INFOPECHE UNIT IN SOUTHERN AFRICA

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MARKETING INFORMATION AND TECHNICAL ADVISORY SERVICES FOR THE FISHERIES INDUSTRY IN SOUTHERN AFRICA

Shrimp EU Market Report – FEBRUARY 2010

Crisis seems to be over for shrimp industry

During 2009 the EU market took advantage of the low shrimp prices experienced in 2009, and overall imports were stable. The only exception was Spain, were the severe economic crisis led to sharply lower shrimp imports. For the opening months of 2010, some price increases are forecast, as some major producing countries have supplyproblems.

European markets reported relatively stable shrimp imports, which is surprisingly given the overall economic climate. On balance, the third quarter showed higher imports. The decision of the EU to tighten controls on Indian shrimp seems to have led to a shift of these products away from the EU towards the US market. In the first nine months of 2009, however, Indian shrimp exports to the EU had.grown.quite.substantially.

In recent years, Denmark was able to establish itself as the main supplier of shrimp to the growing Russian market. Denmark imported, processed and re-exported shrimp and shrimp products to this market. However, in 2009, this trend came to an end. Danish exports to the Russian market fell by almost 50%. The main reasons were the economic crisis felt by Russia, and more direct trading of Russian importers with suppliers, mainly Canadian coldwater shrimp suppliers.

Danish imports in the first nine months of 2009 were 79 300 tonnes, 20% less than in the same period of 2008. While Greenland's producers are obliged to sell through Denmark and Royal Greenland, other coldwater shrimp producers are trying different routes. In 2009, Greenland's exports to Denmark remained stable while Canada exported 42% less. Some of this decline was caused by Canadian producers stopping production in reaction to unacceptably low offer prices by the processing industry. Different trade routes explored by the Canadian producers also contributed to the decline.

Imports
Shrimp: Denmark

	....Jan-Sep....					
	2004	**2005**	**2006**	**2007**	**2008**	**2009**
			(1000 tonnes)			
Greenland	55.5	61.9	63.4	58.1	55.2	53.5
Canada	21.7	22.7	28.3	35.5	22.3	13.0
Faroe Islands	2.4	2.4	2.0	0.4	1.3	2.0
UK	0.6	1.3	1.6	1.7	1.1	1.7
Viet Nam	0.1	0.3	0.5	0.6	1.0	1.3
Bangladesh	0.4	0.8	0.9	1.0	1.0	1.0
Thailand	0.1	0.1	0.3	0.8	0.7	0.9
Iceland	2.9	2.3	2.1	1.9	2.7	0.8
Netherlands	1.5	2.7	1.9	3.4	1.8	0.8
Germany	1.7	1.8	0.9	1.4	0.8	0.8
China	0.0	0.0	0.7	0.6	1.3	0.7
Norway	2.2	2.5	1.7	1.2	1.2	0.6
Sweden	1.0	1.2	0.2	0.2	0.3	0.5
India	0.4	0.6	0.4	0.6	0.7	0.4
Belgium	0.3	0.3	0.3	0.4	0.3	0.3
Indonesia	0.4	0.5	0.3	0.3	0.2	0.2
Others	1.5	1.5	1.9	1.6	2.0	0.7
Total	**92.6**	**102.9**	**107.5**	**109.8**	**93.8**	**79.3**

Source: GLOBEFISH

Imports
Shrimp: Germany

	Jan-Dec. 2006	Jan-Dec. 2007	Jan-Dec. 2008	Jan-Sep. 2008	Jan-Sep. 2009
	(1000 tonnes)				
Thailand	4.0	8.9	9.3	7.1	8.6
Viet Nam	4.0	5.7	8.1	5.9	6.7
Bangladesh	3.0	3.1	3.5	2.5	5.3
India	5.3	6.4	5.7	4.2	4.6
Netherlands	4.1	5.7	3.9	3.1	3.1
Belgium	2.8	2.6	2.0	1.5	2.1
Denmark	1.5	2.6	2.7	2.1	1.9
UK	3.1	2.5	1.6	1.4	1.6
Greenland	na	2.6	2.3	1.7	1.4
Others	12.1	8.7	9.3	6.4	6.5
Total	**39.9**	**48.8**	**48.4**	**35.9**	**41.8**

Source: GLOBEFISH AN 010146

Danish shrimp exports were 83 100 tonnes in the January-September 2009 period, also a 20% decline. Apart from the drop in the Russian market, all other markets experienced a more modest decrease of 10%. The demand for shrimp by Russia is likely to improve in 2010, after the end of the economic crisis. However, Denmark will have to compete with many other suppliers.

Bangladesh shrimp producers have consolidated good contacts with German shrimp importers. As a result, German imports of Bangladeshi shrimp more than doubled to reach 5 300 tonnes in the first nine months of 2009. This country is now the number three exporter to Germany, behind Thailand and Viet Nam. India, formerly the top supplier to Germany, has lost its position. Overall, despite the economic crisis, German imports of shrimp expanded in 2009, to reach 41 300 tonnes in the January-September period, 16% more than in the same period of 2008.

