Global whitefish - supply and market outlook

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June 2022

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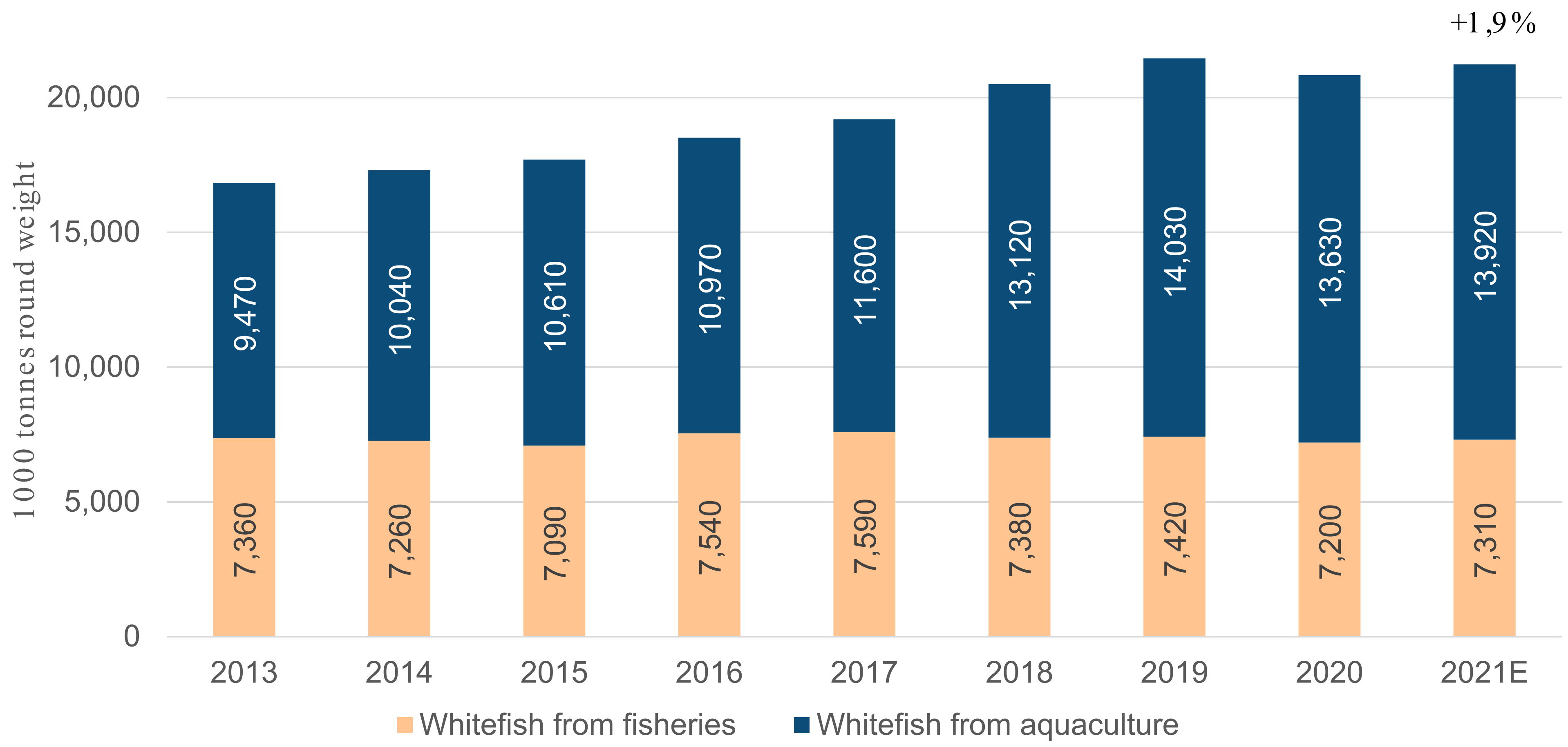
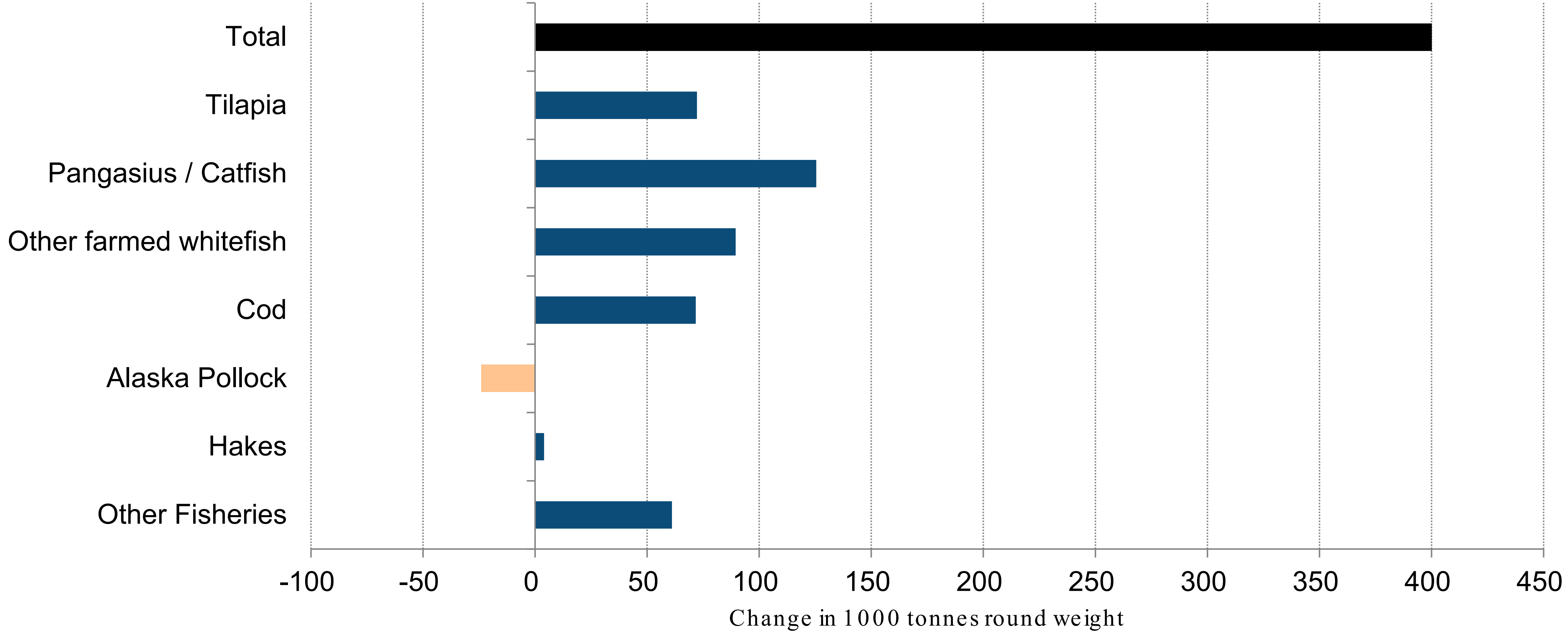
Global whitefish supply 2021,



Global supply change - Per specie 2021 vs. 2020



Price trends - March 2019 - 2022

Species	Source	Product	2019	2020	Chg.20/19	2021	Chg.21/20	2022	Chg.22/21
Alaska Pollock	US export	Frozen fillets	2.89	3.08	7%	2.88	-7%	3.59	25%
Atlantic Cod	NO export	Fresh Whole	3.91	3.69	-5%	3.08	-17%	4.63	50%
Pacific Cod	US export	Frozen Whole	3.25	3.27	1%	2.20	-33%	3.24	47%
Haddock	NO export	Fresh Whole	2.64	2.13	-19%	2.37	12%	3.23	36%
Hake	Rungis Market	Fresh	5.94	5.62	-5%	5.30	-6%	5.22	-2%
Tilapia	CN Export	Frozen fillets	2.75	2.57	-6%	2.64	3%	3.44	30%
Pangasius	CN import	Frozen fillets (VN)	2.28	1.58	-31%	1.65	4%	2.17	32%
Seabass	TU export	Fresh	3.50	3.77	8%	4.17	11%	5.43	30%
Seabream	TU export	Fresh	3.31	3.76	14%	3.39	-10%	4.16	23%

