

# Status and futures in the Pelagic industry

By Julian Vangen



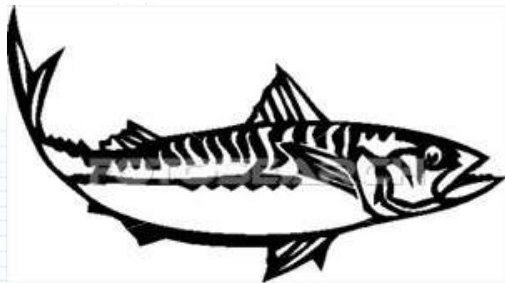
Irish Pelagic Seminar



Killybegs, Ireland

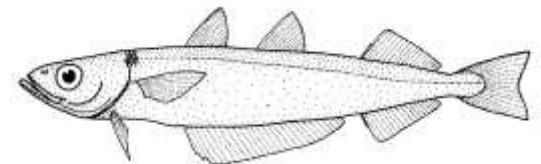
12th of November - 2010

# Kontali Analyse AS



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[www.kontali.com](http://www.kontali.com)



# Kontali Analyse AS

## Subjects of today:

- **Who is Kontali Analyse AS**
- **Historical perspective of the pelagic fisheries**
- **Historical perspective in some of the key markets for pelagic fish**
- **The recent development for some particular interesting pelagic fisheries world-wide**
- **Recent development in some key markets for pelagic fish**
- **Development in inventory for some major products**
- **Development for the fishmeal industry**
- **Overview of the Norwegian pelagic industry**

# Kontali Analyse AS

## "Mission"

*"We will tell the world how much fish and seafood that are produced and we will tell the world where this seafood is consumed."*

## "Vision"

*"We shall be the preferred provider of decision basis connected to the seafood business"*

# Kontali Analyse AS

- Established in Norway in 1980.
- 14 employees i Kristiansund, Norway
- A substitute of Nena AS, owned by the stock listed IMAREX.
- USA based Nymex/Chicago Mercantile Exchange is the largest single owner of IMAREX.

# Service and products from Kontali Analyse AS

## Regular publications:

- Kontali Monthly Salmon Report
- Kontali Monthly Pelagic Report
- Kontali Monthly Cod and Groundfish Reports
- Kontali Seabass & Seabream Update
- Kontali Aquaculture Bulletin
- Several other weekly and monthly reports

## Reports:

- Salmon World
- Pelagic World
- Groundfish World
- The Salmon Farming Industry in Norway
- Salmon Market Analysis

## Agreements:

- Marine Harvest/Lerøy (Salmon industry)
- Cermaq (Salmon and fish feed ind.)
- Nutreco / Biomar (Fish feed ind.)
- DNB Nor / Nordea ++ (Finance)
- Fiskaren / Intrafish (Media)
- Fishpool (Fish exchange)
- Norges Råfisklag (Norwegian sales org.)
- Marine Farms (Farm seabass/seabream)
- Benchmarking 1<sup>st</sup> hand prices salmon

## Ad Hoc missions:

- Evaluations/reviews
- Lectures/Chart writing/ Workshop
- Prognosis
- Trade political assistance.



# Kontali Analyse – Customers World Wide



# How Kontali look at the world of seafood

## Total Seafood Resources (09E)

146 mill tonnes

### Fisheries – 91 mill tonnes

Pelagic species	36,0 mill
Groundfish	20,0 mill
Oth. marine fish	9,0 mill
Freshwater fish	10,0 mill
Molluscs/Squid	7,5 mill
Crustac./Shrimp	6,0 mill
Salmonids	1,1 mill
Other	1,4 mill

### Aquaculture – 54 mill tonnes

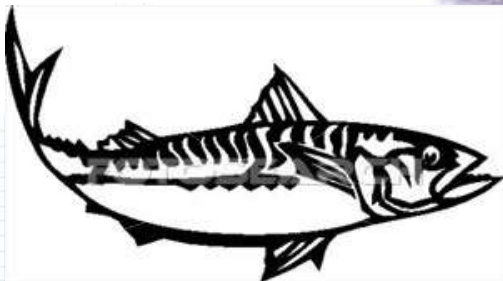
Carp	21,0 mill
Tilapia	3,0 mill
Catfishes	2,5 mill
Oth. Freshw. Fish	8,6 mill
Molluscs	13,0 mill
Crustac./Shrimp	5,8 mill
Salmonids	2,2 mill
Demersal marine	1,3 mill

Source: Kontali Analyse / FAO

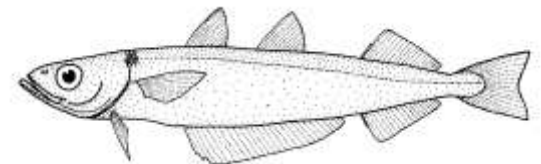




# A historical perspective of the pelagic fisheries world-wide

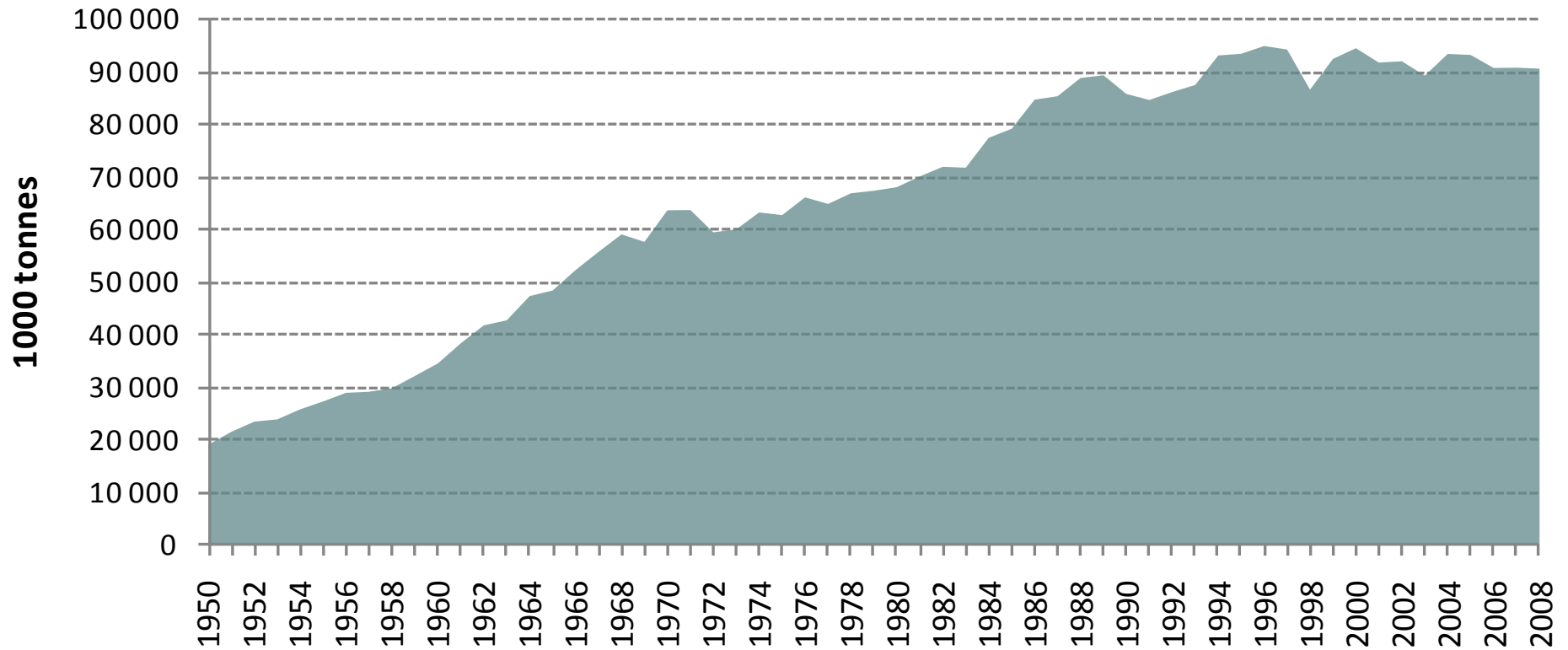


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# What is the pelagic fisheries

## Catch development - wild aquatic organisms



# What is the pelagic fisheries

40 most important fish species harvested per year.

