.4**	**4.5**
Seabass						
Greece	3.7	4.0	3.6	2.5	1.8	2.4
Turkey	3.5	3.6	2.5	1.4	1.5	1.3
France	0.5	0.5	0.4	0.3	0.3	0.2
Morocco	0.2	0.1	0.0	0.0	0.0	0.0
Total	**8.2**	**8.7**	**6.9**	**4.4**	**3.8**	**4.0**
Gr. Total	**14.6**	**17.3**	**16.4**	**10.0**	**9.2**	**8.5**

Source: Spanish national statistics

bream continue to fall as they also did last year. Higher prices in the same period further dented consumer demand. Greece continues to dominate supplies to the Spanish market. Spanish producers are also suffering as they have mostly relied on the domestic market for their sales. As a result, more Spanish produce, especially of the 600-800 gr sizes, are observed in foreign markets, especially in Italy.



France: a decline in import volumes

The French market, like Italy, has proven resilient over the years for this species. Import volumes grew in both 2008 and 2009, whereas 2010 first half year results showed a slight decline of 3%. In part, this is caused by higher product prices for the two species as total import values were still up for the two quarters in question (+4%).

Imports
Seabream and Seabass: France (value)

	...........Jan-Dec...........			...........Jan-Jun...........		
	2007	2008	2009	2008	2009	2010
		(million Euro)				
Seabream						
(dentex/pagellus)						
Greece	2.9	2.5	2.1	1.3	1.3	1.4
Total	**5.6**	**4.8**	**5.2**	**2.5**	**2.4**	**2.9**
Seabream						
(gilthead)						
Greece	13.6	15.8	18.8	7.5	10.4	11.0
Spain	5.9	5.4	7.2	2.5	2.8	3.0
Total	**20.2**	**22.4**	**27.5**	**10.5**	**13.6**	**15.4**
Seabass						
Greece	12.6	14.4	14.1	7.3	10.4	8.3
UK	1.3	0.8	1.8	0.0	0.0	0.8
Total	**19.7**	**22.9**	**23.5**	**10.2**	**13.5**	**12.3**
Gr. Total	**45.5**	**50.1**	**56.2**	**23.2**	**29.5**	**30.6**

Source: French national statistics

Imports
Seabream and Seabass: France (quantity)

	...........Jan-Dec...........			...........Jan-Jun...........		
	2007	2008	2009	2008	2009	2010
		(1000 tonnes)				
Seabream						
(dentex/pagellus)						
Greece	0.7	0.7	0.5	0.4	0.3	0.3
Total	**1.4**	**1.3**	**1.4**	**0.7**	**0.7**	**0.8**
Seabream						
(gilthead)						
Greece	3.1	4.6	5.2	1.4	1.5	2.4
Spain	1.3	1.5	1.9	0.1	0.1	0.7
Total	**4.5**	**6.4**	**7.4**	**2.1**	**2.3**	**3.5**
Seabass						
Greece	2.6	2.9	3.1	1.9	3.0	1.7
UK	0.3	0.2	0.2	0.0	0.0	0.1
Total	**4.0**	**4.4**	**4.8**	**2.7**	**3.9**	**2.4**
Gr. Total	**9.9**	**12.1**	**13.6**	**5.6**	**6.9**	**6.7**

Source: French national statistics

UK: positive signals for bass

One of the more recently developed markets, the UK was markedly weaker in 2009 but has bounced back somewhat in 2010, especially for bass, which is the preferred species.

Imports
Seabream: UK

	...........Jan-Jun...........		
	2008	2009	2010
		(tonnes)	
Greece	944.5	478.7	480.2
Netherlands	131.9	279.5	252.4
France	163.4	177.5	117.9
Italy	123.2	119.9	46.6
Morocco	202.6	0.0	0.0
Ireland	7.5	5.6	7.3
Denmark	6.5	0.0	0.0
Others	16.3	69.5	126.6
Total	**1 595.9**	**1 130.8**	**1 031.0**

Imports
Seabass: UK

	...........Jan-Jun...........		
	2008	2009	2010
		(tonnes)	
Greece	1531.8	909.1	1527.8
Netherlands	295.0	734.8	968.0
Italy	386.6	410.8	52.9
France	476.5	324.5	185.8
Ireland	10.7	10.4	14.8
Others	1.0	278.9	182.1
Total	**2 701.6**	**2 668.4**	**2 931.3**

Company News

The seabass and seabream sector has undergone significant restructuring and consolidation over the last decade with the leading companies growing both organically and through acquisitions of smaller players. Therefore it surprised the market, that Nireus, one of the sector's largest companies, decided to sell its large minority holding in Marine Farms, the diversified aquaculture group quoted on the Oslo stock exchange. Marine Farms owns among other companies, Culmarex, one of Spain's leading bass and bream producers. The purchaser, Morpol, the Polish salmon processor now controls 94% of Marine Farms and has launched an offer for the remaining shares on 6 October.

SALMON

Prices firm as demand is anticipating Christmas

Salmon prices are firming again in the European market with good supply from Norway. The market expects higher prices in the run-up to Christmas and stable but high prices in the first two quarters of 2011. Prices should ease from then onwards as Chilean supplies will start returning to market. Norway's export levels in 2010 continue to set record levels reflecting higher production as well as higher prices thanks to the reduction in supply from Chile. At the same time, Chile, traditionally the second largest Atlantic salmon producer saw significant drops in salmon exports during the first six months with values down 15% to USD 1 billion and overall volumes dropping 34% to 181 000 tonnes from 274 000 tonnes in 2009. Chile's exports to Latin American countries such as Brazil, however, were up by 25%.

OUTLOOK

Sales are good at present with adequate export volumes from Norway expected over the next few months. Chile is offering only moderate quantities to European processors and is not expected to return with any significant volumes until late 2011. As a result, industry estimates for 2011 and 2012 indicate volume growth for world salmon supply of 8-10% next year and a further 7-12% in 2012.

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

Production

Farmed salmon: World (live weight)

	2007	2008	2009*	2010*	2011*
	(1 000 tonnes)				
ATLANTIC SALMON					
Norway	725	743	870	970	1020
Chile	355	389	180	105	145
UK	140	129	145	146	150
Canada	110	104	120	130	135
Faeroe Is.	20	38	55	45	45
Australia	20	25	26	27	27
Ireland	15	10	15	16	17
USA	12	17	15	16	16
Others	3	0	5	5	5
Total	**1 400**	**1 455**	**1 431**	**1 460**	**1 560**
PACIFIC SALMON					
Japan	10	14	13	13	13
Chile	120	105	92	120	130
Canada	8	7	8	7	8
New Zealand	10	10	10	11	12
Total	**148**	**136**	**123**	**151**	**163**
Gr. Total	**1 548**	**1 591**	**1 554**	**1 611**	**1 723**

Source: GLOBEFISH AN 12201

* estimate

SUPPLY

Faeroe Islands; consolidation from 60 to 5 companies and strong export growth

One of the more dynamic players in the salmon sector over the last few years has been the Faeroe Islands. The industry here has overcome its problems of the past to re-emerge with a stronger and more concentrated structure. Production has grown with harvest volumes increasing from 13 100 tonnes in 2006 to 51 200 tonnes in 2009. 2010 figures are somewhat down with export volumes falling 36% in the first semester but values remain stable thanks to higher prices at around DKK 0.6 billion.

UK

Despite good growth in world salmon markets, the UK industry has not been able to increase supply over the last few years, and current production is actually somewhat below levels reached in 2003 and 2004. Tight restrictions on production and zoning have increased production costs and the industry has therefore been

Exports (value)
Salmon and Trout: Norway

	....Jan-Dec....			....Jan-Jun....		
	2007	2008	2009	2008	2009	2010
			(bill. NOK)			
Salmon	17.5	17.2	23.0	10.7	10.6	13.9
Fresh	13.1	13.8	17.5	8.7	8.1	10.1
Frozen	1.2	0.9	1.0	0.5	0.4	0.5
Fresh fill.	1.6	1.6	2.7	1.0	1.2	1.8
Froz. fill.	1.0	0.9	1.8	0.5	0.7	1.0
Trout	1.3	1.8	1.9	0.6	0.9	0.7

Source: Norwegian Seafood Export Council

Exports (quantity)
Salmon and Trout: Norway

	....Jan-Dec....			....Jan-Jun....		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Salmon	585.4	597.5	685.9	374.3	313.1	360.1
Fresh	493.4	514.8	568.0	323.7	254.9	279.2
Frozen	42.9	32.7	32.1	20.2	11.5	14.6
Fresh fill.	33.3	35.2	57.1	22.0	24.3	34.7
Froz. fill.	15.8	14.8	28.7	8.4	11.8	15.7
Trout	58.8	73.7	61.3	26.0	30.5	18.6

Source: Norwegian Seafood Export Council

forced to focus on its home market and traditional markets in France and Spain, rather than looking towards other emerging markets. The exception is the US market where Scottish producers have expanded sales along with Norway and the Faeroe Islands.

Norway

The largest producer and exporter of Atlantic salmon continues to expand production and exports. Production levels, as elsewhere, are regulated through licenses with maximum biomass restrictions set by the government. Growth in Norway's output is projected at around 5% in both 2011 and 2012 and therefore will go beyond 1 million tonnes for the first time.