*All prices in EUR/kg

Whitefish from fisheries

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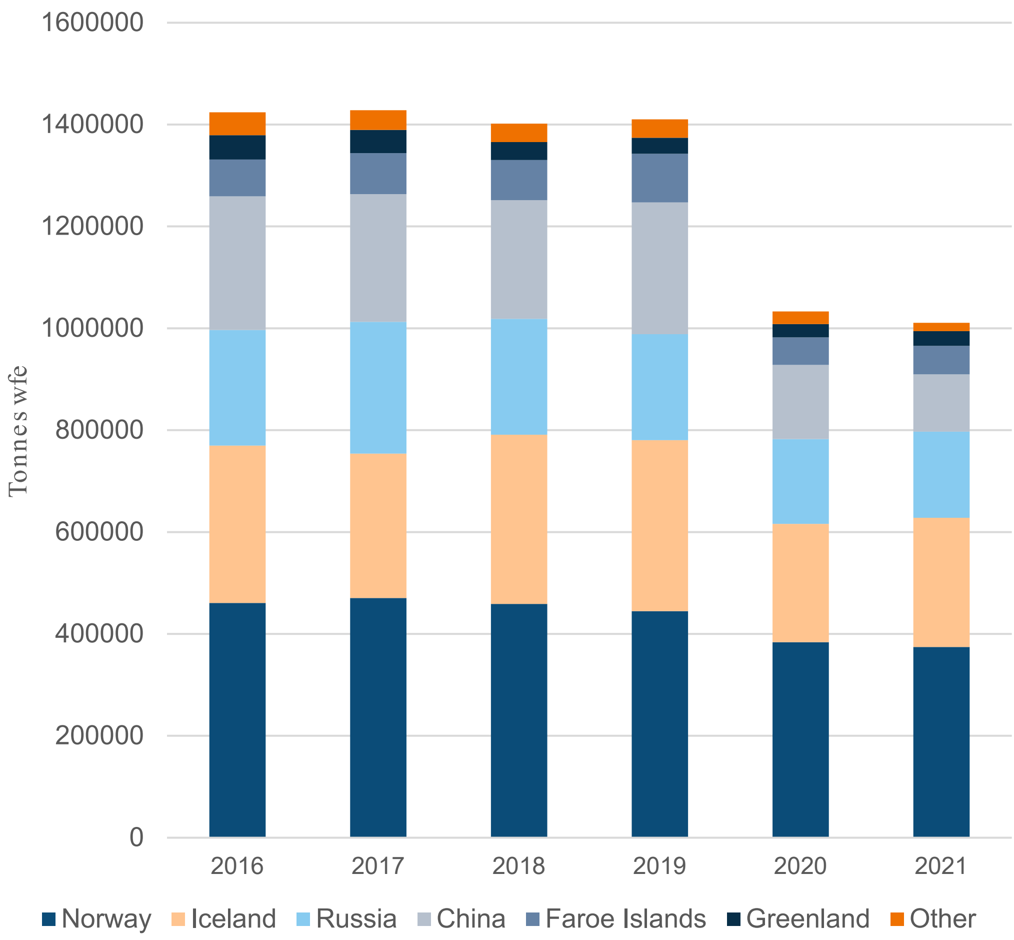
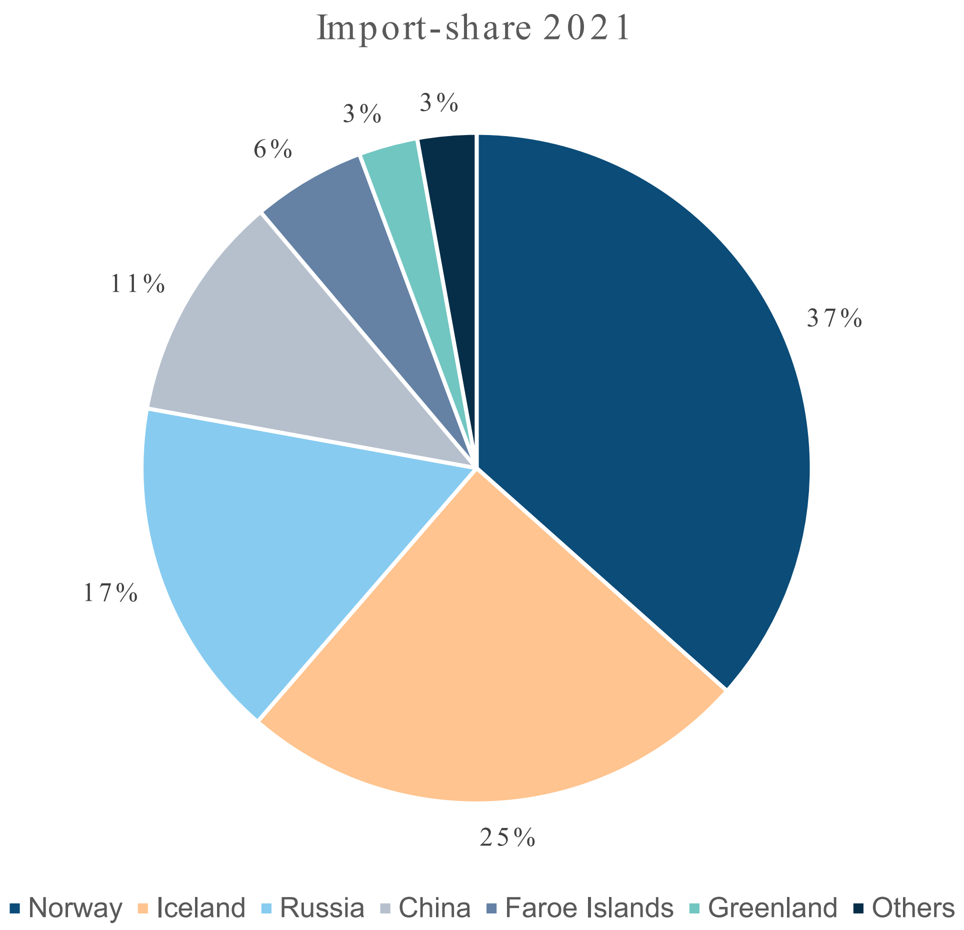
Cod - North Atlantic catches Jan-April

	2021				2022				Total		
	NO	RU	IS	FO	NO	RU	IS	FO	2021	2022	Chg.
Jan	23 921	27 960	22 853	893	26 505	16 540	21 259	992	75 627	65 296	-14%
Feb	5 614	29 510	58 446	2 976	63 374	30 010	21 745	1 901	147 071	117 030	-20%
Mar	85 892	35 790	33 022	4 539	84 909	23 450	29 459	7 984	159 243	145 803	-8%
Apr	63 242	4 390	23 123	2 544	59 845	28 540	23 321	2 316	132 808	114 022	-14%
	178 669	97 650	137 444	10 952	234 633	98 540	95 784	13 193	514 749	442 151	-14%
May	2 171	33 320	25 310	1 790					82 130		
Jun	15 421	32 490	19 609	2 937					70 457		
Jul	9 310	48 060	17 757	743					75 870		
Aug	12 811	29 720	19 833	2 466					64 830		
Sep	11 454	29 720	19 626	3 416					44 216		
Oct	14 236	12 890	18 271	971					46 368		
Nov	25 356	21 350	43 288	2 036					92 029		
Dec	33 372	29 940	21 501	4 617					89 430		
Total	**372 865**	**35 465**	**322 638**	**29 927**					**1 080 080**		
All figures in tonnes round weight				**Full year eastimate**					**1 080 080**	**891 200**	**-17%**

