



## **Article 1**

# **Peru announces 2.5m metric ton anchovy quota**

Peru's Ministry of Production, known as Produce, has announced a first anchovy fishing season quota for the North-Center zone of 2.509 million metric tons, the highest in three years.

A 10-day exploratory fishing period commences on Friday (April 23).

The quota is 4% higher than last year's first season quota of 2.413m metric tons, and 19% above 2019's quota of 2.1m metric tons.

However, the quota is 10% lower than last year's second season quota of 2.79m metric tons.

On Friday, Chinese feed ingredient information website Feed Trade reported offer prices for Peruvian superprime fishmeal in Shanghai port were stable in week 17 at CNY 10,800-11,100/t (\$1,663-1,710/t), storage and duties paid. This is down 21% compared with the same point last year.

Jose Luis Chicoma, the minister of production, said that the total biomass of the north-central stock amounts to 9.881m metric tons, citing IMARPE, or Instituto del Mar del Peru.

However, the size composition is made up of both juveniles and adults from 2 to 18 cm. "This mixture of juvenile specimens with those suitable for capture are at levels that require monitoring to strengthen management and conservation measures," said Chicoma.



The 10-day exploratory fishing will, therefore, monitor the distribution and size structure of the anchovy, in order to adopt measures such as the partial or total closure of areas or protect the group of juveniles, he said.

"Once the exploratory fishing is completed, the first fishing season will begin," said the minister.

Lien article :

<https://www.undercurrentnews.com/2021/04/23/peru-announces-2-5m-metric-ton-anchovy-quota/>

## **Article 2**

# **IFFO: 'Lots of optimism' for global fishmeal supply after 'reasonable' Peru quota**

A Peruvian anchovy fishing quota of 2.5 million metric tons is "reasonable" despite some in the industry anticipating a bigger haul, according to the market research director of the Marine Ingredients Organisation, known as IFFO.

Enrico Bachis, market research director at IFFO, told Undercurrent News a larger quota would have been the bigger surprise to the market, especially with global supply already looking ample.

Last week, some market participants felt Peru's ministry of production had been cautious despite the quota being the largest in three years, with 2.8m metric tons and even 3.0m metric tons expected due to favorable conditions.

"It's true, that because of the exceptional oceanic conditions this year, there were some sections of the industry in Lima, and probably the rest of the world as well, that were expecting something more," said the analyst. "But I think that people with more experience were not expecting 2.8 [m metric tons]. If people were cautious then 2.5 [m metric tons] should maintain the market equilibrium."

He added that at 2.5m metric tons, Peru's quota is roughly in line with the average of the past 10 years. (See first season quotas of past seven years in the table below, which shows the quota is bang on the seven-year average).

Peru's 1st season anchovy quota				
Year	↕	Total allowable catch	↕	% of 7-yr average
2015		2,580,000t		103%
2016		1,800,000t		72%
2017		2,800,000t		112%
2018		3,300,000t		132%
2019		2,100,000t		84%
2020		2,413,000t		97%
2021		2,509,000t		100%
7-YR AVERAGE		2,500,286t		

Source: IFFO

According to Peru's ministry of production, known as Produce, this year's quota is equivalent to 25.4% of the biomass of 9.11m metric tons, up from a share of 23.9% for last year's quota. In a recent market report, James Frank, managing director of Peruvian fishmeal trading firm MSICeres, described the quota as "conservative".

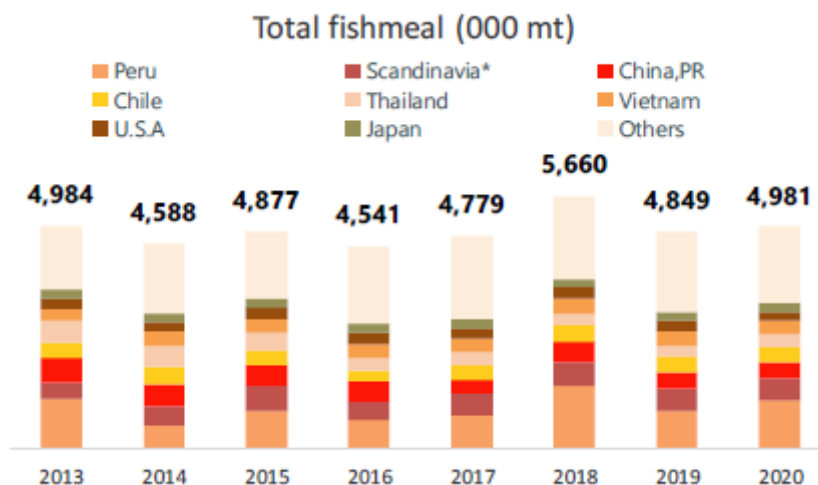
However, the Instituto del Mar del Peru, known as IMARPE, said the quota factored in a higher prevalence of juveniles, which should ideally remain in the sea to mature before harvesting. Bachis said the general view is that higher juvenile count in one season can lead to a bigger quota the next. So watch out for Peru's second season in November.