Norwegian exports statistics for January-September show an increase in volumes of 13% compared with last year to 651 000 tonnes (round weight equivalents) and a massive 30% in value to NOK 21.9 billion. Fillet exports in particular are strong with total fresh and frozen salmon fillet volumes up 27% and 29% overall. The US market remains undersupplied despite significant volumes now coming from Norway but also from Scotland. EU fillet imports from Norway show strong growth in 2010 despite the markedly higher prices.

Exports (quantity)
Salmon and Trout: Chile

	....Jan-Dec....			....Jan-Jun....		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Japan	146	163	153	110	94	72
USA	114	108	69	59	42	23
EU (25)	41	43	25	23	15	4
Lat.America	36	53	57	25	29	27
Others	60	79	65	80	36	26
Total	**397**	**446**	**369**	**297**	**216**	**152**

Source: Boletín de Exportaciones del IFOP

Exports (value)
Salmon and Trout: Chile

	....Jan-Dec....			....Jan-Jun....		
	2007	2008	2009	2007	2008	2009
			(million USD)			
Japan	648	708	825	384	471	430
USA	862	795	554	399	316	218
EU (25)	279	284	160	140	134	32
Lat.America	202	268	290	132	87	167
Others	258	335	273	184	137	140
Total	**2 249**	**2 391**	**2 101**	**1 239**	**1 146**	**987**

Source: Boletín de Exportaciones del IFOP

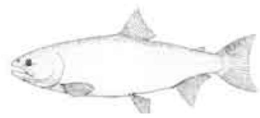
Exports (unit value)
Salmon and Trout: Chile

	....Jan-Dec....			....Jan-Jun....		
	2007	2008	2009	2008	2009	2010
			(in USD/kg)			
Salmon	**6.02**	**5.60**	**5.58**	**4.19**	**5.22**	**6.33**
Frozen	5.54	5.11	5.09	4.55	4.78	5.52
Fresh	6.73	6.38	6.68	6.17	6.29	7.98
Canned	6.72	6.18	6.68	6.15	6.54	7.31
Salted	7.00	6.67	5.53	6.75	5.22	6.01
Smoked	12.66	12.73	13.00	12.55	12.52	13.23
Trout	**4.71**	**4.76**	**6.00**	**4.15**	**5.56**	**6.77**
Frozen	4.48	4.55	5.71	3.90	5.32	6.50
Fresh	6.13	5.82	7.13	5.32	6.81	7.63
Canned	5.50	5.00	7.34	6.63	6.96	8.66
Salted	4.89	10.00	5.67	4.78	5.52	6.15
Smoked	9.76	10.30	11.98	10.06	11.60	12.40
Average	**5.77**	**5.37**	**5.69**	**4.18**	**5.31**	**6.51**

Source: Boletín de Exportaciones del IFOP

Chile: Industry is gradually resuming

The Chilean salmon sector is working on the



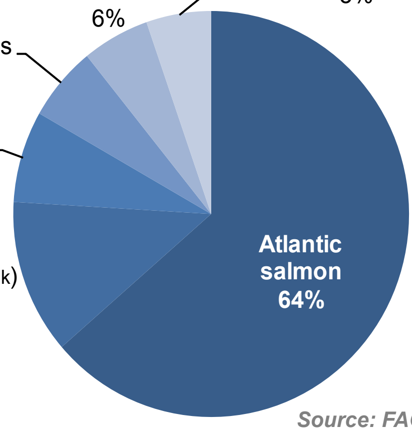
Exports (value)

Salmon and Trout: Chile

	...............Jan-Dec.............			............Jan-Jun............		
	2007	**2008**	**2009**	**2008**	**2009**	**2010**
			(million USD)			
Salmon	**1 714.6**	**1 797.0**	**1 506.9**	**945.60**	**823.00**	**567.66**
Frozen	1014.7	1085.0	996.9	538.70	557.90	339.21
Fresh	635.6	643.0	436.4	323.80	238.40	198.38
Canned	21.5	21.0	17.8	12.70	9.90	5.32
Salted	51.6	6.0	20.6	2.70	1.80	8.17
Smoked	36.7	42.0	35.3	18.80	15.00	16.58
Trout	**523.4**	**594.0**	**594.5**	**280.20**	**323.40**	**418.91**
Frozen	462.8	527.0	503.8	239.80	283.20	338.53
Fresh	19.0	32.0	42.0	20.00	20.10	48.90
Canned	1.1	1.0	1.0	1.10	0.50	0.43
Salted	4.4	1.0	8.4	0.30	2.30	10.67
Smoked	36.1	34.0	39.4	19.00	17.30	20.38
Total	**2238.0**	**2391.0**	**2101.4**	**1 239.4**	**1 146.4**	**986.6**

Source: Boletín de Exportaciones del IFOP

Salmon production by species



Source: FAO 2008

implementation of measures required to ensure that sanitary conditions allowing the recovery of salmon production are met. The Salmon Industry Association (SalmonChile) has recently decided on the distance to be maintained between production centres to avoid the spread of possible new infections. In addition, the industry is currently investigating the origin of supplies of salmon roe.

The debate around the measures to be taken to ensure that the ISA problem does not recur has been in the spotlight recently following the resignation of the Vice-President of SalmonChile and chairman of AquaChile from the Association, and the subsequent withdrawal of the company from SalmonChile. The issue that triggered the pullout was a difference of opinion over the optimal distance between farms to prevent future ISA infections. The industry association opted for a distance of 2.3 kilometres instead of the 3.2 kilometres favoured by AquaChile's chairman. However the reasons for the withdrawal are seen to be deeper than just the issue of distance between farms and to extend to all the measures being taken to overcome the crisis. In total, five companies have left SalmonChile in the past 12 months.

With regard to the second issue, some companies are hoping to meet demand with domestic production of roe. This could be reached by 2013. However, other companies would prefer a mixed supply of domestic and imported roe. At the moment, there is a restriction on imports imposed by the National Fisheries Service (SERNAPESCA), which has caused a shortage in the supply of roe for the resumption of stocking. In the first half of 2010, domestic production of roe was 1 039 million (549 million were Atlantic salmon), while imports in the same period were 70.4 million (Atlantic salmon roe made up 30%).

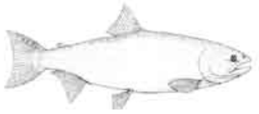
Chilean production of salmon and trout is at an historical low. In the first half of 2010 the total harvest was 116 162 tonnes, which represents a 58% drop in comparison with the same period in 2009. This drop applies to all species. Harvests of Atlantic salmon fell by 67%, totaling 45 144 tonnes while production of rainbow trout in the period reviewed was 57 264 tonnes (-35%), and coho salmon fell by 72% to 13 754 tonnes. Many companies have already announced that they will increase the number of operational farms in 2011.

Chilean exports keep falling

The volume of exports of salmon and trout in the first half of 2010 fell to the lowest level in the last five years. In the first semester total exports were 151 600 tonnes worth USD 987 million. This represents a 30% reduction in terms of volume and a -14% drop in terms of value.

Frozen trout was the main product exported in the period reviewed, accounting for 34% of total sales to foreign markets, both in terms of volume and value. Japan was the main destination for trout exports, with a 57% share in total exported volumes. In overall trade, trout exports accounted for 41% of total exported volume, while in the first half of 2009 the share of this species was 27%.

Atlantic salmon, in contrast, registered a 57% drop in the volume of exports, while a 35% increase in the unit value helped to soften the fall in total exported value (-42%). The main category exported in the period reviewed was fresh Atlantic salmon, with 24 600 tonnes worth USD 197 million. This is in contrast with exports in the first half of 2009 when frozen products accounted for 62% of exports of Atlantic salmon. The US remains the main market for Chilean Atlantic salmon; however, the drop in sales to this market has been very significant. Brazil has now almost caught up with the US in volume. While the



Exports (quantity)
Salmon and Trout: Chile

	..............Jan-Dec..............			.............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Salmon	**284.7**	**320.8**	**270.2**	**225.8**	**157.6**	**89.7**
Frozen	183.4	212.4	195.8	118.4	116.8	61.5
Fresh	94.4	100.8	65.3	52.5	37.9	24.9
Canned	3.2	3.4	2.7	2.1	1.5	0.7
Salted	0.8	0.9	3.7	0.4	0.2	1.4
Smoked	2.9	3.3	2.7	1.5	1.2	1.3
Trout	**111.1**	**124.8**	**99.1**	**70.8**	**58.1**	**61.9**
Frozen	103.2	115.8	88.3	64.9	53.2	52.1
Fresh	3.1	5.5	5.9	3.8	2.9	6.4
Canned	0.2	0.2	0.1	0.2	0.1	0.1
Salted	0.9	0.1	1.5	0.1	0.4	1.7
Smoked	3.7	3.3	3.3	1.9	1.5	1.6
Total	**395.8**	**445.6**	**369.2**	**296.6**	**215.7**	**151.6**