Source: Kontali Monthly Cod Report

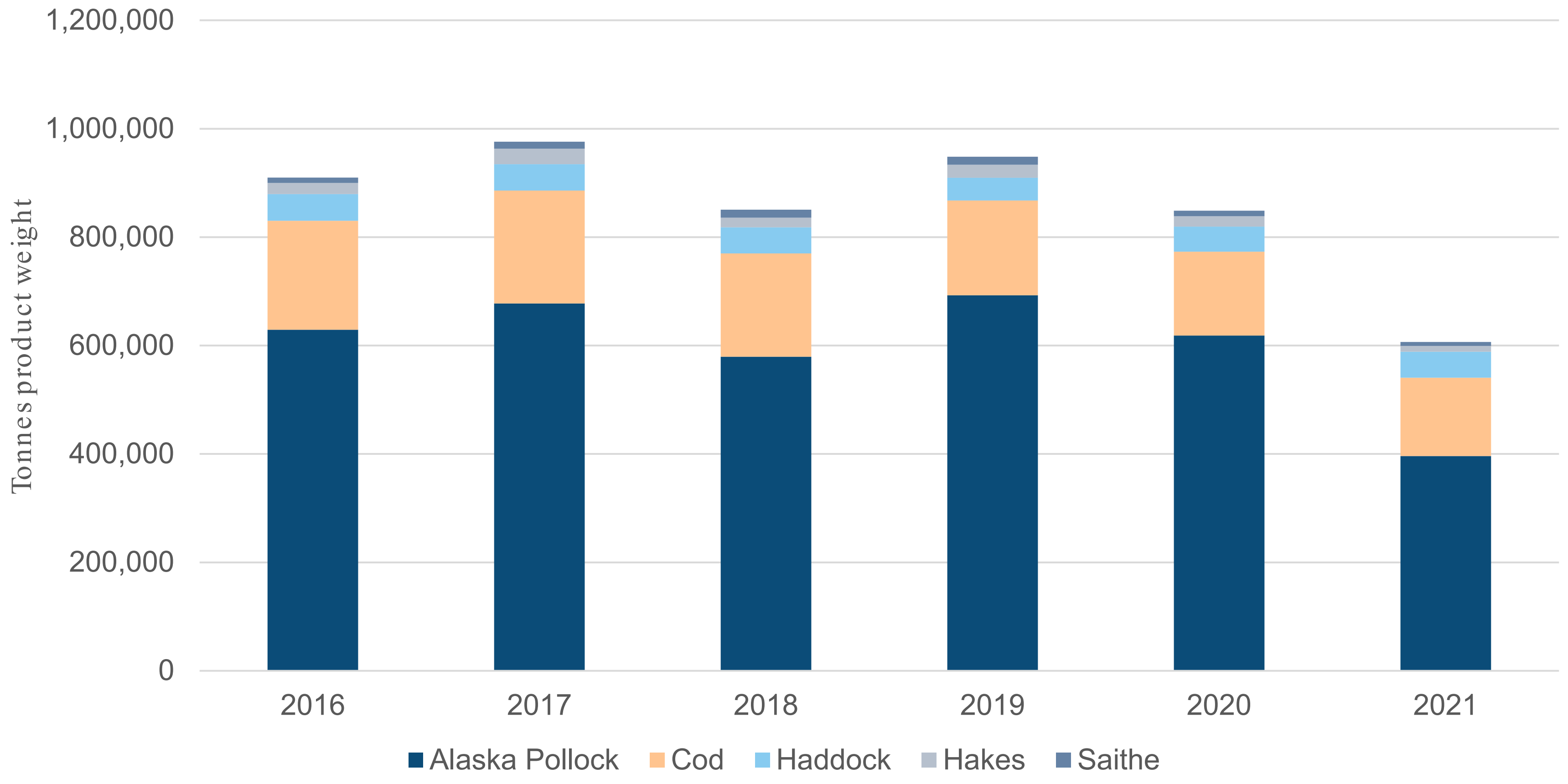
EU import - Cod, Haddock, Saithe



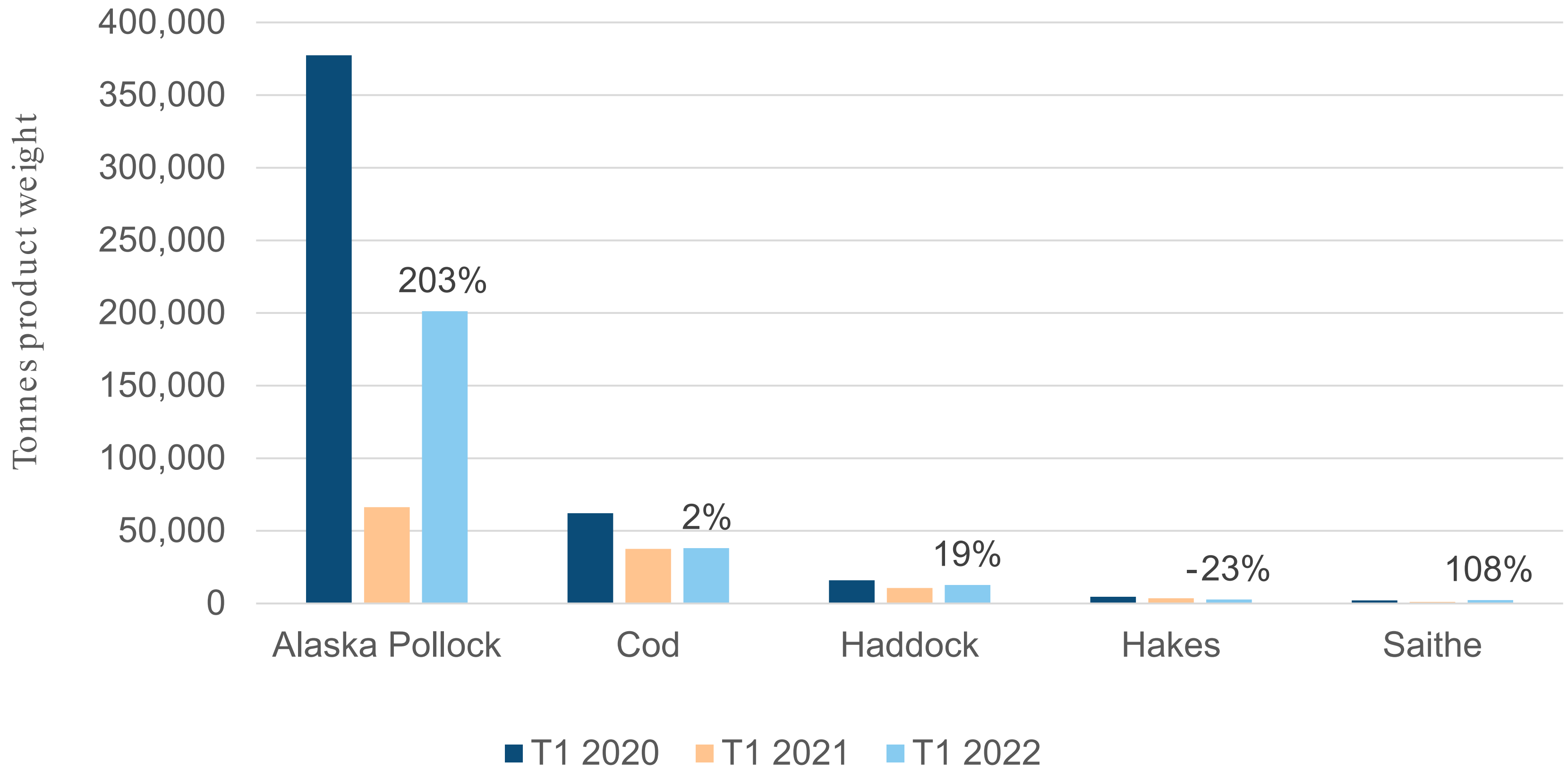


Source: Kontali trade database, Eurostat, EUMOFA, National Statistics

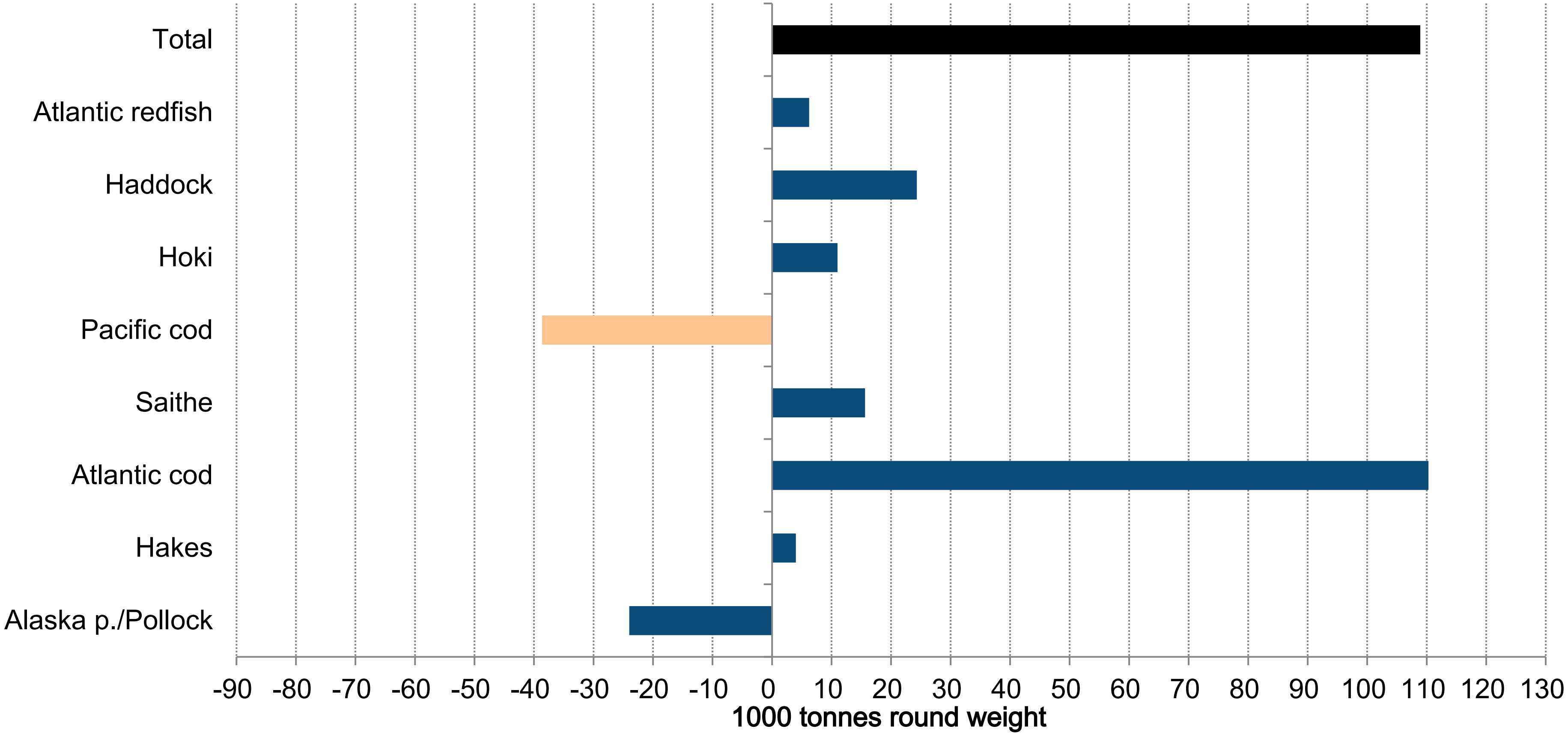
Chinese Import Development - Frozen groundfish



