

Prices for canned tuna remained weak during 2015

During the first nine months of 2015, imports of canned tuna remained sluggish in the USA and the EU, despite lower raw material prices, due to bleak demand.

In contrast, imports grew in the Middle East, East Asia and in non-traditional markets in Latin America as prices softened.

Lower prices also resulted in strong demand for cooked loins by EU canned processors.

Supply

As of December 2015, fishing in the Western and Central Pacific slowed down slightly while Thai canneries reported healthy raw material inventories.

With the end of seasonal FAD and 'veda' closures, tuna landings in the Pacific Ocean region improved beginning in late October.

However, slow demand from tuna canners worldwide pushed skipjack prices below USD 1 000 per tonne in December 2015, compared with USD 1 150 in the same month of 2014 and USD 1 400 in 2013. Yellowfin prices have remained stable.

Fishing in the Atlantic Ocean continues at a moderate-to-good level while local canneries report healthy raw material inventories. A slight increase in demand has helped to raise European prices for whole tuna while prices for tuna loins have stayed firm.

In general, frozen skipjack prices remained 15-20% lower in 2015 compared with 2014.

Weak demand for canned tuna in the USA and the EU has led to a significant decline in frozen raw material imports into Thailand, the world's largest tuna canning producer.

Indeed, during January-September 2015, frozen tuna imports into Thailand were 20% lower at 574 382 tonnes (-140 800 tonnes) compared with the same period in 2014.

However, imports of semi-processed cooked loins to Thailand increased by 12% compared with the same period in 2014. China, Viet Nam and Indonesia were the leading suppliers.

In contrast, during the review period of January-August 2015, total tuna raw material imports almost doubled to the Philippines at 84 115 tonnes compared with the same period last year.

This growth took place despite a 27.6% decline in total Filipino exports of canned tuna, which could be attributed to a strong domestic market for the product.

Despite this general decline, Filipino exports to the EU increased by 17% during this period facilitated by the lower tariff rate from the Philippines. The Philippines also reported higher imports of yellowfin (+124%) at 30 000 tonnes, mostly meant for export processing of cooked loins to the EU as well as to Thailand.

Also during the first nine months of the year, frozen tuna imports into Ecuador totalled 43 554 tonnes, which is 2% less compared with the same period in 2014. Frozen yellowfin imports fell by 7%.

For export processing of cooked loins and canned tuna, China imported nearly 70 000 tonnes of frozen skipjack, yellowfin and albacore during this period, compared with over 61 000 tonnes during the same time period in 2014.

Lower tuna prices, particularly for skipjack, induced imports of cooked loins among European canners for processing higher value products.

EU imports of cooked skipjack loins totalled 43 639 tonnes during January-August 2015.

Non-canned tuna market (fresh and frozen)

USA

The growing positive trend for non-canned tuna in the US market continued during the January-September 2015 period, with growth reported for US imports of high value bigeye and bluefin tuna.

In addition, US imports of fresh tuna remained higher than Japan's, which is notable as Japan is the world's largest sashimi market.

Japan

Demand for sashimi tuna in Japan improved for a short period during the summer holiday season with stronger preference for the cheaper and shelf-stable frozen bigeye. Meanwhile, the weak yen has had negative impacts on tuna imports in general and during the first nine months of 2015, fresh tuna imports declined significantly compared with the same period in 2014, with sharp drops in yellowfin and bigeye supplies.

Competition has also been strong from the cheaper and popular salmon in the supermarket trade, where salmon sales seem to be exceeding sales of sashimi tuna. Frozen tuna imports increased by 6% year-on-year during the January-September 2015 period, due to improved demand for the cheaper bigeye.

Lower prices of skipjack also supported higher demand from katsuobushi (dried skipjack) and canned tuna processors in Japan.

China

It is interesting to note some positive development in China's non-canned tuna market. Although less significant in volume, Chinese imports of high-value fresh

bluefin tuna increased from 52 tonnes in 2014 to 85 tonnes during January-September 2015.

Canned Tuna

Exports

During the first three quarters of 2015, Thailand, Ecuador and Spain were the top exporters of canned and prepared tuna followed by China, the Philippines and Indonesia.

Among these countries, exports increased only from Indonesia and declined in all others compared with the corresponding period in 2014.

In Ecuador, exports declined by 13.2% to 131 846 tonnes during the review period. The EU was the largest importer, taking a 56% share, though grew only marginally by 1.4% to total 74 307 tonnes.

Of this total, 37% was comprised of cooked loins. Supplies of cooked loins to the main market, Spain, increased by 55% reaching 22 196 tonnes.

In terms of other important markets, exports increased to the UK (+20%), USA (+19%) and Argentina (+18%) but declined to Colombia and Chile.

In China, exports of prepared and canned tuna fell by 2.7% to total 59 085 tonnes during January–September 2015. The Philippines reported significantly lower export volumes, down 27% to total just 58 386 tonnes.

With a stronger focus on Middle Eastern and Asian Pacific markets, Indonesian exports increased by 3.5% to reach 47 470 tonnes during the first eight months of 2015 against the same period in 2014.

Exports increased to the number one destination the EU (+15%), followed by Saudi Arabia (+12%), the USA (7.5%), and Australia (+63.3%), but declined to Japan (-13.6%).