Source: Boletín de Exportaciones del IFOP

Imports
Salmon: France

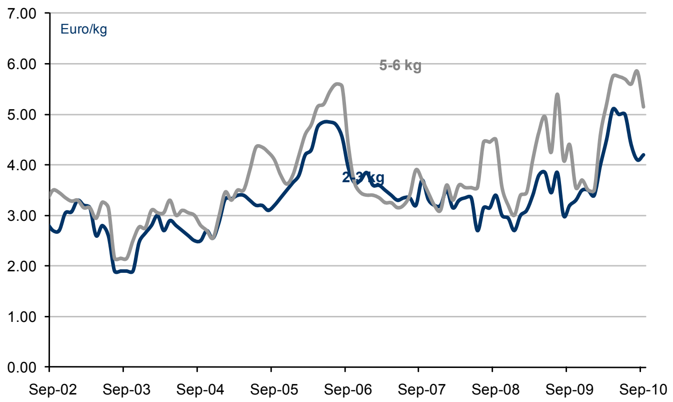
	..............Jan-Dec...........			.............Jan-Jun.........		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Fresh whole	88.5	90.7	107.4	41.3	45.5	49.9
Norway	63.3	64.6	74.0	29.9	31.6	36.3
UK	17.8	17.6	19.3	8.0	7.7	8.4
Frozen Pacific	5.3	4.1	3.7	1.0	1.0	0.9
USA	5.3	2.8	3.1	0.5	0.7	0.7
Frozen Atlantic	4.5	3.1	3.3	1.5	1.0	2.0
Smoked	4.1	4.8	5.7	2.0	2.5	3.1
UK	1.0	0.9	1.0	0.2	0.3	0.3
Fresh fillets	5.0	6.1	9.7	2.6	4.5	5.3
Norway	3.6	5.2	8.2	2.3	4.0	4.8
Frozen fillets	18.9	19.6	21.3	9.1	10.2	9.8
Chile	9.1	8.8	9.0	4.1	4.9	2.4
China	3.5	4.5	5.8	2.4	2.5	3.7
Grand Total	**126.3**	**128.4**	**151.1**	**55.5**	**64.7**	**71.0**

Source National Statistics

US bought 16 600 tonnes worth USD 162 million, Brazil imported 16 500 tonnes worth USD 99 million.

Regarding total exports of salmon and trout during the first half of 2010, Japan remains the main market, with a 47% share of total volume. After shrinking by 45%, the US market was superseded by Latin America, which took the second place among the main buyers of Chilean salmonids, as the volume only dropped by 9%. Brazil consolidated its position as the third main market for Chilean products with only 2 600 tonnes below the US in the period reviewed. At 20 500 tonnes Brazil accounts for 77% of total volume exported to Latin America. It is worth noting that unit value of sales to Brazil grew 51% in the first half of 2010, allowing a 38% increase in total exported value (USD 121 million).

Prices
Salmon: Europe, origin: Norway

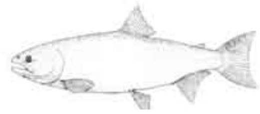


Source: EPR; GLOBEFISH AN 10512, 10514
Fresh, gutted, head-on, 3-5 kg/pc

Recovery by Chile likely to be gradual, with the implementation of new legal measures

As already mentioned previously, expectations are that 2010 will see the beginning of the recovery of the salmon industry. However, the increase in production, expected by late 2011, is likely to be sluggish, as production cycles take about two years, and roe availability is currently a restriction. Good cooperation between companies will be required to coordinate the introduction of new measures to protect the industry. The role of the private sector in control and enforcement is still under discussion. Currency issues are also of concern to Chilean exporters with the appreciation of Chilean Peso against the US dollar. This has caused a loss of competitiveness in several markets, as well as a drop in profitability, because about 40% of production costs are paid in local currency.

Globally, the recovery of Chilean production is welcomed by the sector. But it is therefore that new markets for salmon will be created over the next two-three years to avoid drastic reductions in prices for producers. The history on market development for salmon over the past few decades has indeed been positive including recent expansion in Eastern Europe, Latin America and Asia.



Imports
Salmon: Germany (by origin)

	Jan-Dec			Jan-Jun		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Norway	48.9	40.7	51.7	18.0	23.2	27.9
Poland	15.5	19.4	28.0	10.5	13.9	13.2
Chile	14.5	13.3	7.9	6.4	5.3	1.1
China	10.9	12.3	13.7	5.6	6.3	8.4
Denmark	8.5	8.3	8.6	3.9	4.5	4.2
Others	12.0	10.2	13.9	4.2	4.3	6.3
Total	**110.3**	**104.3**	**123.8**	**48.6**	**57.5**	**61.1**

Source: Statistisches Bundesamt

Imports
Salmon: Germany (by product)

	Jan-Dec			Jan-Jun		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Fresh salm.	47.0	38.0	48.0	16.7	21.3	23.7
Frozen salm.	4.7	3.5	4.8	1.1	1.2	1.5
Smoked salm.	18.0	22.0	31.7	11.8	15.0	15.0
Fresh fillets	6.2	6.2	7.8	2.7	3.7	4.0
Frozen fillets	34.5	33.7	31.5	16.0	15.6	16.2
Salted salm.	0.0	0.0	0.0	0.0	0.0	0.0
Total	**110.4**	**103.4**	**123.8**	**48.6**	**57.5**	**61.1**

Source: Statistisches Bundesamt

EU MARKET

The EU market held up remarkably well during the economic crisis with good long-term underlying growth in demand for salmon. The present size of the market is estimated at around 700 000 tonnes (head-on-gutted weights). Growth has been particularly strong in the new member countries in Central and Eastern Europe, in part thanks to the relocation of much of the European smoking industry to that region. However, local salmon distribution and consumption has increased there as well. Traditional markets such as France and Germany also continue to show volume growth in 2010.

JAPAN

Japan's seafood consumption is in long-term decline and salmon demand is no exception. First half imports of salmon showed a reduction of close to 4% in volumes to just above 70 000 tonnes or 20 % less than in 2008. The total size of the Japanese market for Atlantic salmon is estimated at around 30 000 tonnes, a small but important part of the country's overall salmon sector. Pacific salmon continues to dominate Japanese consumption most of which is imported coho from Chile in addition to Japan's own landings.

Imports
Salmon: Japan

	Jan-Dec			Jan-Jun		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Fresh						
Atlantic	**21.6**	**20.0**	**20.7**	**10.0**	**10.0**	**9.7**
Norway	18.4	15.6	18.6	8.0	8.9	8.7
UK	1.4	0.5	0.4	0.2	0.2	0.2
Australia	1.2	1.1	1.1	0.5	0.5	0.6
Pacific	**0.9**	**0.6**	-	0.4	0.3	0.4
Total	**22.5**	**20.6**	**21.3**	**10.4**	**10.3**	**10.1**
Frozen						
Atlantic	**2.4**	**4.4**	**5.0**	**0.9**	**4.0**	**0.5**
Norway	1.0	1.0	0.7	0.6	0.2	0.2
Pacific	**123.6**	**126.9**	**123.2**	**76.8**	**58.8**	**59.8**
Canada	1.0	0.7	0.7	0.1	0.1	0.3
USA	20.2	18.1	21.3	5.3	3.1	2.9
N. Zealand	0.5	0.7	2.0	0.3	1.3	1.2
Chile	73.1	80.9	77.6	66.0	52.6	53.6
Russia	28.9	26.4	21.8	3.9	1.7	2.2
Total	**126.0**	**131.3**	**128.2**	**77.7**	**62.8**	**60.3**
Grand Total	**153.6**	**148.5**	**149.5**	**88.1**	**73.1**	**70.4**

Source: Japanese national import statistics

US market: Higher salmon consumption in 2009

According to the National Fisheries Institute, using NMFS figures, in 2009 per capita salmon consumption in the US grew 11% compared with 2008. Last year per capita consumption increased to 0.93 kg per person, up

Imports
Salmon: USA

	Jan-Dec			Jan-Jun		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Fresh fillets						
Chile	80.1	76.4	41.4	40.0	27.6	10.5
Canada	4.2	5.4	4.9	3.0	2.1	3.9
Norway	2.3	2.3	18.8	1.3	7.7	13.4
Other	4.4	2.3	8.4	2.0	2.7	4.0
Total	**90.1**	**86.3**	**73.5**	46.3	40.1	31.8
All salmon	**250.2**	**241.8**	**241.9**	**121.8**	**123.9**	**116.4**

Source: GLOBEFISH AN 11630

from 0.84 kg in the previous year, but still below the 1.07 kg registered in 2007. This increase is in contrast with the overall reduction in seafood consumption, from 7.26 kg in 2008 to 7.17 kg in 2009, according to NMFS. This reduction is of course a reflection of reduced consumer spending in 2009 so the fact that salmon is increasing again in absolute numbers as well as taking market share in relative terms is indeed positive for the industry.

Imports fell in the first half of the year

Not surprisingly, salmon consumption in the US has suffered from the economic downturn, with the food-service sector in particular seeing sales decline. At the same time, the shortage of salmon from Chile has pushed prices up, further hurting volumes. Estimates of the total market today are around 225 000 tonnes but with significant potential for further growth. In many ways, product development of salmon lags behind Europe; for example, only moderate levels of smoked salmon consumed.

Total imports of salmon between January and June 2010 fell 6% in terms of volume and grew 6% in terms of value, totaling 116 400 tonnes worth USD 896.5 million. At the same time, the unit value of imports grew 13%. Atlantic salmon accounted for 78% of total imported volume, a smaller share, than the 83% in the first half of 2009. Canada remained the main supplier of Atlantic salmon, mainly whole fresh fish from aquaculture, amounting to 90% of total Canadian exports to the US market in the period reviewed. Norway continued to gain market share, with exports jumping 77% in terms of volume and 125% in terms of value, totaling 19 100 tonnes worth USD 251 million. This country has doubled its sales of fresh fillets in terms of value, from 7 600 tonnes worth USD 65 million, to 13 300 tonnes worth USD 132 million (+75% and +109% respectively). Imports of Atlantic salmon from Chile fell 60% in terms of volume, and 50% in terms of value, to 14 400 tonnes worth USD 147 million.

