Salmonids

Yearly • 2019

Salmon market analysis

KONTALI

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Introduction

Salmon Market Analysis 2019 is a report which gives an overview of supply trends in several major salmon markets over the last years. The report/analysis must be read from an exporter/importer perspective as it deals mainly with trade flows. The selection criteria are supply volume, growth in supply and market potential.

The analysis presents both supply trends in volumes and values (expressed as total supply and supply per capita).

Salmon Market Analysis (SMA) 2019 has somewhat the same content as previous issues. 34 single markets are presented and analyzed. Each market has a front page which contains a short extract of trends seen in the respective market in 2018 or in a longer perspective. While only minor changes have been made on the contet, the layout is modified and refreshed according to new Kontali layout.

Definitions

Figures in the section "salmon supply" are expressed in tonnes product weights. In general, if other weight denominations than product weight is used, denomination is clearly stated.

For some markets consumption of salmon is calculated. These figures are expressed in tonnes WFE. The WFE expression is also for some markets used in describing the overall supply trend. In order to compare WFE figures and product weight figures, product weight figures have to be converted to

	Atlantic salmon	Trout	Coho
Harvest weight round bled fish (wfe)	100 %	100 %	100 %
Offal	10 %	12 %	10-12 %
Gutted fish, approx.	90 %	87-89 %	88-90 %
Head, approx.	7 - 9 %	8 %	10-15 %
Head off, gutted	81 - 83 %	77-80 %	75-78 %
Fillet skin on	60 - 68 %	60 %	60 %
Fillet skin off/ portions	50 - 60 %	50 %	50 %

In the report the term "supply" is used. Supply is defined as the volumes/amounts of salmon and trout total exported to each market, - not adjusted for re-export and not included domestic catches/harvest. Some countries are both salmon markets and salmon producers (farmed/wild). For some of these markets we have estimated total salmon consumption and consumption per capita.

In the section Salmon Supply the supply of salmon is presented on product groups. The products included in the product groups are as follows:

- **Fresh Atlantic salmon**:fresh gutted farmed Atlantic salmon, mainly head on
- **Fresh Pacific salmon**: fresh Pacific salmon, both round and gutted, both farmed and wild (depending on supplying nation), mainly head on
- **Fresh coho**: mainly gutted, both farmed and wild (depending on supplying nation), mainly head on.
- **Fresh trout**: gutted farmed, mainly head on
- **Frozen Atlantic salmon**: gutted, both head on and head off

- **Frozen Pacific salmon**: mostly gutted, head off
- **Frozen coho:** gutted, mainly head off
- **Frozen trout**: gutted mainly head off
- **Fresh Atlantic salmon fillets**: contains several fillet trimmings, mainly skin on
- **Fresh Pacific salmon fillets**: salmon fillets of several trimmings
- **Fresh coho fillets**: contains several fillet trimmings, mainly skin on sections mentioned differ from other markets.
- **Fresh trout fillets**: contains several fillet trimmings, mainly skin on
- **Frozen Atlantic salmon fillets**: contains several fillet trimmings. A large share is assumed to be skin off. The product group also contains portions.
- **Frozen Pacific salmon fillets**: contains several fillet trimmings. A large share is assumed to be skin off. The product group also contains portions.
- **Frozen coho fillets**: contains several fillet trimmings, a large share is assumed to be skin off.
- **Frozen trout fillets**: contains several fillet trimmings, a large share is assumed to be skin off.
- **Other Atlantic salmon**: All other products except from these specifically listed, are included
- **Other Pacific salmon:** All other products except from these specifically listed, are included
- **Other trout:** All other products except from these specifically listed, are included
- **Smoked salmon**: mostly smoked salmon fillets
- **Smoked trout**: mostly smoked trout fillets
- **Canned salmon (pacific)**: mostly canned pink and canned sockeye.

Salmon market prices (export prices) are expressed in local currency, while fob export prices are expressed in the currency of the supplying country.

In the Macro figures section, some figures are marked with "E" – indicating that these figures are estimates made by the OECD.

Special methodologies

Over the last 10 years supply figures (export stat.) have proven to be much more reliable than imports stats. This applies especially for the European Community. In addition, internal EU trade statistics seems to be even less reliable. Therefore, imports figures for the markets included in the report will differ from the figures presented in the analysis.

For some markets there are limited macro and seafood supply data available. For these markets, the sections mentioned differ from other markets.

When calculating supply values, yearly average exchange rates are used.
Salmon prices presented in the analysis are selected based on an evaluation of supply volumes and availability of prices.

