

## 2015 closes with markets flooded with low-value tilapia

In general, markets flooded with low-value tilapia, demand in the USA remains stagnant

During the first nine months of 2015, national sources report that nearly 170 000 tonnes of frozen tilapia fillets were imported into major markets. Import prices declined in most markets during the period under review. Imports of lower priced whole frozen tilapia appear to be more popular in the USA.

Exports of frozen tilapia fillets meanwhile were approximately 120 000 tonnes with China as the leading exporter, though it reported lower exports during the January-September 2015 period. Average export prices of frozen fillets declined significantly from China.

### China

Chinese production remains sluggish, reflecting a slow market particularly in the USA, China's largest market for tilapia. As a result, some companies are reducing their processing of tilapia, industry sources report.

Chinese Customs announced a 0.6% increase in total tilapia export volumes during the first nine months of the year compared with the same time period in 2014. In value terms however, exports declined by 11% from USD 1.01 billion in 2014 to USD 902 million this year. Within product categories, exports declined from the most popular categories of frozen fillets and whole tilapia while exports of frozen breaded tilapia fillets increased by 24% in volume and 10% in value. Besides the USA and Mexico, exports of this category also increased to Russia and African markets.

In prices, the average exports price of frozen fillets during the period under review declined by 16% to USD 3.90 per kg.

### USA

According to the National Fisheries Institute, US per capita consumption of tilapia in 2014 grew marginally to 1.436 kg (1.430 kg in 2013).

In terms of trade, total US tilapia imports during the first nine months of 2015 were up by 2.5%, with this increase primarily driven by higher imports of whole frozen tilapia. US imports of total frozen tilapia (whole and fillets) were up 3% during the first nine months of 2015 from a year ago, while import values declined by 9.9%. The frozen fillet category, which makes up the largest share of imports, experienced a 2.4% increase in volume with higher supplies from China, Taiwan PC and Honduras. However, average import prices declined by 12.5% to USD 4.51 per kg.

Whole frozen tilapia exports meanwhile, were up by 6%, with China supplying 17.3% more, indicating a preference towards cheaper product forms. Average import prices during this period were USD 2.03 per kg, 10.5% lower compared with the same period in 2014.

In contrast, US fresh tilapia fillet imports declined marginally (-1.5%) during the first nine months of the year primarily due to lower imports from its largest source,

Honduras. In view of the market going for cheaper products, the high-value tilapia from Honduras has had problems in finding a receptive market. Ecuador and Colombia supplied larger amounts of fresh tilapia fillets to the US market but this did not make up for the loss from Honduras.

## **EU**

During January-August 2015, the EU imported 11.3% less tilapia, totaling 18 805 tons compared with the same period in 2014. Supplies fell from most sources indicating a generally weak market. Imports declined into most EU countries except for Germany, Italy and Portugal, while the Netherlands overtook Spain as the largest market, though most Dutch tilapia imports are re-exported within Europe.

## **Viet Nam**

The Directorate of Fisheries in Viet Nam reports that tilapia exports are expected to reach USD 130-150 million by 2020. Vietnamese tilapia has been exported to more than 60 countries, with the USA, Spain, Colombia, the Netherlands, Belgium, Germany, Mexico, the UK, the Czech Republic, and Italy being the top importers in that order.

In 2014, the country had 16 000 hectare of tilapia farms last year, which produced a total of 125 000 tonnes. For 2015, farming area in the country is expected to grow to 21 000 hectare with production predicted at 150 000 tonnes. Under the tilapia breeding master plan, which looks out to 2020, the Ministry of Agriculture and Rural Development encourages institutes, universities and enterprises to import fry for research and breeding. It also urges regions to establish links between tilapia farmers, processors and exporters.

In addition, provincial agricultural departments are required to strengthen overall management quality and provide regular checks of breeding activities to ensure farming follows zoning plans and does not cause pollution or obstruct waterway transport. The Directorate has suggested that companies should also focus on building brands for Vietnamese tilapia and developing more unique products to compete at the international level.

## **Latin America**

In Honduras, tilapia production in 2015 is estimated to total between 10 000-11 000 tonnes. Tilapia fillet prices have remained relatively steady throughout the year. In the domestic market, prices of tilapia fillets are USD 1.56 per kg, while whole tilapia is 0.90 USD per kg.

In Costa Rica, export prices of tilapia fillets to the USA have remained stable for 2015, between USD 2.50-3.00 per kg. Costa Rica has become an important exporter of tilapia fillets to the USA, competing with other Latin American countries such as Honduras and Ecuador. The domestic Costa Rican market imports tilapia from Asia, which is frozen with origins not clearly identified. In addition to the Asian sources, more than 730 local, mostly small-scale producers in Costa Rica sell their tilapia for domestic consumption.

## **Outlook**

Adequate supplies are possibly keeping the US market slow. While in other producing markets, except for China, demand remains steady to firm,. The current lower prices could possibly boost demand during the upcoming Chinese New Year and Lent season.

The tilapia market has been overshadowed by heavy arrivals of cheap fish from China and Viet Nam. This has created a difficult market environment, and prices are dropping. Chinese tilapia producers are looking to sell everything before the Chinese New Year.

Source : <http://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/407627/>