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MONTHLY HIGHLIGHTS

CONTENTS

First sales in Europe:

Scallop and pollack in France
Hake and red mullet in Greece

Global Supply

Case study: Gilthead seabream in Italy

Consumption: fresh mackerel

Macroeconomic context

In this issue

Eleven countries report first-sales data in this month's highlights. Germany and UK experience large decline and Norway registers the greatest increase.

"The EU fish market 2014" report published by EUMOFA confirms the EU's position as a major consumption market and the largest importer of seafood products, making up 24% of the total value of world trade.

This month's highlights take a closer look at the supply chain for fresh gilthead seabream in Italy, the EU's largest consumer of this species. Despite the economic crisis, demand has grown, and the increased demand has been filled by imports, particularly from Greece. While strong fluctuations are registered, the average import price did not increase over the years. Fresh seabream is sold mainly by large-scale retailers, and at the consumer level, retail prices differ significantly between imported seabream and fish produced in Italy, the latter being more expensive.

In 2013, retail prices of fresh mackerel in four out of the five EU Member States analysed, exhibited an overall decreasing trend, particularly in Sweden.

Find all data and information and much more on:

[www.ec.europa.eu/fisheries/
market-observatory](http://www.ec.europa.eu/fisheries/market-observatory)

1. First sales in Europe

In February 2014, ten EU Member States (MS) and Norway reported first-sales data for ten commodity groups.¹

First sales have decreased since the previous month in both value and volume for six of the reporting countries: Belgium, France, Germany, Greece, Portugal, and the UK. For Denmark, they have increased in volume (13%) and decreased in value (-1%).

Latvia, Lithuania, Sweden, and Norway experienced increases in both volume and value.

In Spain in February 2014, 17.787 tonnes of fresh fish were landed, 4% fewer than a year before. As for the year-to-date (January–February 2014), 28.092 tonnes of fresh fish were landed, a decrease of 5%, compared with the same period in 2013. In February 2014, landings in two ports, Vigo and Tarragona, accounted for 25% of all fresh fish landings.²

Table 1. **OVERVIEW OF THE REPORTING COUNTRIES** (value in million euro and volume in tonnes)

MS	February 2012		February 2013		January 2014		February 2014	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
BE	1.648	6,72	1.309	4,86	1.567	5,64	1.452	5,49
DE	n/a	n/a	n/a	n/a	3.703	3,03	2.416	1,08
DK	20.230	22,06	17.455	19,06	18.385	16,58	20.681	16,34
EL ³	469	1,65	770	2,56	766	2,68	753	2,54
FR	17.888	53,69	15.959	49,33	14.694	46,84	12.478	41,37
LT	343	0,38	520	0,39	80	0,07	140	0,09
LV	n/a	n/a	7.817	2,11	5.479	2,04	7.975	2,18
NO	312.328	224,13	331.193	192,06	225.718	178,87	279.030	203,96
PT	6.589	13,59	5.228	11,94	6.475	11,42	4.268	10,30
SE	9.538	5,85	4.096	3,92	9.050	6,46	6.884	4,56
UK	34.767	55,12	22.044	31,38	64.594	86,91	43.032	64,35

Source: EUMOFA (updated 10.04.2014); volume data is reported in net weight.

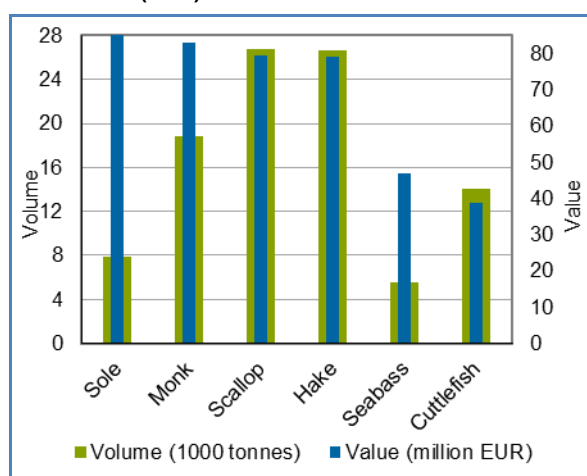
1.1. FRANCE

With more than 5.500 km of coastline and an exclusive economic zone (EEZ) of 11 million km², France is a significant player in the EU fishery sector. In 2012, the value of the country's landings was about 15% of the total EU value of landings. The French fleet contains more than 7.100 fishing vessels, of which about 70% are small-scale vessels. The French national fleet represents 15% of the total EU fleet in engine power.⁴

First sales take place in a network of 35 auction markets. Boulogne-sur-Mer, Le Guilvinec and Lorient are the most important ones.

More than 300 fish species are landed in France, of which the most valuable are sole, monk, scallop, hake, and seabass. These five species represent 38% of the country's total value of landings of fishery products. In volume, herring, scallop, hake, mackerel, and sardine represent more than a quarter of the volume of total landings (2012).

Figure 1. LANDINGS IN FRANCE BY MAIN SPECIES (2012)

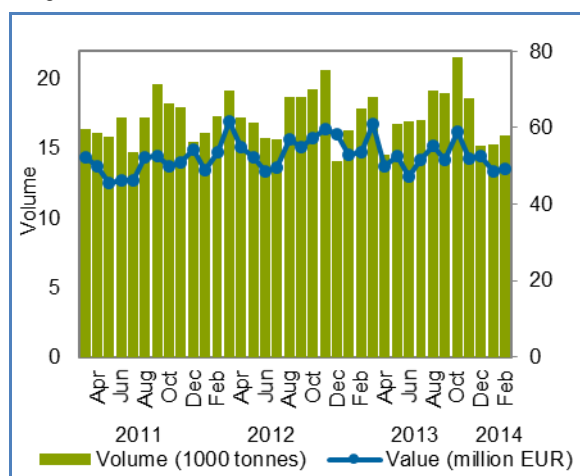


Source: EUROSTAT. Volume in net weight.

Landings in France have increased steadily for the past five years. In 2012, they reached EUR 986 million, corresponding to a volume of almost 439.000 tonnes. Compared with 2011, this was 8% greater in value, and 36% greater in volume.⁵

First sales in France include all of the ten commodity groups reported at the EU level. In February 2014, first-sales value and volume of two commodity groups (groundfish and other marine fish), were reported at EUR 21,41 million and 7.254 tonnes. They accounted for 52% of the value and 48% of the volume of France's total first sales.

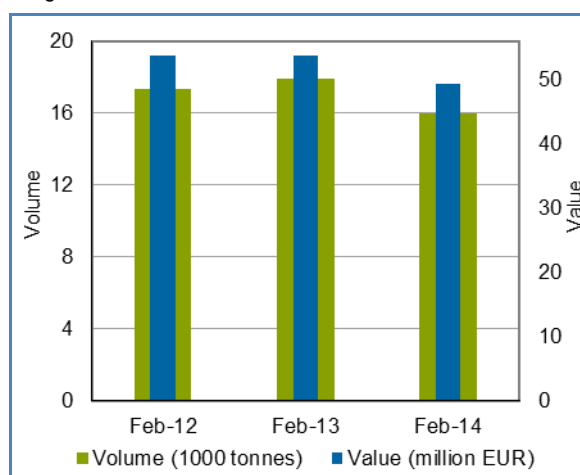
Figure 2. TOTAL MONTHLY FIRST SALES IN FRANCE



Source: EUMOFA (updated 10.04.2014).

Total first sales decreased in both value (-16%), and volume (-22%), compared with February 2013. Compared with two years ago (February 2012), the same trend was observed: decreases of -23% in value and -30% in volume. This was caused mainly by bad weather conditions in the Northeastern Atlantic, which prevented fishing. The decrease in volume was seen mainly in the groundfish commodity group, specifically, cod and haddock, whereas the largest decrease in value was seen by the other marine fish commodity group, namely monk. Compared with one year ago (February 2013), first sales of groundfish decreased in both value (-14%) and volume (-27%).

Figure 3. FEBRUARY FIRST SALES IN FRANCE



Source: EUMOFA (updated 10.04.2014).

At EUR 13,46 million and 3.543 tonnes in February 2014, first sales of other marine fish decreased in both value (-13%) and volume (-11%), compared with February 2013. Compared with two years ago, first sales of the other marine fish commodity group decreased 15% in value and 24% in volume.