As for supply figures from China, a special approach is used as Chinese export figures before 2012 do not distinguish fillets (which is the main product form exported from China (ie frozen fillets). Consequently, Eurostat and US import figures are used in an attempt to identify volumes from China.
Even though the figures also include frozen Atlantic salmon fillets, we have chosen to place the volumes in a "frozen Pacific salmon fillet" category as Pacific salmon by far constitute the majority.

In some circumstances import data is used to supplement export data related to salmon supply. Import data is used when export data is missing, not disaggregated on species/products, or when import data (based on long experience) is regarded as more reliable/accurate than export data.

Main sources used in the report:

Statistics Norway
CCS
Statistics Canada
BTS
Statistics Denmark
Statistical Bureau of the Faeroe Islands
Ireland Central Statistics Office
US Bureau of Census
Japan Tariff Assoc.
Japan Customs
Australian Bureau of Statistics
Statistics New Zealand
OECD
World Bank
European Commission
Eurostat
World Tariff
Bank of Norway
Alaska Dep. of Fish and Game
NPAC
AMECO
GTA
DFO Canada
NASREC
GTIS
IMF

Content

Highlights

In general, 2018 was a strong year what harvest/catch volumes and revenues concerns. Global supply of salmon (farmed and wild) is estimated to 3,6 million tonnes in 2018 which is the highest supply volume so far recorded. By adding big trout, supply amounted to around 3,9 million tonnes wfe. Supply for farmed salmon rose by 4% from 2017 to 2018 and catches of wild Pacific salmon rose by 12% in the same period – thanks to record high catches in Russia. Supply of big trout remained stable from 2017 to 2018.

Prices for farmed Atlantic salmon from the main salmon producer Norway remained on a high level in 2018. Measured in local currency, NOK, spot prices rose by 1% from 2017 to 2018. However, measured in the main market currency, EURO, prices fell by 2%. The structural price trend for Atlantic salmon in 2018 show the highest price level in the 2nd quarter of the year and the lowest price level in the 3rd quarter. In 2017, prices were also highest in the 2nd quarter, while the lowest price level was observed in the 4th quarter. Prices for wild Pacific salmon continued to climb in 2018. For sockeye (regarded as the most valuable species) first hand prices in Alaska rose by 18% from 2017 and by 51% from 2016. For pink salmon, which is the species with the highest catch volume, average price paid to fishermen rose by 41% in 2018 due to low catch volumes. On the other hand, prices for Russian caught pink salmon fell slightly in 2018 due to record high catch volumes and record high supply to the Chinese market.

From being 2nd in the 3 previous years, Poland became, by clear margin, the no.1 export market for fresh whole Atlantic salmon in 2018, after volume growth of 14% from 2017 to 2018. France captured the 2nd place on the list after being 3rd in 2017, while the US ended 3rd. The fastest climber in 2018 was China to which direct exports grew by 51% (on the expense of Vietnam). The USA consolidated its position as the biggest market for fresh Atlantis salmon fillet market. Close to 146 000 tonnes product weight of fillets entered the US market, +16% from 2018. Among the fastest climbing markets are China; going from next to nothing in 2017 to 1 556 tonnes, and Israel to where supply rose by 70% to 5 292 tonnes. The main export market for frozen Pacific salmon in 2018 was China. Overall exports to China ended all time high at 216 000 tonnes product weight (+ 44% from 2017). The main contributor to the growth was Russia.

Macro-economic data show GDP growth in southern Europe at or below OECD average and growth in Northern Europe at or above OECD average. GDP growth in the USA has in general followed the trend for OECD, with private consumption trending slightly higher. The Chinese economy have over the last years lost some pace and GDP growth in 2018 is estimated to 6,6% which is considerably lower than in the 2011 to 2015 period. The OECD forecast show slight fall in GDP for 2019.

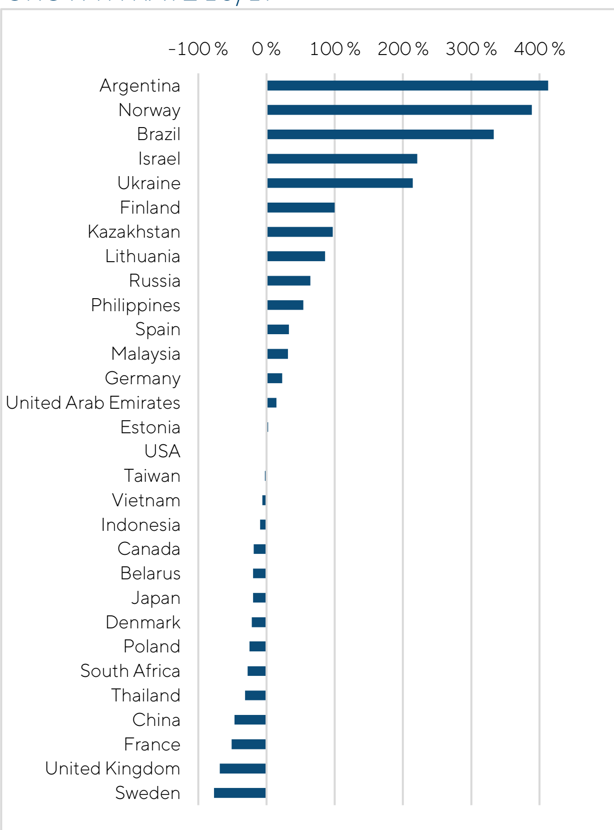
More information and details on volume and value development, salmon suppliers and macroeconomic trends can be found in the following section in the report.