The import of other salmon species was highlighted by the growth in coho salmon imports (+99% in terms of volume), mainly frozen fillets from Canada (54%) and fresh fillets from Chile (36%).

Good season for wild salmon in Alaska and Canada

Runs of salmon in British Columbia are reported to have surpassed forecasts, and estimates are that instead of the 25 million fish expected, 34 million fish actually arrived this season, of which about 12 million will be caught. The salmon season in the Fraser River was shut by mid September to protect coho salmon that is now arriving along with sockeye. The good catches also resulted in higher activity at processing plants, and raised some concern as to whether or not there would be enough capacity for processing all the fish.

Salmon catches in Alaska are above predictions as well, and by the beginning of September, landings were above 160 million fish; 63% were pink salmon, while 25% were sockeye. The amount of sockeye is significant because of its high market value.

NMFS recently published the final ruling that sets the by-catch management programme for the Bering Sea chinook fisheries. The aim is to minimize by-catch of this species by pollock trawling vessels. The programme sets a limit on the amount of fish to be caught, which triggers the closure of the fishery if the limit is reached.

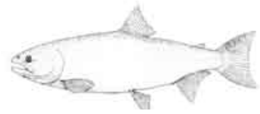
FDA to rule on genetically modified salmon

The Food and Drug Administration has opened a public consultation period and will hold several meetings to address the issue of whether or not genetically modified (GM) salmon is fit for human consumption. FDA experts have reported no relevant biological differences, while the company that has created the salmon says that the salmon grow to market size in half the time it takes non-modified fish. To safeguard the environment, genetically modified fish, even though they are sterile, would be grown in land-based facilities, thus increasing the profitability of inland farming and reducing the need for ocean farms. Critics of the technology have expressed their concern regarding the risk of escapes, and possible mutations that would harm wild species, as they are concerned that about 5% of GM salmon might not be sterile.

Lower prices and moderate demand

Prices in the US market for fresh fillets have shown a slight downward trend, after peaking in June. One possible cause is that consumers are turning to cheaper species, such as pangasius. By mid-September, prices of Chilean salmon fresh fillets were about 6% higher than in the same period in 2009. Fresh fillets from Norway remained about 10% above the quotations of a year ago, and 10% higher than Chilean products. Frozen whole wild sockeye prices were about 25% higher than a year ago by mid-September, but, on the contrary, fresh whole sockeye prices plummeted by about 20%. Higher availability and decreasing price trends could enhance market penetration of wild salmon, considering the reduced supply of aquacultured products.

Demand for salmon is reported to be adequate, and even dull in some segments, with prices stabilizing for many products. Supplies of farmed salmon will certainly be lower, while wild salmon caches are reported to be exceptionally good in Alaska and Canada. This could impact prices, pushing them down. Norway continues to improve its position in the US Atlantic salmon market, as well as other producers such the United Kingdom, the Faeroe Islands and Denmark. China is also seizing the opportunities in the frozen fillet segment.



UPDATE ON SALMON MARKET IN RUSSIA

Norwegian salmon is in continuously growing demand in Russia despite its increasing price.

The Russian market has been a welcome new source of demand over the last few years. The country has a traditional market for wild salmon from the Pacific but the increase in consumption is for farmed salmon, mainly imported today from Norway. Underlying marklet growth is estimated at around 15% per year with increased penetration in distribution channels outside the traditional destinations of Moscow and St. Petersburg. Interstingly, recent increases in wild catches have not dented in any significant way the consumption of farmed salmon as the markets are distinct with strong regional differences. The market for Atlantics is estimated at around 80 000 tonnes.

As a result of growing consumer purchasing power and the development of the retail sector, the salmon market continues to grow in Russia both in volume and value. However, the number of Russian and Norwegian companies that trade salmon has been reduced significantly in the last few years, confirming the consolidation of the industry.

According to Russian analysts, the total import of chilled and frozen salmon (including salmon fillet) to the Russian Federation amounted to 20 169 tonnes in the first quarter 2010, which is 29% more compared with the same period of 2009.

Chilled salmon is the most popular category representing 72% of the total volume of salmon import, followed by frozen salmon (22%) and salmon fillets (6%). Imports of chilled salmon in the first quarter of 2010 reached 14 498 tonnes, which is 50% higher compared with 9 659 tonnes in the first quarter of 2009.

Norway supplies 99% of all chilled salmon to Russia confirming its position as the leading and almost sole provider. At present the Russian market is the second biggest market for Norwegian salmon after Europe, as a result of recent growth.

In line with increasing demand for salmon, prices are also rising. The import value of imported salmon increased by 80% in the first quarter 2010 compared with the first quarter of 2009 because the price rose by 20%. In addition, increased demand for imported salmon is also attributed to the lower catch of wild salmon species in Russia. In 2009 the wild salmon catch was 540 000 tonnes, but this year the domestic catch of salmon species is expected to be 360 000 tonnes at best.

Imports

Chilled Salmon: Russia

	Jan-Mar	
	2009	**2010**
	Value (RUB)	
Norway	1 401 638 125	2 520 137 389
Denmark	0.0	9 718 508
France	1 417 982	2 826 186
USA	399 849	207 145
Australia	81 885	153 159
Total	**1 403 537 841**	**2 533 042 387**

	Jan-Mar	
	2009	**2010**
	Net Weight (kg)	
Norway	9 651 864	14 434 355
Denmark	0.0	51 335
France	5 721	11 389
USA	1 235	476.0
Australia	248.0	550.0
Total	**9 659 068**	**14 498 105**

Source: www.fishnet.ru

The wholesale market price for frozen Norwegian salmon ranges from RUB 285 (EUR 6.8) per kg for fish of 4-5 kg to RUB 330 (EUR 7.9) per kg for fish of 8-9 kg. Pink salmon of Russian origin costs RUB 65 (EUR 1.6) per kg in the Russian Far East and RUB 85-95 (EUR 2-2.3) per kg on the Moscow wholesale market. The last year, the wholesale price for pink salmon in Moscow was RUB 45-50 (EUR 1-1.2) per kg and around RUB 33 (EUR 0.8) in the Russian Far East.

It is estimated that 70% of all imported salmon is consumed in Moscow and St. Petersburg (the population of these two major cities together account for over 15 million people). The potential of the Russian market is still growing as the retail sector continues to develop throughout the country and Russian consumers remain loyal to salmon in spite of economic difficulties. However, market access for companies trading salmon is getting tougher each year. According to Russian analysts, there is a clear decrease in the number of both Norwegian and Russian companies that have the necessary permission to trade salmon. In 2006 there were 107 Russian importers of chilled salmon. By 2009, their number had decreased to 61 and by 2010 to 41. Similarly, in 2006 the top ten companies controlled 64% of the total quantities of salmon imports while in 2009 they were responsible for 84% of the chilled salmon imports, and in 2010 their share increased to 87%.

This contraction in the number of trading companies has had a negative impact on the market by reducing competition, curtailing variety and lowering volumes of salmon on the Russian market. As the Russian market is so difficult to enter, the potential for growth is rather restricted at present.

SMALL PELAGICS

Plentiful landings lead to record Norwegian mackerel exports

There was little activity in the small pelagics markets during the first half of the year, but in the third quarter fishing activities picked up and large quantities of mackerel were landed and traded. Mackerel supplies have been ample, and consequently prices have declined compared with last year. For herring, supplies have been a little tighter, and prices have been more stable. Sales of cheaper small pelagic species picked up during the economic downturn in 2008 – 2009, but since then the focus in large part has been on more expensive products such as herring fillets and prepared products.

Recent resource reviews by the Norwegian Marine Research Institute (MRI) indicate that the mackerel stocks are good, while herring stocks in the Norwegian Sea are estimated to be weaker. Russian sources report good conditions for the herring catches in their waters.

For mackerel, it is recommended that the quota could be increased slightly. Consequently, catches of mackerel are expected to be somewhat higher in 2010 compared with 2009, while herring catches are expected to decline.

Mackerel

There has been bitter disagreement between the major mackerel fishing nations in Europe (UK, Iceland, the Faeroes, and Norway) over how much mackerel should be caught, and how the quotas should be allocated. British fishermen accuse the Icelanders of plundering their resources, while the Faeroese accuse the EU and Norway of having allocated larger quotas for themselves.

At the beginning of the autumn 2010 fishing season, large quantities of mackerel have been caught, and Norway, which is the major supplier of frozen mackerel, reported record exports. During the first nine months of 2010, Norwegian exports of mackerel increased by a dramatic 115%, to 187 000 tonnes worth NOK 1.9 billion. In September, exports were up markedly and reached 132 000 tonnes, which represents an increase of 306%over the same period last year.