During the reporting period of January-September 2015, exports of prepared and canned tuna from Thailand under the HS 160414 category declined by 5.5% in quantity to total 420 514 tonnes.

In value terms, the decline was sharper by -16.4% to total USD 1.48 billion compared with USD 1.77 billion for the corresponding period in 2014, due to global price softening.

Top export destinations in value terms included the USA, Australia, Japan, Egypt and Canada. Whereas in quantity terms, the ranking of export destinations changed to the USA, Egypt, Australia, Japan and Saudi Arabia.

For total exports of prepared tuna, nearly 300 000 tonnes were canned tuna, with this total consisting of cooked loins, pouched and other value-added tuna products.

Imports

During January-September 2015, the average price of canned tuna in the international market was lower than in 2014 but this did not revive import demand from the two largest markets, the USA and the EU.

However, there were higher imports of cooked tuna loins into the EU meant for reprocessing.

Even with a 10% decline in total canned/prepared tuna imports, the USA remained the top import market under this category followed by Spain (+24.6%), Italy (-13.7%), the UK (+7.4%), France (-6.5%), and Germany (+15.6%).

It is important to note that under the HS 160404 code of preserved tuna, cooked tuna loins are grouped into this code and most of the Spanish and Italian imports from external EU countries consisted of cooked tuna loins for further processing.

There were higher imports of canned tuna in Canada, the Middle East (Egypt, Saudi Arabia, UAE, Kuwait, Oman), Japan, Hong Kong SAR, Taiwan PC and Australia, which could be attributed to lower skipjack prices.

USA

Lower US imports of canned and prepared tuna during the first nine months of 2015 is a reflection of generally weaker consumer demand in the market.

Despite the relatively softer prices of tuna raw material, particularly frozen skipjack, imports declined year-on-year by almost 10% in quantity and 12.3% in value during the nine month period. Among the top five sources, including Thailand, China, Ecuador, Viet Nam and the Philippines, supply increased only from Ecuador (+28%) and Viet Nam (+6%) while declining from others.

Nearly 51 000 tonnes of the total of processed tuna imports in the USA were cooked or frozen loins, supplied mostly by China, Thailand, Fiji, Mauritius and Colombia. For cooked loins, import demand weakened by 12%.

EU

As of this writing, EU trade data is available only for the first eight months of 2015, according to which imports of prepared/canned tuna from extra-EU countries increased marginally (+2.41%) to total 337 428 tonnes.

Approximately 27% of this total was comprised of cooked loins imported for further processing by Spain, Italy, France and Portugal.

Among the individual markets in the EU, Spanish imports of prepared tuna including cooked loins were 25% higher to total 95 339 tonnes during the January-September 2015 period compared with the same period a year ago.

The majority (71%) of this total was comprised of cooked loins. Italy, the UK, France, Germany, and the Netherlands were the other leading importers in the EU.

Yet again, Italy and France imported cooked loins for reprocessing whereas the other markets imported canned and pouched tuna for direct consumption.

EU imports of cooked loins from extra-EU countries were estimated to total over 100 000 tonnes during the first nine months of 2015 compared with an estimated 88 000 tonnes of imports during the same period in 2014.

Supplies from Ecuador and China increased significantly.

Spain continued to be the largest importer of cooked loins in the EU for the domestic market and re-export to Portugal, France and Italy.

Compared with the same period in 2014, canned/processed tuna imports increased in UK and German markets by 7.4% and 15.6% respectively during January-September 2015 but declined by 16.7% in the Dutch market.

Other markets

The next group of large import markets of canned tuna during the reporting period in order of ranking were Egypt, Japan, Australia and Canada.

Imports increased in all of these markets during January-September 2015 compared with the same time period in 2014

Imports in Egypt almost doubled, to an estimated volume of 60 000 tonnes. Imports also increased in Saudi Arabia, UAE, Kuwait and Oman compared with the same period in 2014, which reflects the growing exports from Thailand and Indonesia to these markets.

Supported by lower raw material prices, Japanese imports of canned tuna increased by 3% to 41 855 tonnes during the first three quarters of 2015, compared with the same period last year in favour of Thailand, the Philippines, China, Viet Nam and the Maldives.

The Australian market, known for importing high-value canned tuna, remained positive with a 4% rise in imports. Canada also grew their canned tuna imports, by 10%.

Outlook

On the supply side, moderate fishing continues in the Western and Central Pacific as the FAD closure ended in October.

However, fishing efforts are likely to slow down due to the falling prices of skipjack and healthy raw material inventories in Thailand, where most canneries were closed for annual maintenance during late December.

Canneries in the Eastern Pacific are also reporting moderate-to-high raw material inventories.

The second IATTC 'veda' closure of two months started on 18 November 2015 resulting in about half of the fleet ceasing fishing efforts.

In terms of global trade, import demand for canned tuna in the USA is likely to rise during January and February 2016 in order to take advantage of the quota at lower duty.

The low demand situation in the EU may persist till the second quarter of 2016. Meanwhile, soft tuna prices will allow for more trade in the non-traditional markets worldwide.

Source : <http://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/388652/>