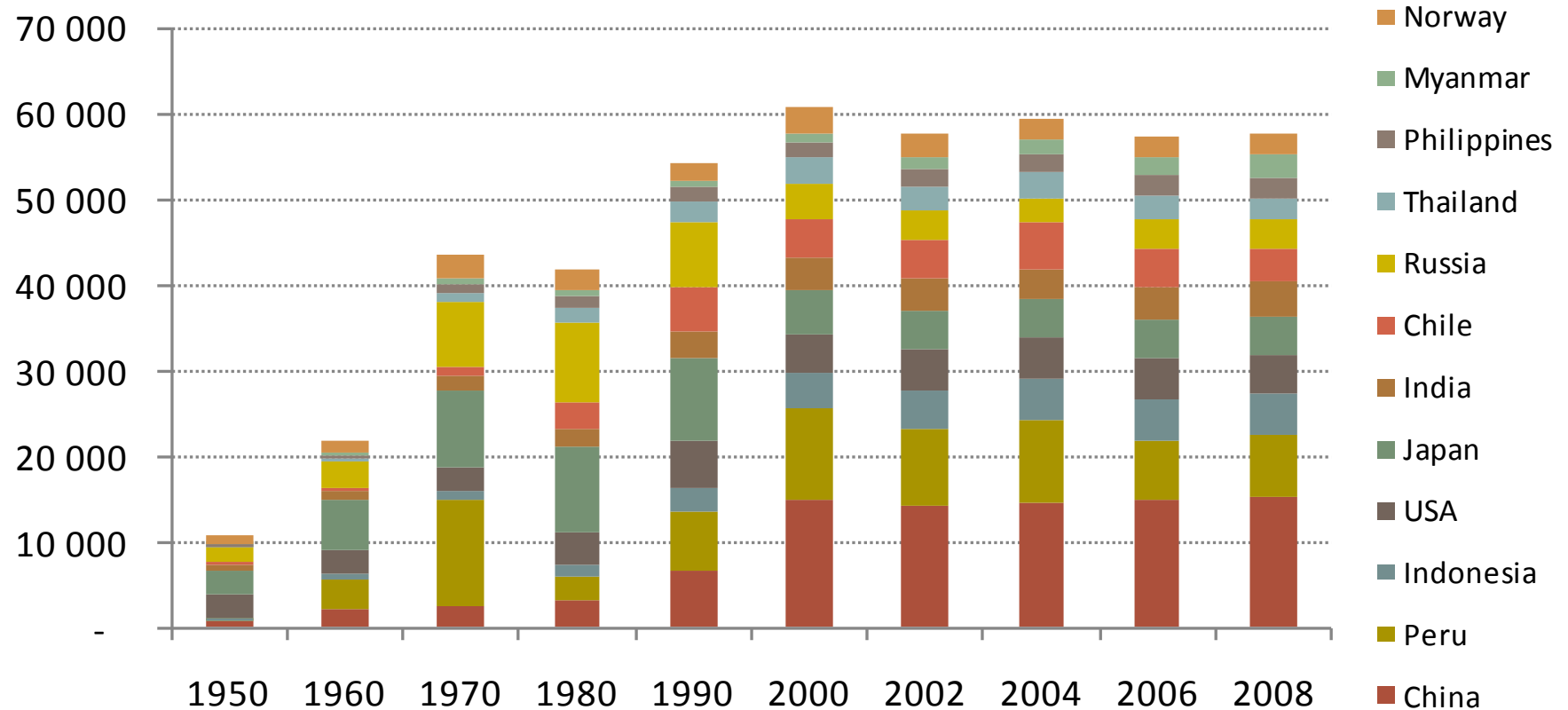
Species	1950	1960	1970	1980	1990	2000	2002	2004	2006	2008
Marine fishes	1 144	3 164	4 925	6 821	8 856	10 076	9 979	9 397	9 192	9 439
Anchoveta	1	3 481	13 060	823	3 772	11 276	9 703	10 679	7 007	7 428
Freshwater fishes	1 140	1 762	2 883	2 789	3 035	4 249	4 081	4 680	5 558	5 701
Alaska pollock	154	506	3 057	4 021	5 736	2 930	2 653	2 692	2 860	2 650
Atlantic herring	2 066	2 601	2 320	923	1 542	2 381	1 874	2 020	2 225	2 476
Skipjack tuna	159	170	396	802	1 288	1 997	2 045	2 145	2 559	2 422
Chub mackerel	282	527	2 016	2 667	1 330	1 422	1 439	1 954	1 970	1 876
Largehead hairtail	167	467	552	677	758	1 299	1 271	1 368	1 368	1 369
Blue whiting	26	23	39	1 109	577	1 472	1 573	2 429	2 039	1 284
Chilean jack mackerel	1	7	109	1 281	3 828	1 540	1 750	1 779	1 829	1 282
Japanese anchovy	302	386	420	320	536	1 563	1 679	1 629	1 509	1 266
Scads	5	146	241	384	827	963	1 115	1 164	1 118	1 216
Yellowfin tuna	111	283	363	552	1 029	1 202	1 362	1 339	1 111	1 140
Sardine	359	488	610	967	1 522	948	1 097	1 060	1 034	1 055
Jumbo flying squid			1	19	15	210	400	795	853	857
Argentine shortfin squid	0	1	1	16	410	985	540	179	704	838
Chilean Sardine	14	24	57	33	299	723	347	356	440	795
Marine molluscs	83	153	289	96	614	1 311	1 281	855	903	787
Croakers/Drums	77	101	145	310	402	518	532	766	766	766
Atlantic cod	2 080	2 675	3 106	2 209	1 491	940	903	905	834	765
Sardinellas	55	105	522	689	448	1 046	724	717	726	740
Various squids	51	80	103	438	603	365	328	745	646	636
Pacific saury	204	315	163	238	436	306	335	356	395	622
Atlantic mackerel	117	163	669	651	658	686	761	706	548	610
Threadfin breams	5	14	70	92	143	479	533	530	531	589
European sprat	47	73	237	653	245	658	622	689	593	562
European anchovy	163	206	372	709	540	637	670	634	533	509
Cyprinids	17	157	37	103	373	236	283	270	413	501
Seerfishes	8	15	57	112	248	465	470	375	387	481
California pilchard	339	43	36	328	314	546	722	565	356	473
Saithe	201	260	642	433	417	313	388	403	496	456
Tilapias	25	61	160	207	330	344	330	394	398	454
Gulf menhaden	197	441	549	702	520	591	582	464	409	421
Sea catfishes	40	65	131	171	188	323	349	355	343	409
Bigeye tuna	1	81	146	233	312	453	461	466	429	404
Japanese flying squid	429	505	492	405	321	570	504	448	388	402
Sandeels	0	127	192	789	754	741	917	390	301	364
Pacific cod	46	87	186	145	442	371	333	374	342	342
Haddock	343	515	914	376	204	213	270	325	319	332
Argentine hake	10	42	108	355	420	247	412	481	407	316
Other	9 594	15 124	23 947	34 016	40 953	38 865	38 310	37 690	38 347	37 269
<b>Total</b>	<b>20 063</b>	<b>35 440</b>	<b>64 321</b>	<b>68 665</b>	<b>86 737</b>	<b>96 461</b>	<b>93 931</b>	<b>95 569</b>	<b>93 185</b>	<b>92 302</b>