1.1.1. SCALLOP



Landings of scallop are composed mostly of *Pecten maximus*, or Great Atlantic scallop, which constitutes most of this species. Scallop lives on sand and gravel bottoms, but it can be found in mud as well, from the extreme low tide

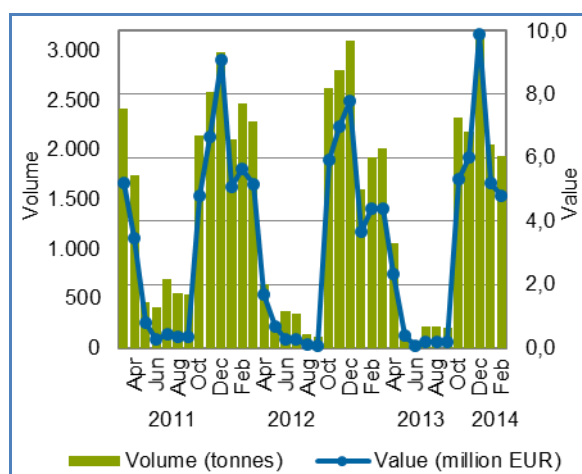
down to 250 m. It is most active during the day. When disturbed, the animal retracts with a quick movement into its valves and becomes undetectable. Scallop feeds on phytoplankton. Large scallop of the *Pecten* genus can live for up to 20 years.⁶

Scallop is praised for its excellent meat, and it is fished in large quantities in the Northeast Atlantic, from Norway to the south of Spain. Scallop fishing is highly regulated for fishing effort and methods, days at sea, type of gear, minimum size, and fishing closures.

Scallop is captured with dredges, and occasionally through diving or by hand (*pêche à pied*). In France, fisheries are closed from the middle of May through September, to allow the species to recover. Fishing season is therefore from October to May, with peaks in the winter months. The average market size of the landed and sold scallop is 10–14 cm. The quality and meat content affect the marketability of the species. The demand for scallop increases towards the end of the year.

In February 2014, scallop accounted for 12% of value and 16% of volume of the country's total first sales, reaching EUR 4,80 million and 1.940 tonnes. This was an increase in both value (9%) and volume (1%) from the same period of the previous year. Compared with two years ago, the opposite trend was observed: notable decreases of 15% in value and 21% in volume.

Figure 4. **SCALLOP: MONTHLY FIRST SALES IN FRANCE**

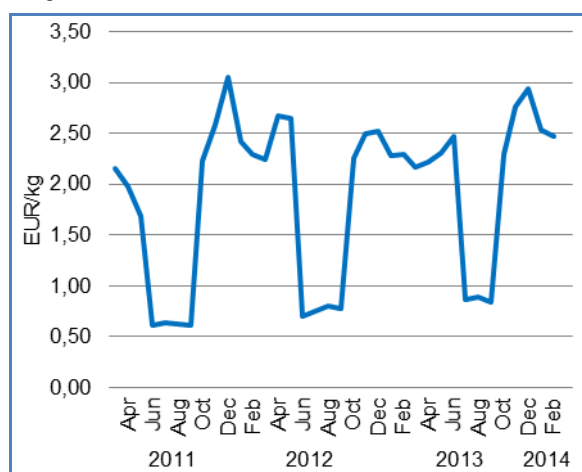


Source: EUMOFA (updated 10.04.2014).

The average unit price of scallop in February 2014 was 2,47 EUR/kg, 2% lower than the previous month when more volume was sold (2.047 tonnes). It increased 8% over both February 2013 and 2012, when 1.921 tonnes and 2.463 tonnes, respectively, were sold.

The highest unit price of scallop observed in the period surveyed was in December 2011 at 3,05 EUR/kg, corresponding to almost 3.000 tonnes sold.

Figure 5. **SCALLOP: FIRST-SALE PRICE IN FRANCE**



Source: EUMOFA (updated 10.04.2014).

1.1.2. POLLACK



Pollack (*Lieu jaune* (Fr.), *Pollachius pollachius*) is a fast-growing fish found on hard-bottom and rocky

habitats. It is a strong-flavoured, lean whitefish that has a green-brown colour with reflections of bronze and gold. Juveniles up to three years stay close to the shore, whereas older specimens move to the open sea, at depths of 40–100 m.

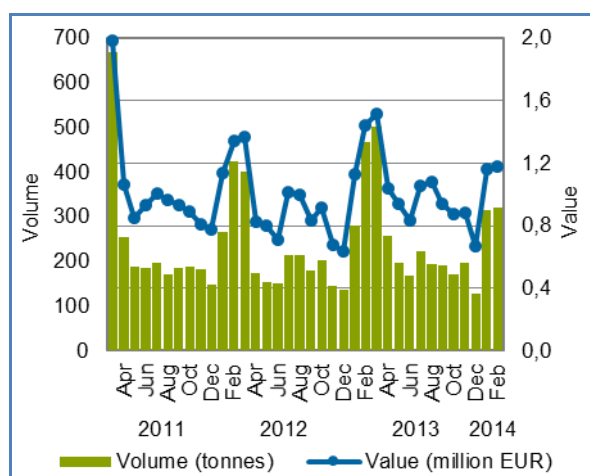
Pollack is found in the Northeast Atlantic, from Norway and Iceland to the Bay of Biscay. Spawning takes place at different times and grounds, e.g. in February in Spain, in March in the Bay of Biscay, and in May in Norway, at a depth of about 150 m. It can live for up to 8 years and reach 130 cm length. However, the most common sizes are from 30 (minimum landing size) to 75 cm. It feeds mostly on fish and occasionally on cephalopods and crustaceans (shrimp and crab).⁷

Pollack is caught in commercial fisheries, using nets, lines, and bottom trawls. It is also an important catch in recreational fisheries.⁸

The species is subject to total allowable catches (TACs). France's TAC for 2014 is 11.110 tonnes, representing almost 70% of the total EU TAC. Pollack is fished year-round, with peaks from January to February/March and smaller landings from April to December. It is landed mainly in Brittany.

In February 2014, pollack accounted for 3% of value and volume of the country's total first sales at EUR 1,18 million and 321 tonnes. This was a decrease in both value (-18%) and volume (-31%) from the same period of the previous year. Compared with two years ago, the same trend is observed, 12% decrease in value and 24% decrease in volume.

Figure 6. **POLLACK: MONTHLY FIRST SALES IN FRANCE**



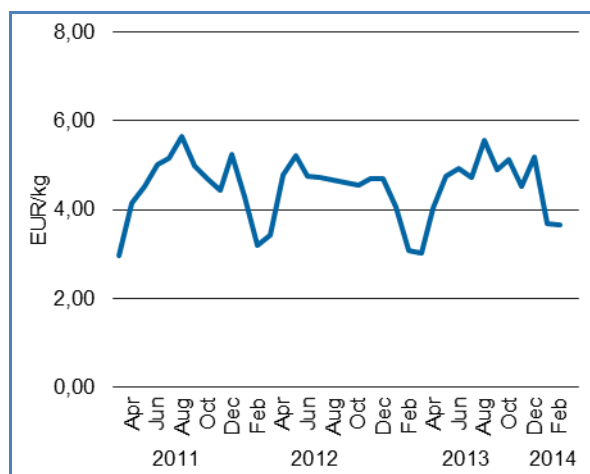
Source: EUMOFA (updated 10.04.2014).

The average unit price of pollack in February 2014 was 3,97 EUR/kg, unchanged from the previous month, but 19% higher than a year before when 466 tonnes of pollack were landed and sold.

Compared with February 2012, the price was 15% higher, corresponding to a first-sales volume of 423 tonnes of pollack.

The highest unit price of pollack observed in the period surveyed was in August 2011 at 5,65 EUR/kg, corresponding to 170 tonnes sold.

Figure 7. **POLLACK: FIRST-SALE PRICE IN FRANCE**



Source: EUMOFA (updated 10.04.2014).