1.7 Frozen Trout

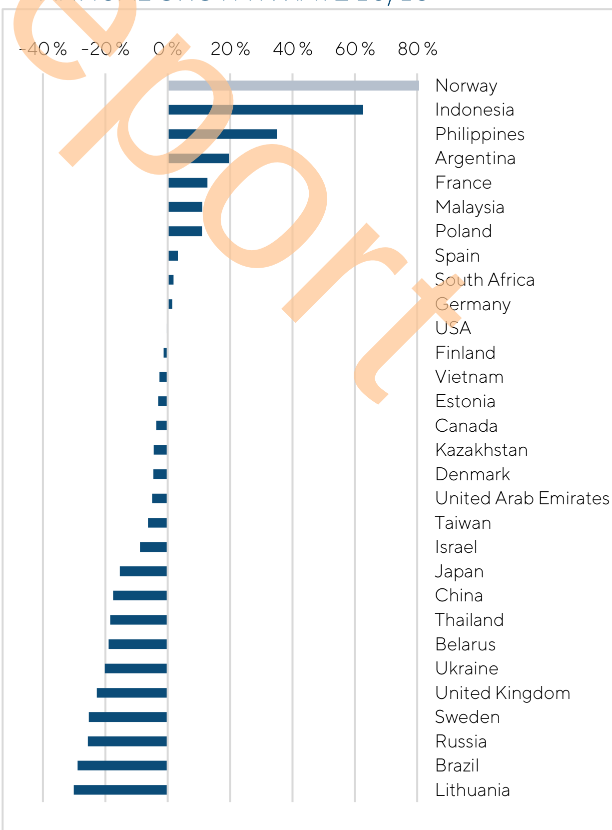
SUPPLY VOLUMES (in tonnes)

Top 30 markets	2010	2011	2012	2013	2014	2015	2016	2017	2018	18/17
Japan	39 199	33 086	42 301	25 973	24 829	19 824	17 307	14 098	11 286	-20 %
Russia	14 831	15 353	19 391	24 786	12 241	6 424	6 937	3 447	5 667	64 %
Vietnam	2 636	3 487	5 295	4 747	4 176	5 611	4 852	4 437	4 164	-6 %
Thailand	9 098	13 795	13 543	10 177	6 622	6 254	6 550	5 352	3 671	-31 %
China	8 996	9 672	7 776	7 748	6 947	5 613	4 857	5 593	2 967	-47 %
Germany	1 610	1 466	1 500	1 407	1 341	1 814	1 255	1 228	1 510	23 %
Finland	431	786	447	1 062	315	738	362	498	995	100 %
Ukraine	1 535	1 415	1 181	2 307	304	504	744	238	749	214 %
Poland	38	35	979	419	385	367	1 113	941	707	-25 %
Taiwan	1 193	789	1 295	987	758	1 462	1 183	732	714	-2 %
Norway	0	0	0	0	1	40	0	107	521	389 %
Estonia	737	736	904	555	478	452	548	465	476	2 %
USA	562	284	465	401	377	617	360	391	396	1 %
Denmark	504	270	479	559	96	214	1 404	565	441	-22 %
Belarus	378	249	947	1 198	684	1 356	549	523	420	-20 %
France	370	155	586	198	280	615	644	738	360	-51 %
Philippines	43	119	97	74	70	467	680	214	330	54 %
Canada	113	183	339	316	300	241	258	323	262	-19 %
Israel	216	322	430	379	69	395	727	74	238	221 %
Indonesia	23	86	55	21	91	261	303	264	239	-9 %
South Africa	395	180	269	202	389	676	410	307	222	-28 %
Malaysia	108	173	209	132	149	144	441	171	224	31 %
Kazakhstan	231	218	203	286	223	175	196	115	227	97 %
United Kingdom	6	39	740	716	749	712	926	624	197	-68 %
Lithuania	55	150	533	1 191	497	171	134	107	199	86 %
United Arab Emirates	153	65	114	242	112	193	269	163	187	14 %
Brazil	2 474	2 753	2 742	684	62	317	145	29	124	333 %
Sweden	244	548	700	577	580	865	1 003	586	134	-77 %
Spain	0	23	208	86	60	244	70	76	101	33 %
Argentina	64	189	84	41	0	18	0	20	100	413 %