Source: FAO

# What is the pelagic fisheries

## 12 biggest fishing nations

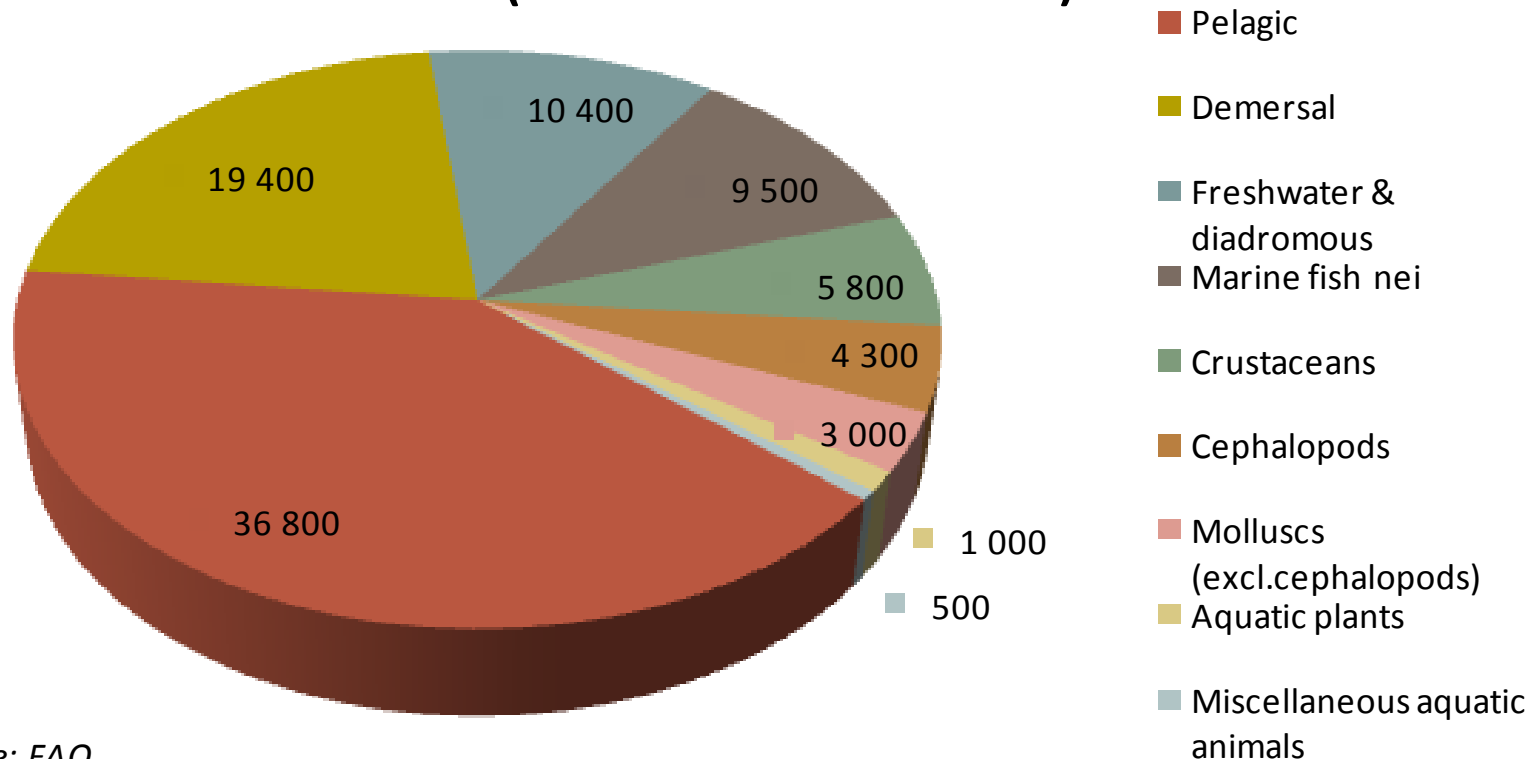
1 000 tonnes



Source: FAO

# What is the pelagic fisheries

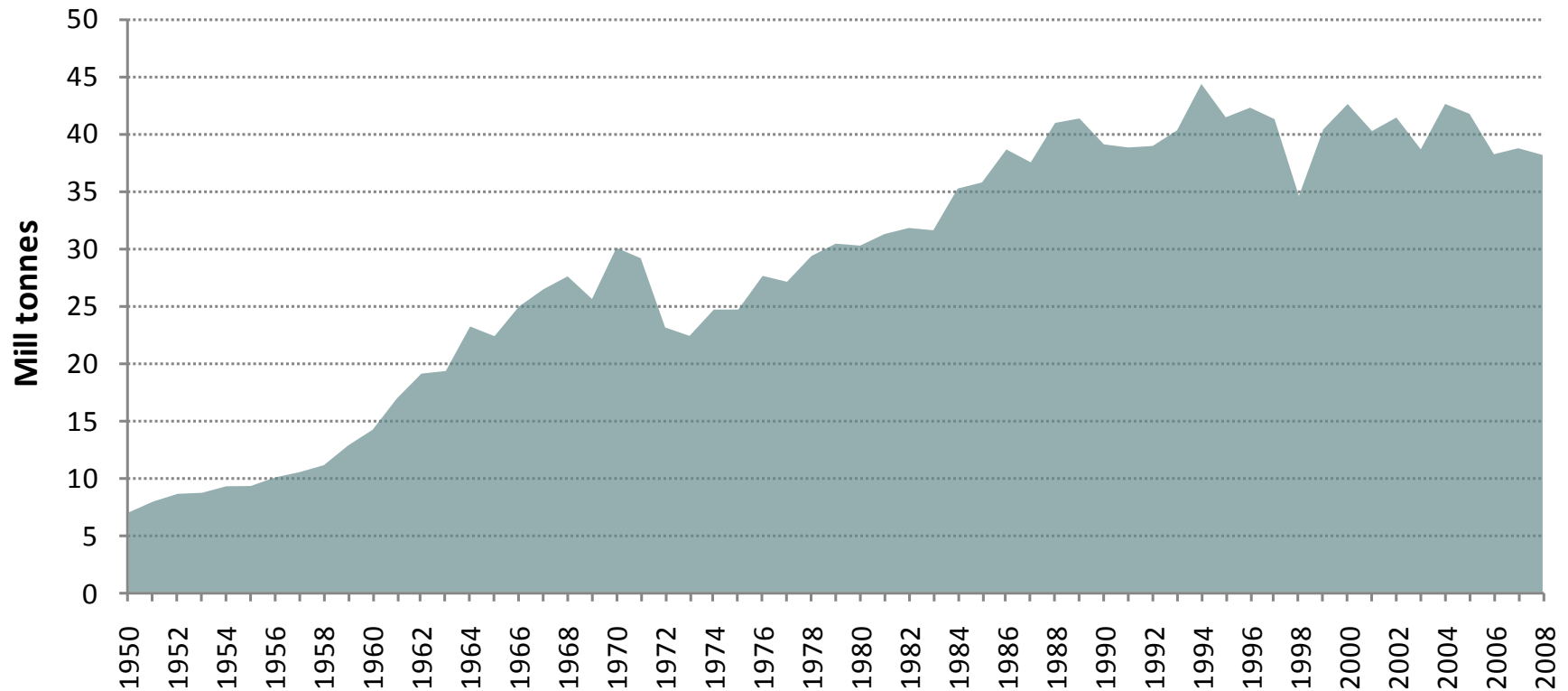
**World fisheries 2008 (volumes in 1 000 tonnes)**



