

TILAPIA Market Report (China) – APRIL 2010

Tilapia production is growing worldwide

China continued to be the main producer of tilapia during 2009. Production is expanding worldwide, both in Asia and Latin America. Africa, even though tilapia is indigenous to the continent, is lagging behind. After the price hikes experienced in 2008, resulting from low Chinese production, prices moved downward in 2009, a very welcome development at this time of economic crisis. The present year might show further expansion of production, and a consolidation of prevailing price levels.

More tilapia produced in China

China reported that tilapia production in 2009 is estimated to be 1 150 000 tonnes, up from 1 110 000 tonnes in 2008 and 1 134 000 tonnes in 2007. The slow growth in production reflected the weak demand from major tilapia importing markets resulting from the global economic downturn starting in 2008. Chinese tilapia production is expected to continue growing in the near future in response to recovering demand for tilapia products by foreign markets, in particular the USA, together with increasing domestic consumption. China is the main tilapia exporter to the US market, accounting for almost 70% of total tilapia supply to this market.

Chinese tilapia exports grew in 2009, despite the economic crisis. Some 259 000 tonnes were exported during this year, 15% more than in 2008. Even so, the economic crisis had an important impact on prices at which China was able to sell. The unit value declined in 2009 by a notable 16% to USD 2.75/kg. It has to be kept in mind, however, that 2008 was a year of very limited supply to the market, and the decline in tilapia prices during 2009 can be seen as a readjustment of the market to "normal" price levels. As a result of lower prices of tilapia in the world market, total export earnings for Chinese tilapia went down slightly in 2009 to just above USD 710 million, in spite of record exports in quantity terms.

Exports						
Fishmeal: Peru						
	2004	2005	2006	2007	2008	2009
	<i>(1000 tonnes)</i>					
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 AH 11634						

The USA is the main market for Chinese tilapia, accounting for about half of Chinese exports. Mexico continues to be the second major importer of Chinese tilapia, but exports

to this market were more or less stable at 36 000 tonnes. Russia, the third major importer of Chinese tilapia reported sharp increases, as this country made up for lower quantities of pangasius from Viet Nam with higher imports of Chinese tilapia. Thus China exported some 21 900 tonnes to the Russian market in 2009, 28% more than the previous year.

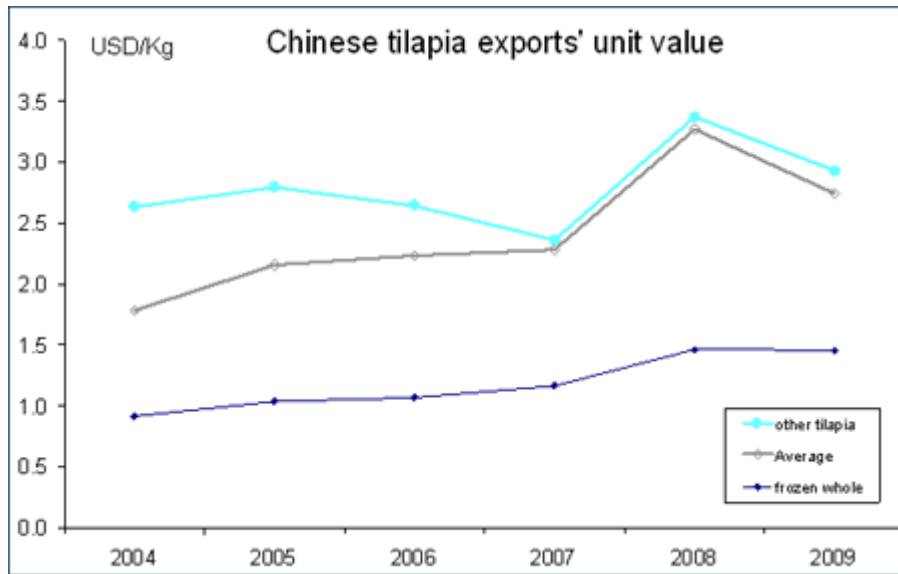
Exports						
Tilapia: China						
	2004	2005	2006	2007	2008	2009
	(1000 tonnes)					
USA	62.9	80.9	104.7	122.0	118.6	134.4
Mexico	15.9	16.3	32.9	39.3	36.5	36.2
Russia	0.0	0.0	5.5	19.3	17.1	21.9
Israel	0.7	1.3	3.7	4.1	4.2	6.6
Germany	0.0	0.7	1.7	1.2	1.7	2.0
Hongkong China	1.0	0.8	1.7	1.5	0.3	1.1
Belgium	0.0	1.1	1.4	1.4	2.3	1.6
Puerto Rico	0.5	0.9	1.3	1.3	1.7	1.2
Dominica Rep.	0.1	0.5	1.0	1.4	0.5	1.0
Canada	1.1	1.1	1.0	0.7	0.6	2.4
Others	8.2	9.3	26.9	23.0	40.9	50.6
Total	90.4	112.9	181.8	215.2	224.4	259.0
Source: GLOBEFISH						

China changed their classification of tilapia in 2009, resulting in a more accurate picture of the market. Some 135 000 tonnes of frozen tilapia fillets were exported, 90 000 tonnes comprised preserved and prepared tilapia (breaded), while frozen whole tilapia amounted to 30 000 tonnes.

The EU market is developing slowly, but steadily. In 2009 Chinese tilapia exports to the EU totalled 14 000 tonnes, compared with 5 500 tonnes in 2006. Main importing countries are France, UK, Germany and Belgium. The most impressive growth reported was for France: in 2009 Chinese tilapia exports to this country were 2 900 tonnes, compared with no imports in 2006.

More tilapia on the market in 2010

Tilapia prices are very competitive at the moment. In the first quarter of the year, prices, both for fresh and frozen tilapia products in the US market, were about 10% below the last year's price level, making it an extremely attractive product, compared with other fishery products. It is likely that the predominant position of China in the US tilapia market will continue during this year, which would mean a further decline in unit value for tilapia imports.



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