

Fishmeal Market Report – JANUARY 2010

Fishmeal production continues to decline

Total fishmeal production by the five major producers declined in 2009, continuing a trend started some years ago. Chile is the only country reporting any increase in production, while all others reported lower outputs. Prices have started to move upwards since some months now, and further price increases are likely. China continues to buy huge quantities of fishmeal more than 50% of total fishmeal exports and its strong demand is the reason for the present price hike.

Production						
Fishmeal: 5 major producers						
	.....Jan-Dec.....			.....Jan-Jun.....		
	2006	2007	2008	2007	2008	2009
	(1000 tonnes)					
Peru	1456	1420	1390	895	885	867
Chile	776	700	668	470	446	457
Denmark	213	162	151	130	130	120
Norway	176	155	148	120	83	62
Iceland	162	135	251	114	77	70
Total	2783	2572	2608	1729	1621	1576

Source: IFFO

Lower production, but higher exports for Peruvian fishmeal

Peru landed 3.58 million tonnes, almost exclusively anchovy, for fishmeal production in the first half of 2009. Some 830 000 tonnes of fishmeal were produced by Peru, 5% less than in the same period of 2008. Chimbote and Pisco were again the main fishmeal producing centres. Peru managed to increase its fishmeal exports in the first half of 2009, despite the decline in production. Some 878 000 tonnes were exported during this period, which is 2% more than the corresponding 2008 figure. Greater buying interest by China was the main reason for higher exports.

Exports						
Fishmeal: Peru						
	.....Jan-Dec.....			.....Jan-Jun.....		
	2006	2007	2008	2007	2008	2009
	(1000 tonnes)					
China	535.2	555.2	831.9	274.9	429.0	529.1
Germany	208.9	166.0	191.9	91.3	79.2	73.6
Japan	174.0	149.7	148.1	79.8	67.0	67.6
Taiwan						
PC	57.1	39.3	46.8	20.2	25.0	34.4
Others	338.4	349.1	345.3	167.3	258.4	173.3
Total	1313.6	1259.3	1564.0	633.5	858.6	878.0

Source: GLOBEFISH All 11634

China was again the main recipient of Peruvian fishmeal, taking 60% of total fishmeal exports. Greater buying interest by China in the first half of 2009 resulted in a 100 000 tonnes increase in Peruvian fishmeal exports to that country.

Germany and Japan are very distant second and third ranked importers of Peruvian fishmeal. Both countries imported lower volumes of fishmeal than the previous year, in line with the overall economic crisis. Other importing countries also reported lower fishmeal imports.

Imports						
Fishmeal¹: USA						
	.....Jan-Dec.....			.....Jan-Jun.....		
	2006	2007	2008	2007	2008	2009
	(1000 tonnes)					
Mexico	27.6	20.0	22.7	12.6	10.8	11.0
Chile	5.9	6.7	5.5	3.1	2.6	3.4
Canada	7.4	6.5	2.0	3.3	2.2	1.5
Peru	11.2	1.1	0.6	0.1	0.2	0.3
Panama	1.6	0.6	0.3	0.1	0.3	0.0
Iceland	0.6	0.5	0.0	0.1	0.0	0.0
Others	4.4	4.2	7.0	1.1	1.1	3.7
Total	58.7	39.6	38.1	21.7	18.4	20.0

Source: GLOBEFISH All 11630 ¹ excluding solubles

Exports						
Fishmeal: Chile						
	.....Jan-Dec.....			.....Jan-Jun.....		
	2006	2007	2008	2007	2008	2009
	(1000 tonnes)					
China	169	189	245	112	132	235
Japan	83	65	51	44	20	31
Germany	33	32	37	11	14	22
Spain	28	33	32	14	11	13
Rep. Korea	30	28	25	16	14	13
Italy	26	27	22	11	14	10
Taiwan PC	50	30	18	17	6	13
Others	72	84	58	13	14	41
Total	519	488	487	272	240	378

Source: GLOBEFISH All 11625, (1) included under others

Chilean exports of fishmeal increased in the first half of 2009, with some 380 000 tonnes exported, 140 000 tonnes more than in the same period of 2008. The strong demand from China, especially for high quality fishmeal was the main reason behind this growth. The high quality fishmeal is mainly used in the aquaculture industry, which experienced a boom in 2009. Chilean exports to China almost doubled in the first half of 2009. In addition, the present salmon culture crisis meant that the domestic market for fishmeal was severely curtailed and producers had to redirect their efforts towards sales in overseas markets.