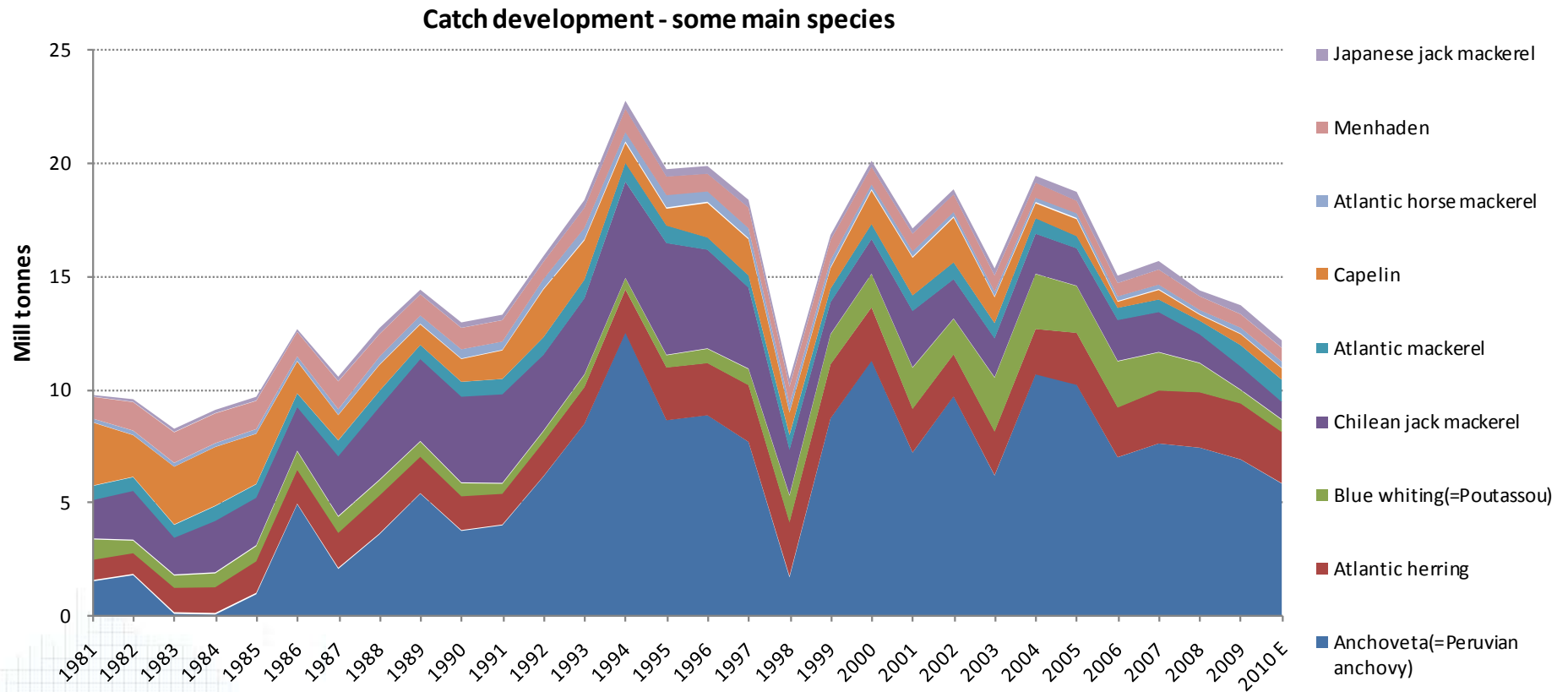
Source: FAO

# What is the pelagic fisheries

**Catch development - Pelagic species (incl.tuna and blue whiting)**

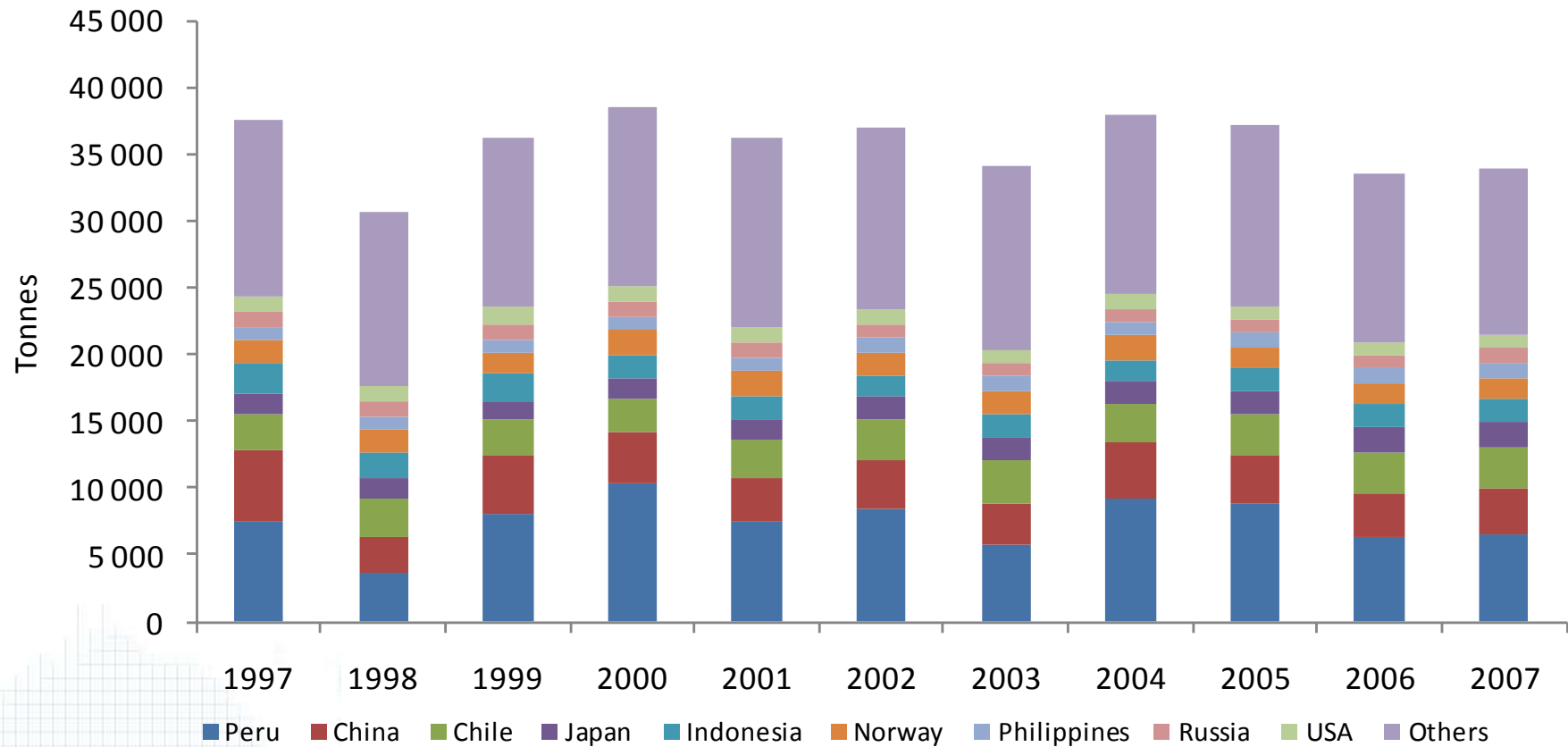


# What is the pelagic fisheries



# What is the pelagic fisheries

**Largest fishery nations - pelagic species - (excl.tunas)**

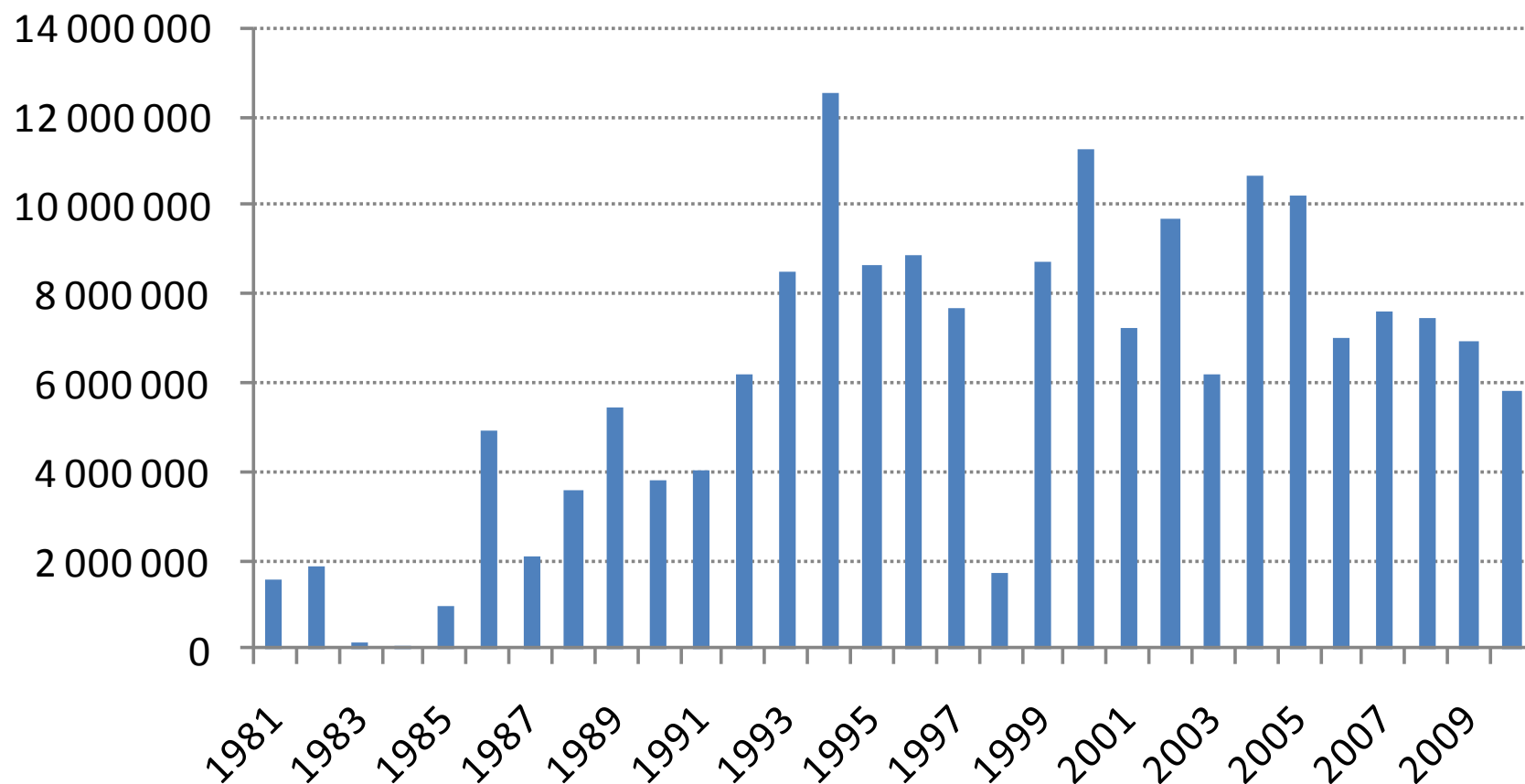




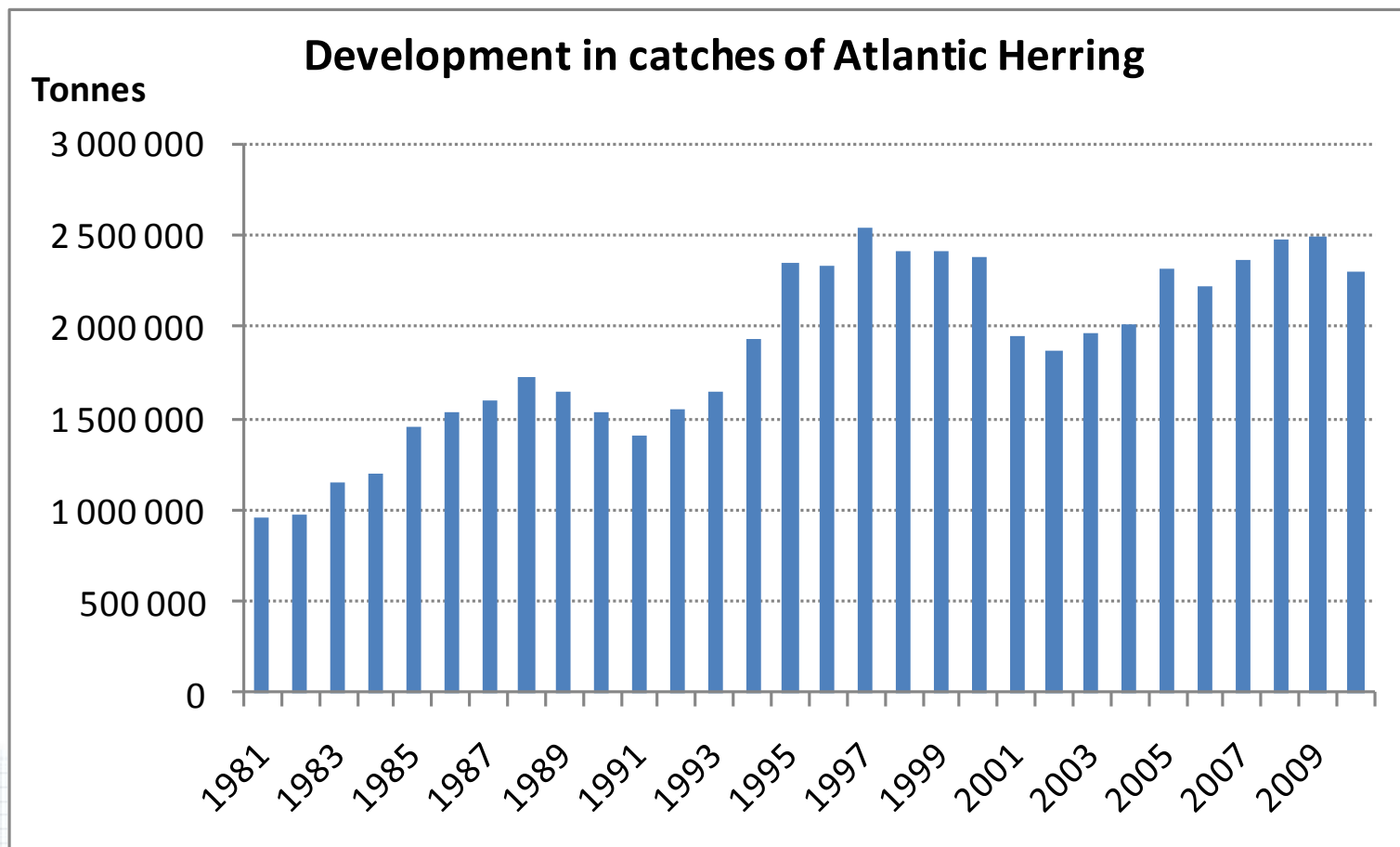
# Historical development in catches

**Development in catches of Anchoveta**

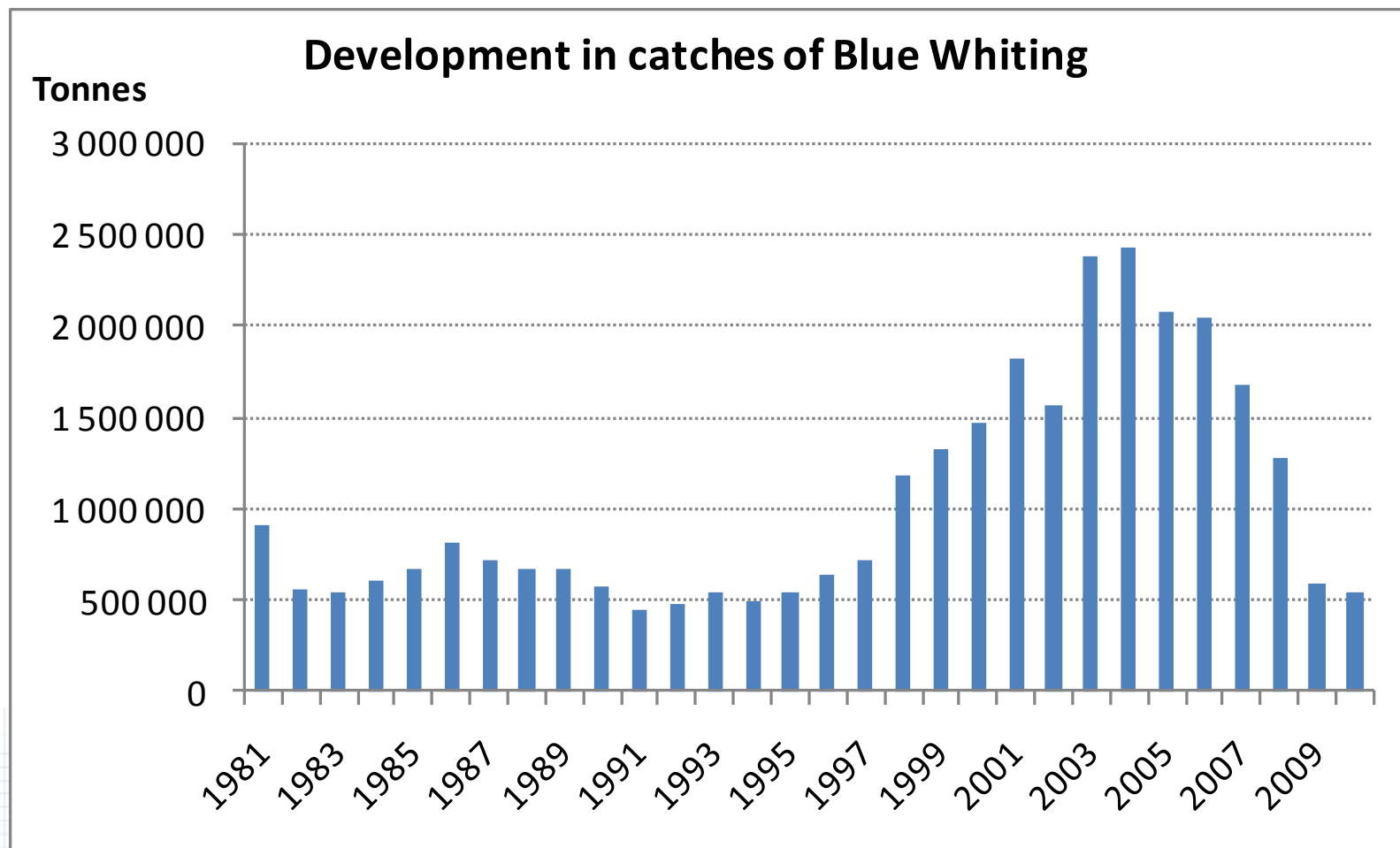