GROWTH RATE 18/17



ANNUAL GROWTH RATE 18/13

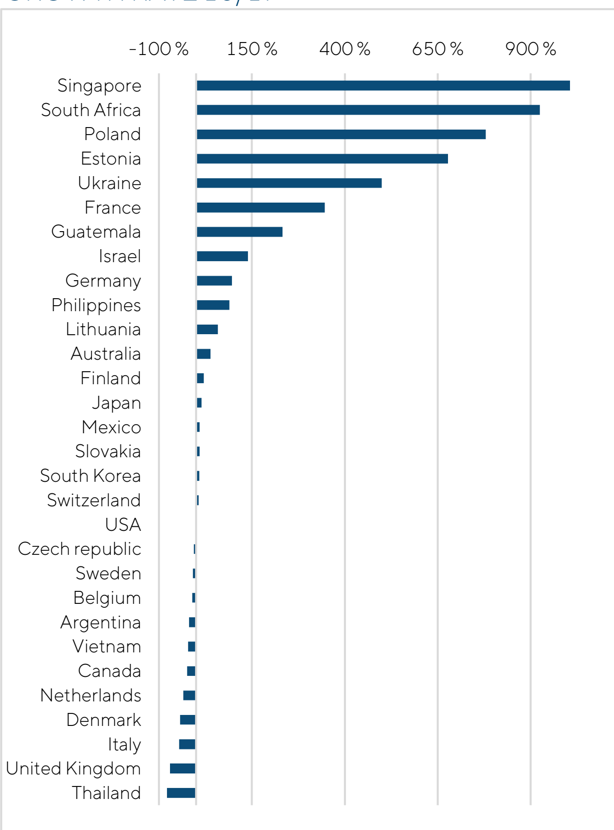


1.8 Fresh Trout fillets

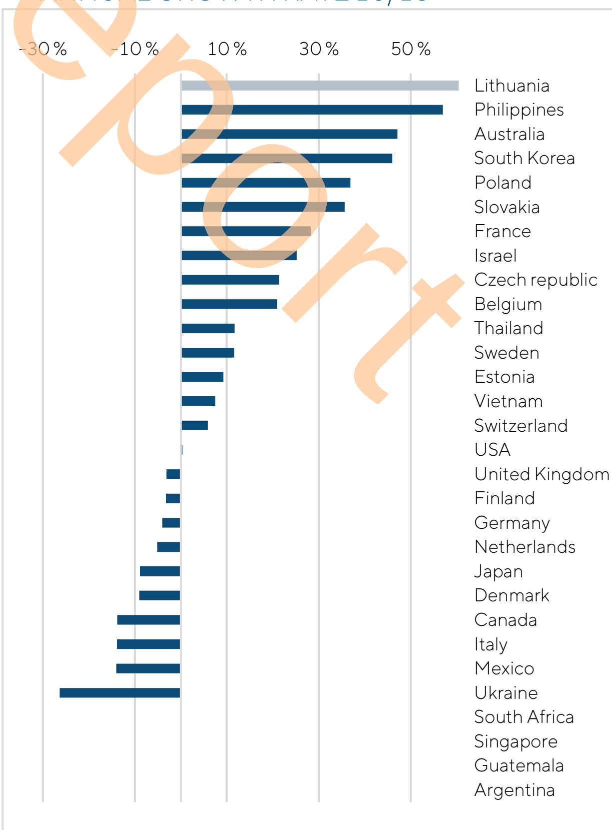
SUPPLY VOLUMES (in tonnes)