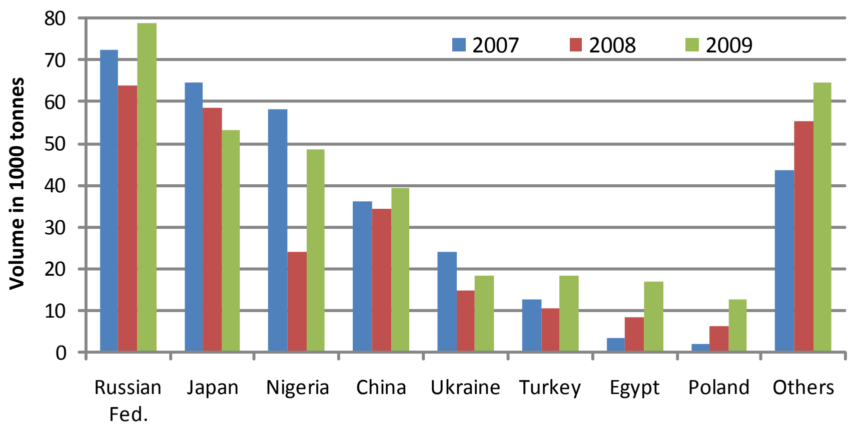
Exports
Frozen Mackerel: Norway

	...............Jan-Dec...............			........Jan-June........		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Russ. Fed.	17.5	16.0	20.0	4.3	10.9	9.2
Japan	60.0	26.5	51.6	6.1	5.9	3.4
Turkey	13.0	10.0	18.2	4.9	5.7	8.5
China	30.1	32.4	33.5	8.5	4.9	6.6
Korea Rep.	7.5	3.3	8.1	0.3	5.0	3.3
Ukraine	19.6	10.1	13.1	2.0	3.8	3.1
Poland	2.1	6.5	12.4	1.3	3.1	3.6
Others	20.5	60.6	35.5	6.4	10.4	7.1
Total	**170.3**	**165.4**	**192.4**	**33.8**	**49.7**	**44.8**

Source: Norwegian Seafood Export Council

Norwegian exports at the beginning of the year, however, were weak. During the first half of the year, there was a slight reduction in exports, but this has now completely changed as the autumn season has started.

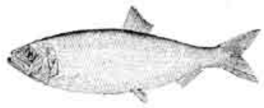
Exports of whole frozen mackerel from Norway, EU, Iceland and the Faeroes, 1 000 tonnes



Source: Kristin Lien, Norwegian Seafood Export Council

German imports have shown healthy growth since 2007. In 2009 total imports of frozen mackerel amounted to 10 700 tonnes, and in 2010 it looks as if this growth will continue. During the first six months of this year, imports grew by over 22%, to 6 000 tonnes, compared to 4 900 tonnes during the same period in 2009. The largest suppliers to the German market are fellow EU countries such as Ireland, the UK and Netherlands.

Polish imports of mackerel during the first half of 2010 increased sharply,



Imports

Frozen Mackerel: Germany

	...............Jan-Dec...............				...........jan-June...........		
	2006	**2007**	**2008**	**2009**	**2008**	**2009**	**2010**
				(1 000 tonnes)			
Ireland	0.8	1.2	1.0	3.7	1.6	2.6	1.9
UK	1.2	0.3	1.8	1.2	1.6	0.8	0.7
Netherlands	1.3	1.9	2.0	2.6	0.7	0.6	1.7
Denmark	0.7	1.4	1.4	0.8	0.8	0.5	0.3
Others	2.0	0.4	1.8	2.4	0.3	0.4	1.4
Total	**6.0**	**5.2**	**8.0**	**10.7**	**5.0**	**4.9**	**6.0**

Source: Statistisches Bundesamt

from 19 262 tonnes in 2009 to 28 538 tonnes in 2010. The import value of mackerel also increased by 40%, from USD 16.3 million to USD 22.9 million. The major suppliers of mackerel to Poland were the Netherlands, UK and Norway.

Japanese mackerel imports tend to fluctuate with domestic supplies. Japan used to be the dominant market for European mackerel, and although it has remained an important market, in recent years it has been surpassed by Russia. This year, it seems that Japan is in the market again in a big way. During the first nine months of 2010, Japan was the single largest market for Norwegian frozen mackerel, accounting for 46 162 tonnes of frozen whole mackerel. That represents about 26% of Norway's exports of frozen whole mackerel. However, it may also be assumed that some Norwegian mackerel is exported to Japan through China. Norwegian exports of frozen whole mackerel to China during this period amounted to over 33 000 tonnes.

In Africa, Nigeria represents an interesting market for small pelagics. Nigeria imported no less than 25 000 tonnes of frozen whole mackerel from Norway during the first nine months of the year, in addition to almost 70 000 tonnes of frozen whole herring. However, prices for these shipments were rather low.

One important "new" market that has emerged over the past years is Turkey. According to Norwegian export statistics, Turkey imported 17 840 tonnes of frozen whole mackerel from Norway during the first nine months of this year. That represents an increase of about 70% from last year.

Outlook

Supplies are ample this year and will most likely remain stable for some time. Consequently prices should remain at present levels or slightly lower for the months ahead.

Herring

The herring resource has recovered well after the total collapse in the mid-1970s. Over the last few years, landings of herring in the North Sea and the Norwegian Sea have improved. However, at present there is some worry about the resources, and ICES is recommending that the NVG (Norwegian spring spawning) herring quota

Exports

Frozen Whole Herring: Norway

	...............Jan-Dec...............				........Jan-June........		
	2006	**2007**	**2008**	**2009**	**2008**	**2009**	**2010**
				(1 000 tonnes)			
Russ. Fed.	150.6	207.5	163.4	153.3	73.0	83.9	79.7
Nigeria	3.1	20.1	138.5	120.0	85.0	76.7	62.3
Ukraine	88.2	89.2	79.4	106.8	46.0	44.4	38.4
Netherlands	12.9	15.7	13.0	14.2	10.9	12.5	15.1
Lithuania	9.5	11.3	15.3	25.7	7.4	10.5	12.6
Belarus	7.7	10.2	7.9	9.5	5.1	4.2	2.4
Poland	4.8	3.2	3.8	5.6	1.4	3.1	3.0
USA	1.4	0.6	0.3	1.2	0.1	0.3	0.2
Others	44.6	42.5	69.9	66.2	41.2	33.8	49.0
Total	**322.8**	**400.3**	**491.5**	**502.5**	**270.1**	**269.4**	**262.7**

Source: Norwegian Seafood Export Council

Exports

Dutch herring

	Jan-Dec				.......Jan-June........		
	2006	**2007**	**2008**	**2009**	**2008**	**2009**	**2010**
				(1 000 tonnes)			
Egypt	15.6	16.0	14.3	31.3	4.2	16.3	5.8
China	6.2	4.9	5.4	10.4	5.0	9.6	10.1
Nigeria	109.4	82.4	51.0	48.1	26.7	3.0	21.1
Germany	3.2	3.4	4.6	3.9	2.0	0.9	4.4
Japan	1.2	0.9	0.6	1.0	0.6	0.8	1.0
Cote d'Ivoire	0.5	1.2	0.6	0.7	0.6	0.7	0.0
Russ. Fed.	1.9	0.8	0.2	0.6	0.2	0.6	0.0
Lithuania	*	2.5	1.5	1.1	1.1	0.5	0.2
UK	1.4	0.7	0.8	0.8	0.4	0.4	0.4
Thailand	*	0.3	0.6	0.4	0.7	0.4	0.5
Belgium	0.6	0.6	0.6	0.5	0.3	0.3	0.1
France	1.1	1.2	1.3	0.4	0.5	0.2	0.5
Romania	1.6	0.8	0.4	0.5	0.2	0.2	0.1
Italy	3.1	3.0	0.3	0.1	0.0	0.0	0.0
Spain	3.6	0.3	0.2	0.1	0.1	0.0	0.1
Poland	0.8	0.7	0.7	0.1	0.6	0.0	0.0
Malta	5.6	8.4	0.7	0.5	0.0	0.0	0.0
Israel	*	0.7	0.6	0.0	0.0	0.0	0.0
Others	7.6	2.4	1.5	1.8	0.7	1.0	0.6
Total	**163.4**	**131.3**	**86.0**	**102.4**	**43.8**	**35.2**	**45.0**

should be cut from 1 483 000 tonnes for 2010 to 988 000 tonnes next year.

Among the main exporters of herring, Norway is still dominating the market. In 2009, Norway exported over 500 000 tonnes of round frozen herring, while another important exporter, the Netherlands, exported a total of just over 100 000 tonnes (all product forms included).

Dutch exports follow the same trend as Norway for herring exports: Nigeria has retaken its place as the number one market, while China is also buying large quantities from the Netherlands.

Iceland's export performance so far this year has shown a dramatic decline. During the first eight months of 2010, Iceland exported 61 215 tonnes of herring, compared with 117 824 tonnes during the same period in 2009.

Developments so far in 2010 indicate that total Norwegian exports might fall just short of last year's volumes, while it is expected that Dutch exports may increase. During the first half of the year, Norway's exports of whole frozen herring were down by 2.5%, while Dutch herring exports were up by almost 28%.

Imports

The main herring markets (Russia, Ukraine, east European countries) changed their purchasing patterns temporarily during the financial crisis. Many consumers went back to buying round herring instead of fillets, but this trend is now reversing, and demand for herring fillets is on the rise again. However, if the economy contracts anew, as some predict it will, consumers may go back to round herring.

By the same logic, demand for round herring vs herring fillets differs from market to market. While Russia is an important market for both, Germany is a big importer of fillets, in fact as important as Russia. But Germany imports less round frozen herring than Russia.

Russian herring imports (all product forms) during the first quarter of 2010 amounted to 83 550 tonnes, a 16.5% increase compared to the same period in 2009. The import value also increased, but only by 2%, indicating that unit prices declined. Total Russian herring imports in 2009 amounted to almost 224 000 tonnes. By the end of the third quarter of 2010, Norway had exported 84 710 tonnes of whole frozen herring and 36 800 tonnes of frozen herring fillets to Russia. The exports of whole frozen herring were down by 5.8%, while exports of frozen fillets have increased by just over 10%. This may reflect an improvement in the Russian consumer's purchasing power.