**Tonnes**



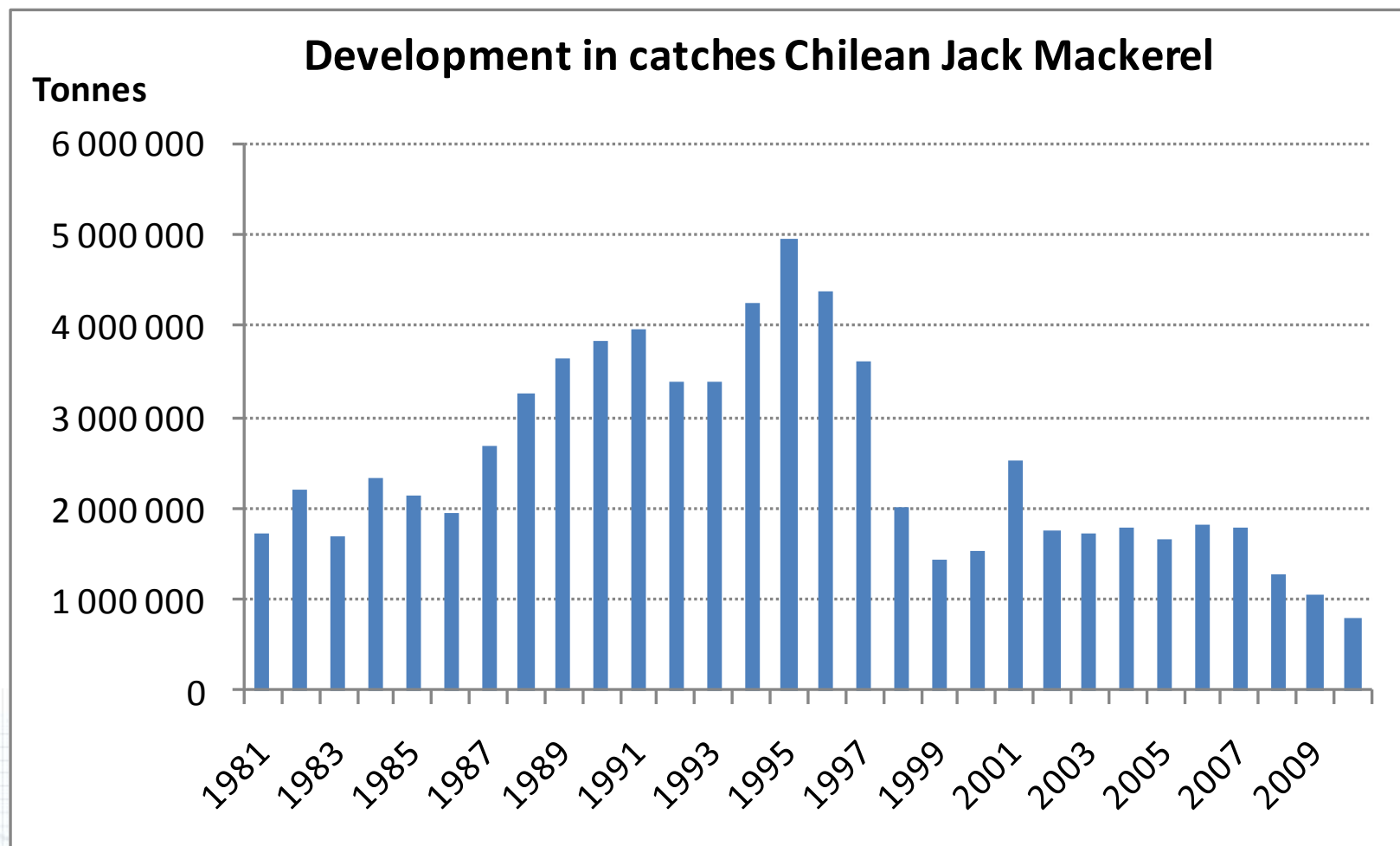
# Historical development in catches



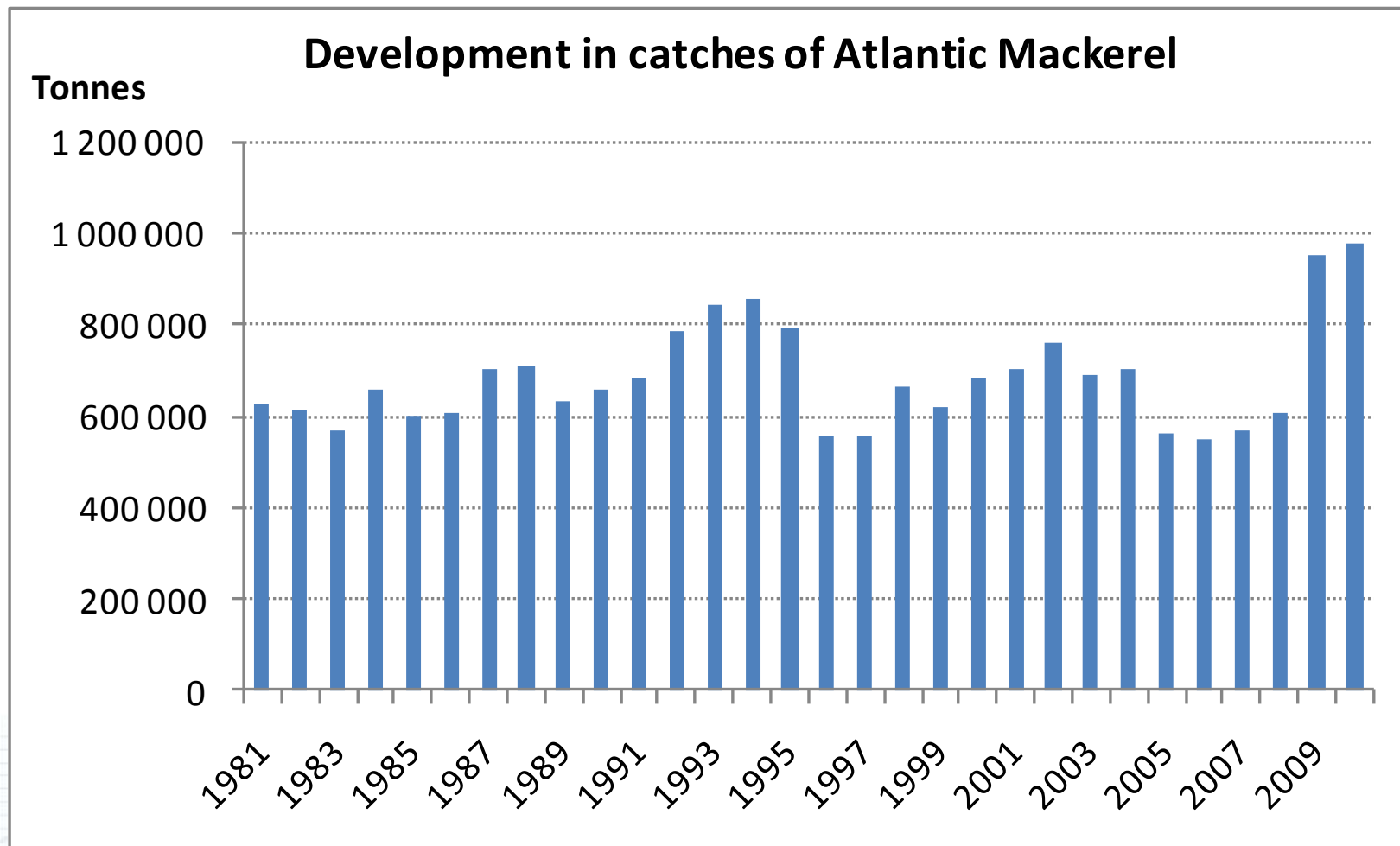
# Historical development in catches



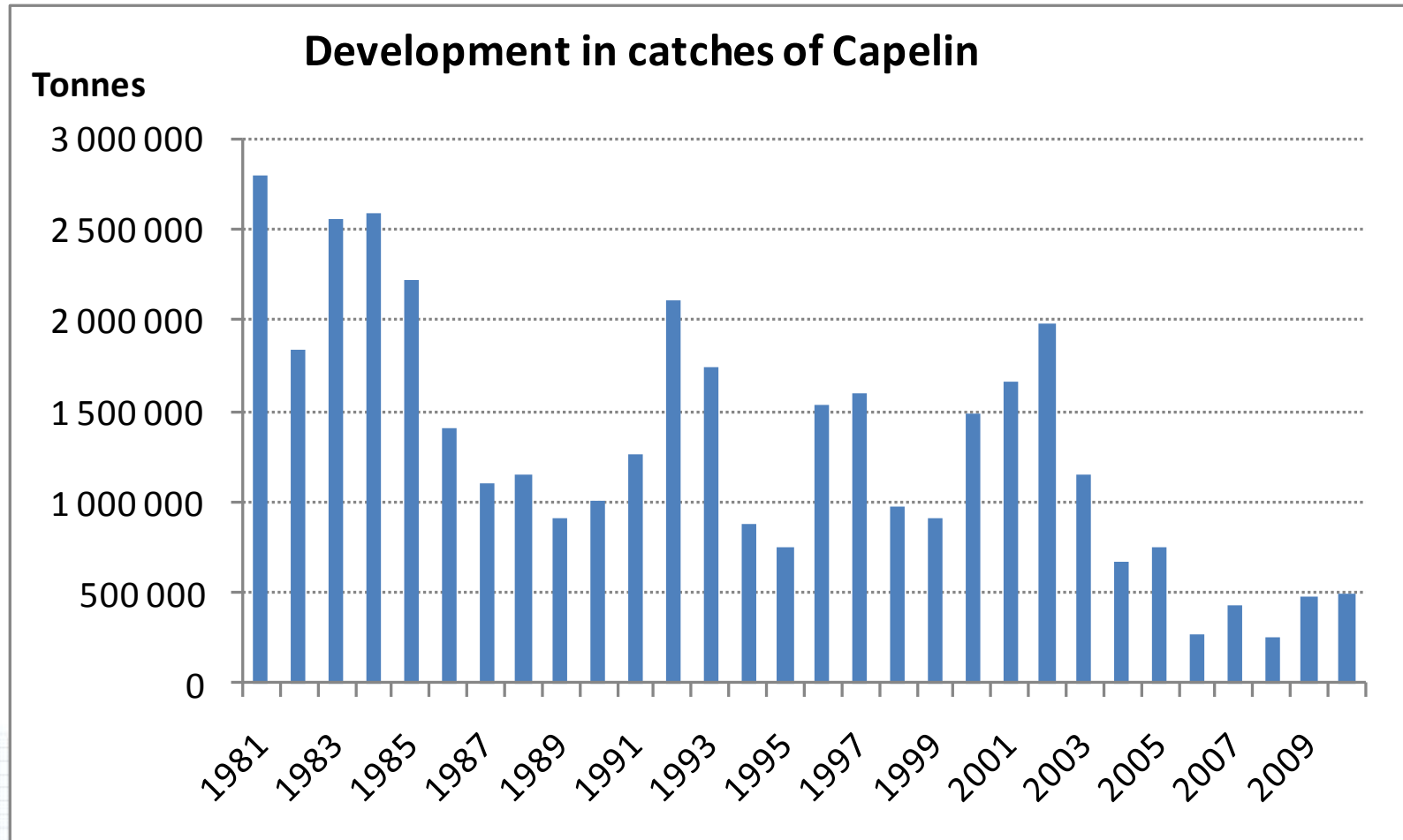
# Historical development in catches



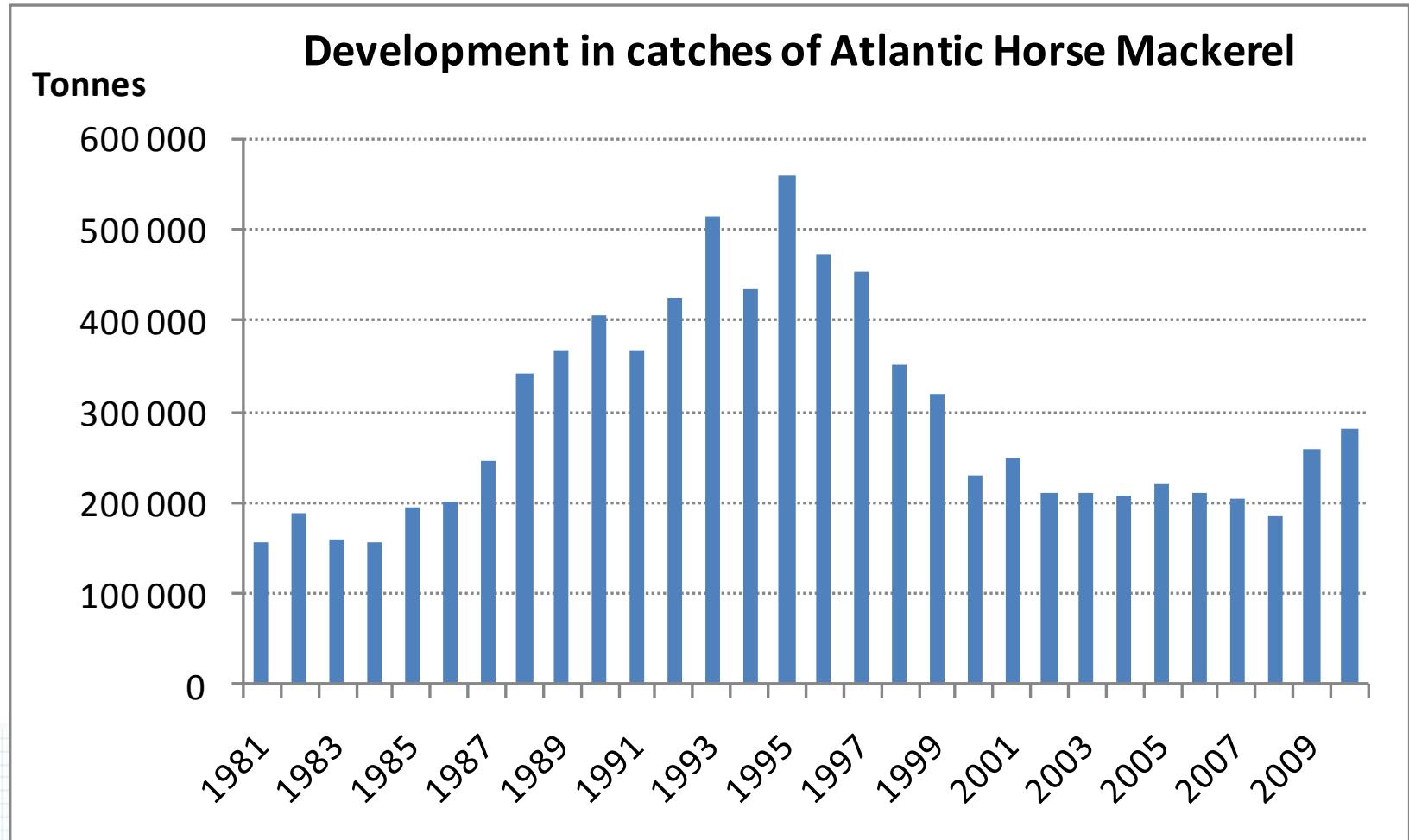
# Historical development in catches



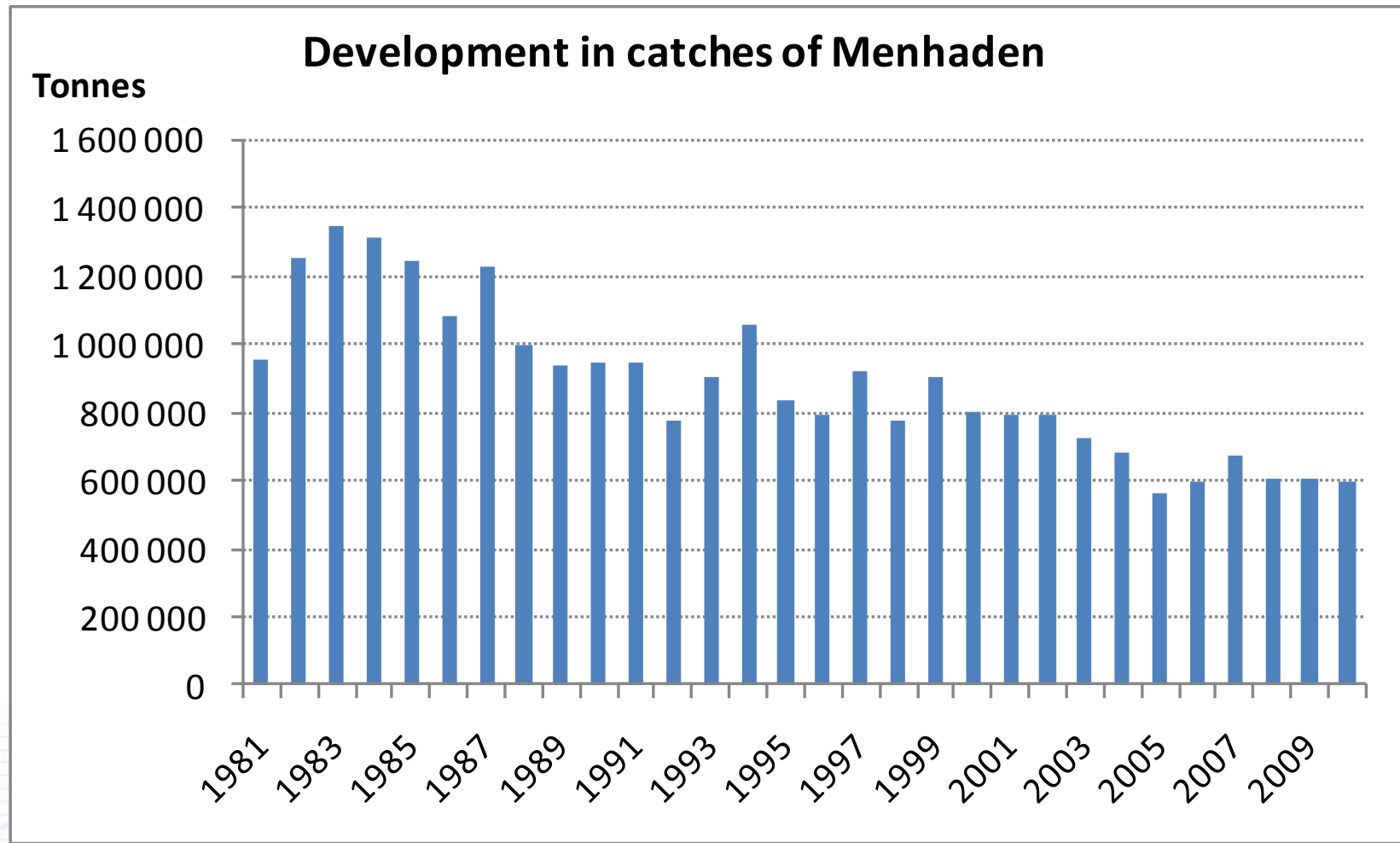
# Historical development in catches



# Historical development in catches

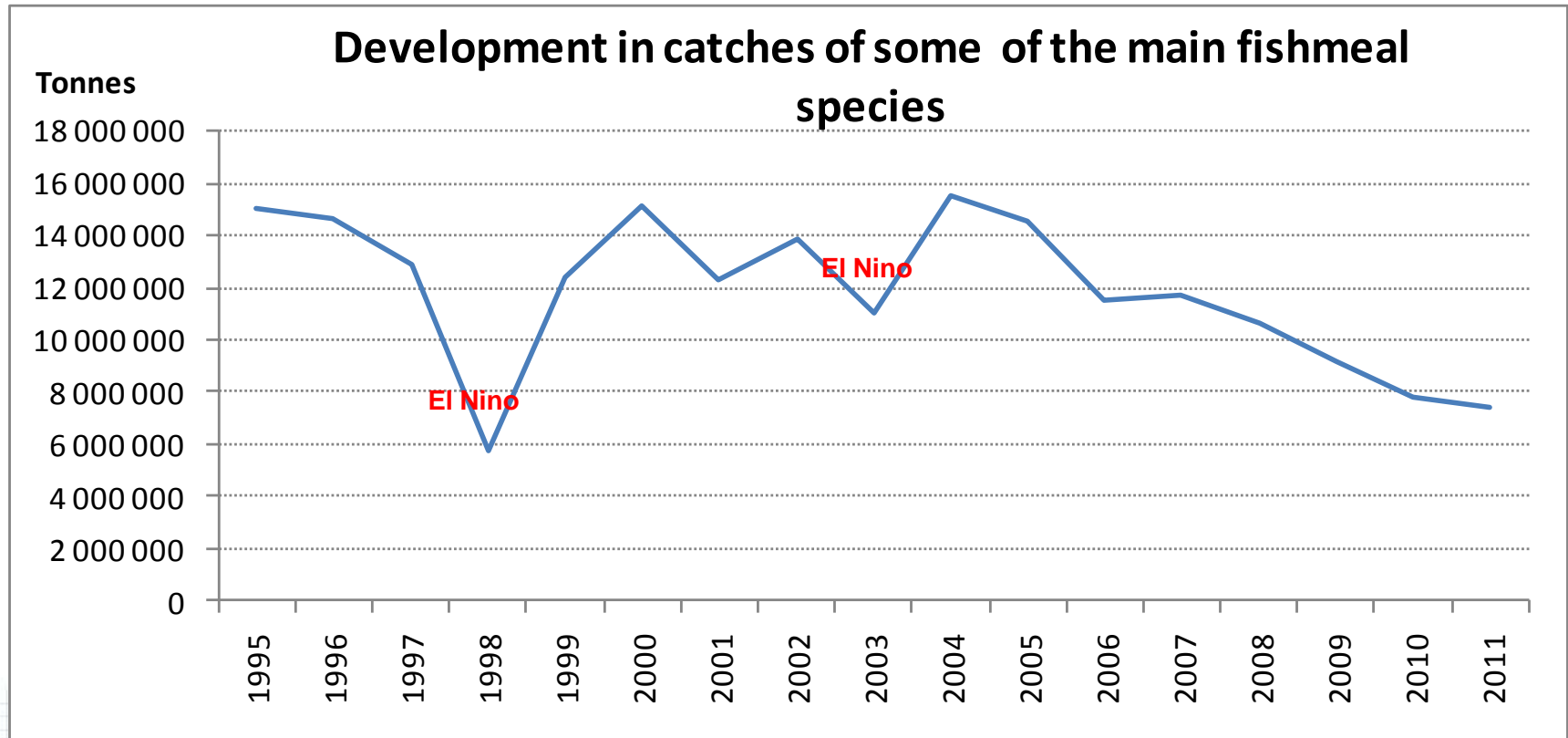