Top 30 markets	2010	2011	2012	2013	2014	2015	2016	2017	2018	18/17
Japan	28 990	35 801	38 649	28 520	20 975	20 468	18 651	15 642	17 973	15 %
USA	11 673	9 869	9 972	10 219	9 235	9 512	7 922	10 400	10 397	0 %
Canada	1 919	1 323	3 117	3 672	4 473	3 649	3 115	2 297	1 748	-24 %
Germany	469	469	612	500	278	403	344	207	406	96 %
France	110	163	399	114	179	149	156	89	398	346 %
Sweden	398	364	241	220	94	132	634	419	382	-9 %
Czech republic	1	0	0	119	151	361	324	331	312	-6 %
Australia	0	1	3	43	147	130	192	211	293	39 %
Vietnam	101	114	221	201	519	420	846	368	288	-22 %
Poland	12	30	219	43	57	47	77	23	205	780 %
Switzerland	232	243	248	142	117	118	149	177	190	7 %
Belgium	71	66	69	66	69	92	155	189	170	-10 %
Slovakia	3	2	0	34	9	8	119	143	156	9 %
Lithuania	17	1	23	1	0	0	22	98	155	58 %
Israel	0	0	22	48	0	66	153	61	147	140 %
Mexico	603	465	63	299	97	173	97	128	140	10 %
Denmark	68	320	150	221	101	178	249	240	138	-43 %
Philippines	0	0	0	11	7	5	38	55	104	89 %
Estonia	97	48	17	57	1	19	14	11	88	678 %
South Korea	0	0	0	11	19	27	60	65	71	9 %
South Africa	26	8	31	0	0	1	0	7	70	925 %
Thailand	108	253	272	40	255	758	172	320	69	-78 %
Singapore	103	54	11	0	1	1	0	1	66	4548 %
United Kingdom	88	9	14	50	36	2	4	144	43	-70 %
Ukraine	120	97	38	196	28	7	46	7	43	499 %
Guatemala	0	0	0	0	0	2	1	12	40	232 %
Netherlands	33	33	63	43	27	31	48	51	33	-35 %
Argentina	121	111	27	0	0	0	45	39	32	-19 %
Finland	140	186	84	33	37	13	23	23	28	21 %
Italy	44	74	63	60	7	54	55	52	28	-45 %

GROWTH RATE 18/17



ANNUAL GROWTH RATE 18/13



2.8 Sweden

Since the financial crisis, the growth in the Swedish economy has been stronger than for OECD average. The GDP growth peaked in 2015 and since then, the gap down to OECD average has narrowed. Growth in GDP in 2019 is forecasted to 2,3 which is the lowest growth rate since recovery from the financial crisis.

By using EUROSTAT as the only statistical reference, Sweden appears as the main European market for salmon. This is due to the way trade statistics are recorded in Eurostat (the first point of entry appears as the EU importing member state). However, in reality most of the salmon recorded as imported by Sweden is destined to other EU markets.

In each of the last 2 years, supply of Atlantic salmon to the Swedish market has increased by 4%. The 62 000 tonnes wfe supplied to Sweden makes the country the 9th biggest single market in the EU. Norway is the main supplier, but supply volumes and shares from Denmark and Poland increased in 2018.

The main product supplies to Sweden is fresh whole salmon (23 200 tonnes product weight, +4% from 2017), frozen salmon fillets (11 200 tonnes, -6%) and fresh salmon fillets (8 800 tonnes, +8).

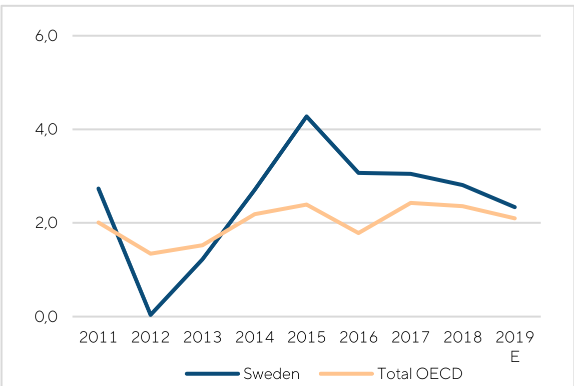
The Atlantic salmon supply value has over the last 2 years trended approx. EUR 400 million, which is equal to around 40 EUR/capita.

MACRO FIGURES

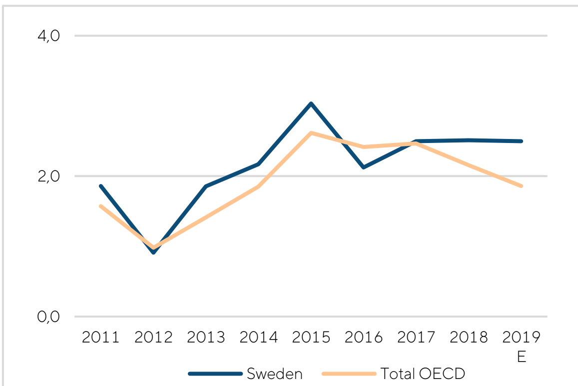
	2011	2012	2013	2014	2015	2016	2017	2018	2019 E
Population in 1 000s	9 449	9 519	9 600	9 696	9 799	9 923	10 071	10 207	10 311
Real unit labor costs (index 2005)	101,4	104,5	105,1	104,3	102,0	101,6	100,8	100,0	99,1
Harmonised consumer price index	97,7	98,7	99,1	99,3	100,0	101,1	103,0	104,6	106,4
GDP growth	2,7	0,0	1,2	2,7	4,3	3,1	3,1	2,8	2,3
Real private consumption expenditure	1,9	0,9	1,9	2,2	3,0	2,1	2,5	2,5	2,5
Imports of goods and services	7,4	1,1	-0,2	6,5	4,8	3,1	4,5	3,9	4,2