Imports
Shrimp: Spain

	Jan-Sep. 2004	2005	2006	2007	2008	2009
	(1000 tonnes)					
Argentina	17.0	4.8	13.4	25.0	18.5	22.8
China	1.0	16.4	18.9	19.2	19.9	18.0
Ecuador	6.2	9.0	13.4	14.7	19.6	14.3
Colombia	4.2	6.3	5.5	4.8	4.8	4.8
Morocco	4.8	5.4	4.1	5.1	5.2	4.1
Nicaragua	1.1	1.3	2.9	4.4	2.9	4.1
Thailand	0.0	0.1	0.7	0.4	3.1	3.9
Venezuela	1.7	3.1	3.5	3.1	2.5	3.6
Belgium	2.1	1.9	2.4	2.4	3.0	3.4
Netherlands	3.1	3.2	3.3	3.7	2.3	2.8
Mozambique	2.3	3.0	3.5	3.0	3.1	2.5
Cuba	0.8	1.5	2.7	2.6	1.8	2.5
Honduras	2.0	2.7	3.8	4.8	2.7	2.3
Portugal	0.7	1.0	1.2	1.2	1.9	1.9
India	1.0	1.1	1.9	1.5	1.3	1.7
Peru	0.9	1.0	1.2	1.6	1.6	1.6
Panama	0.5	0.9	1.3	1.3	1.0	1.4
France	1.6	2.1	1.7	3.5	2.3	1.3
Guatemala	0.7	0.8	1.3	0.6	0.9	1.3
Senegal	2.3	2.7	2.2	2.9	2.0	1.2
Denmark	1.1	1.1	1.1	1.3	1.2	1.1
Others	39.5	29.6	25.3	15.3	9.4	7.6
Total	**94.7**	**99.0**	**115.4**	**122.4**	**110.9**	**108.1**

Source: GLOBEFISH AN 010150

Spain was the main EU market reporting declining imports, while imports by Germany, France and the UK went up quite significantly in 2009.

The Spanish market was maintained by strong imports of shrimp from Argentina, while other countries reported declining shrimp exports. Ecuador has redirected its exports to the more lucrative markets in France and Italy.

Shrimp prices offered by Spanish importers were generally lower in 2009 than in 2008. The average unit value was EUR 4.35/kg, which was 15% below the corresponding 2008 level.

2009 saw an inversion of a negative trend in UK shrimp imports. In the first nine months of 2009, some 60 900 tonnes were imported, 6% more than in the same period of 2008.

The main products responsible for the increase are cooked and peeled (c&p) shrimps from countries such as Thailand and Indonesia. Imports of c&p shrimp from Thailand tripled in the category intended for re-processing and re-packaging (in packaging weighing more than 2kg). As a result of surging exports, Thailand became the second major shrimp exporter to the UK market.

Imports Shrimp: UK	...Jan-Dec...			...Jan-Sep...		
	2006	2007	2008	2007	2008	2009
		(1000 tonnes)				
Shell-on Coldwater						
Denmark	2.8	2.4	2.2	1.7	1.7	1.7
Others	1.8	2.4	1.9	1.8	1.4	1.4
Total	**4.6**	**4.8**	**4.1**	**3.5**	**3.1**	**3.1**
Shell-on Warmwater						
India	11.3	10.5	7.6	7.3	5.5	5.8
Bangladesh	6.2	5.7	4.6	4.2	3.6	4.6
Thailand	1.2	4.1	4.8	2.5	3.2	4.0
Indonesia	5.2	6.3	5.9	4.9	4.5	3.1
Viet Nam	*	*	2.4	0.6	1.4	2.1
Ecuador	3.3	3.3	2.0	2.5	1.7	2.0
Honduras	1.2	1.3	1.7	1.0	0.8	1.1
Others	9.6	7.5	6.5	4.4	4.2	3.7
Total	**38.0**	**38.7**	**35.5**	**27.4**	**24.9**	**26.4**
Cooked & Peeled						
Iceland	16.9	15.3	13.4	11.3	10.8	9.0
Thailand	3.9	5.2	4.9	3.4	2.9	4.9
Denmark	6.6	6.9	6.3	5.1	4.7	4.9
Indonesia	3.1	2.6	2.8	2.0	2.1	2.6
Canada	4.5	3.9	2.6	2.6	1.7	2.4
Norway	3.5	2.7	3.2	1.7	2.1	1.7
Viet Nam	1.5	1.2	1.2	0.9	0.8	1.3
Others	6.6	6.2	6.2	4.6	4.3	4.6
Total	**46.6**	**44.0**	**40.6**	**31.6**	**29.4**	**31.4**
Gr. Total	**89.2**	**87.5**	**80.2**	**62.5**	**57.4**	**60.9**

Source: GLOBEFISH AN 010141

Warmwater shrimp imports comprised by far the largest category of total imports with 62% of total imports. This share is surprisingly stable, in spite of the impressive increase in Thai shrimp exports. Overall, c&p products represent an important share of UK shrimp imports with 52%, a share that has been stable in recent years.

Higher prices expected for 2010

The EU market is expected to improve in 2010, with Spain recovering somewhat. However, higher shrimp prices are likely to result in lower purchases by German traders, who are always very price sensitive

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