# Historical development in catches

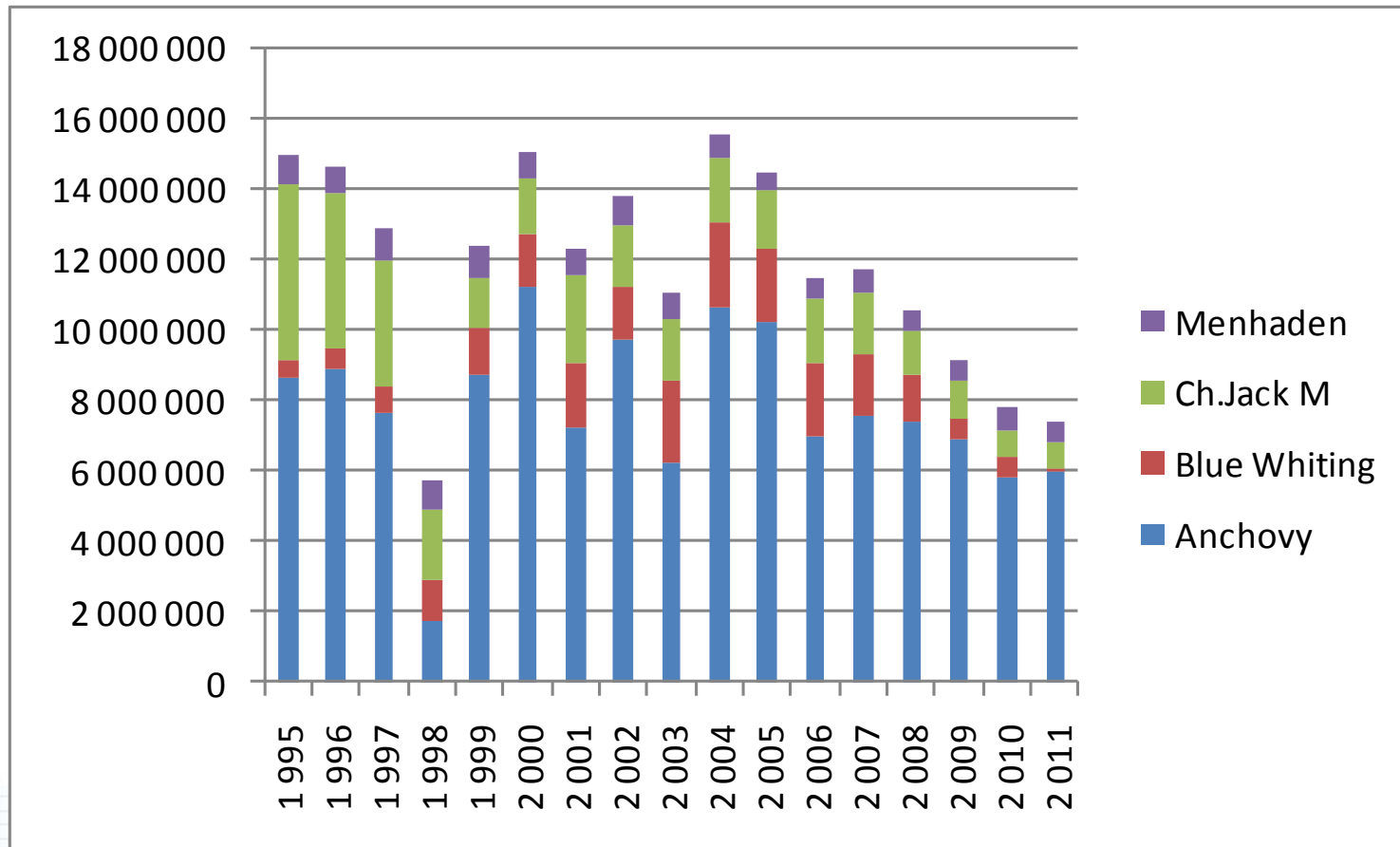




# Historical development in catches

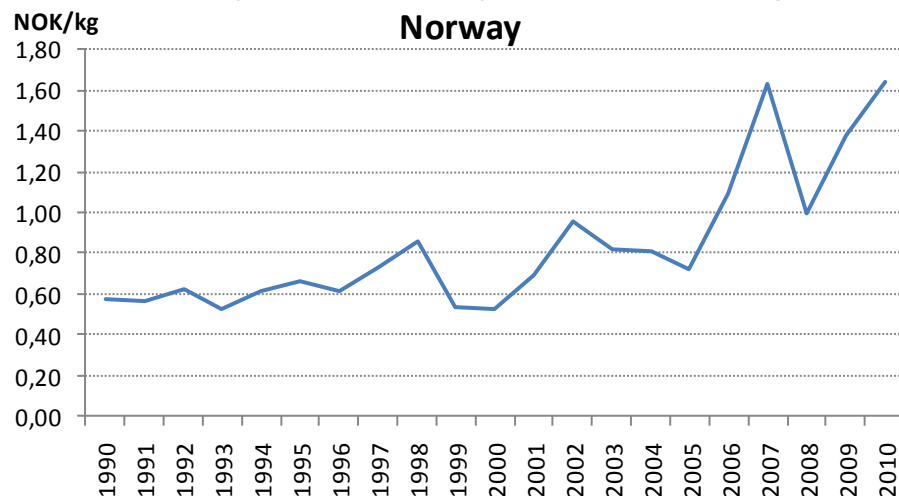


# Historical development in catches



# Historical development in catches

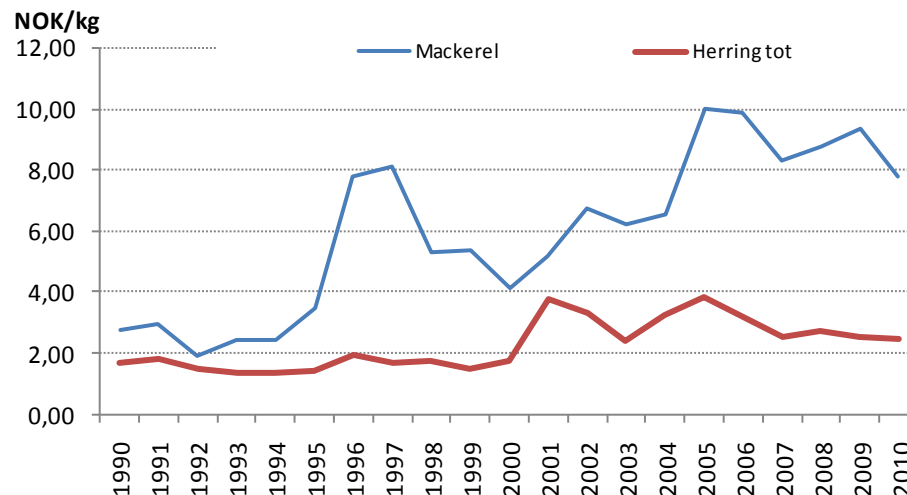
**Development 1st hand prices, Blue Whiting, Norway**



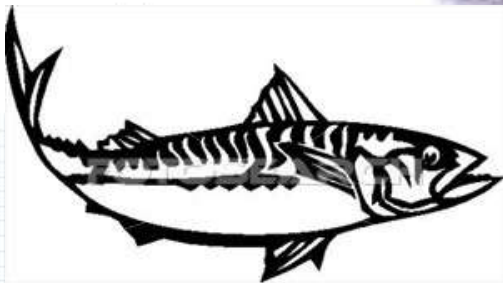
- For herring, there is no indication of correlation between the situation for the Anchovy catches and the price level.
- The jump in price level from 2000 to 2001 was a result of a considerable drop in catches in this period, and of course a increasing share of catches delivered from the consume industry.

- Firsthand prices in Norway increased in the period from 1996 to 1998 for the Blue Whiting. Indicating that the drop in the Anchovy catches influenced the price level for the Blue Whiting.
- At the drop in Anchovy catches in 2003, the price level for the Blue Whiting did not respond at the same level as in 1997/98.