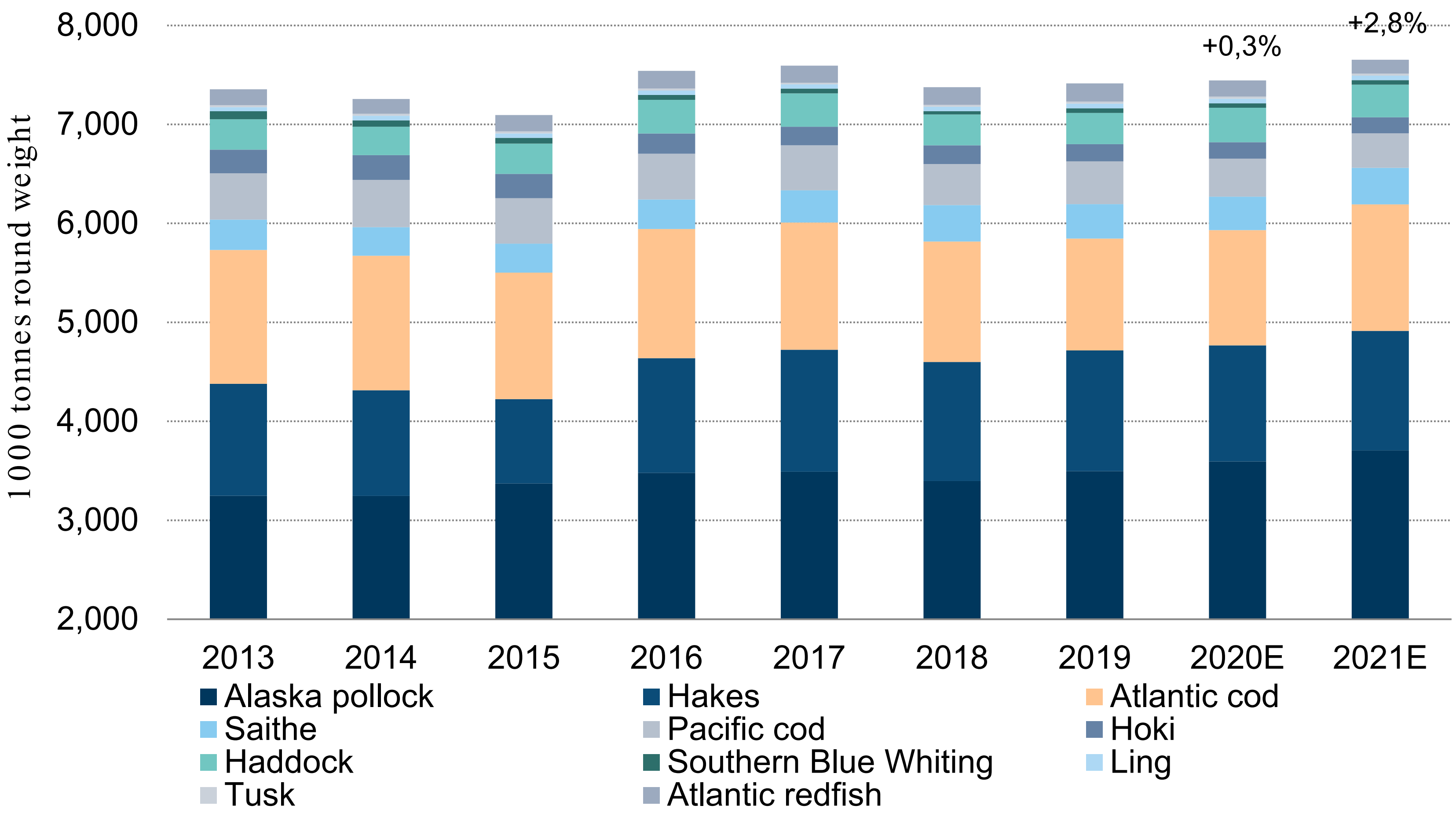
Chinese imports 2022 - Frozen groundfish



Global supply from fisheries - 2021 vs. 2020



Global whitefish supply from fisheries - per species



Whitefish from Aquaculture

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Seabass & Seabream – Markets 2021 vs. 2020

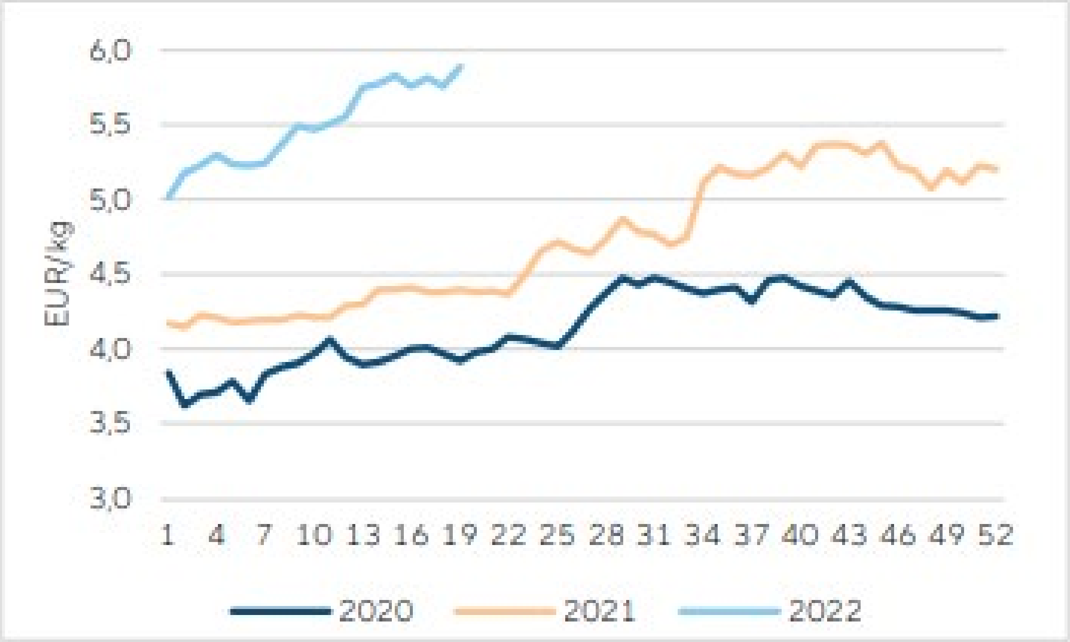
Table 1 GLOBAL CONSUMPTION ESTIMATES – EUROPEAN SEABASS AND GILTHEAD SEABREAM (in round weight)

Year (quarters)	Species	TOTAL WORLD	EUROPEAN UNION							UK	OTHER MED	NORTH AMERICA	RUSSIA	ASIA	ALL OTHERS
			EU TOTAL	*Italy*	*Spain*	*France*	*Greece*	*Portugal*	*Other EU*						
2019e (Q1-Q4)	Seabass	253,900	**144,600**	*39,600*	*37,300*	*20,200*	*7,800*	*12,900*	*26,900*	**17,100**	**67,800**	**10,500**	**4,900**	**6,000**	**2,900**
	Seabream	254,400	**149,100**	*39,700*	*34,900*	*19,000*	*12,800*	*14,200*	*28,600*	**7,700**	**78,200**	**2,600**	**5,100**	**7,600**	**4,100**
	Total	**508,300**	**293,800**	*79,300*	*72,200*	*39,200*	*20,600*	*27,100*	*55,500*	**24,800**	**146,000**	**13,100**	**10,000**	**13,600**	**7,000**
2020e (Q1-Q4)	Seabass	233,500	**134,600**	*38,600*	*36,500*	*17,900*	*6,200*	*12,900*	*22,600*	**16,900**	**58,200**	**9,300**	**4,300**	**7,000**	**3,200**
	Seabream	257,300	**158,000**	*39,400*	*38,000*	*19,400*	*14,200*	*16,300*	*30,800*	**9,000**	**67,600**	**2,500**	**5,600**	**9,800**	**4,900**
	Total	**490,800**	**292,700**	*78,000*	*74,500*	*37,300*	*20,400*	*29,200*	*53,400*	**25,900**	**125,800**	**11,800**	**9,900**	**16,800**	**8,100**
2021e (Q1-Q4)	Seabass	237,600	**140,000**	*42,100*	*36,700*	*17,800*	*5,000*	*15,200*	*23,300*	**22,000**	**46,900**	**13,400**	**5,100**	**6,800**	**3,400**
	Seabream	279,800	**182,100**	*43,300*	*44,400*	*21,100*	*19,400*	*18,800*	*35,100*	**11,600**	**61,100**	**3,600**	**6,900**	**8,400**	**6,200**
	Total	**517,400**	**322,100**	*85,400*	*81,100*	*38,900*	*24,400*	*34,000*	*58,400*	**33,600**	**108,000**	**17,000**	**12,000**	**15,200**	**9,600**
2021 vs. 2020	Seabass	2%	4%	*9%*	*1%*	*-1%*	*-19%*	*18%*	*3%*	30%	-19%	44%	19%	-3%	6%
	Seabream	9%	15%	*10%*	*17%*	*9%*	*37%*	*15%*	*14%*	29%	-10%	44%	23%	-14%	27%
	Total	**5%**	**10%**	***9%***	***9%***	***4%***	***20%***	***16%***	***9%***	**30%**	**-14%**	**44%**	**21%**	**-10%**	**19%**

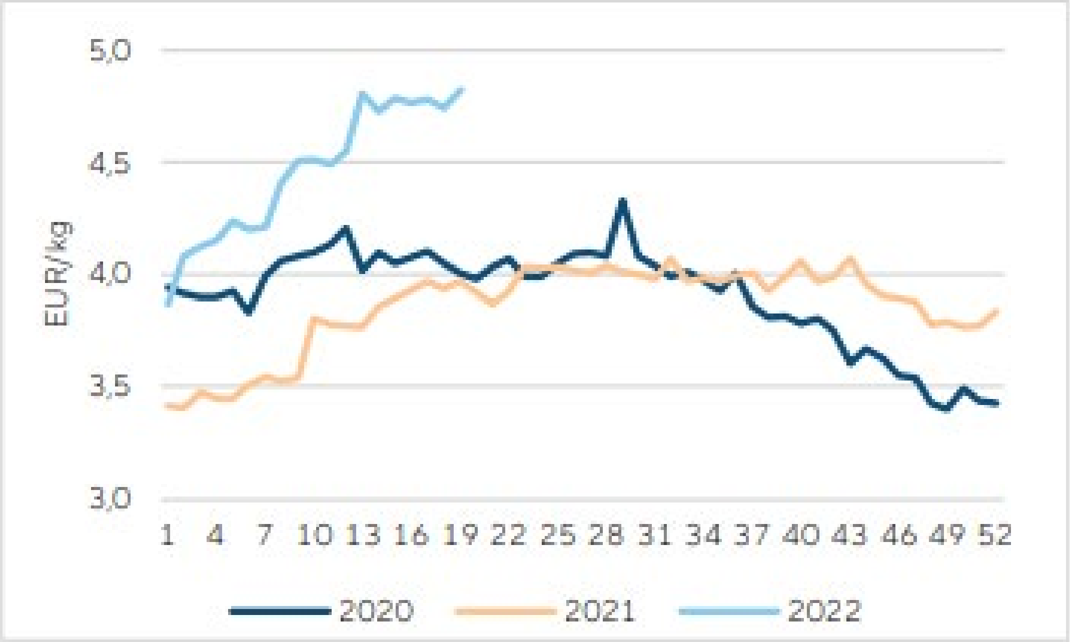
Source: Kontali production and market models

Seabass Seabream – EU import prices ..