1.2. GREECE

Greece produces around 200.000 tonnes of fish and seafood every year. 60% come from aquaculture and 40% from capture fisheries, most of which is caught in the Aegean Sea.⁹

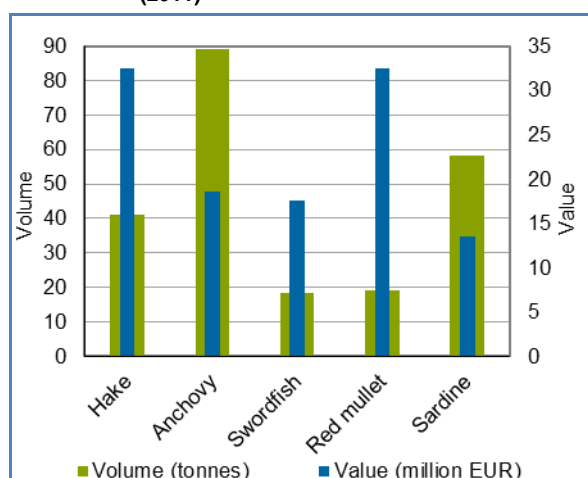
More than 70 fish species are landed in Greece. Of these, most are small pelagics, such as sardine, anchovy, and horse mackerel. Demersal fisheries are also of great importance, in particular species such as hake and red mullet, as well as the cephalopods commodity group. Others commercially high-value species are tuna, swordfish, and albacore. Although small pelagics are caught by purse-seiners, demersal fisheries operate mainly with trawlers. More than 16.000 fishing vessels are registered in Greece, of which most are shorter than 12 m.

In addition to fisheries, Greece is an important EU aquaculture producer employing more than 5.000 people. In the EU, Greece has a 60% share of the production of European gilthead seabream and Mediterranean seabass. Of this and other aquaculture production, 85% is exported.

Over the past four years, landings have decreased steadily in both value and volume. In 2011, they reached EUR 331 million and 63.000 tonnes, respectively.

The top five species in value landed in Greece (2011) were European hake, European anchovy, swordfish, red mullet, and European pilchard (=sardine). Three of the top five species landed in Greece – European anchovy, sardine, and hake – were also among the top five species in volume.

Figure 8. **LANDINGS IN GREECE BY MAIN SPECIES (2011)**

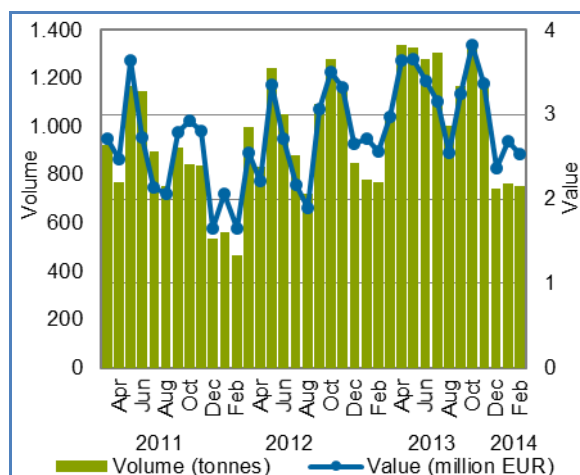


Source: EUROSTAT. Volume in net weight.

In February 2014, in the port of Piraeus, first sales reached EUR 2,54 million and 753 tonnes. First-sales value decreased 1%, and volume decreased 2%

compared with February 2013. Compared with two years ago, an increase in both first-sales value and volume was observed: 54% and 61%, respectively.

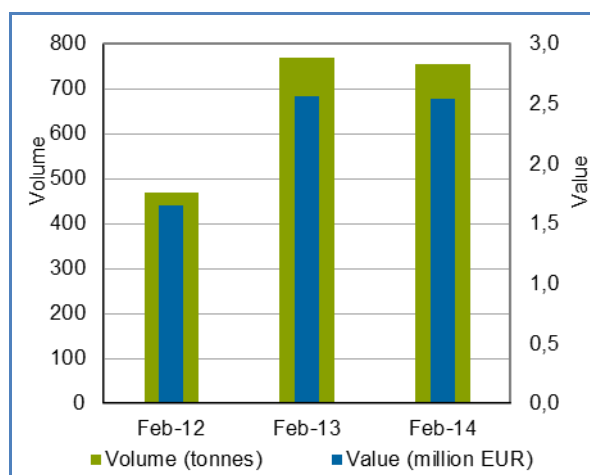
Figure 9. **TOTAL MONTHLY FIRST SALES IN GREECE**



Source: EUMOFA (updated 10.04.2014).

First-sales value and volume of two commodity groups, other marine fish and groundfish, were reported at EUR 2,04 million and 493 tonnes (February 2014). Groundfish accounted for 23% of the value and 11% of the volume of Greece's first sales.

Figure 10. **FEBRUARY FIRST SALES IN GREECE**



Source: EUMOFA (updated 10.04.2014).

The other marine fish commodity group was the most significant, accounting for 57% of the value and 54% of the volume of Greece's first sales. It achieved first sales of EUR 1,45 million and 409 tonnes, representing an increase in both value (16%) and volume (19%) over the year before. Compared with February 2012, the first-sales value and volume increased 66% and 91%, respectively. This was due to other seabreams and red mullet species.

1.2.1. HAKE



Hake refers to many different species, of which the most familiar are North Pacific, Argentine, Cape hake, Chilean, and European hake. Hake is a slow-growing species that reaches sexual maturity at around three to four years of age. It can live for up to 20 years, and reach 15 kg and 140 cm length; however, its average size is closer to 45 cm. It is usually found in waters between 75 and 400 m deep. It lives close to the bottom during daytime, but moves off-bottom at night.¹⁰

The spawning period is very long, and the spawning period and depth vary with populations, e.g. December–June in the Mediterranean and February–May in the Bay of Biscay. In the Mediterranean, spawning occurs in depths of between 100 and 300 m, and above 150 m in the Celtic Sea. Adult hake feeds mainly on fish (including small hake, anchovies, and sardines) and squid. The young fish feed on crustaceans.¹¹

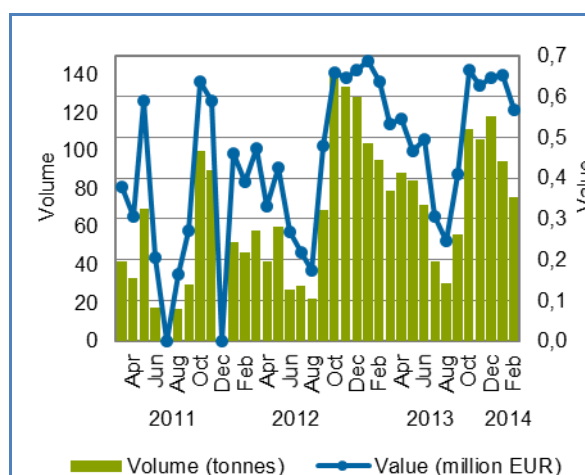
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The European hake (*Merluccius merluccius*) lives in both the Northeast Atlantic and in the Mediterranean Sea. It is commonly caught in mixed fisheries with cod and haddock in the Northeast Atlantic. It is caught mainly by bottom trawling, but also with pelagic trawls and line and gillnet fisheries.¹² In Mediterranean Sea it is mainly caught by trawl and small scale fisheries.

In February 2014, hake was the most important commercial species included in the groundfish commodity group, representing 95% of the first-sale value and 90% of the volume, at EUR 0,57 million and 76 tonnes. This was a decrease in both value (–11%) and volume (–21%) compared with February 2013.

During January–February 2014, the cumulative first-sales value of hake was EUR 1,22 million, a 8% decrease compared with January–February 2013. The volume in the same period was 170 tonnes.

Figure 11. HAKE: MONTHLY FIRST SALES IN GREECE

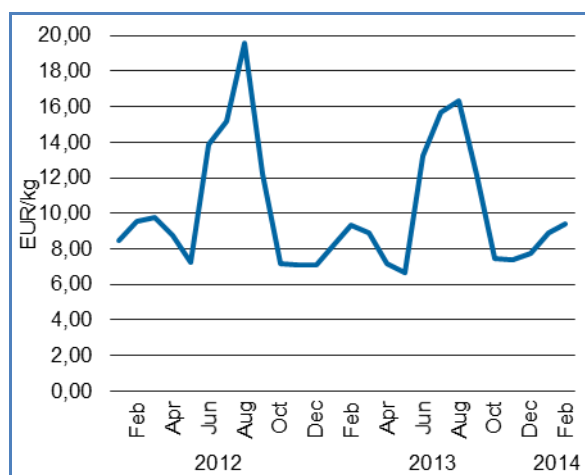


Source: EUMOFA (updated 10.04.2014).

