

Fish Meal Market Report – FEBRUARY 2010



Fish oil prices move up again

World fish oil production is declining despite higher Peruvian production. Prices increased in the course of 2009, but without reaching the peaks of mid 2008. Demand for fish oil is strong on the world market, and further price increases are likely in coming months.

Higher fish oil production in Peru

The Peruvian catch of small pelagics for reduction was 5.8 million tonnes in 2009, which compares with 6.0 million tonnes in 2008. Production of fish oil from this source was higher in 2009 than in 2008, because of better oil yields and improved extraction techniques. Total Peruvian fish oil production in the first nine months of 2009 was 225 000 tonnes, 25% more than in the same period of 2008.

Exports					
Fish oil: Peru					
	Jan-Dec	Jan-Sept.....		
	2007	2008	2007	2008	2009
	(1000 tonnes)				
Belgium	52.8	64.6	52.8	46.3	59.6
Chile	92.9	52.3	77.5	48.5	16.5
Denmark	86.2	32.6	70.7	22.0	64.7
Norway	26.2	31.4	12.9	31.4	15.2
Canada	15.0	20.5	15.0	16.5	15.3
Australia	8.9	10.0	8.9	6.0	8.2
Others	23.8	23.4	14.7	17.6	50.4
Total	305.7	234.9	252.5	188.3	229.9

Source: Produce

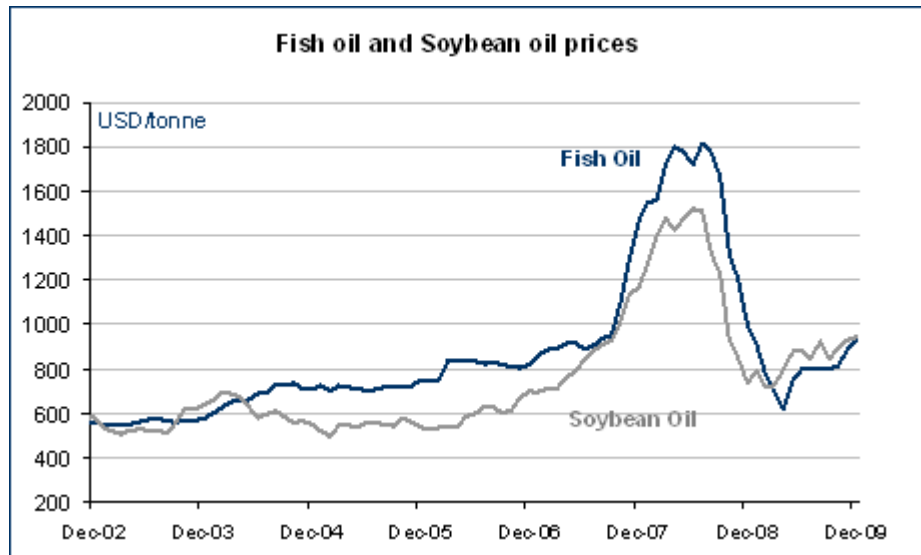
Demand for fish oil continued to be strong in the course of 2009. In particular, the oil capsule industry continued to increase its purchases to meet growing demand for omega-3 fish oil for human consumption. Peruvian fish oil is playing the most important role in the international trade of this product. Exports reached 229 000 tonnes in the first nine months of 2009, a 22.5% increase over the previous year. Denmark and Belgium are the main importers of Peruvian fish oil, taking 28% and 27% respectively of Peruvian exports of this product. It is interesting to note that China does not play an important role as a market for fish oil from Peru.

Exports						
Fish oil: Chile						
	Jan-Dec		Jan-Sept.....		
	2006	2007	2008	2007	2008	2009
	(1000 tonnes)					
Japan	7.3	8.3	15.8	6.5	6.0	8.5
Denmark	15.0	0.0	15.0	0.0	0.0	0.0
China	10.5	18.1	12.6	16.9	11.9	12.4
Norway	0.0	10.0	5.5	0.4	5.4	1.0
Others	29.2	35.6	32.2	27.6	26.2	48.5
Total	62.1	72.0	81.0	51.4	49.6	70.4

Source: Boletín de Exportaciones del IFOP

Further price increases likely

The Peruvian industry is expecting an El Niño year in 2010, which will lead to lower fish oil outputs. Production is also forecast to decline in other producing countries, which will lead to a supply shortage. On the contrary, demand continues to be strong and thus prices are likely to move up even further.



By [Helga Josupeit](#)
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