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World Seafood Map 2019

Value Growth in the Global Seafood Trade Continues

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Seafood is one of the most traded food commodities in the world, and the trade keeps on growing. Global fish and shellfish trade reached a value of USD 153bn in 2017, increasing by a CAGR of 4% in the last five years (2012-2017). We expect global seafood demand and supply to continue to grow in the coming five years, although trade is likely to change. Current issues, such as global trade tensions and uncertainties, emerging aquaculture techniques, and biosecurity risks in animal protein production will increasingly shape global seafood trade flows in the future.

Global Seafood Trade Grows at 4% per Annum

Seafood trade has grown by a CAGR of 4% from 2012 to 2017 to reach an estimated USD 153bn. In general, we observe a value growth in global seafood trade rather than a volume growth – mainly driven by the high value of the salmon and crustacean trade. As our recently published World Seafood Map shows, the largest trade flow, in value terms, is still from Norway to the EU, mainly consisting of salmon and some whitefish. This is followed by trade flows of salmon and crustaceans from Canada and flows of whitefish and crustaceans from China to the US.

Crustaceans and Salmon are the Drivers of Trade Value Growth

From 2013 to 2017, crustacean trade increased globally, with the US, the EU, and China increasing their crustacean imports. India, Indonesia, Vietnam, Mexico, and Ecuador have been the main suppliers due to higher and more efficient production in these regions.[1]

Likewise, salmon trade increased globally due to demand growth.[2] For example, Chile doubled its salmon exports to China in the last four years. In fact, all salmon producers, and particularly Norway, increased exports to all consumer regions.

Whitefish is the Most Traded Category in Volume Terms

Whitefish still has the largest traded volumes, which remain stable despite changes in trade flows. This category consists of farmed and wild-caught species. Also, a big portion of this trade flow includes China's re-exports of processed whitefish from Russia. In comparison to 2013, China's whitefish exports – mainly tilapia – to the US have dropped by 33%. However, Vietnam filled this gap by increasing its exports to the US, which is dominated by pangasius.

Fishmeal and Fish Oil Trade Increased Both in Value and Volume

Due to improved supply conditions in Peru, the fishmeal and fish oil trade has increased in the last four years. Driven by its large aquaculture industry, China remains the largest consumer of fishmeal and fish oils, which are supplied mainly by Peru. Relatively higher prices of fishmeal and fish oils have also led to a value increase in trade flows.

[1] For a detailed overview of the crustacean sector, please check Keeping up With the Crustaceans

[2] For a detailed overview of salmon demand, please check Keeping Salmon on the Top of the Menu

China Is Still the Biggest Seafood Exporter

Both in volume and value terms, China is still by far the biggest exporter of seafood, followed by Norway *(see Figure 1)*. Both countries have added more than USD 2bn to their seafood exports in the last five years (2012 to 2017). However, there was only a minor increase in the exported volumes.

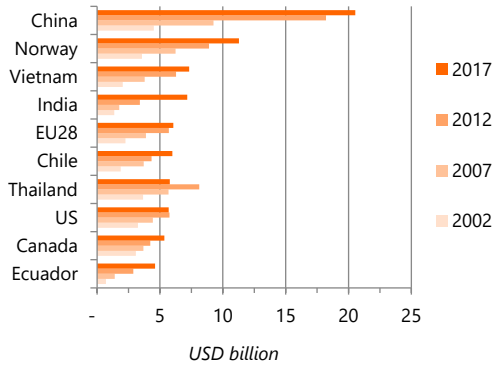
Vietnam overtook Thailand in seafood exports, reaching the third rank in the top seafood exporters in value. The increase in Vietnam's exports mainly resulted from whitefish and crustacean trade. India also made a big jump from the 8th place to the 4th place, with an increase of USD 3.7bn – also driven by increasing shrimp exports.

In the upcoming years, we expect China and Norway to keep their positions as the main seafood exporting nations. However, we expect a slower growth rate in Chinese seafood exports. Some shifts in the rankings of the main exporters could happen due to the biological challenges of fish and shellfish farming or to differences in production efficiency.

Top 10 Seafood Importers Led by the EU, the US, and Japan, but China Is Catching Up

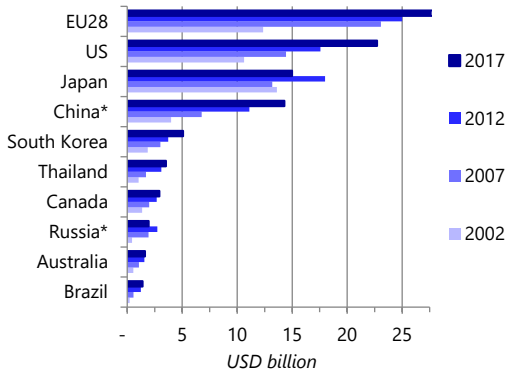
Global seafood imports also show that value is increasing faster than volume. The top 5 ranking countries in global seafood imports, both in value and volume terms, have not changed since 2012 *(see Figure 2)*.