FRESH WHOLE SEABASS

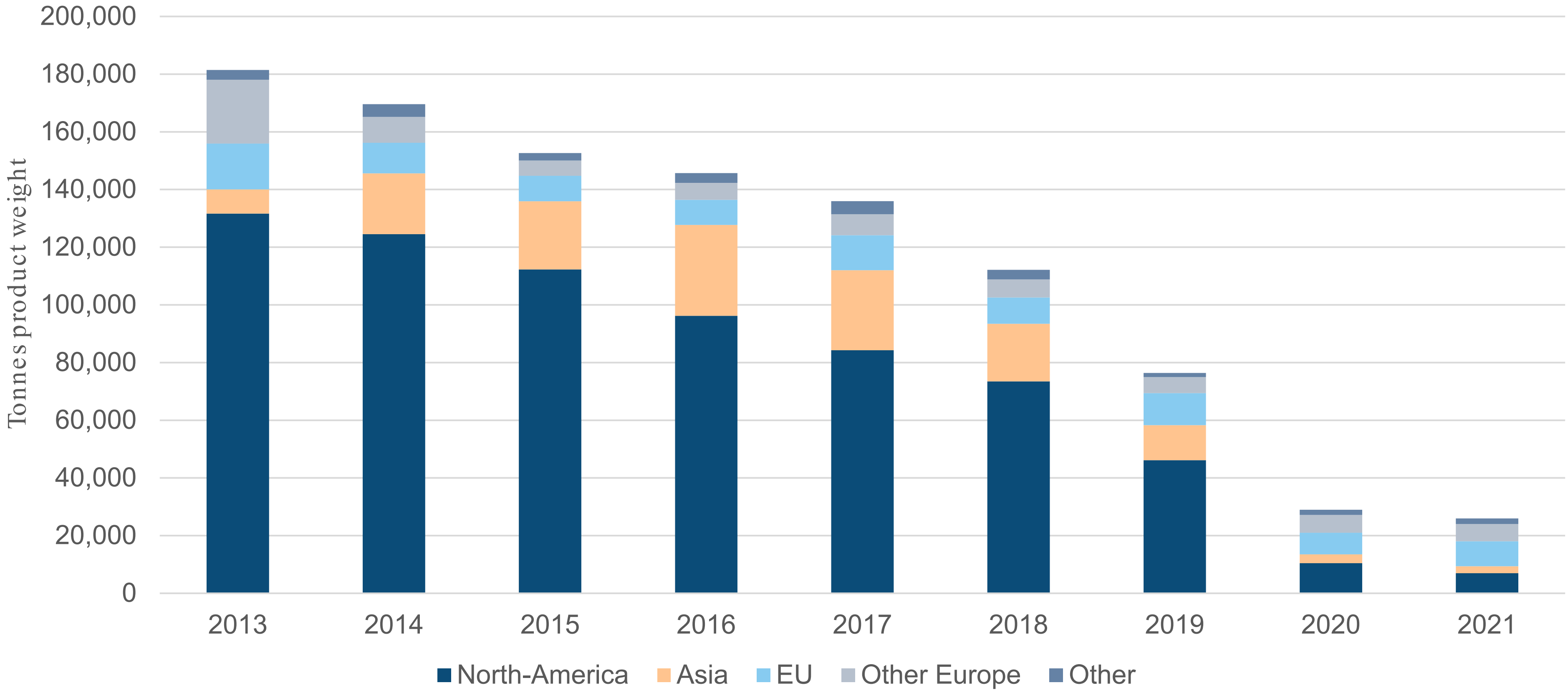


FRESH WHOLE SEABREAM

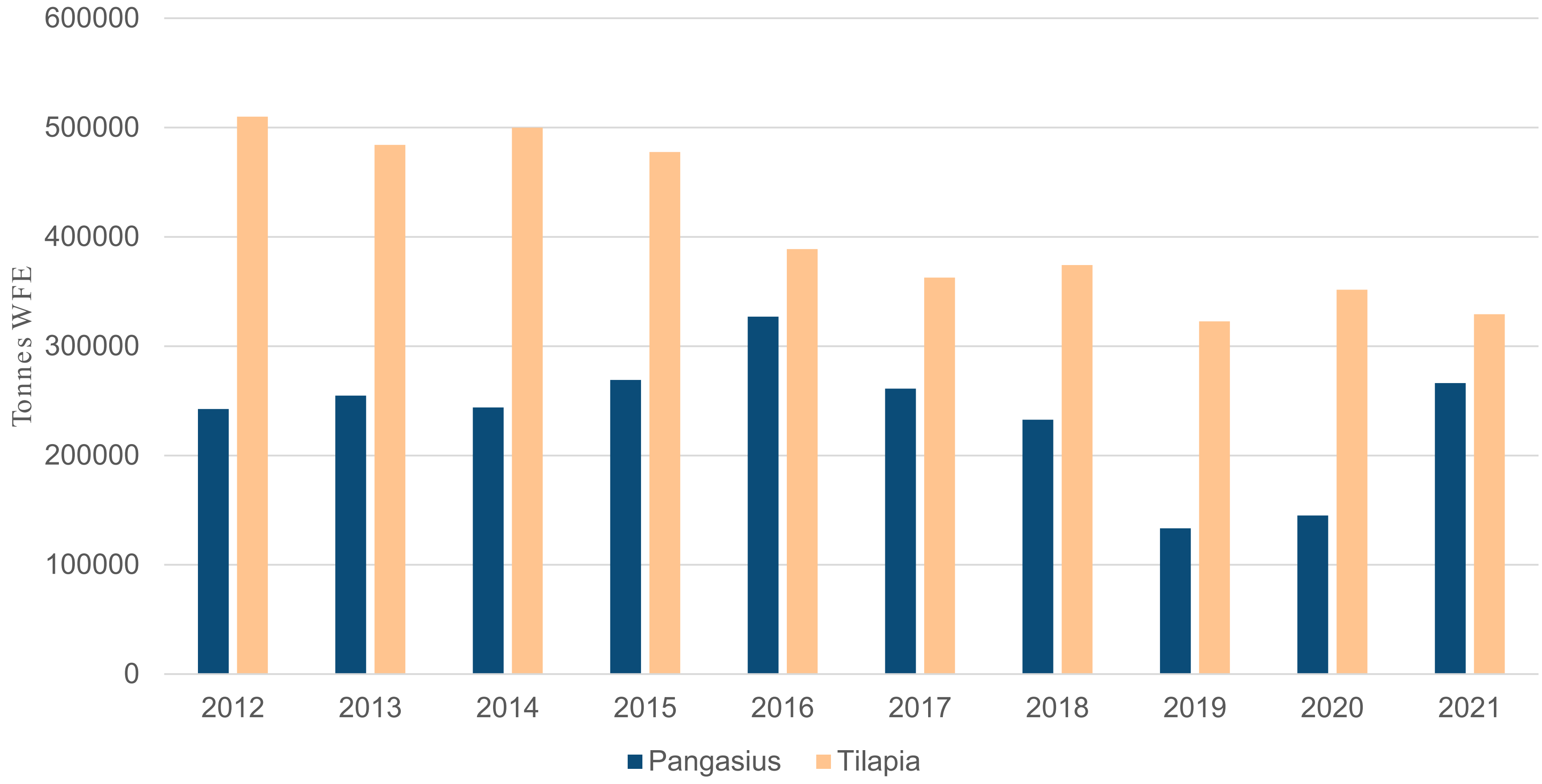


Source: EUMOFA

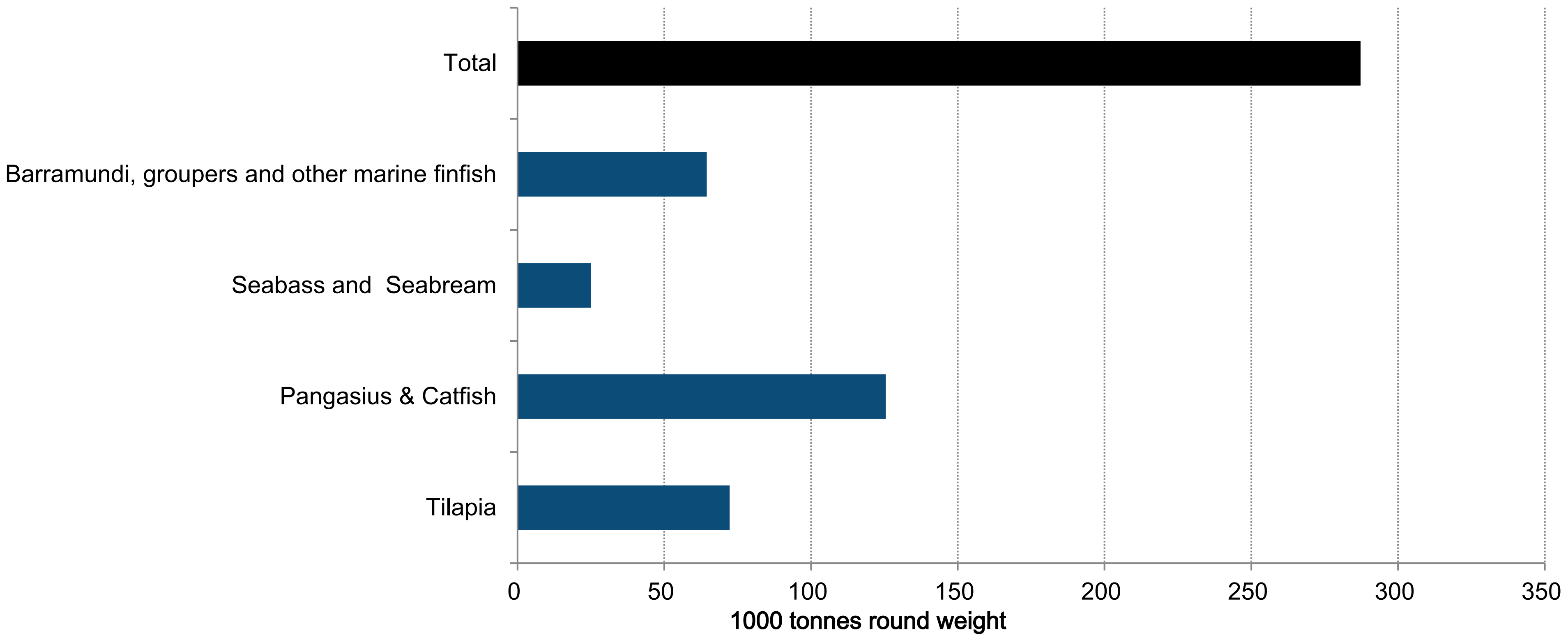
Export of Frozen Tilapia fillets from China - To main markets