Source: Eurostat, OECD

GDP GROWTH



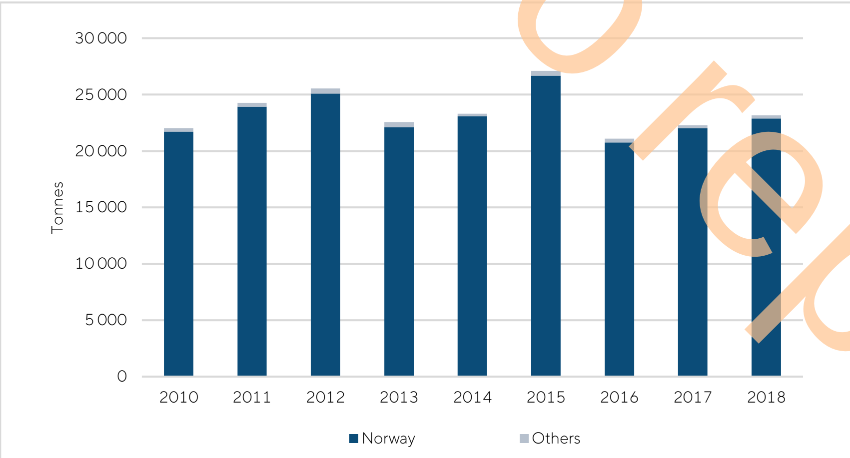
REAL PRIVATE CONSUMPTION EXPENDITURE



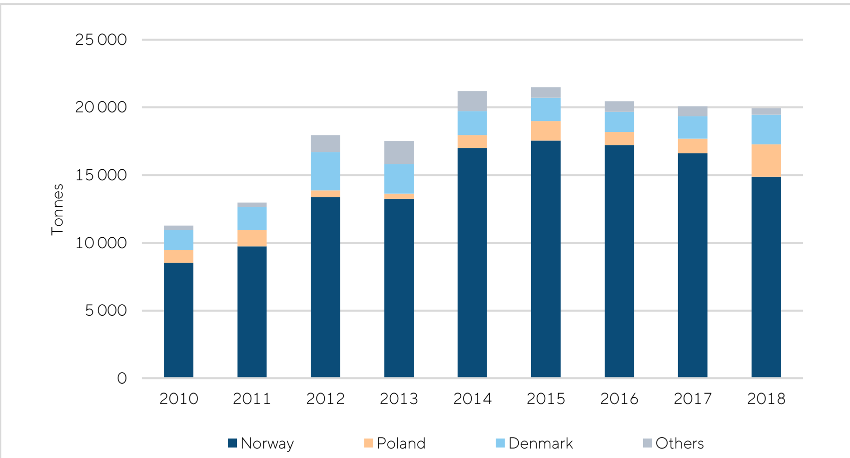
SUPPLY VOLUMES (in tonnes)

Product	2010	2011	2012	2013	2014	2015	2016	2017	2018	18/17
Fresh Atlantic salmon	22 033	24 255	25 535	22 566	23 313	27 095	21 099	22 288	23 153	4 %
Fresh trout	368	298	205	271	201	230	264	166	227	37 %
Frozen Atlantic salmon	675	1 715	804	226	177	189	313	275	173	-37 %
Frozen Pacific salmon	482	341	319	211	218	75	236	177	30	-83 %
Frozen trout	244	548	700	577	580	865	1 003	586	134	-77 %
Fresh Atlantic salmon fillets	5 028	5 842	8 324	7 726	9 051	9 784	9 526	8 159	8 796	8 %
Fresh trout fillets	48	96	70	23	11	17	428	238	284	19 %
Frozen Atlantic salmon fillets	6 251	7 143	9 641	9 802	12 158	11 710	10 939	11 916	11 150	-6 %
Frozen Pacific salmon fillets	1 120	581	168	334	671	288	398	520	333	-36 %
Frozen trout fillets	350	268	171	198	84	115	206	181	98	-46 %
Other Atlantic salmon	462	350	308	220	165	123	507	900	1 765	96 %
Smoked salmon	482	648	651	426	246	198	384	886	1 156	30 %
Smoked trout	1	30	8	24	19	9	35	18	852	4719 %
Canned salmon(pacific)	0	0	0	0	0	0	4	3	60	2104 %