In Russia there is a positive price trend for herring of Russian origin on the wholesale market for fresh/frozen fish and seafood. Prices for Norwegian herring do not show a clear trend, however some decrease in prices for herring "butterfly fillet" were noted. Processors highlight growing consumer demand for herring with added value.

On other east European markets, developments are varied. In Poland, imports during the first half of 2010 show a slight increase in volume and value, confirming the trend in other markets. Polish herring imports during the first six months of the year amounted to 42,739 tonnes (product weight) at an import value of USD 65.8 million.

In Latvia imports during the first half of 2010 declined by almost 42% by volume. But on this market the decline in value was only 22%, indicating that prices were up, in contrast to other markets. Latvian herring imports during

Russian imports of frozen herring and herring fillets Q1 2009 and Q1 2010

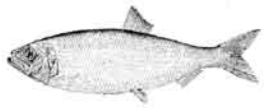
	Value in million RUR		Volume in tonnes	
Origin	**2009**	**2010**	**2009**	**2010**
Norway	2 060	2 003	69 818	76 894
UK	10.0	57.0	346.0	2 725
Finland	23.0	51.0	1 136	1 660
Latvia	2.0	20.0	69.0	1 178
Iceland	2.0	16.0	36.0	873.0
Estonia	2.0	4.0	103.0	221.0
Canada	5.0	-	117.0	-
Sweden	1.0	-	37.0	-
Lithuania	1.0	-	27.0	-
Others	0.0	-	13.0	-
TOTAL	**2 106**	**2 151**	**71 702**	**83 550**

Source: Russian Fish Report, issue N8 (August 2010)

Monthly herring prices in Norway origin Norway

whole: 300gr/pc, flaps: 6-10 pc/kg, in EUR/kg

Source: Norwegian Seafood Export Council



the first six months of 2010 amounted to only 966 tonnes worth USD 883 000, according to official statistics.

Lithuania imported some 4 080 tonnes of frozen herring during the first half of 2010, but the country also exported about 870 tonnes during this period.

Export prices have been a bit up and down, but the main trend has been slightly upward over the past three years. However, this trend may be disrupted at present, and fairly stable prices in the next months are expected.

Germany

The trend among the German consumers has been for a slowly declining consumption of herring in general. This is most probably because herring is a product that is not very popular with the younger generation. The heavy consumers of herring in Germany are in the age group over 65 years.

However, in 2009, there was a dramatic increase in German imports of frozen herring (+96%), and this trend seems to be continuing well into 2010. During the first half of 2010, German imports increased from 29 000 tonnes in 2009 to 45 000 tonnes in 2010. Practically all of the growth was the result of growth in Norwegian exports to Germany, but other suppliers such as Denmark and the Netherlands also saw increases.

Another important characteristic of the German herring market is that increasingly the focus is on canned products, herring salads and marinated herring products, i.e. products that have an added value.

Imports
Frozen Herring: Germany

	...............Jan-Dec...............				.......Jan-June........		
	2006	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)						
Norway	6.4	12.9	7.3	34.9	9.7	18.6	33.0
Denmark	17.9	4.1	10.8	4.1	7.8	2.0	3.3
Netherlands	2.4	2.7	1.7	4.0	2.1	1.5	2.4
Ireland	3.8	3.6	2.2	2.1	0.9	0.3	0.2
UK	3.3	7.0	2.7	0.6	1	0.1	0.2
Canada	0.5	5.2	3.6	6.9	3.8	2.6	0.9
Others	1.4	2.9	1.8	6.5	1.7	3.9	5.0
Total	**35.7**	**38.4**	**30.2**	**59.1**	**27.0**	**29.0**	**45.0**

Source: Statistisches Bundesamt

France

The French market, in contrast to Germany, is moving in the opposite direction. After experiencing growth from 2006 to 2008, 2009 was rather disappointing, with a 20% decline in imports. Imports are falling at an accelerating rate in 2010, as during the first half of the year the import volume fell by 60% to just 1 782 tonnes.

Imports
French herring

	...............Jan-Dec.............				.......Jan-June........		
	2006	2007	2008	2009	2008	2009	2010
	(tonnes)						
Norway	2131	3329	2488	4146	1888	3019	2678
Iceland	2076	1298	3609	1280	2154	857	1127
UK	712	2021	605	644	230	317	15
Netherlands	1381	636	763	275	348	118	274
Denmark	373	301	86	122	100	73	82
Others	228	236	750	151	990	109	71
Total	**6901**	**7821**	**8301**	**6618**	**5710**	**4494**	**4247**

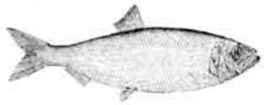
Japan

The Japanese market has been on somewhat of a roller coaster ride in the past few years, and variations seem to be linked to general economic developments. Japanese imports of fresh and frozen herring stood at 42

Imports
Fresh and Frozen Herring: Japan

	...............Jan-Dec.............				..........Jan-June..........		
	2006	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)						
USA	27.6	16.1	21.4	21.9	16.6	13.7	15.2
Russia	9.0	5.9	8.1	5.0	5.7	3.4	4.1
Norway	4.5	3.9	4.3	3.6	3.5	2.6	2.7
Netherlands	1.3	0.8	0.7	0.6	0.6	0.6	0.6
Korea Rep	0.0	0.0	0.4	0.4	0.0	0.4	0.0
Canada	0.2	0.4	0.0	0.0	0.0	0.0	0.0
Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iceland	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Others	0.2	0.4	0.1	0.4	0.1	0.2	0.6
Total	**42.8**	**27.6**	**35.0**	**31.9**	**26.5**	**20.9**	**23.2**

Source: National Statistics



800 tonnes in 2006, but dropped dramatically to just 27 600 tonnes in 2007. Then, at the onset of the financial crisis, imports increased to 35 000 tonnes again, and in 2009, when the crisis seemed to abate, imports started to fall again. In 2010 an 11% increase in imports was registered, which could indicate uncertainty on the part of the consumer with regard to the economy.

Herring prices on international markets have declined significantly over the past year in response to a better supply situation. For the rest of this year and next year, less herring will most likely be available, and that could push price back up again, but probably not by any major amount.

Outlook

The supply situation is good but there is still some uncertainty about the volumes available for the next few months. Prices have declined slightly in most markets, but the declines have been marginal. Prices are expected to remain more or less at present levels for some months.

Canned sardines

The current market for canned sardines is characterized by low supply and sluggish demand. Therefore, the poor fishing season in Morocco is well matched with the low consumption trend at present. Thus, there is not much pressure on packers who still have to fulfil some carry-over contracts from 2009 and take care of the new season for 2010.

There is no sign of improvement in Moroccan sardines landings as catches are generally poor. This is a rather unusual situation and with the *Ramadan* falling in August - September, all activities slowed down affecting overall production.

Sardine raw material prices from local catches increased by 13.3% in Brazil during the last 12 months, forcing some canneries to import cheaper canned sardine. In 2009 Brazil imported only 114 tonnes of canned sardines, and during the first half of 2010, 1 914 tonnes was imported. This prompted Gomes da Costa and Coqueiro to quickly request an intervention from the Ministry of Fisheries and Aquaculture (MPA). As a result the import tax for canned sardines rose from 16 to 32% in July this year.

Meanwhile, the Portuguese and Spanish sardine fisheries are now MSC-certified which is gaining popularity in Europe. However, their higher priced products are yet to be well accepted by consumers who are looking for discounted products.

Imports
Canned sardine: Germany

	...............Jan-Dec...............				............Jan-June..........		
	2006	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)						
Morocco	12.3	8.8	9.7	6.7	4.6	3.1	3.1
Netherlands	0.2	0.6	0.5	0.5	0.4	0.4	0.6
Portugal	0.3	0.5	0.7	0.1	0.5	0.0	0.0
Spain	0.1	0.1	0.2	0.1	0.1	0.0	0.0
Others	0.4	0.4	0.8	1.0	0.2	0.4	
Total	**13.3**	**10.4**	**11.9**	**8.3**	**5.8**	**3.9**	**4.3**

Source: Statistisches Bundesamt

Imports
Canned sardines: France

	...............Jan-Dec...............				........Jan-June...........		
	2006	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)						
Morocco	13.1	10.6	12.8	13.6	6.3	5.9	4.9
Portugal	2.6	3.0	3.4	4.0	1.8	2.2	2.2
Spain	0.9	1.1	1.2	0.7	0.8	0.4	0.4
Others	0.2	0.4	0.7	0.7	0.5	0.1	0.3
Total	**16.8**	**15.1**	**18.1**	**19.0**	**9.4**	**8.6**	**7.8**

Source: National Trade Statistics

Capelin

The capelin fishery in the Norwegian Sea and the Barents Sea has varied considerably, both from year to year and from one fishing area to the other. Traditionally, a large share of the landings have gone for reduction (fishmeal/fish oil) but this is changing. More and more is now going for human consumption, as whole fish, capelin with roe, and for production of frozen capelin roe. In the latter case, only the roe is removed and frozen, while the rest of the fish usually goes to reduction. In 2010, it is estimated that as much as 80% of total landings will be used for human consumption, up from about 66% in 2009.