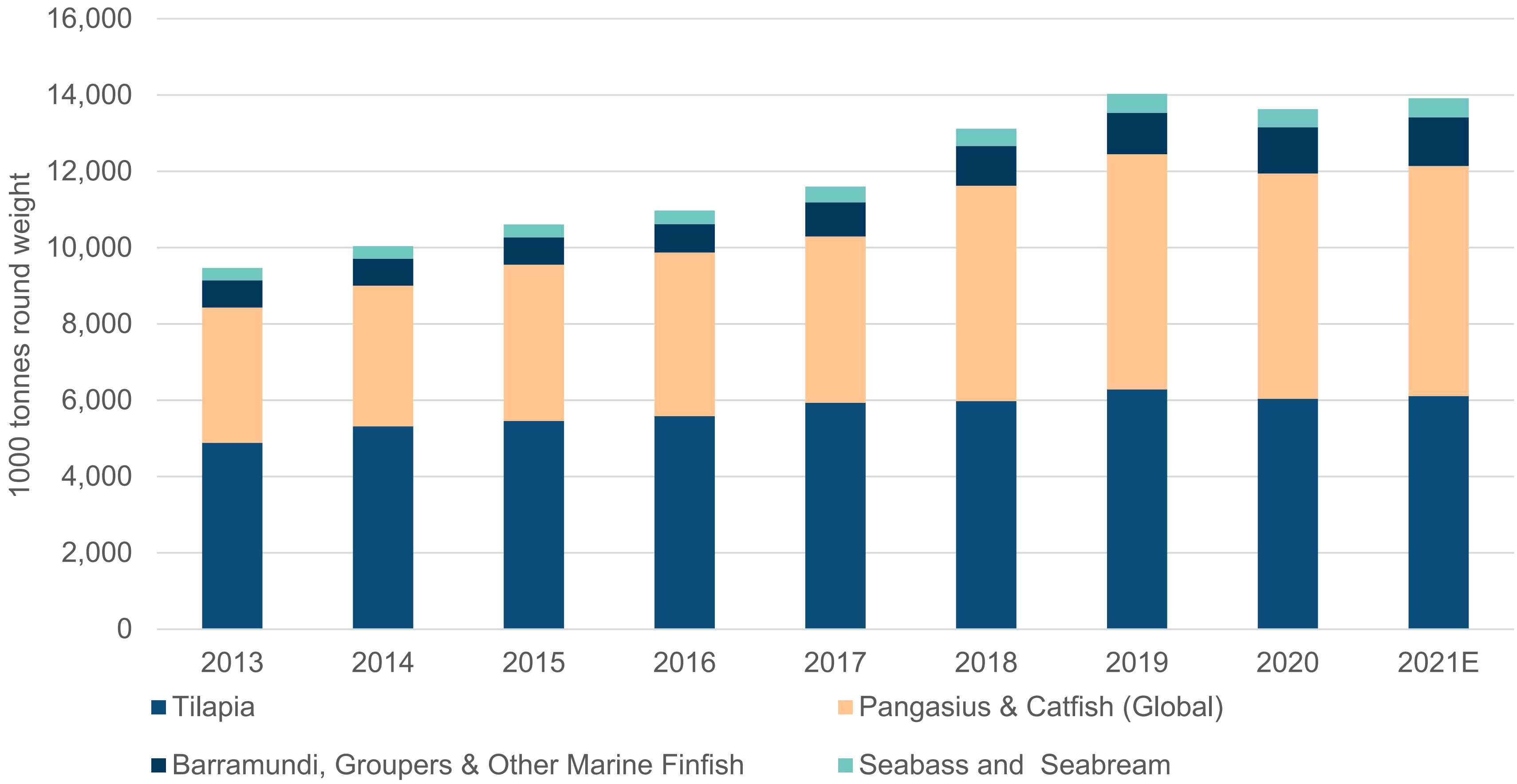
US Imports of Frozen Tropical Whitefish fillets



Global supply from Aquaculture - 2021 vs. 2020



Global supply from aquaculture – per specie



Outlook 2022

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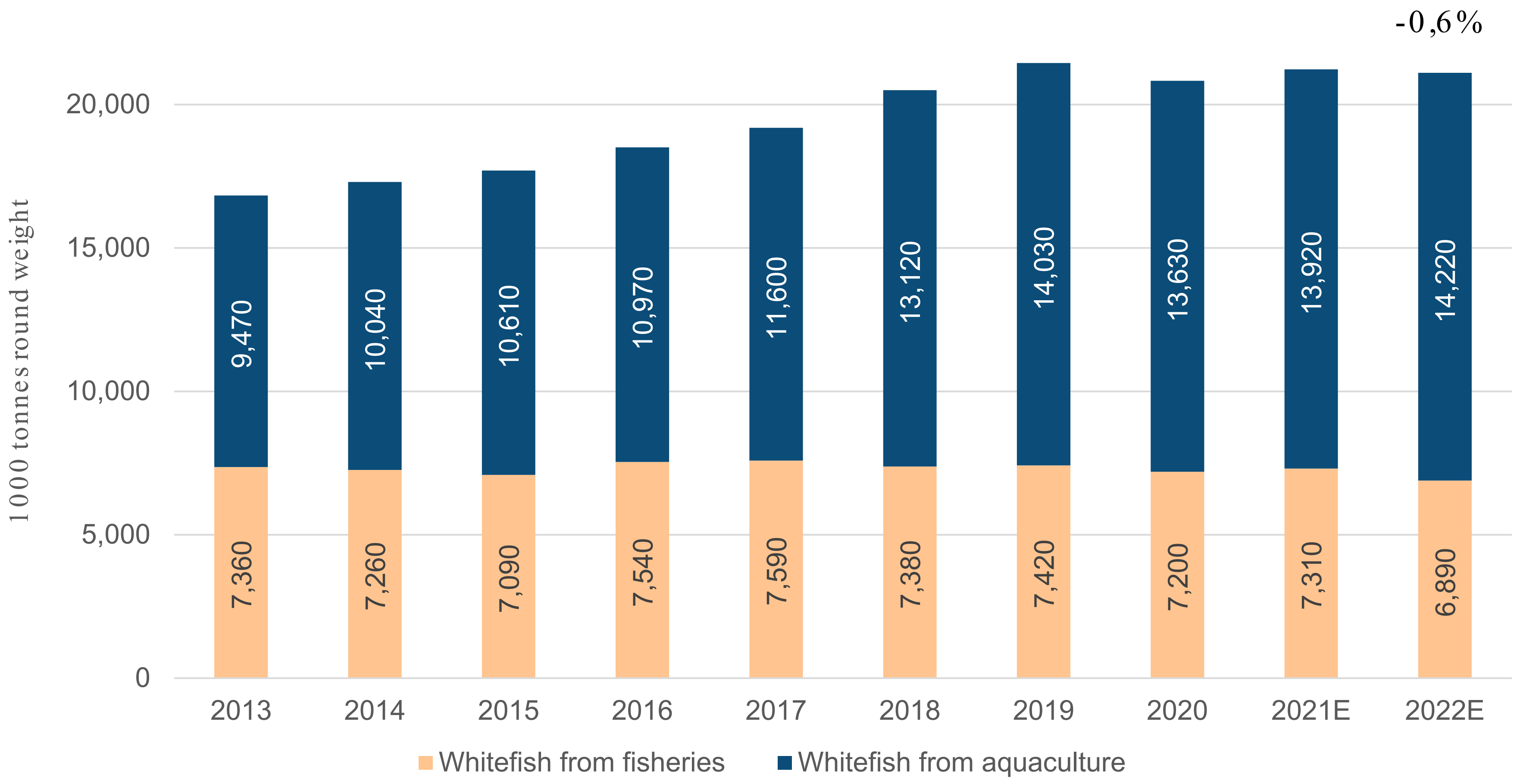
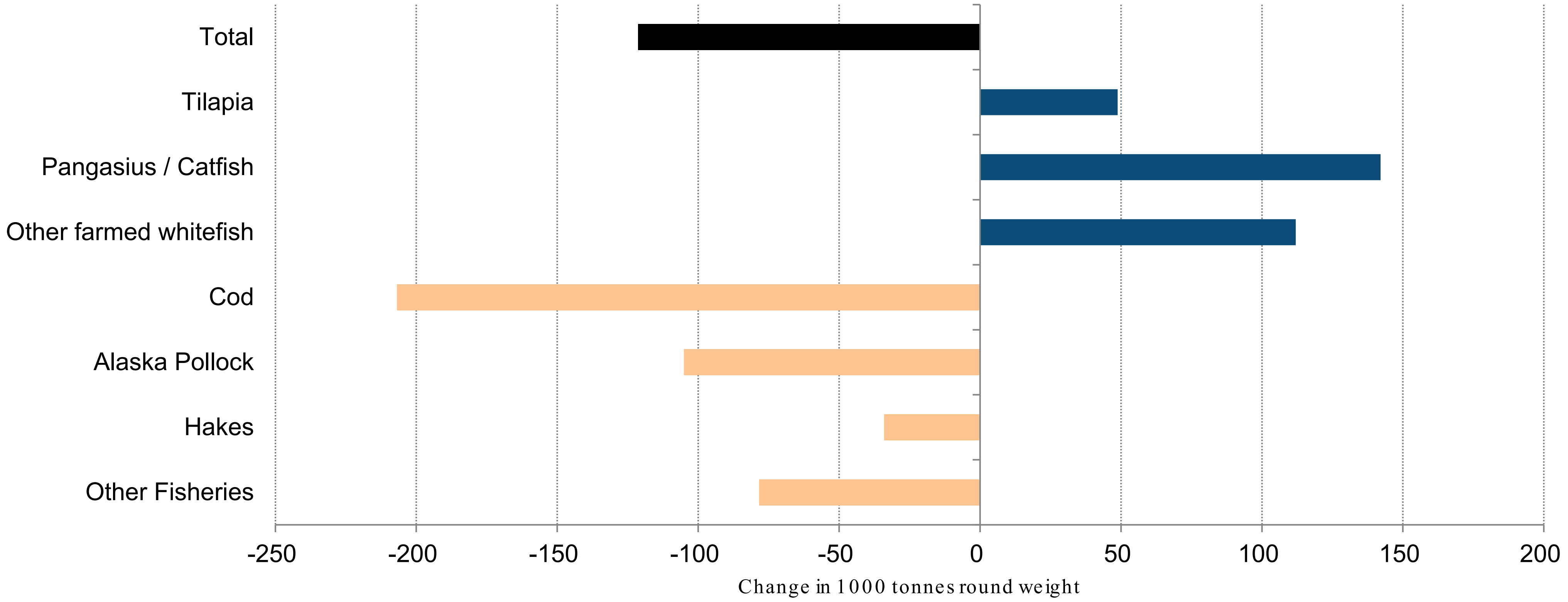
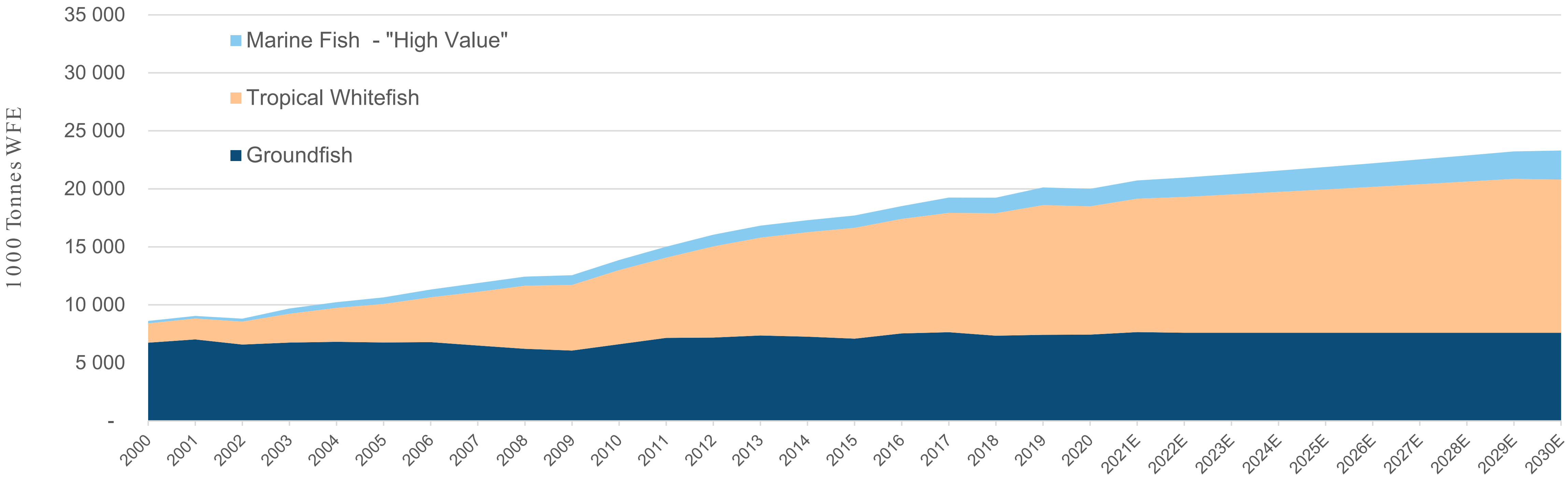
Global whitefish supply 2022 E



