

Peru announces bumper second season anchovy quota of 2.78m metric tons

Peru, the world's largest producer of fishmeal, has announced a second season anchovy quota of 2.78 million metric tons in the main north-central fishing zone.

Fishing will commence on Nov. 12, Peru's ministry of production, known as Produce, said on Saturday.

The quota is slightly lower than last year's second season quota of 2.79m metric tons, but 38% above 2018's quota of 2.02m metric tons.

It is 15% above this year's first season quota of 2.414m metric tons.

The big quota marks the second consecutive year Peru's second season quota surpasses the first in volume; historically the reverse is true.

"TIP. This is Peru!" said James Frank, managing director of MSICeres, a Peruvian fishmeal trading company, pointing to general surprise at the quota size. "Prices will see a correction," he told Undercurrent, after recent rises.

The quota -- if fully caught -- roughly equates to 662,000t of fishmeal production, he said. All eyes will be on the first couple of weeks of fishing.

Last year, Peru caught only a third of its second season anchovy quota due to poor fishing; fishing ended about a month early on Jan. 15, 2020 after Peru's maritime research body, Instituto del Mar del Peru, or IMARPE, reported a high proportion of juvenile anchovy in the catch.

Officials worried about the fishery's sustainability while local fishermen also protested

for fishing to stop.

A poor season this year would cause prices to rise whereas better fishing would cause prices to fall.

"With the COVID-19 situation, La Nina conditions, and expected strong fishing effort by all actors we must see the first 10 days of landings to establish a good opinion of what the season will be like," said Frank.

Last week offer prices of Peruvian superprime fishmeal stood at CNY 11,950/t (\$1,781/t) in Shanghai port, according to Undercurrent's price dashboard (see below), stable with the week prior.



Frank pointed to healthy biomass of 8.423m metric tons, as reported by IMARPE in Produce's decree and measured on Sep. 1, meaning a quota of 33% of the biomass.

"Last year [when fishing ended early] conditions were special for sure, but it's so very hard to predict," said Frank.

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