The average unit price for hake in February 2014 was 7,49 EUR/kg, a 12% increase from one year ago, when more volume was available.

The highest unit price registered for hake in the surveyed period was in June 2011, when the smallest volume was sold (17 tonnes).

Figure 12. HAKE: FIRST-SALE PRICE IN GREECE



Source: EUMOFA (updated 10.04.2014).

1.2.2. RED MULLET



Red mullet is a demersal species that is caught in several locations: the Eastern Atlantic, along the

European and African coasts from the British Isles to Dakar, the Azores, the Canary Islands, as well as the Mediterranean and Black seas.

Red mullet lives on muddy or sandy seabeds at great depths, up to 100 m. It has a rapid growth rate and can live for up to 10 years. The average size is 20 cm. The species feeds on crustaceans and molluscs, and reproduction takes place from May to July.

The fish is caught mainly with gillnets, trammel nets, and bottom trawls. The red mullet stocks seem not to be in danger, even if they are fully exploited. There are no restrictions on catches or minimum sizes in the EU. It is fished year-round with peaks in April-May.

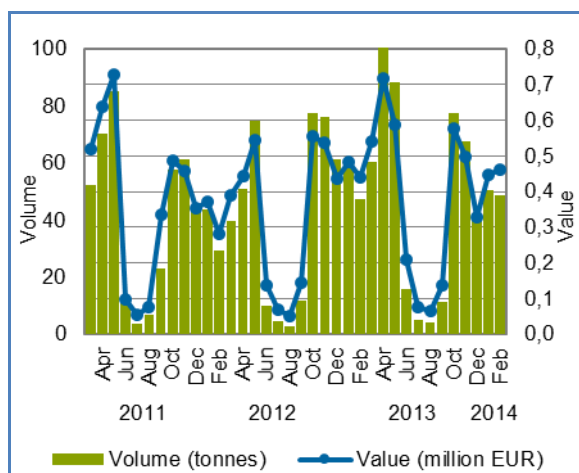
As water temperatures increase, the red mullet have colonised new habitats, being seen at more northern parts of the ocean.¹³

In February 2014, red mullet was the most important main commercial species in Greece in value and third most important in volume of the other marine fish commodity group.

First sales of red mullet represented 18% of the value and 7% of the volume of total first sales in Greece, reaching EUR 0,46 million and 49 tonnes (February 2014). This was an increase in both value (4%) and volume (3%) over February 2013.

First-sales cumulative value (January–February) of red mullet was EUR 0,91 million, a 2% decrease from the same reference period one year before. The corresponding volume was 99 tonnes, a 7% decrease compared with January–February 2013.

Figure 13. **RED MULLET: MONTHLY FIRST SALES IN GREECE**



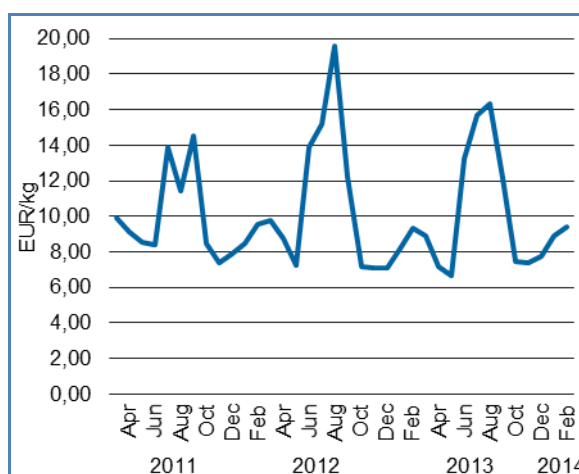
Source: EUMOFA (updated 10.04.2014).

The average unit price of red mullet in February 2014 was 9,43 EUR/kg, 6% higher than previous months and representing a 1% increase over February 2013, when about the same volume was landed and sold (47 tonnes).

Compared with February 2012, the price was 1% lower, corresponding to a first-sales volume of 30 tonnes of red mullet.

The highest unit price of red mullet observed in the period surveyed was in August 2012 at 19,55 EUR/kg corresponding to 3 tonnes sold.

Figure 14. **RED MULLET: FIRST-SALE PRICE IN GREECE**



Source: EUMOFA (updated 10.04.2014).

2. Global Supply

Resources / Herring: An agreement has been reached between the EU and Iceland, Norway, and Russia, concerning the Atlanto-Scandian herring quotas in the Northeast Atlantic for 2014. The total allowable catches (TAC) of 418.487 tonnes for this stock is 33% lower than in 2013 and in line with the scientific advice.¹⁴

Resources / Blue whiting: The EU, Iceland, the Faroe Islands, and Norway concluded an arrangement on the Northeast Atlantic blue whiting stock, based on a TAC of 1,2 million tonnes. Based on research that reflects the improvement of this stock, the EU quota almost doubled from the 2013 level.¹⁵

Fisheries / Sandeel: The EU Agriculture and Fisheries Council agreed on the total allowable catches (TAC) for sandeel in 2014. This is of particular importance for Denmark, the main stakeholder in the sandeel fisheries. The fishing season opened on 1 April for this short-lived fish.¹⁶

IUU / EU: The EU took concrete measures against illegal, unreported, and unregulated (IUU) fishing by banning import into the EU of fishery products caught by vessels from Belize, Cambodia, and Guinea-Conakry, countries that have not acted sufficiently against illegal fishing. Meanwhile, EU vessels will not be allowed to fish in these countries' waters.¹⁷

Fisheries / EU–Fisheries Partnership Agreements: Developments have been registered between the EU and several African countries. These concern (i) a decision on the conclusion of the protocol between the EU and Gabon, (ii) opening of negotiations for a renewal of the protocol to the fishery partnership agreement with Madagascar, (iii) access to the waters of Mayotte (an EU outermost region) for fishing vessels from the Seychelles, (iv) access for 38 EU fishing vessels, targeting mainly tuna, to operate in the Senegalese EEZ; it also includes cooperation for the development of the Senegalese fisheries sector, and for the fight against illegal, unreported, and unregulated fishing.¹⁸

Fisheries / Sustainability: With global seaweed-fishery production increasing, the Marine Stewardship Council (MSC) decided to expand its sustainability standard beyond wild-capture fish and invertebrate fisheries to include various groups of wild multicellular algae, commonly referred to as seaweed. A sustainable seaweed fishery requires stock assessments and harvest control rules. However, sustainable best

practice for seaweed fisheries is not yet as well developed as it is for other types of fisheries.¹⁹

Supply / Freshwater fish: A shortage in raw material for freshwater fish products, coupled with strong demand worldwide, pushed raw material prices up for several freshwater species, including tilapia from China, pangasius from Vietnam, and Nile perch from Africa.²⁰

Supply / Warm water shrimp: The shrimp market is particularly sensitive to economic health. Demand in the EU, as well as in the US and Japan, remained weak. The price of *Penaeus vannamei*, for both raw material and export, has decreased. Meanwhile, supply is expected to increase shortly in Central America, Thailand, Malaysia, and Vietnam.²¹

Aquaculture / Seabass / Seabream: After a sudden increase at the beginning of the year, production prices of seabass and seabream seem to have stabilised, especially for larger sizes, whereas prices have dropped for smaller ones (e.g. 300–400 g). Demand remained weak, and Greek aquaculture companies continue to struggle with financial problems. When demand increases in the near future, it is expected that Turkish companies will fill the gap in supply, particularly for 400–600 g seabream and 400–600 and 600–800 g seabass.²²

Trade / Norway: In March 2014, Norwegian exports of herring decreased 19% in volume compared with March 2013. This can be attributed primarily to lower quotas, but also to a lower price than the same period last year. Meanwhile, mackerel export has increased (5% in value and 14% in volume), as a result of strong demand in several markets and increased landings in Norway. China, Ukraine, and Lithuania were the top markets for frozen whole mackerel.²³

Trade / EU: The EU is the largest importer of fish and seafood products, with a 24% share of the total value of world trade. In value, shrimp is the main species imported, followed by salmon and cod. The intra-EU trade (i.e. trade between EU Member States) is comparable in value with extra-EU imports (i.e. imports originating from third countries). Tuna, cod, and salmon are the main species consumed in the EU. Three out of four fish consumed in the EU originate in capture fisheries.²⁴

3. Case study: Price transmission in the supply chain for gilthead seabream in Italy

3.1. The EU market for fresh gilthead seabream

Italy is the main EU market for fresh gilthead seabream (*Sparus aurata*; further references to seabream in this section refer to gilthead seabream). This section provides a short analysis of this market and links it to the EU market. It emphasises the price transmission in the supply chain.