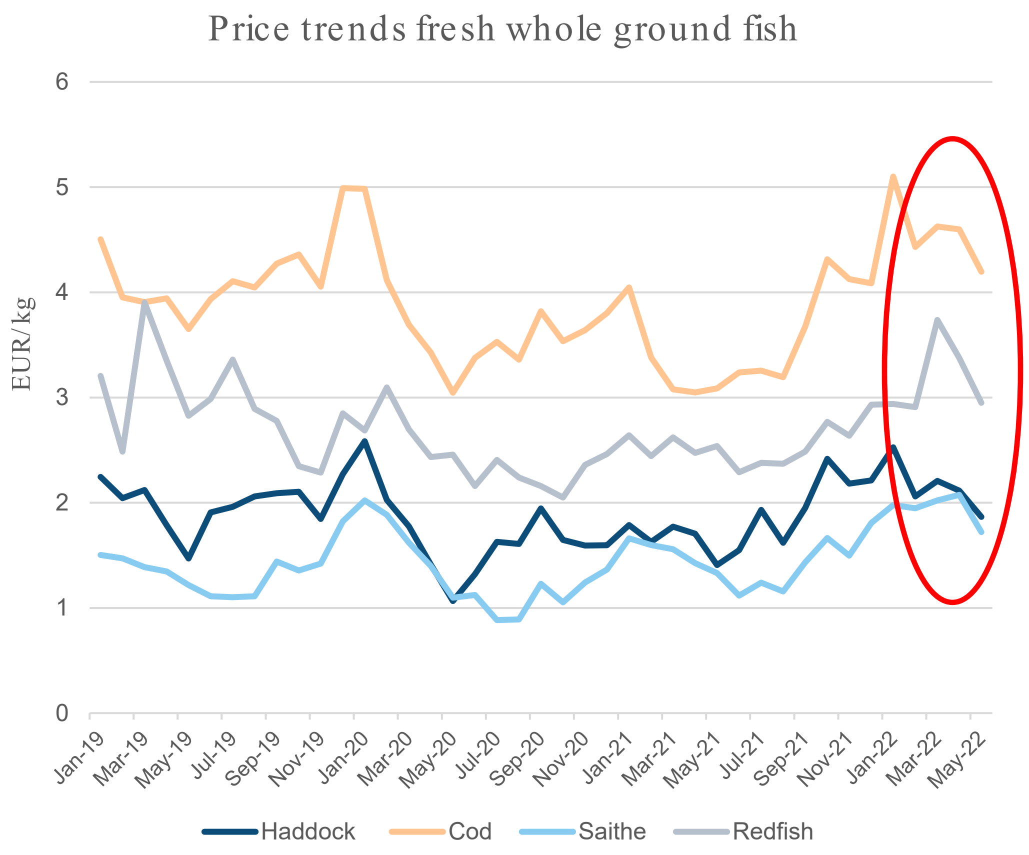
Global whitefish supply 2022 vs. 2021



The interaction between Groundfish and whitefish from aquaculture A long term perspective



High first sale prices good for primary producers but difficult for intermediates



- Strong margins for fishers
- Difficult period for processors and intermediates
- Significant increase in cost level

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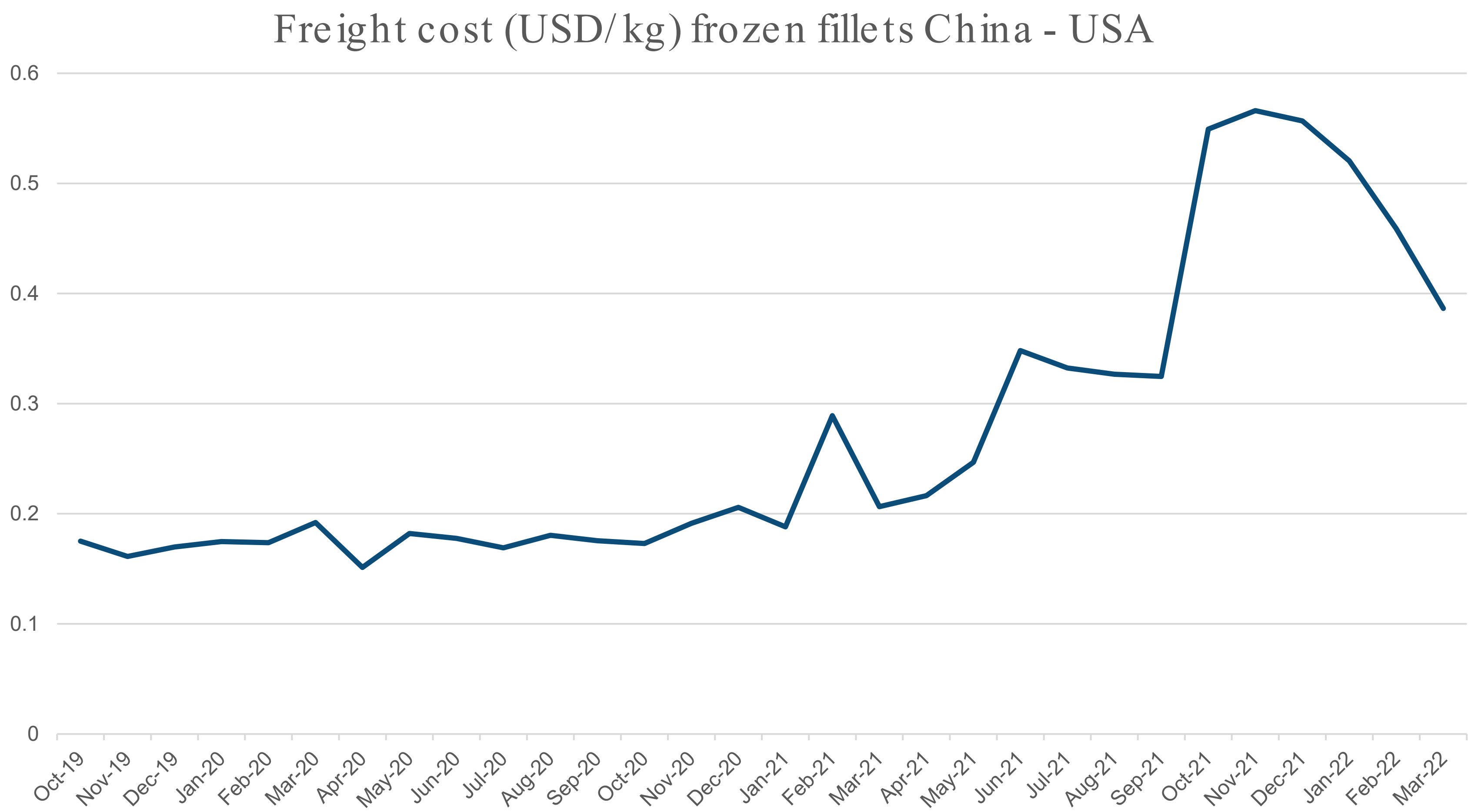
Increase in cost…..

