

FISH MEAL Market Report – MARCH 2010

Exports						
Fishmeal: Peru						
	2004	2005	2006	2007	2008	2009
	(1000 tonnes)					
China	813.0	1049.4	535.2	555.2	831.9	753.9
Germany	153.1	235.9	208.9	166.0	191.9	269.1
Japan	197.0	170.2	174.0	149.7	148.1	117.1
Taiwan						
PC	83.0	84.0	57.1	39.3	46.8	61.4
Viet Nam	na	na	na	na	63.1	62.5
UK	na	na	na	na	22.7	54.4
Others	508.9	461.9	338.4	349.1	259.5	335.7
Total	1755.0	2001.4	1313.6	1259.3	1564.0	1537.2
Source: GLOBEFISH AN 11634						

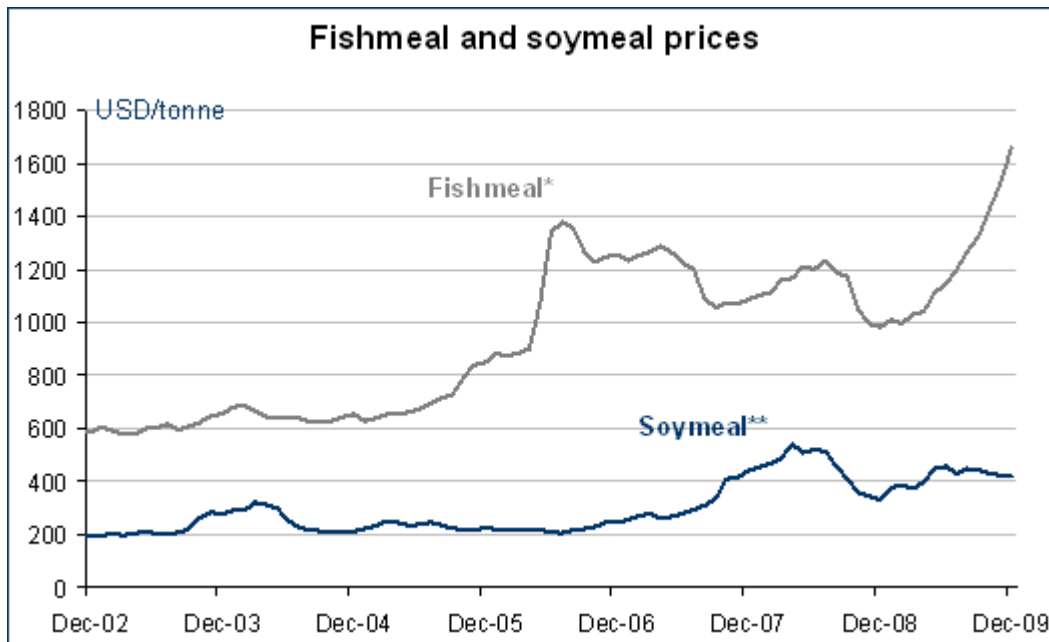
Less fishmeal in world market leads to record high fishmeal prices

Total Peruvian landings were 7 million tonnes in 2009, a 6% decline from 2008. Capture production for reduction was 5.8 million tonnes, which compares with 6.2 million tonnes in 2008. Lower landings resulted in lower fishmeal output: some 1.34 million tonnes of fishmeal were produced in Peru during 2009, which was 5% less than in the previous year.

Exports were relatively stable at 1.54 million tonnes, as some stocks from 2008 were exported only in early 2009, when demand in China was strong.

Peru's fishmeal production for 2010 has been estimated at 1.40 million tonnes, about the same as 2009, while exports are expected to decline slightly to 1.3 million tonnes. There is a great deal of uncertainty in Peru about the final figure for the fishing quota for next season, which will begin in late April or early May. It is speculated that the quota may be reduced by about 500 000 tonnes compared with the 2009 quota, which will result in lower availability of about 125 000 tonnes of fishmeal in the market. A stronger than expected El Niño is likely to impact the anchovy resource, resulting in a lower quota this year.

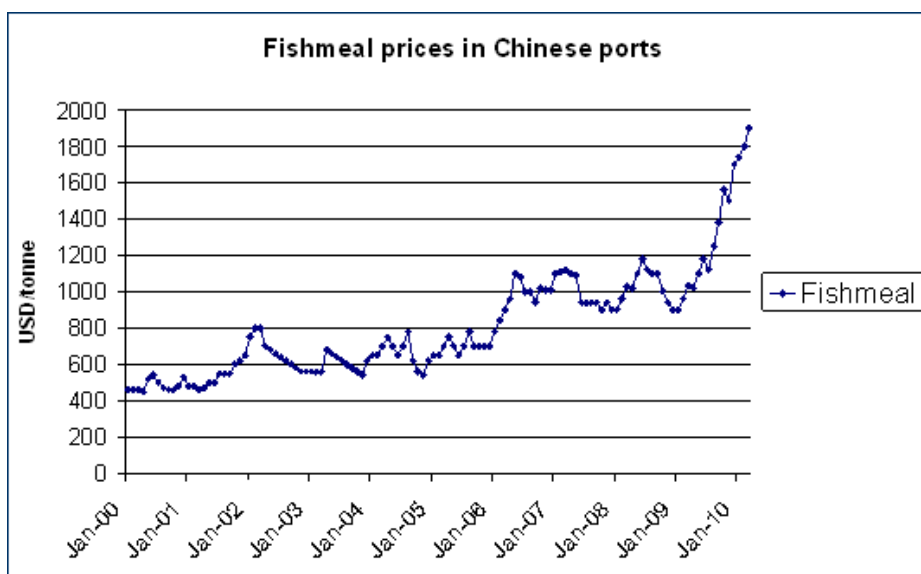
China continues to be the main market for Peruvian fishmeal, with about half of Peruvian fishmeal exports going to this market. China imported slightly less in 2009 than in 2008, but that year had been an exceptionally strong year. German imports of Peruvian fishmeal increased by 50%, probably in expectation of even higher prices in 2010. In a relatively new development, Viet Nam is now strongly represented as an importer of fishmeal from Peru. Fishmeal is in high demand as raw material for the growing shrimp feed industry in Viet Nam.



Chilean fishmeal industry destroyed by earthquake

The most significant news at the moment in the fishmeal industry is the amount of damage to the fishmeal industry in Chile, caused by the recent earthquake. As most of the industry is based around Concepción, the epicentre of the earthquake, damage to the industry is substantial. First estimates suggest a shortage of 200 000 tonnes in production and exports. This will cause an increase in demand from Peru, resulting overall in higher prices.

Fishmeal prices in China have been climbing up in the opening months of 2010, reaching a record high of USD 1 900/tonne in March 2010. At present stocks in Chinese ports are 94 000 tonnes, which is one of the lowest levels reported. Bearing this in mind, fishmeal prices are bound to increase even higher in coming months.



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