The main markets for capelin for consumption are Ukraine, Russia, Japan, Lithuania and China. However, capelin is used differently in the different markets. Japan is the market for roe-capelin, as well as for capelin roe, while the east European countries consume the whole fish. Prices are much higher on the Japanese market than on the east European markets.

For the past four years, Japanese import volumes have increased marginally, and at the same time prices have declined slightly. This year, it is expected that capelin prices will slide downward, but not with any dramatic drops.

FISHMEAL

Weaker demand puts downward pressure on prices

The market has been quiet lately with prices easing after the record levels reached in April with buyers holding out for lower prices. However, stocks are limited and with landings in Peru 25% below last year's, prices could well rise again.

Production figures for the first semester showed a slight increase of 2% from last year by the five largest producers. Of note is the 17% decline in production in South America and a doubling of production in Northern Europe. The main reason for the drop in South America is the poor fishing conditions resulting from colder water temperatures than usual. This is expected to change over the next month as spring approaches, leading to rising temperatures with more favourable fishing conditions. In Peru spawning is still in process and expected to continue for another couple of weeks, while the next fishing season in the North/Central area is not expected to open until the beginning of November at the earliest. The quota has still not been set but estimates lie somewhere between 2 and 2.5 million tonnes.

In Northern Europe, Iceland reported good catches of spring spawning herring with landings now at 83% of the quota of 165 500 tonnes. The Icelandic mackerel quota of 130 000 tonnes is almost filled. In Norway landings for meal and oil remain low with most landings going for human consumption. The Norwegian 2010 quota for spring spawning herring is in total 894 400 tonnes, with 368 000 still left to catch after the winter season earlier this year. However, less herring is expected for meal and oil this season when compared with the same period last year.

Demand is hesitant with buyers awaiting further developments. Stocks in China are slightly up as the domestic aquaculture industry's main buying season is over with future demand over the coming months expected from the pig farming sector. Fish meal demand from Chile's aquaculture sector will also grow next year as the salmon industry is slowly coming back on stream.

German imports of fishmeal dropped slightly during the first six months caused by buyers' resistance to high prices. UK imports, however, over the same period were up 27% after a significant decrease in 2009, with a large boost in purchases from Denmark.

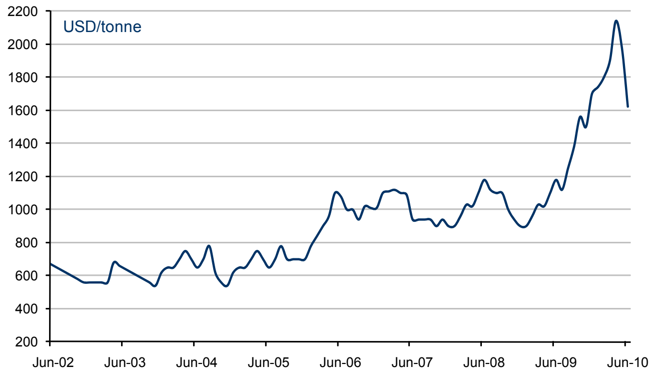
Exports from Peru during the first half year were drastically down as were those of Chile. Poor fishing

Production
Fishmeal: 5 major producers

	....Jan-Dec....			....Jan-Jun....		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Peru/Chile	1420	1390	2039	1331	1324	1102
Denmark/ Norway	700	668	274	213	182	350
Iceland	162	151	198	77	70	156
Total	**2282**	**2209**	**2511**	**1621**	**1576**	**1608**

Source: IFFO

Prices
Fishmeal in Chinese ports



Imports
Fishmeal: UK

	....Jan-Dec....			....Jan-Jun....		
	2007	2008	2009	2008	2009	2010
			(1 000 tonnes)			
Peru	19.3	25.0	54.3	11.0	17.5	18.4
Denmark	12.9	22.0	19.1	15.8	7.0	15.9
Ireland	11.4	9.1	22.1	6.0	12.8	9.5
Germany	13.5	8.3	2.5	5.8	0.9	6.6
Norway	9.8	3.8	2.4	1.8	1.2	2.4
Iceland	3.8	10.3	1.7	4.7	0.0	1.4
Chile	5.0	0.0	4.8	0.0	3.5	0.3
Faroe Is.	3.4	7.9	0.0	5.8	0.0	0.0
Others	8.3	4.5	7.5	1.0	2.3	3.4
Total	**87.4**	**90.9**	**114.4**	**53.0**	**45.2**	**57.8**

Source: GLOBEFISH AN 11632, (*) included under others is the main cause for the decline in Peru whereas the reason for Chile's weak performance was a combination of poor fishing and the damage to the fishmeal processing industry caused by the earthquake earlier this year.

Imports
Fishmeal*: USA

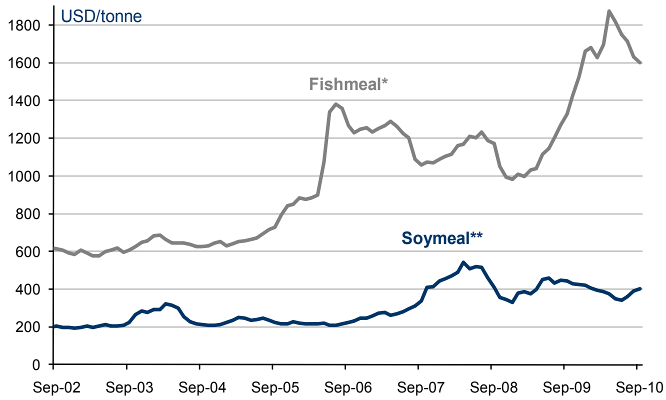
	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Mexico	20.0	22.7	17.9	10.8	11.0	4.4
Chile	6.7	5.5	5.9	2.6	3.4	7.8
Canada	6.5	2.0	6.7	2.2	1.5	2.9
Peru	1.1	0.6	0.5	0.2	0.3	0.8
Panama	0.6	0.3	0.0	0.3	0.0	0.3
Iceland	0.5	0.0	0.0	0.0	0.0	0.0
Others	4.2	7.0	3.9	1.1	3.7	2.4
Total	**39.6**	**38.1**	**34.8**	**18.4**	**20.0**	**18.6**

Source: GLOBEFISH AN 11630 * excluding solubles

Regarding production prospects for 2011 in Northern Europe, ICES, the International Council for the Exploration of the Sea, has advised a 93% cut in the catch quota for blue whiting, a species going exclusively to reduction. Recommendations for the mackerel stock were more positive with a suggested increase in quotas of between 4 and 13%.

Norway and Russia have reached agreement for a 2011 capelin quota in the Barents Sea at 380.000 tonnes (up 5,5 % from 360,000 tonnes this year). In 2010, about 50% of the Norwegian catch, i.e. about 120.000 tonnes went for reduction.

Prices
Fishmeal and Soymeal



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

Source: Oil World, GLOBEFISH AN 11702, 11706

Imports
Fishmeal: Germany

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
Peru	192.3	131.1	251.1	67.6	106.4	86.1
Chile	7.1	5.0	15.5	2.0	10.6	0.0
Denmark	3.7	8.6	16.0	1.9	5.6	5.7
France	2.0	3.6	4.0	2.1	1.8	1.5
Norway	1.0	0.3	1.0	0.2	0.3	1.4
Iceland	1.4	7.5	0.0	6.1	0.0	0.0
Others	2.7	8.9	22.1	6.1	2.7	27.7
Total	**210.2**	**165.0**	**309.7**	**84.0**	**127.5**	**122.5**

Source: GLOBEFISH AN 11635

ICES' recommendations for next year's spring spawning herring quota were set at 988 000 tonnes against 1 483 000 tonnes this year. ICES further recommended to cut the blue whiting TAC from 540 000 tonnes this year to only 40 100 tonnes in 2011.

Exports
Fishmeal: Peru

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
China	555.2	831.9	753.9	429.0	529.1	305.1
Germany	166.0	191.9	269.1	79.2	73.6	51.9
Japan	149.7	148.1	117.1	67.0	67.6	51.8
Taiwan PC	39.3	46.8	61.4	25.0	34.4	13.7
Others	349.1	345.3	335.7	258.4	173.3	109.1
Total	**1259.3**	**1564.0**	**1537.2**	**858.6**	**878.0**	**531.6**

Source: GLOBEFISH AN 11634

Exports
Fishmeal: Chile

	............Jan-Dec............			............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
		(1 000 tonnes)				
China	189	245	328	132	235	94
Japan	65	51	61	20	31	26
Germany	32	37	30	14	22	4
Spain	33	32	30	11	13	14
Rep. Korea	28	25	30	14	13	10
Italy	27	22	26	14	10	9
Taiwan PC	30	18	21	6	13	4
Others	84	58	79	14	41	36
Total	**488**	**487**	**605**	**240**	**378**	**197**

Source: GLOBEFISH AN 11625, (*) included under others

FISH OIL

Market is tight with growing concerns about poor catch levels in South America

As expected, fish oil prices continued to rise as the recent poor catches in South America are restricting future supplies. Peruvian landings, however, are expected to increase over the coming month but overall catches in the region are likely to be well below last year's.

In Northern Europe, despite good harvests, most quantities of mackerel and herring are going for direct human consumption. Industrial deliveries appear lower than last year. Therefore overall production of oil this year is expected to be below that of 2009.

Suppliers are mostly linked to contract deliveries with little available to the spot market. Demand is cautious given the high prices, with buyers watching closely the catch levels in Peru and Chile in particular. On the demand side, the foreseen growth in Chile's salmon production in 2011 and 2012 will put further upward momentum on prices. In addition, the market for high grade fish oil as food supplements is expanding rapidly.