The EU market for fresh seabream amounted to 105.000 tonnes in 2012. Italy, Greece, and Spain are the three largest consumers, accounting for 77% of the EU market in volume. Aquaculture contributes almost 98% of the total supply. The highest apparent per capita consumption is observed in Greece (2,6 kg), followed by Portugal and Italy (0,6 kg).

Table 2. EU MARKET FOR FRESH SEABREAM IN 2012

Member State	Production fisheries (tonnes)	Production aquaculture (tonnes)	Import (tonnes)	Export (tonnes)	Apparent market (tonnes)	Consumption per capita (kg)
Italy	700	8.700	25.500	900	34.000	0,572
Greece	200	72.000	700	43.700	29.200	2,625
Spain	800	19.400	3.000	5.100	18.100	0,387
France	400	1.300	7.300	800	8.200	0,126
Portugal	200	1.000	5.300	100	6.400	0,607
United Kingdom	-	-	4.800	200	4.600	0,072
Germany	-	-	2.400	700	1.700	0,021
Other EU MS	200	5.500	3.200	5.600	3.300	0,019
EU-27	2.500	107.900	52.200	57.100	105.500	0,211

Source: EUMOFA, PRODCOM, COMEXT. Live weight equivalent.

3.2. The Italian market

The Italian market for fresh seabream amounts to 34.000 tonnes and has increased continuously in recent years, despite the economic crisis.

With about 9% of the total fish quantities consumed fresh, seabream is the number one species in Italy and has significantly increased its position in recent years: Its market share grew from 7,7% in 2005 to 8,9% in 2010.

Fresh seabream is sold predominantly at supermarket fish counters. The market share of large-scale distribution is greater for seabream (66%) than for whole fresh fish (59%). Indeed, aquaculture products, much more than fishery products, fill the needs of supermarkets, which seek a steady, year-round supply, stable prices, and traceability.

Table 3. ITALIAN APPARENT CONSUMPTION OF FRESH SEABREAM (volume in tonnes)

	2009	2010	2011	2012
Production aquaculture	9.600	9.800	9.700	8.700
Production catches	300	300	400	700
Import	19.300	22.500	22.700	25.500
Export	2.300	2.100	1.600	900
Apparent market	26.900	30.500	31.200	34.000

Source: API, FAO, COMEXT. Live weight equivalent.

The major large-scale retailers have developed private labels for aquaculture products. For instance, the market leader, COOP Italia, has seven aquaculture species under this scheme: rainbow trout, seabass, seabream, salmon, turbot, tropical shrimp, and striped bass, with specifications in particular on traceability, sustainability, and animal welfare. COOP has selected five suppliers for seabream, all of which produce in sea cages.

Farmed seabream is one of the species in ESSELUNGA supermarket's NATURAMA quality scheme. In April 2014, the seabream of Italian origin was sold 42% more than Greek seabream with the same unit weight (350 g): 15,50 EUR/kg vs. 10,90 EUR/kg. The NATURAMA seabream (450 g/piece), is usually sold at a premium price compared with unbranded seabream of Italian or Greek origin.

In the near future, AUCHAN should also include seabream in the range of its monitored supply chain (*filiera controllata*) scheme, which is based on five major principles: traceability, transparency, control at every phase of the production process, non-use of GMO, and guarantee of taste. Currently, the scheme is limited to meat, fruit and vegetables, but it will soon be extended to fish, seabream in particular.

As domestic supply has stagnated in recent years, increased demand has been filled with import, which covered 75% of the market in 2012. Greece is by far the main supplier, providing 77% of total imports (in 2013), followed by Turkey (10%) and Malta (4%).

Table 4. **ITALIAN IMPORT OF FRESH SEABREAM (volume in tonnes)**

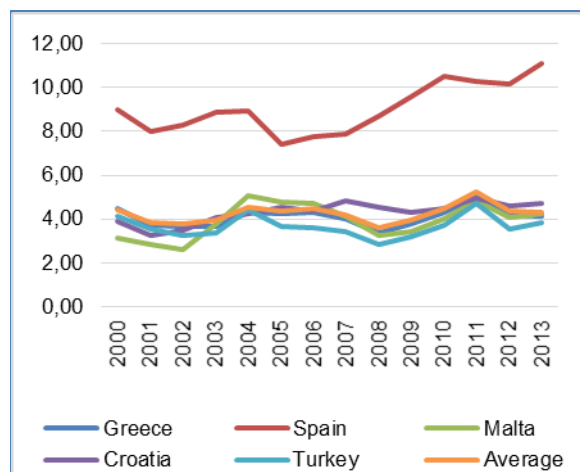
Origin	2003	2008	2013
Greece	9.867	14.894	19.583
Spain	418	522	483
France	179	268	187
Malta	774	1.107	1.037
Croatia	140	344	911
Other EU	79	164	718
EU28-INTRA	11.456	17.299	22.919
Turkey	538	1.874	2.520
Other non-EU	19	37	37
EU28-EXTRA	557	1.911	2.557
TOTAL	12.013	19.210	25.476

Source: EUROSTAT, COMEXT.

3.3. Prices along the supply chain

3.3.1. Import prices

Figure 15. **AVERAGE IMPORT PRICES OF FRESH SEABREAM (EUR/kg)**



Source: EUROSTAT, COMEXT.

The average import price in 2013 was on the same level as in 2000. However, the period analysed has been marked by strong fluctuations: an important drop in 2008 caused by the overproduction crisis (Greece, Turkey). In 2011, these two main suppliers experienced a dramatic price increase, 17% for Greece and 25% for Turkey, resulting from limited supply. Prices fell sharply in 2012 (around 20%), caused by a significant production increase. Prices remained stable in 2013.

Seabream of Spanish origin is characterised by a markedly different price evolution: an increase during the period observed, particularly since 2005 (a 50% increase between 2005 and 2013). Spain was able to increase its prices thanks to higher quality and larger sizes than those provided by the Greek-Turkish duo, and also because they export not only farmed seabream but also some wild seabream, which are more highly valued.

3.3.2. Wholesale prices

Wholesale statistics allow comparison of the prices of fishery and farmed seabream on one hand, and domestic and imported farmed seabream on the other.

The price of wild seabream is about four times the price of farmed fish, whether domestic or imported.

The price of Italian-grown seabream, which was clearly higher than the price of imported fish until 2012, is now aligned with import prices.

Table 5. **PRICES OF FRESH SEABREAM IN MILAN WHOLESALE MARKET (EUR/kg)**

Origin	Size	System	2005		2006		2007		2008		2009		2010		2011		2012		2013	
			Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
National	> 800 g	Fisheries	19.28	26.45	16.79	24.78	18.00	25.64	17.76	24.00	12.08	18.33	14.40	19.94	18.00	22.00	18.00	22.00	18.00	22.00
National	400-600 g	Farming	8.02	9.61	7.55	9.72	4.60	11.50	4.45	8.17	4.32	5.21	4.76	6.68	7.50	8.50	6.78	7.68	5.17	5.56
Import	400-600 g	Farming	5.27	6.62	4.47	5.33	4.50	5.40	4.50	5.40	4.55	5.62	4.48	5.35	5.35	5.94	4.91	5.92	5.18	7.97
Import	200 - 400 g	Farming	4.41	5.53	4.61	5.02	4.60	5.00	4.23	4.93	4.13	4.89	4.38	5.22	4.83	5.25	4.83	5.25	4.83	5.25

Source: ISMEA.

3.3.3. Retail prices

At the consumer level, the price evolution can be observed through the data of the Association of Italian Fish Farmers (API), which monitors consumer prices in large-scale retailers for ten aquaculture products (six trout products, Italian seabream, imported seabream, Italian seabass, and imported seabass). The prices issued on the API website are average consumer prices surveyed at the point of sale at 19 retail chains during a two-week period.