According to Bachis, mini bans are likely when the unusually long 10-day exploratory fishing ends and the season officially starts on May 3, with up to 50% of landings from exploratory fishing in some areas consisting of juveniles. Catching the full first quota "is never a certainty", he said.

The mid-range quota applies some brakes to production forecasts that point to global fishmeal output edging towards 5m metric tons in 2021, up from 4.89m metric tons in 2020. "Overall, we see lots of optimism in terms of global supply", said Bachis.

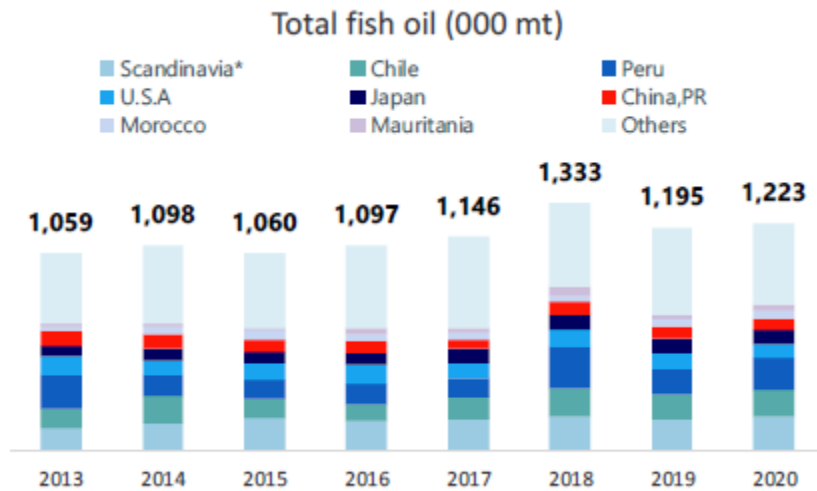
The bullish outlook is on the back of better fishing prospects in the Americas, which will boost global supply due to the region's vast reduction fisheries.



In Chile, Latin America's second-largest fishmeal producer, despite lower pelagic quotas, the expectation is the full quota will be caught in 2021, unlike in 2020 when challenging conditions prevented this, said Bachis. For similar reasons, Ecuadorian production is also expected to be higher. In Mexico, the fishing season is also "going much better" than last year, he said.



Furthermore, although last year's US menhaden landings fell below the previous five-year average due to inclement weather, the outlook is also better for the Gulf of Mexico and Atlantic menhaden fisheries in 2021.



"Americas should offset an expected drop in production in Europe," said the analyst. "Also in Asia, production is not likely to increase. In China, authorities have become extremely strict about enforcing the fishing moratorium in order to prevent overfishing. So we don't expect an increase in production there," he said.

The exception is Africa, where the production forecast is more positive, he said. Last year, production in Mauritania and Morocco was stable, while South African production rebounded strongly after a poor season in 2019.

### Demand outlook

This leads to the question of what level of demand will meet this larger global supply. Amid a recent hike in shipping costs and prices of soya, the main ingredient in aquafeed, aquaculture worldwide is facing higher cost pressures.

Bachis said higher soy prices are good for other feed ingredients, including fishmeal, as they become more competitive against soy. "When feed ingredients become costlier you don't see a reduction in





the feed production but rising cost of feed, which is then passed on to farmers and final consumers."

Nevertheless, in China, the world's largest importer, buyers are in no hurry to secure product given a slow start of the aquaculture season there, and as high inventories build up with fishmeal from Peru's bumper second season anchovy quota and fishing last year, he said.

"We see the Chinese market is really relaxed," said Bachis. "They're waiting for the Peruvian season to get up to speed. We will then see in the next few weeks what happens."

Frank from MSICeres reckons Peru exported over 120,000t of fishmeal in March, the majority of which will have gone to China, based on a market report he authored and published last week. It adds to the 251,000t exported over January and February.

By comparison, Peru exported just 167,000t of fishmeal in Q1 of last year, according to data from International Trade Center, so less than half this year's amount.

It means China is building up considerable inventories before the aquaculture season gets underway. According to Undercurrent's dashboard, in week 16, China reported 190,000t of fishmeal were held in port, up from just 124,700t in the same week last year.

Average offer prices for Peruvian super prime fishmeal held in port were CNY 10,800 (\$1,665) per metric ton during the week, down 22% year-on-year.

Lien article :

<https://www.undercurrentnews.com/2021/04/28/iffa-lots-of-optimisim-for-global-fishmeal-supply-after-reasonable-peru-quota/>