FRESH ATLANTIC SALMON



ATLANTIC SALMON FILLETS



Supply from	2010	2011	2012	2013	2014	2015	2016	2017	2018	18/17
Norway										
Fresh Atlantic salmon	21 721	23 932	25 076	22 122	23 088	26 666	20 762	22 022	22 893	4 %
Fresh Atlantic salmon fillets	4 579	4 797	6 191	6 157	7 640	7 846	8 111	5 977	6 106	2 %
Fresh Trout	128	77	29	93	138	196	208	105	173	64 %
Fresh Trout fillets	46	72	62	21	9	16	385	216	243	13 %
Frozen Atlantic salmon	323	554	184	201	177	178	302	246	82	-67 %
Frozen Atlantic salmon fillets	3 958	4 947	7 194	7 104	9 382	9 715	9 119	10 629	8 790	-17 %
Frozen Trout	43	70	73	113	3	231	193	43	61	42 %
Frozen Trout fillets	104	102	66	68	80	114	103	166	63	-62 %
Other Atlantic salmon	126	90	64	86	36	29	59	88	61	-31 %
Smoked salmon	33	70	43	77	71	70	52	83	98	19 %
Smoked Trout	0	0	7	12	11	7	11	8	6	-25 %
Chile										
Frozen Atlantic salmon fillets	0	0	0	17	65	20	63	96	20	-79 %
USA										
Canned salmon(pacific)	0	0	0	0	0	0	4	3	60	2104 %
Frozen Atlantic salmon	5	0	0	0	0	0	1	1	0	-100 %
Frozen Pacific salmon	246	316	308	163	173	75	213	177	23	-87 %
Frozen Pacific salmon fillets	0	0	0	0	0	0	0	0	1	-
Frozen Trout fillets	0	0	0	0	0	0	0	1	0	-100 %
Canada										
Frozen Pacific salmon	172	25	0	16	45	0	22	0	2	-
Denmark										
Fresh Atlantic salmon	57	167	198	320	75	194	156	92	103	12 %
Fresh Atlantic salmon fillets	441	1 045	2 121	1 569	1 409	1 126	768	1 267	1 982	56 %
Fresh Trout	236	211	176	177	53	33	31	45	45	-1 %
Fresh Trout fillets	2	5	3	1	1	1	6	23	18	-20 %
Frozen Atlantic salmon	304	1 161	621	4	0	0	0	29	48	69 %
Frozen Atlantic salmon fillets	1 068	645	701	610	353	610	736	404	213	-47 %
Frozen Trout	199	476	627	464	577	633	805	540	73	-86 %
Frozen Trout fillets	196	91	67	120	4	1	103	15	34	135 %
Other Atlantic salmon	121	52	64	80	129	94	40	55	47	-15 %
Smoked salmon	292	380	396	208	161	128	110	53	93	74 %
Smoked Trout	0	30	1	12	9	2	23	0	0	49 %

Supply from	2010	2011	2012	2013	2014	2015	2016	2017	2018	18/17
United Kingdom										
Frozen Atlantic salmon fillets	2	0	1	1	1	17	6	0	6	-
Frozen Pacific salmon	0	0	0	0	0	0	0	0	5	1449 %
Faroe Islands										
Fresh Atlantic salmon	255	156	260	0	0	0	0	11	26	124 %
Frozen Atlantic salmon fillets	310	331	1 261	1 691	1 422	734	709	617	446	-28 %
Poland										
Fresh Atlantic salmon	0	0	1	124	145	233	170	162	129	-20 %
Fresh Atlantic salmon fillets	0	0	12	0	0	811	647	914	708	-23 %
Fresh Trout	0	0	0	1	0	0	19	6	0	-100 %
Fresh Trout fillets	0	0	0	0	0	0	38	0	23	-
Frozen Atlantic salmon	0	0	0	21	0	10	10	0	43	-
Frozen Atlantic salmon fillets	913	1 220	485	380	935	614	306	171	1 671	878 %
Frozen Trout fillets	0	0	0	0	0	0	0	0	1	-
Other Atlantic salmon	81	120	103	52	0	0	408	756	1 657	119 %
Smoked salmon	155	194	213	141	14	0	222	750	964	28 %
Smoked Trout	0	0	0	0	0	0	0	10	846	8573 %
Iceland										
Fresh Atlantic salmon	0	0	0	0	5	1	12	0	1	-
Fresh Trout	5	10	0	0	11	1	6	9	10	4 %
Frozen Atlantic salmon fillets	0	0	0	0	0	0	0	0	4	-
Frozen Trout	2	3	0	0	0	1	5	3	0	-100 %
China										
Frozen Pacific salmon fillets	1 120	581	168	334	671	287	398	520	332	-36 %