Table 6. **AVERAGE CONSUMER PRICES IN TOP 5 LARGE-SCALE RETAILERS (EUR/kg)**

Retailer	Seabream import		Seabream Italy	
	2012*	2013**	2012*	2013**
COOP ITALIA	9,79	9,62	13,62	13,73
CONAD	8,88	8,68	12,90	14,32
AUCHAN	9,69	8,81	13,54	12,41
ESSELUNGA	10,38	9,84	14,57	13,74
CARREFOUR	8,86	7,66	11,93	14,05

Source: API

* Period 17-30 September 2012. ** Period 16-29 September 2013.

Between September 2012 and September 2013, the price of imported seabream fell in all of the top five retailers, sometimes significantly (−9,1% for AUCHAN and −13,5% for CARREFOUR). For domestically farmed seabream, the situation is more mixed: Its price is quite stable at the leader COOP (an increase of 0,8%) but registers substantial increases at CARREFOUR (17,8%) and CONAD (11,0%), as well as significant decreases at ESSELUNGA (−5,7%) and AUCHAN (−8,3%).

The difference between imported seabream and seabream produced in Italy was 4,60 EUR/kg on average in September 2013.

3.4. Price transmission in the supply chain

Interviews with seafood purchasing managers of large-scale retailers in March 2012 allowed to approach costs and margins in the fresh seabream supply chain.

Table 7. **COST AND MARGINS FOR FRESH SEABREAM* IN LARGE-SCALE RETAIL (EUR/kg)**

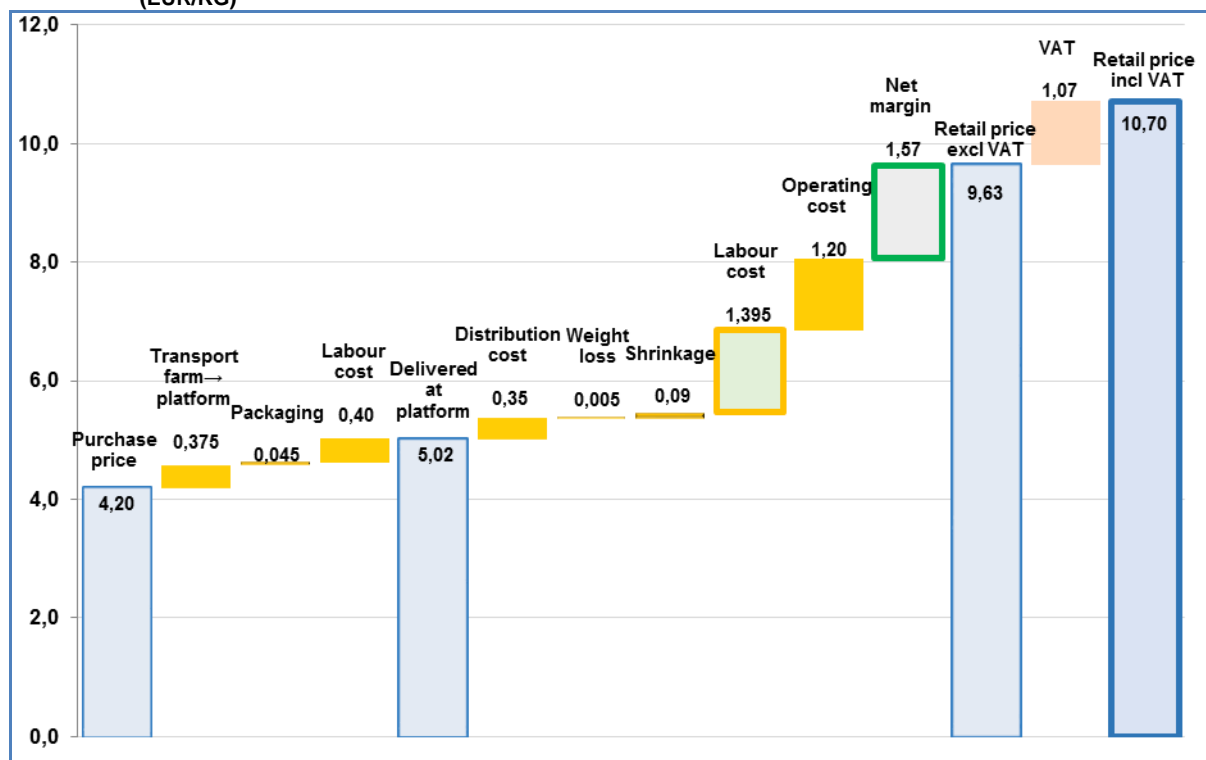
	EUR/kg
Purchase price (to the producer)	4,20
Transport farm → Platform	0,35 - 0,40
Packaging	0,04 - 0,05
Labour cost	0,40
Delivered at platform	5,00-5,05
Distribution cost	0,35
Weight loss	<0,01
Shrinkage	0,09
Labour cost (fish counter)	1,35-1,44
Operating cost (fish counter)	1,20
Net margin	1,50-1,64
Average selling price, exclusive of VAT	9,63
VAT	1,07
Average selling price	10,70

* 300-400 g, origin Italy.

The following assumptions have been used: Cost of a box: 0,25 EUR; Weight loss: 0,5%; Shrinkage < 1%;

Labour cost (fish counter): 14-15%; Operating cost (fish counter): 12%; VAT: 10%.

Figure 16. **PRICE TRANSMISSION FOR FRESH SEABREAM SOLD IN ITALY IN LARGE RETAILERS, MARCH 2012**
(EUR/KG)



4. Consumption

FRESH MACKEREL

Mackerel is one of the richest in omega-3 fatty acids of the marine fish species. Its flesh has a distinctive taste and flavour. Its fat content varies with the season, e.g. it is higher during summer and autumn. Mackerel is among the top ten fish species consumed in the EU, with an apparent consumption of 0,87kg/capita per year (2011).²⁵

In 2013, the EU imported 190.000 tonnes of whole mackerel (fresh and frozen), of EUR 248 million value. Of these, 21% (in both value and volume) were imported from third countries, of which the majority originates from Faroe Islands and Norway.

In two EU Member States, the **Netherlands** and **Sweden** monthly retail prices for fresh mackerel, whole, 1 kg, have fluctuated, particularly in Sweden, showing an overall decreasing trend. The same decreasing trend was seen in **Italy** and **Portugal**, while in the **UK** the trend was reversed.

In **Italy** between January 2013 and April 2014, the monthly retail price of mackerel remained relatively stable around 6,50 EUR/kg and did not display a visible seasonal pattern. Slightly lower prices have been registered in the month of April. In the first four months of 2014, the average price fell -2%, compared with the same period a year before.

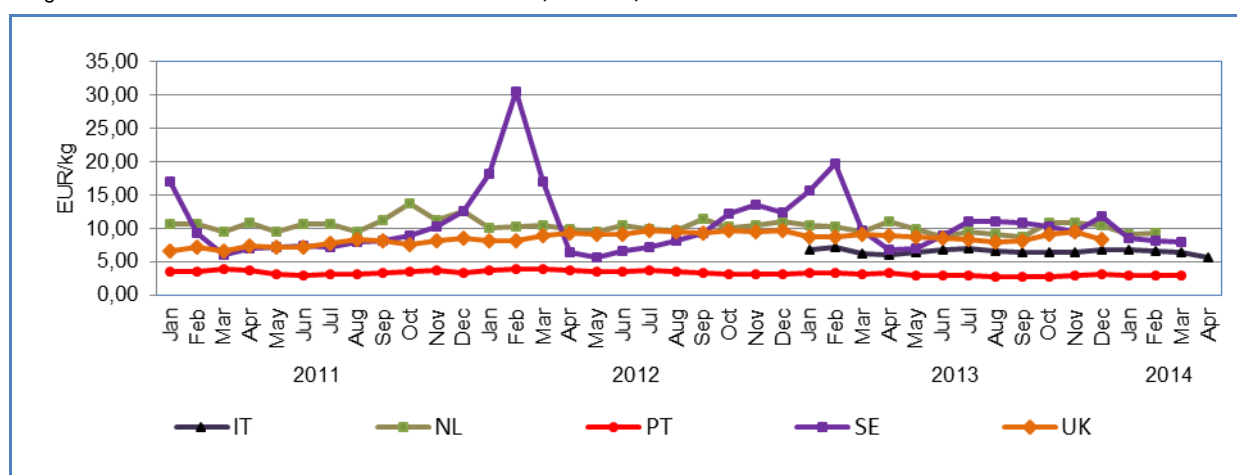
In the **Netherlands**, retail prices of fresh mackerel have fluctuated over the past three years between 9,00 and 14,00 EUR/kg. Nevertheless, they experienced a decreasing trend: In 2013, the average monthly price was 3% and 9% lower than in 2012 and 2011, respectively. In January and February 2014, the average retail price was 11% lower than in the same period of 2013.

