

Market Analysis on Fisheries and Shrimp Culture

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World food prices have fallen farther and faster than can be explained through production gains alone. Underlying the price slide are other important factors, including the financial crisis, the halving of world crude oil prices. Prices of fish and fish products are generally under downward pressure, as falling consumer demand is hurting seafood sales in all markets. The only species that have spared the price fall are those that have experienced problems that have constrained output. International shrimp prices, which were already depressed before the financial crisis, are most likely to weaken further in the course of the year, as import demand is expected to slow down in all main markets. The European Union, which until recently was an exception to otherwise depressed shrimp markets in Japan and the United States, is now also showing signs of weakness, with the volume of shrimp imports down 10 percent to 337 600 tonnes in the first half of

2008. Only France increased its purchases, whereas Spain and Italy registered massive drops. The overall situation in the European bass and bream market is mixed at the moment: bream prices are extremely weak, giving producers a reason for concern. Bass prices, on the other hand, are holding up well, resulting in a record price differential between the two species. In the next few months, demand is expected to remain weak, but it may strengthen again before Christmas. The cyclical nature of production is likely to reduce supply during the winter months, which may underpin prices for both species.