Overall production during the first six months showed a severe drop from 2009 by 25% in volume from the main exporters. As for fishmeal, production in Northern Europe increased whereas the combined Chilean and Peruvian output fell back heavily. This was reflected in exports with both Peru and Chile showing lower volumes in 2010. Conversely, the US increased its exports of fish oil by more than 50% in 2010 thanks to good harvests of menhaden.

Regarding production prospects for 2011 in Northern Europe, ICES, the International Council for the Exploration of the Sea, has advised a 93% cut in the catch quota for blue whiting, a species going exclusively to reduction. Recommendations for the mackerel stock were more positive with a suggested increase in quotas of between 4 and 13%.

Exports
Fish oil: USA

	..........Jan-Dec..........			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Menhaden	45.4	43.2	31.5	17.0	10.8	27.8
Other	8.4	13.3	17.4	6.8	11.3	6.8
Total	**53.8**	**56.5**	**48.9**	**23.3**	**22.1**	**34.6**

Source: GLOBEFISH AN 11789

Production
Fish oil: main exporters

	..........Jan-Dec..........			..........Jan-Jun..........		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Peru/Chile	451	459	410	318	304	179
Denmark/ Norway	74	93	79	47	41	72
Iceland	46	81	44	19	20	22
Total	**697**	**633**	**532**	**384**	**365**	**274**

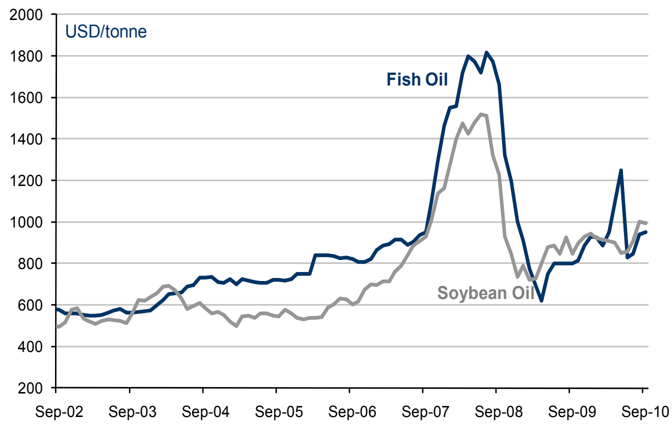
Source: IFFO

Exports
Fishoil: Peru

	........Jan-Dec.......			.............Jan-Jun............		
	2007	2008	2009	2008	2009	2010
	(1 000 tonnes)					
Belgium	52.8	64.6	67.3	27.9	34.0	21.9
Chile	92.9	52.3	22.5	36.6	12.0	19.7
Denmark	86.2	32.6	85.1	0.0	25.0	7.6
Norway	26.2	31.4	19.5	2.9	10.4	7.8
Canada	15.0	20.5	17.1	13.3	5.8	10.4
Australia	8.9	10.0	9.7	5.1	4.2	5.2
China	2.3	1.0	31.5	0.4	17.3	8.7
Others	21.5	22.4	34.5	11.5	23.6	11.9
Total	**305.7**	**234.9**	**287.2**	**97.6**	**132.3**	**93.3**

Source: Produce

Prices
Fish Oil and Soybean Oil



Source: GLOBEFISH AN 12002, 2003

Fish and fishery products statistics[1]

	Capture fisheries production		Aquaculture fisheries production		Exports			Imports		
	2007	2008	2007	2008	2008	2009 *estim.*	2010 *f'cast*	2008	2009 *estim.*	2010 *f'cast*
	Million tonnes (live weight equivalent)				US$ billion					
ASIA	**46.3**	**46.9**	**44.2**	**46.7**	**34.8**	**34.0**	**37.6**	**33.1**	**30.5**	**33.7**
China[2]	16.0	16.0	31.7	33.1	12.1	12.2	14.3	8.3	8.3	9.6
of which China, Hong Kong SAR	0.2	0.2	0.0	0.0	0.5	0.8	0.8	2.4	2.5	2.9
& Taiwan Province of China	1.2	1.0	0.3	0.3	1.5	1.2	1.3	0.7	0.8	0.9
India	3.9	4.1	3.1	3.5	1.6	1.6	1.6	0.1	0.1	0.1
Indonesia	5.1	5.0	1.4	1.7	2.5	2.3	2.4	0.2	0.2	0.3
Japan	4.3	4.2	0.8	0.7	1.7	1.6	1.9	14.9	13.2	14.0
Korea, Rep. of	1.9	1.9	0.6	0.5	1.3	1.3	1.5	2.9	2.7	3.2
Philippines	2.5	2.6	0.7	0.7	0.6	0.6	0.6	0.1	0.2	0.2
Thailand	2.3	2.5	1.4	1.4	6.5	6.2	7.1	2.4	2.0	2.1
Viet Nam	2.0	2.1	2.1	2.5	4.6	4.7	5.0	0.5	0.5	0.5
AFRICA	**7.2**	**7.2**	**0.8**	**0.9**	**4.8**	**4.6**	**4.8**	**3.0**	**3.1**	**3.4**
Ghana	0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Morocco	0.9	1.0	0.0	0.0	1.7	1.5	1.6	0.1	0.1	0.1
Namibia	0.4	0.4	0.0	0.0	0.6	0.6	0.6	0.0	0.0	0.0
Nigeria	0.5	0.5	0.1	0.1	0.1	0.3	0.4	0.6	0.8	0.9
Senegal	0.4	0.4	0.0	0.0	0.2	0.2	0.3	0.0	0.0	0.0
South Africa	0.7	0.6	0.0	0.0	0.5	0.4	0.5	0.2	0.3	0.3
CENTRAL AMERICA	**2.0**	**2.1**	**0.3**	**0.3**	**2.2**	**1.8**	**1.9**	**1.2**	**1.0**	**1.1**
Mexico	1.5	1.6	0.1	0.2	0.8	0.8	0.8	0.6	0.4	0.4
Panama	0.2	0.2	0.0	0.0	0.4	0.3	0.3	0.0	0.0	0.0
SOUTH AMERICA	**13.9**	**13.8**	**1.4**	**1.4**	**10.4**	**9.4**	**9.9**	**1.9**	**1.8**	**1.9**
Argentina	1.0	1.0	0.0	0.0	1.3	1.1	1.2	0.1	0.1	0.1
Brazil	0.8	0.8	0.3	0.3	0.3	0.2	0.2	0.7	0.7	0.8
Chile	3.8	3.6	0.8	0.8	3.9	3.6	3.8	0.3	0.1	0.1
Ecuador	0.4	0.4	0.2	0.2	1.8	1.6	1.7	0.2	0.2	0.2
Peru	7.2	7.4	0.0	0.0	2.4	2.2	2.3	0.1	0.1	0.1
NORTH AMERICA	**6.0**	**5.5**	**0.7**	**0.6**	**8.5**	**7.8**	**8.5**	**16.2**	**15.1**	**16.4**
Canada	1.0	0.9	0.2	0.1	3.7	3.3	3.8	2.0	2.0	2.3
United States of America	4.8	4.4	0.5	0.5	4.5	4.1	4.5	14.1	13.1	14.2
EUROPE	**13.2**	**13.0**	**2.4**	**2.3**	**38.9**	**35.0**	**36.3**	**50.9**	**46.9**	**48.4**
European Union [2]	5.2	5.1	1.3	1.3	26.2	23.6	24.7	44.7	41.4	42.5
of which Extra-EU	"	"	"	"	4.4	3.8	4.1	23.9	22.0	22.2
Iceland	1.4	1.3	0.0	0.0	2.1	1.7	1.8	0.1	0.1	0.1
Norway	2.4	2.4	0.8	0.8	6.9	6.9	7.0	1.2	1.1	1.2
Russian Federation	3.5	3.4	0.1	0.1	2.6	1.8	1.9	2.8	2.3	2.5
OCEANIA	**1.3**	**1.1**	**0.2**	**0.2**	**2.3**	**2.2**	**2.2**	**1.4**	**1.3**	**1.4**
Australia	0.2	0.2	0.1	0.1	0.9	0.8	0.9	1.1	1.1	1.1
New Zealand	0.5	0.5	0.1	0.1	0.9	0.9	0.9	0.1	0.1	0.1
WORLD [3]	**89.9**	**89.7**	**49.9**	**52.5**	**101.8**	**94.8**	**101.2**	**107.7**	**99.8**	**106.3**
Developing countries	65.6	66.3	45.9	48.7	50.9	48.7	52.8	24.5	23.4	26.2
Developed countries	24.2	23.4	4.0	3.9	50.9	46.1	48.5	83.2	76.4	80.1
LIFDCs	35.4	35.9	38.8	41.0	19.6	19.4	21.6	8.2	8.4	9.4
LDCs	7.9	8.1	1.8	1.9	2.4	2.4	2.0	0.5	0.5	0.5
NFIDCs	18.2	18.7	2.7	2.9	8.6	8.0	7.8	2.7	2.7	2.9

1 Production and trade data exclude whales, seals, other aquatic mammals and aquatic plants. Trade data include fish meal and fish oil. **2** Including intra-trade. Cyprus is included in Asia as well as in the European Union. **3** For capture fisheries production, the aggregate includes also 63 346 tonnes in 2007 and 59 408 tonnes in 2008 of not identified countries, data not included in any other aggregates. *Totals may not match due to rounding.*