

SHRIMP (EU) Market Report – MAY 2010

Shrimp trade is improving and higher prices are likely

The lessening of the economic crisis resulted in strong demand for shrimp in all main markets during the opening months of the year. As supply available on the market was limited, prices started to move upwards. Many packers are not able to commit to advance contracts because of raw material shortages and rising pieces. Trade is expected to be brisk in coming months, and inventories are very low. Prices are likely to go up in coming weeks with some stabilization from mid-May onwards.

Imports

Shrimp: Spain

	2004	2005	2006	2007	2008	2009
	(1000 tonnes)					
Argentina	20.7	5.3	24.9	34.0	28.5	36.2
China	2.7	26.5	28.8	28.0	27.1	25.4
Ecuador	10.0	15.6	19.5	21.5	27.9	20.4
Thailand	0.1	0.5	1.2	1.7	5.7	7.7
Colombia	7.0	9.6	8.8	7.9	7.9	7.2
Nicaragua	2.0	3.2	4.0	6.6	5.8	6.5
Morocco	5.9	6.5	5.3	6.7	6.4	5.2
Belgium	3.0	2.8	4.4	3.6	4.6	4.5
Honduras	4.9	5.3	6.9	7.5	4.1	4.5
Venezuela	4.1	4.6	5.8	3.9	4.0	4.5
Netherlands	4.8	5.4	5.0	5.0	4.0	4.1
Mozambique	3.7	4.8	4.6	5.7	4.0	3.4
Others	76.1	65.8	60.3	46.7	36.8	33.5
Total	145.0	155.9	179.5	178.8	166.8	163.1

Source: GLOBEFISH AN 010150

Spain well supplied by Argentina

The Spanish market continues to be the largest shrimp market in the EU. Despite the economic crisis, Spanish imports in 2009 were almost on a par with the 2008 imports, at 160 000 tonnes. In the last quarter of the year, imports were stable at 55 000 tonnes. Argentina was the main exporter of shrimp to the Spanish market in 2009, with 36 000 tonnes or almost one quarter of the supply. Argentine exports increased strongly in 2009 (+27%) helped by record catches. However, the unit value of Argentine shrimp was very low in 2009, only EUR 4.68/kg, compared with EUR 6.21/kg in 2008. Argentine exporters generally do not like protracted price negotiations, and prefer cash deals. In years of bumper production, export prices of Argentine seafood are very low. This situation helped the Spanish shrimp market to retain market share in the very difficult economic circumstances prevalent last year.

The other two major shrimp exporters to the Spanish market reported sharply reduced exports: China exported 25 400 tonnes to Spain, 6% less than in 2008. The unit value of Chinese shrimp

increased somewhat to EUR 2.89/kg, but is still the cheapest product on the market. Ecuador reported a 27% decline in exports to the Spanish market.

UK shrimp imports grew by 5% in 2009, with the cooked and peeled sector (C&P) mainly responsible for the increase. In this sector it is noteworthy that tropical suppliers increased their presence, while the traditional coldwater shrimp suppliers lost ground. In the C&P segment, Thailand exported 7 700 tonnes or 54% more than in 2008, and is now the number two supplier of C&P shrimp to the UK market. Viet Nam and Indonesia, too, expanded their exports to this market. Traditional coldwater shrimp exporters reported 25 000 tonnes of C&P exports in 2009, a 3% decline from 2008. With regard to price developments during 2009, it is significant that the value of C&P products went up, after years of continuous decline. It is also important to note that Thailand's unit value of C&P shrimp is GBP 5.20/kg, or GBP 0.70-1.00/kg higher than coldwater shrimp prices. This shows that there is a margin for higher prices also for the *Pandalus borealis* product. However, the exchange rate of the British currency in 2009 was, on average, lower than in 2008.

Imports Shrimp: UK

	2004	2005	2006	2007	2008	2009
	(1000 tonnes)					
Shell-on Coldwater						
Denmark	2.0	2.6	2.8	2.4	2.2	2.2
Others	2.4	1.3	1.8	2.4	1.9	1.9
Total	4.4	3.9	4.6	4.8	4.1	4.1
Shell-on Warmwater						
India	10.8	10.8	11.3	10.5	7.6	7.6
Bangladesh	8.2	9.0	6.2	5.7	4.6	6.1
Thailand	0.4	0.6	1.2	4.1	4.8	5.4
Indonesia	4.8	6.1	5.2	6.3	5.9	4.2
Viet Nam	*	*	*	1.0	2.4	3.4
Others	13.9	12.9	14.1	11.1	10.2	9.8
Total	38.1	39.4	38.0	38.7	35.5	36.5
Cooked & Peeled						
Iceland	20.8	17.7	16.9	15.3	13.4	12.3
Thailand	2.1	2.6	3.9	5.2	4.9	7.7
Denmark	4.9	5.4	6.6	6.9	6.3	6.7
Canada	4.7	4.9	4.5	3.9	2.6	3.5
Indonesia	1.3	2.4	3.1	2.6	2.8	3.3
Others	17.5	13.6	11.6	10.1	10.6	10.8
Total	51.3	46.6	46.6	44.0	40.6	44.3
Grand Tot.	93.8	89.9	89.2	87.5	80.2	84.9

Source: GLOBEFISH AN 010141

The other European markets reported stable imports, with the exception of Germany, where imports grew by a strong 17%. This market is very price conscious. In fact the average unit value of shrimp on the German market is EUR 5.83/kg, while some six years ago it was EUR 6.60/kg and has declined continuously since then. Importers took advantage of the lower prices in 2009 to build up inventories. It should be noted, however, that the German market has one of the highest unit values of shrimp in the EU.

Demand strong for shrimp in coming months

Building on a good first quarter of 2010, markets are expecting improved supplies and lower prices from April onwards when the new harvest season begins. At the same time, consumer demand patterns should to be monitored during the April-May high consumption season to determine market trends for the remainder of the year.

**Imports
Shrimp: Germany**

	2004	2005	2006	2007	2008	2009
	(1000 tonnes)					
Thailand	2.2	3.5	4.0	8.9	9.3	11.5
Viet Nam	1.5	3.3	4.0	5.7	8.1	9.8
Bangladesh	2.1	2.7	3.0	3.1	3.5	6.5
India	3.7	4.2	5.3	6.4	5.7	5.5
Netherlands	3.0	3.6	4.1	5.7	3.9	4.2
Belgium	2.5	2.5	2.8	2.6	2.0	3.5
Denmark	1.8	2.1	1.5	2.6	2.7	2.3
UK	2.4	3.0	3.1	2.5	1.6	2.1
Greenland	na	na	na	2.6	2.3	2.0
Others	10.8	10.2	12.1	8.7	9.3	9.4
Total	30.0	35.1	39.9	48.8	48.4	56.8

Source: GLOBEFISH AN 010146

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