In **Portugal**, the price of mackerel remained fairly stable in the first quarter of 2014, at ca. 3,00 EUR/kg. In general prices showed a decreasing trend during the surveyed period, without seasonal fluctuations. The average monthly retail price in 2014 was 14% and 10% lower than in 2013 and 2012, respectively.

The monthly price of whole fresh mackerel has fluctuated considerably in **Sweden** over the past three years. The frequent monthly fluctuations appear to have a seasonal pattern, showing increases during the winter months, i.e. December – January/February. However, in 2014, the average monthly price (January-February) fell 45% and 63% from the same period in 2013 and 2012, respectively.

In the **UK**, retail prices of whole mackerel have showed an increase over the past three years, from 7,00 EUR/kg to 10,00 EUR/kg, without having high fluctuations. In January - April 2014, the average retail price at 9,00 EUR/kg, was 3% and 6% higher than in the same period of 2013 and 2012, respectively.

Figure 17. RETAIL PRICES OF FRESH MACKEREL, WHOLE, 1KG



Source: EUMOFA (updated 11.04.2014).

5. Macroeconomic context

5.1. INFLATION

The EU annual inflation rate was 0,5% in March 2014, lower compared with February 2014, when it was 0,7%; it was 1,7% a year earlier. In March 2014, the lowest individual annual rates were observed in Bulgaria (-2,0%), Greece (-1,5%), and Cyprus (-0,9%), and the highest in the UK (1,6%), Malta and Austria (both 1,4%). Compared with February 2014, annual inflation increased in 3 EU Member States, remained stable in 6, and fell in 19 Member States.

Prices of food and non-alcoholic beverages increased slightly in the EU (0,3%), compared with the previous month (February 2014); they had the same trend as a year ago (0,5% higher).

Compared with February 2014, the price index of fish and seafood was 1,1% lower, and it has remained smaller than the food index. Compared with a year ago, the fish and seafood index grew at a higher pace as the food index (2,0%).

Table 4. **HARMONISED INDEX OF CONSUMER PRICES IN THE EU (2005 = 100)**

HICP	Mar 2012	Mar 2013	Feb 2014 ²⁶	Mar 2014 ²⁷
Food and non-alcoholic beverages	122,24	125,49	126,45	126,13
Fish and seafood	121,06	123,35	127,32	125,83

Source: EUROSTAT.

5.2. EUROPEAN UNION ECONOMIC OVERVIEW

There has not been any notable change in the EU economy which has continued to recover gradually. The revised GDP growth rate remained at 0,4% in Q4 2013, compared with 0,3% over the previous quarter. The growth rate in the euro area reached 0,2% up from 0,1% in Q3 2013. However, the emerging recovery is still too weak to have a significant impact on decreasing unemployment.

Of the largest EU economies, **Germany** and the **UK** continued to expand in Q4 2013 at 0,4% and 0,7%, respectively. **France**, **Italy** and **Spain** also registered growth rates of 0,3%, 0,1% and 0,2%, respectively. Other EU countries, including **Belgium**, **Bulgaria**, **Estonia**, **Latvia**, **Lithuania**, the **Netherlands**, **Poland**, **Slovakia**, **Slovenia** and **Sweden**, saw positive growth.²⁸

The Greek economy started to stabilise, and a return to growth as well as a gradual recovery in employment is expected to start this year.²⁹

Spain's economy has continued to improve, but important challenges to sustain the economic and employment growth remain. Unemployment is still high, though it is declining; inflation is below the euro area average and is expected to stay low.³⁰

5.3. EXCHANGE RATES

The euro appreciated by 1,2% against the Japanese yen, in March 2014, which is a trend observed since the beginning of the year. It has depreciated slightly (by 0,2%) against both the Norwegian krone and the US dollar. After reaching a 30-months high at USD 1,38 in February, the euro-US dollar exchange rate decreased marginally to USD 1,37 in March 2014.

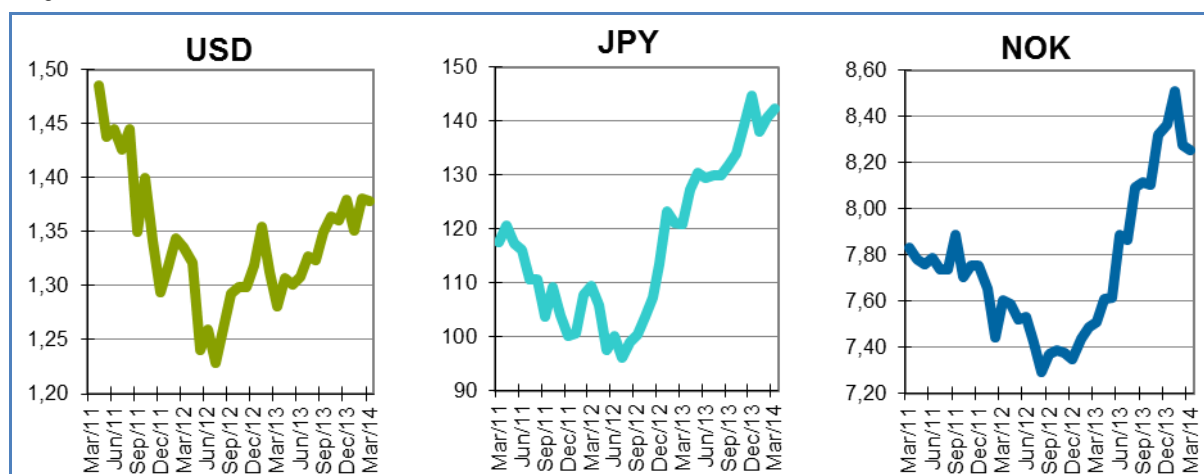
The euro, continues to depreciate slightly against the Norwegian krone, a trend observed since January 2014.³¹

Table 5. **THE EURO EXCHANGE RATES AGAINST THREE SELECTED CURRENCIES**

Currency	Mar 2012	Mar 2013	Feb 2014	Mar 2014
USD	1,3356	1,2805	1,3813	1,3788
JPY	109,56	120,87	140,63	142,42
NOK	7,6040	7,5120	8,2750	8,2550

Source: European Central Bank.

Figure 18. **TREND OF EURO EXCHANGE RATES**



Source: European Central Bank.

5.4. FUEL

The price of Brent crude oil has been relatively stable over the past couple of months. In March 2014 it was 77,80 EUR/barrel, which is 7,6% lower than one year ago (March 2013) and 2,0% lower than the previous month. Global supply and demand conditions suggest a relatively well-supplied oil market. Slightly lower prices are expected over the medium term. Increase of global demand is accompanied by continued strong growth in US shale oil supply.³²

By early April, market expectations of an imminent restart of Libyan exports pressured Brent prices lower. The estimates of global demand remained roughly unchanged, showing an increase of Asian demand,

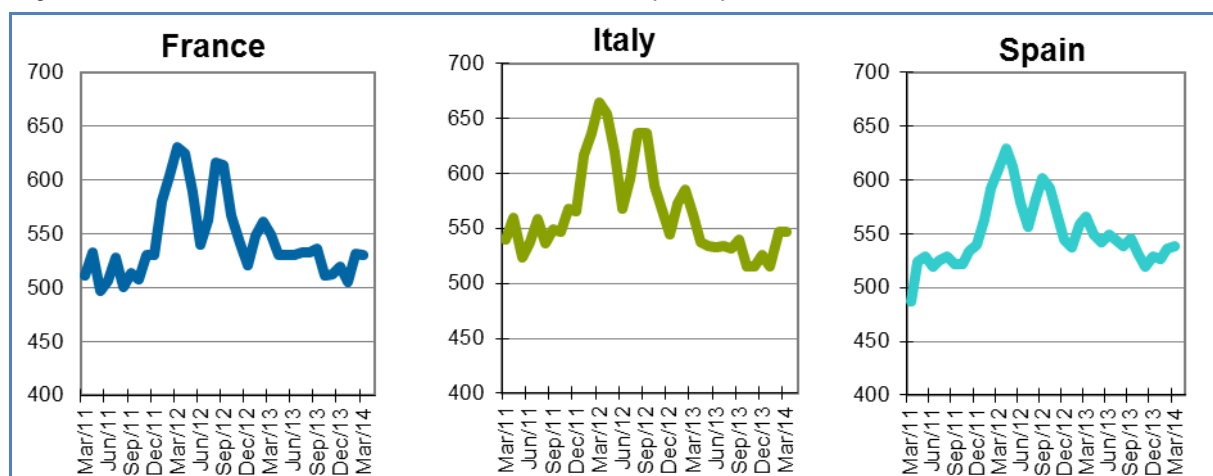
which has been counterbalanced by lower Russian growth.³³