Imports Fishmeal: Germany						
	.....Jan-Dec.....			.....Jan-Jun.....		
	2006	2007	2008	2007	2008	2009
	(1000 tonnes)					
Peru	202.1	192.3	131.1	108.5	67.6	106.4
Chile	1.0	7.1	5.0	4.0	2.0	10.6
Denmark	8.8	3.7	8.6	1.4	1.9	5.6
France	2.6	2.0	3.6	1.2	2.1	1.8
Norway	1.0	1.0	0.3	1.0	0.2	0.3
Iceland	1.2	1.4	7.5	0.0	6.1	0.0
Others	18.7	2.7	8.9	5.6	6.1	2.7
Total	235.4	210.2	165.0	117.7	84.0	127.5

Source: GLOBEFISH AH 11635

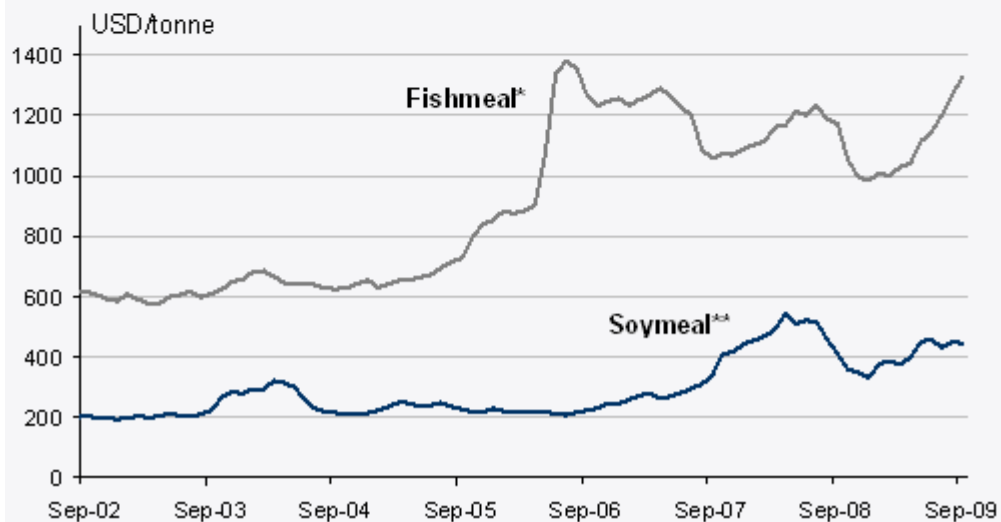
German imports of fishmeal increased sharply in the first half of the year. Some 127 500 tonnes were imported, a 52% increase over last year. Peru was the main supplier, accounting for over 90% of total supply. Chile and Denmark, though only marginal players, also reported strong increases in their fishmeal exports to the German market. In importing higher than normal quantities of fishmeal, Germany was taking advantage of low fishmeal prices in the beginning of the year and building up stocks in the expectation of price hikes, which in fact materialized in the third quarter of the year. Imports of fishmeal into Germany are thus likely to slow down in the closing months of 2009.

Imports Fishmeal: UK

	.....Jan-Dec.....			.....Jan-Jun.....		
	2006	2007	2008	2007	2008	2009
	(1000 tonnes)					
Peru	37.6	19.3	25.0	7.5	11.0	17.5
Ireland	6.0	11.4	9.1	5.6	6.0	12.8
Denmark	25.3	12.9	22.0	5.4	15.8	7.0
Chile	10.9	5.0	0.0	3.7	0.0	3.5
Norway	7.9	9.8	3.8	5.3	1.8	1.2
Germany	30.8	13.5	8.3	2.0	5.8	0.9
Iceland	13.6	3.8	10.3	1.4	4.7	0.0
Faroe Is.	2.3	3.4	7.9	0.0	5.8	0.0
Others	5.0	8.3	4.5	1.2	1.0	2.3
Total	139.4	87.4	90.9	35.9	53.0	45.2

Source: GLOBEFISH All 11632, (*) included under others

Fishmeal and soymeal prices



Higher prices likely

This year will be an El Niño year, though a mild one. However, in these years, the catch of Peruvian anchovies, the main raw material for fishmeal production, is normally very low. Expectations of lower output, combined with good demand in China, are pointing towards further price increases in coming months and in early 2010.

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