Figure 1: Top 10 seafood exporting countries by value



Source: UN Comtrade, Rabobank 2019

Figure 2: Top 10 seafood importing countries by value



Source: UN Comtrade, Rabobank 2019

*Note: China import data includes Hong Kong import data for all seafood trade flows. For salmon and crustacean imports, Vietnam's imports are also included. Russia seafood trade flows also include Belarus trade data.

The EU is still the largest importer of fish and shellfish, and it increased its imports by USD 4bn from 2012 to 2017. The second largest seafood importer, the US, also imported more seafood in the last five years, with an increase amounting to USD 5bn. China also significantly increased its seafood imports by more than USD 3bn. This value increase in the EU, the US, and China is predominantly driven by increased salmon and crustacean imports.

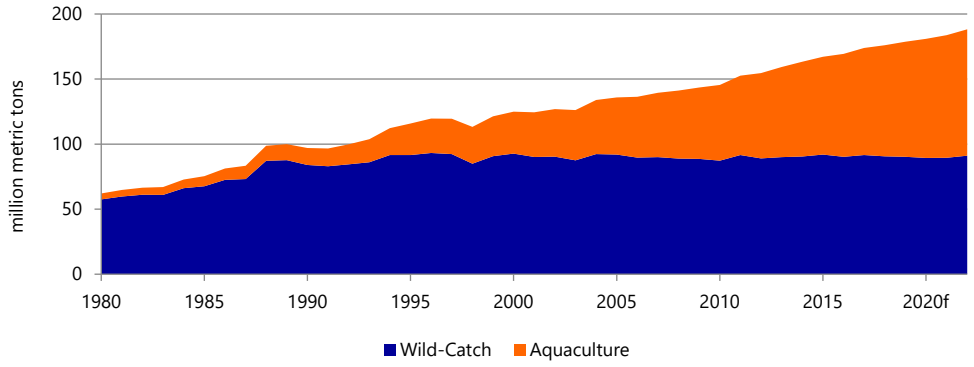
In the near future, we expect the EU and the US to remain the leading seafood importers, due to the high demand for seafood in these regions. However, China could overtake Japan sometime soon. The current African swine fever situation in China's pork production is leading to increased seafood consumption. Meanwhile, there is demand growth for imported and, particularly, premium seafood due to increasing purchasing power and food safety concerns over local production in China.

Aquaculture Is Overtaking Wild-Catch

Wild-catch seafood production is flat, while aquaculture keeps growing *(see Figure 3)*. We expect future growth in seafood to continue to come from aquaculture, which will be driven by improved genetics, new husbandry technologies, innovations in aquafeed, and the switch to more efficient and intensive farming technologies.

In 2020, the volumes from aquaculture production will surpass the volumes from wild-catch seafood, and aquaculture production is expected to exceed 90,000 metric tons. However, the growth of aquaculture is expected to slow down in comparison to the last decade.

Figure 3: Aquaculture seafood is expected to overtake wild-catch seafood production by 2020



Source: FAO FIGIS, OECD-FAO Agricultural Outlook, Rabobank 2019

All large seafood categories are expected to grow in the coming years. However, growth will be strongest with crustacean and freshwater fish farming in developing economies in Asia, South America, and, to a limited extent, Africa. Salmon production will continue to grow, mainly in value terms, in Europe, Canada, Australia, and Chile.

Localized Supply and Global Demand Will Continue to Fuel Trade Growth, but Routes Can Change

We expect seafood to keep its rank as one of the most traded food categories, due to its nature of localized production and global demand. Processing and re-exports are also common in the seafood industry – which adds to the traded volumes.

While we expect the demand for seafood to continue, we expect further growth of farmed seafood consumption at the expense of wild-catch seafood, which will support the seafood trade. The increase in seafood trade in recent years has been driven primarily by farmed species, consisting of high-value premium crustaceans and marine species and lower-value whitefish species traded from Southeast Asia to western countries. We expect this trend to continue. Also, large seafood consumers such as China, where supply can't keep up with demand, will keep importing more seafood products.

However, trade is likely to change. Increasing protectionism, current uncertainties in trade relations among several trade partners (e.g. Brexit, US-China trade war), the growing aquaculture sector in different parts of the world with new technologies (e.g. land-based and offshore farms), and biological challenges in the animal protein sector (e.g. African swine fever) could change seafood trade dynamics and routes in the upcoming years.

Imprint

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