Table 6. **MONTHLY AVERAGE PRICES FOR LOW-SULPHUR OIL (EUR/T)**

EU Member State	Mar 2014	% change from Feb 2014	% change from Mar 2013
France	529,26	-0,4%	-3,5%
Italy	546,58	-0,1%	-2,9%
Spain	538,57	0,4%	-4,8%

Source: International Energy Agency (IEA) – Oil market report – April 2014.

Figure 19. TREND OF LOW-SULPHUR OIL MONTHLY PRICES (EUR/T)



Source: IEA.

In March 2013, compared with previous month (February 2013), the average prices for low-sulphur oil (used by many fishing vessels) decreased slightly in France and Italy, and increased in Spain. Compared with a year ago (March 2012), all prices were lower, most notably in Spain (-4,8%).³⁴

Along Italy's Adriatic coast, the average price for marine diesel fuel for small boats in March 2014 was 0,69 EUR/litre, 1,0% lower than previous month (February 2014) and 4,8% lower than a year ago (March 2013).³⁵

5.5. DEVELOPMENTS IN SELECTED ECONOMIES

The world economy continues to show a modest and gradual recovery, albeit at different speeds. In the emerging market countries, growth rates are among the highest in the world, especially in Asia. The advanced economies, such as the United States, the euro area, and Japan, are also picking up. A more rapid and sustainable growth is however needed.³⁶

The **US** economy consolidated its growth in the fourth quarter of 2013, albeit at a slower pace. The GDP grew at a rate of 0,7%, down from 1,0% in Q3 2013. The housing sector didn't pick up as expected; in addition, trade -both real imports and exports, remained rather weak in the beginning of the year.

In **Japan**, the economy did not grow in Q4 2013, mainly because of lower domestic demand, and a shrinkage of net exports. It is however expected that in the first quarter of 2014 the economic output is likely to increase, followed by a contraction in the second quarter, before modest growth resumes in the second half of 2014. Measures included in the supplementary budget announced in December, along with the recently published spending plans for the fiscal year 2014, should offset some of the expected drop in demand following the consumption tax increase scheduled for April.

In the emerging markets, economic growth slowed slightly in **China** in Q4 2013, compared with Q3 2013, and it seems that this trend has continued in Q1 2014. However, overall, the economy remained stable and strong in 2013. The economies of **Brazil**, **India** and **South Africa** saw moderate growth.³⁷

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THIS REPORT HAS BEEN COMPILED USING EUMOFA DATA AND THE FOLLOWING SOURCES:

First sales: EUMOFA. Data analysed refers to the month of February 2014.

Global supply: European Commission, Directorate-General for Maritime Affairs and Fisheries (DG MARE); GLOBEFISH; en.seafood.no; msc.org.

Case study: API; EUMOFA; EUROSTAT COMEXT and PRODCOM; ISMEA; FAO.

Consumption: EUMOFA.

Macroeconomic context: European Central Bank (ECB); European Commission, Directorate-General for Economic and Financial Affairs (DG ECFIN); EUROSTAT; International Energy Agency (IEA); Chamber of Commerce of Forlì-Cesena, Italy.

The underlying first-sales data is in a separate Annex available on the EUMOFA website.

The **European Market Observatory for Fisheries and Aquaculture Products (EUMOFA)** was developed by the European Commission, representing one of the tools of the new Market Policy in the framework of the reform of the Common Fisheries Policy. [Regulation (EU) No 1379/2013 art. 42].

As a **market intelligence tool**, EUMOFA provides regular weekly prices, monthly market trends, and annual

structural data along the supply chain.

The database is based on data provided and validated by Member States and European institutions. It is available in four languages: English, French, German, and Spanish.

EUMOFA website is publicly available at the following address: www.ec.europa.eu/fisheries/market-observatory.

6. Endnotes

- ¹ Bivalves and other molluscs and aquatic invertebrates, cephalopods, crustaceans, flatfish, freshwater fish, groundfish, other marine fish, salmonids, small pelagics, and tuna and tuna-like species.
- ² http://www.puertos.es/en/estadisticas/estadistica_mensual/index.html
- ³ Data for first sales for Greece covers the port of Piraeus, which is an important place of sale, representing about 30%–35% of country's total first sales and a benchmark for understanding prices in EL.
- ⁴ EUROSTAT.
- ⁵ EUROSTAT.
- ⁶ <http://www.fao.org/fishery/species/3516/en>
- ⁷ <http://www.fao.org/fishery/species/2232/en>
- ⁸ http://www.ices.dk/sites/pub/Publication%20Reports/Advice/2013/Popular/pol-89a_popular.pdf
- ⁹ EUROSTAT and FEAP.
- ¹⁰ http://ec.europa.eu/fisheries/marine_species/wild_species/hake/index_en.htm
- ¹¹ <http://www.fao.org/fishery/species/2238/en>
- ¹² http://www.seafish.org/media/Publications/SeafishResponsibleSourcingGuide_hake_201305.pdf
- ¹³ http://www.seafish.org/media/Publications/SeafishSpeciesGuide_Redmullet_201401.pdf
- ¹⁴ http://ec.europa.eu/information_society/newsroom/cf/mare/itemlongdetail.cfm?item_id=15473&subweb=347&lang=en
- ¹⁵ Ibidem
- ¹⁶ http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/agricult/141859.pdf
- ¹⁷ http://europa.eu/rapid/press-release_IP-14-304_en.htm?subweb=347&lang=en
- ¹⁸ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/agricult/142226.pdf;
http://ec.europa.eu/information_society/newsroom/cf/mare/itemlongdetail.cfm?item_id=15877&subweb=347&lang=en
- ¹⁹ <http://www.msc.org/newsroom/news/industry-update-msc-to-develop-sustainable-seaweed-standard?fromsearch=1&isnewssearch=1>
- ²⁰ GLOBEFISH, European Price Report, March 2014.
- ²¹ GLOBEFISH, European Price Report, April 2014.
- ²² Ibidem.
- ²³ <http://en.seafood.no/News-and-media/News-archive/Press-releases/Mackerel-up,-herring-down>
- ²⁴ http://ec.europa.eu/information_society/newsroom/cf/mare/itemlongdetail.cfm?item_id=15471&subweb=343&lang=en
- ²⁵ EUMOFA.
- ²⁶ Revised.
- ²⁷ Provisional.
- ²⁸ Eurostatistics Data for short-term economic analysis, Issue number 4/2014.
http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BJ-13-011/EN/KS-BJ-13-011-EN.PDF
- ²⁹ http://ec.europa.eu/economy_finance/enewsletter/97_140410/#topnews
- ³⁰ Ibidem.
- ³¹ European Central Bank. www.ecb.int
- ³² European Central Bank – Monthly Bulletin – April 2014. <http://www.ecb.int/pub/pdf/mobu/mb201404en.pdf>
- ³³ <http://omrpublic.iea.org/>
- ³⁴ International Energy Agency – Oil Market Report – April 2014. <http://omrpublic.iea.org/omrarchive/11apr2014tabpub.pdf>
- ³⁵ Chamber of Commerce of Forlì-Cesena. <http://www.fc.camcom.it/prezzi/listino/prodotti/prodotto.jsp?id=1440>
- ³⁶ <http://www.imf.org/external/pubs/ft/survey/so/2014/NEW040214A.htm>
- ³⁷ Eurostatistics Data for short-term economic analysis, Issue number 2/2014 and European Central Bank – Monthly Bulletin – April 2014.