Logistic cost…



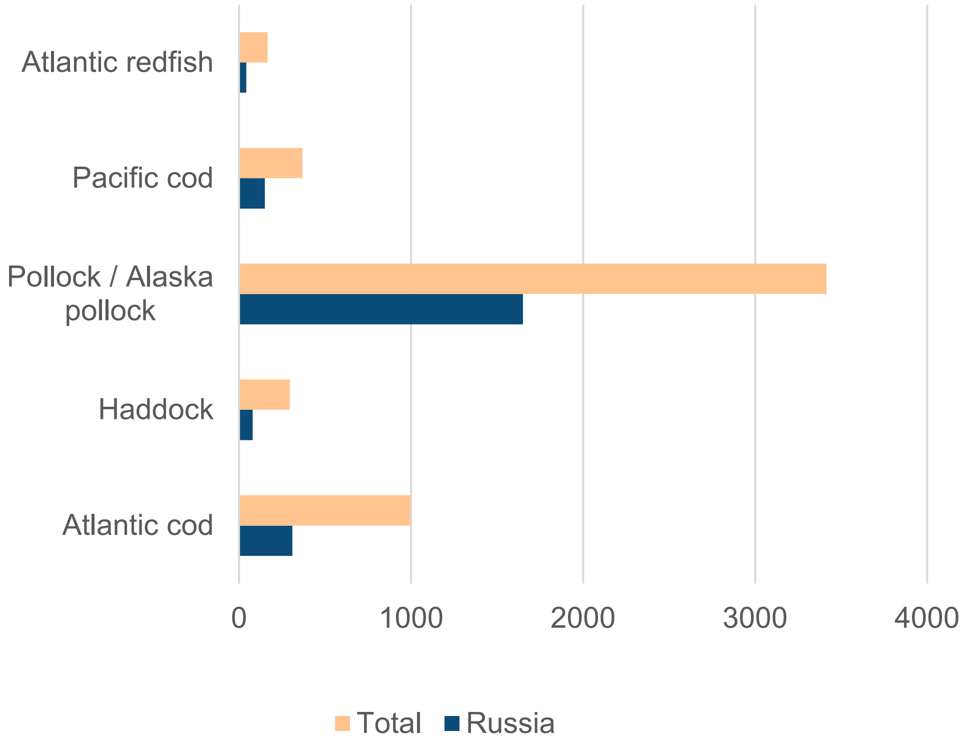
Logistic cost – road freight …..

EU Mobility package
The main part, fundamental to road transport, applicable from <u>February 2022</u>

- stricter rules for cabotage
- change in the working-hour regulations for drivers
- introduction of a permit and tachograph in vans
- obligation to return trucks to the company's headquarters every eight weeks
- return of the driver to the country of origin will be mandatory every 4 weeks
- salaries for drivers for cabotage and third-country driving shall be at the level of the country where the transport is made
- tightening of the rules for «postal companies»
- manual registration of all trucks passing borders in Europe

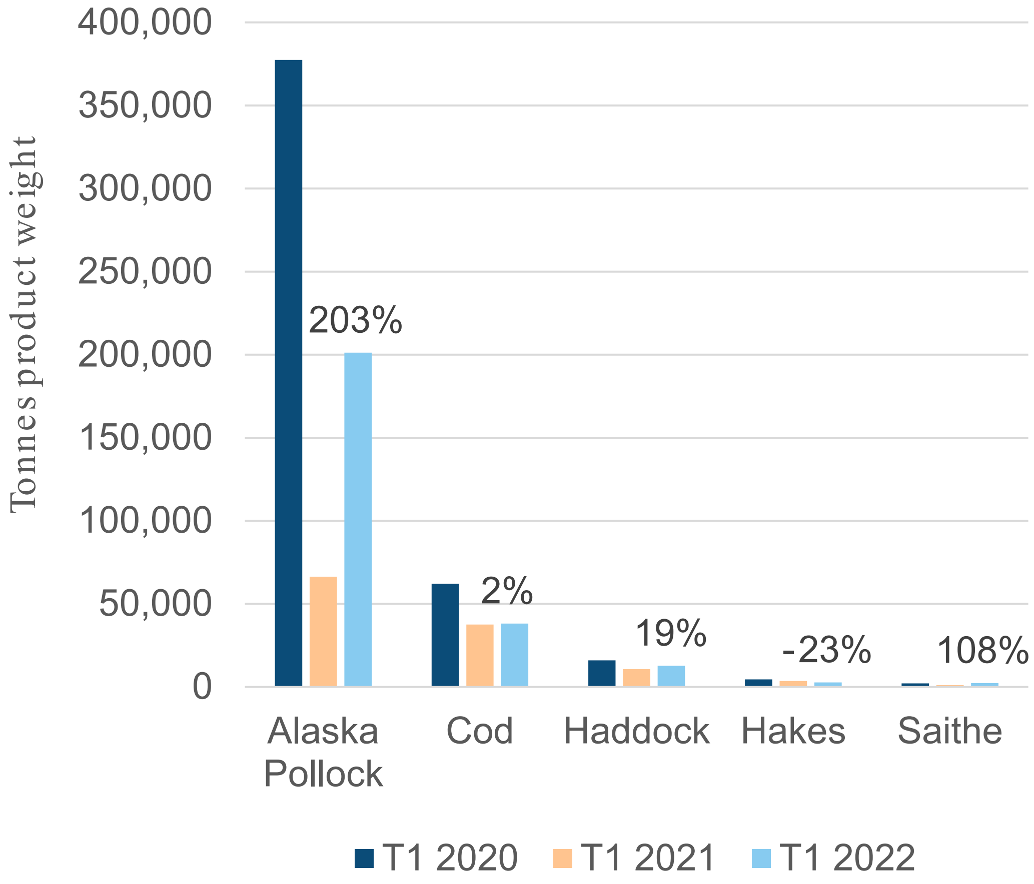
Uncertain times – Uncertian supply situation ; Russia / Ukraine war + Covid

Russian share of main whitefish species



- EU and US trade embargo on fishery products from Russia
- UK imposal of high import tariffs
- Russian share of north Atlantic whitefish species:
  - 2,2 million tonnes
  - 43% of the 5 species listed in chart
  - 32 of whitefish species from fisheries

Russian trade embargo could hold prices high ..



- Russian vessels are still allowed to land fish in Norway.
- However, the biggest embargo loop-whole is China.
  - Chinese imports of pollock from Russia 3 times higher in the first 4 months of 2022

Change in Russian trade patterns

Russian exports of whitefish

YEAR	2019	2020	2021	2022
Measures	VOLUME (KG)	VOLUME (KG)	VOLUME (KG)	VOLUME (KG)
PARTNER COUNTRY				
China	685,281,405.00	632,010,000.00	233,685,747.00	11,984,551.00
Korea, Republic of	202,601,531.00	275,074,075.00	476,549,367.00	31,550,848.00
Netherlands	79,447,573.00	93,066,989.00	100,567,079.00	8,983,350.00
Belarus	9,985,755.00	14,319,516.00	14,524,265.00	593,987.00
Germany	9,629,073.00	8,737,466.00	16,776,391.00	74,583.00
United Kingdom	7,912,484.00	8,293,907.00	8,521,422.00	231,658.00
Norway	4,773,198.00	7,640,584.00	16,591,202.00	663,475.00
France	2,944,211.00	4,096,065.00	8,165,034.00	616,117.00
Ukraine	3,723,546.00	4,072,850.00	4,555,752.00	366,256.00

Summary

- Growth in whitefish supply from both farmed and wild species resulted in a supply growth rate close to 2% in 2021
- Rise in market prices for farmed and wild whitefish so far in 2022 driven mainly by strong demand but also by moderate supply
- The role of China as the main processor impacted strongly by covid in 2021 (close down and sanitary roles on imports, shipping/logistic issues)
- Outlook: slight fall in global whitefish supply in 2022 caused by fall in whitefish catches – mainly cod
- Significant differences in market conditions through out the supply chain
- Higher raw material prices is about to be passed on the end consumer; with backdrop of higher household cost (energy, interest rate, food, clothing, etc) will demand and prices for high value species come under pressure?
- While in previous years the market has found its balance between supply and demand, the whitefish market is currently strongly impacted by political objectives and decisions amid the Russian invasion of Ukraine.

Thank you for your attention.

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