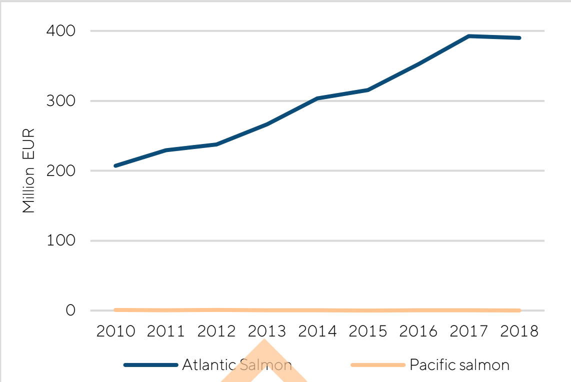
Sources: Statistisk Sentralbyrå, CCS, Statistics Canada, BTS, Danmarks Statistikk, Hagstova Faroe Islands, Ireland Sentral Statistics Office, US Buerau of Census, Japan customs

The table above is based on data from export statistics for each country *)

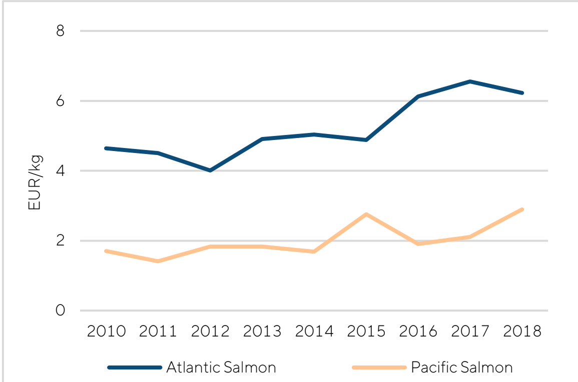
*) except from China and Russia where we have used import statistics from the receiving market

SALMON MARKET DEVELOPMENT

SALMON SUPPLY VALUE DEVELOPMENT

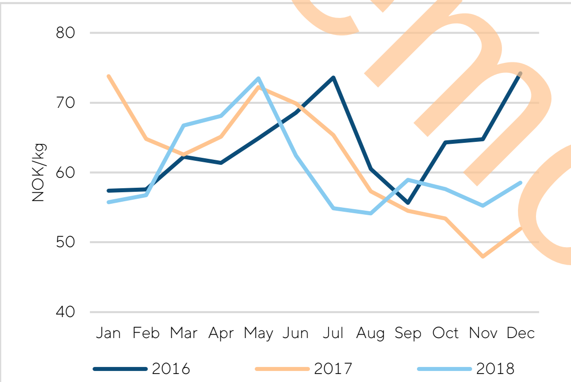


SALMON SUPPLY VALUE PER KILO

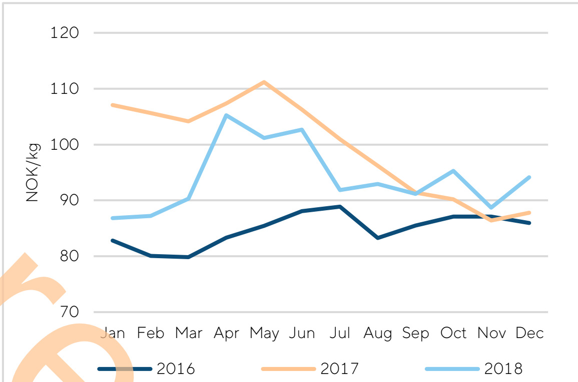


PRICES

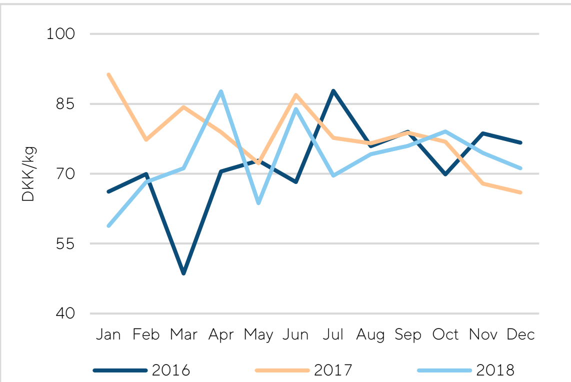
NORWEGIAN FRESH ATLANTIC SALMON, HEAD ON



NORWEGIAN FRESH ATLANTIC SALMON FILLETS



DANISH FRESH ATLANTIC SALMON FILLETS



POLISH FRESH ATLANTIC SALMON FILLETS