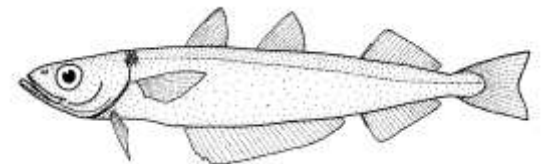
**Development 1st hand prices, Norway**



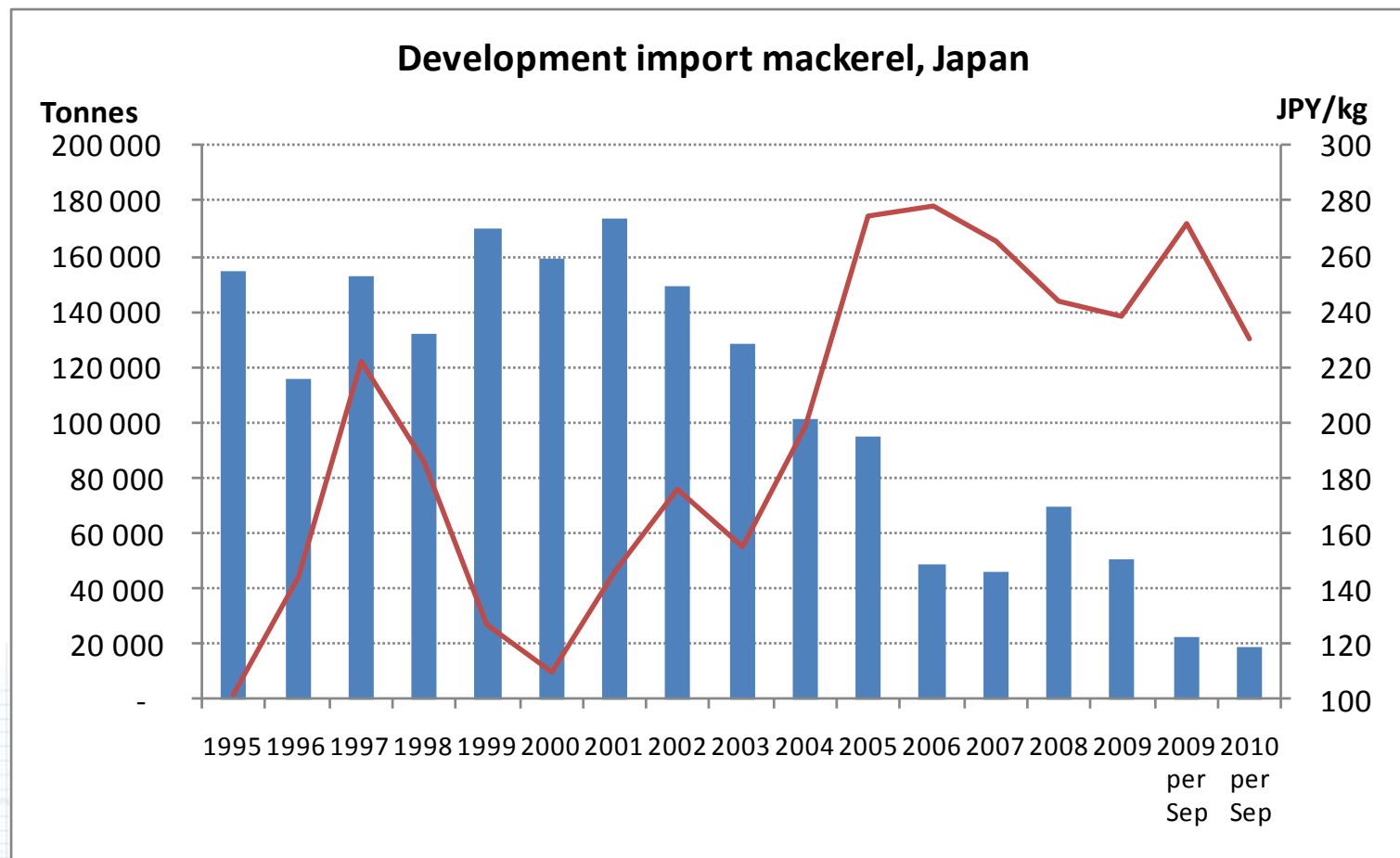
# A historical perspective of some of the key markets outside the EU



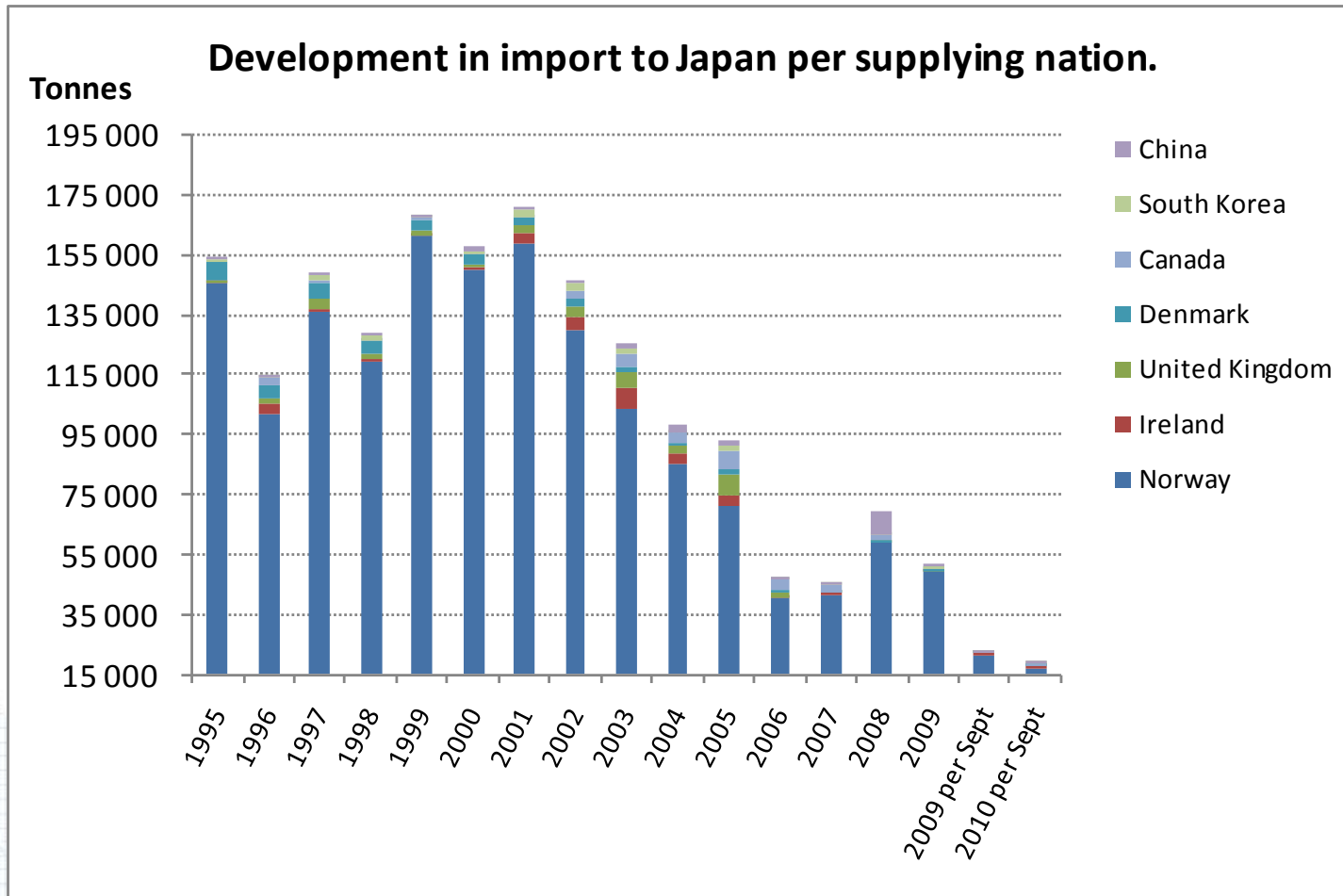
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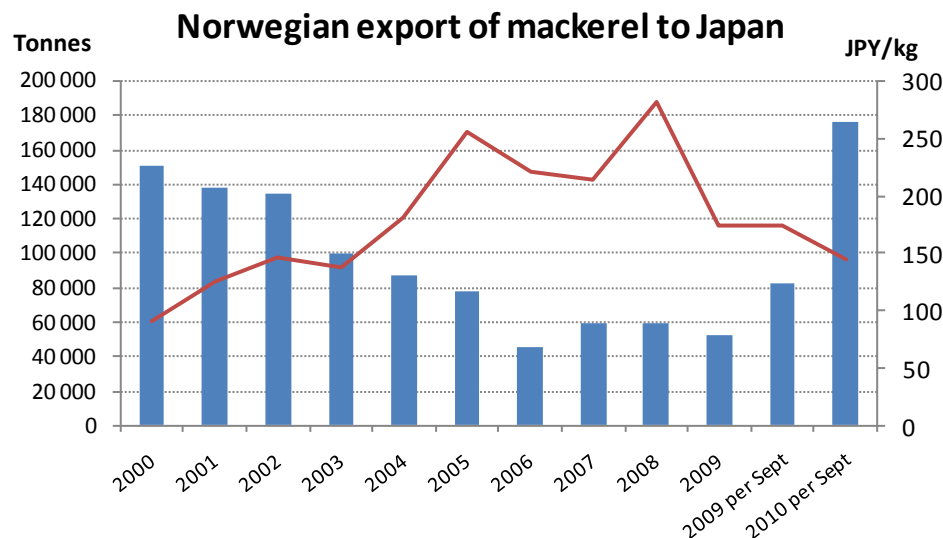
# Historical development in some key markets. Japan



# Historical development in some key markets. Japan



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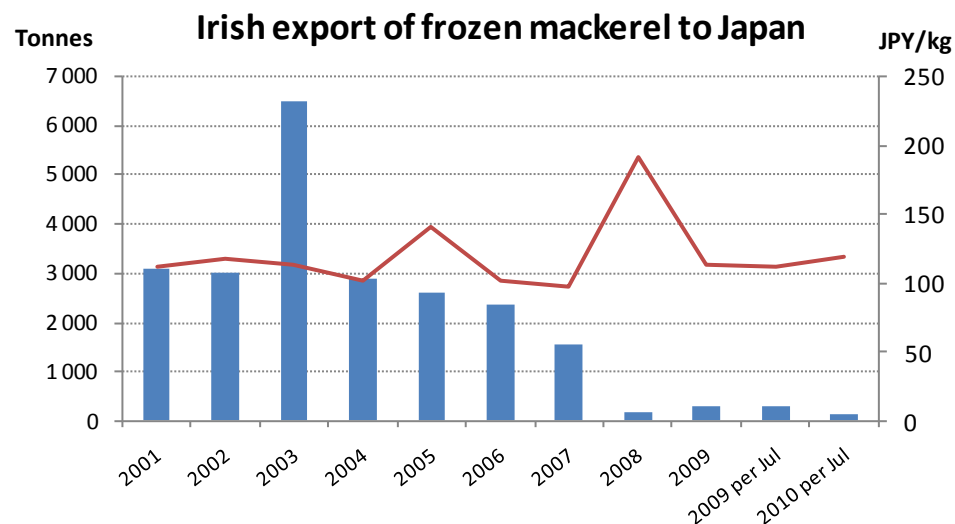


- The price, calculated in NOK, increased by approx. 56% from 2000 to 2009. JPY/NOK dropped 16% in this period.

- From 2009 to 2010 there was a 16% drop in prices calculated in NOK/kg, while JPY/NOK remained unchanged.

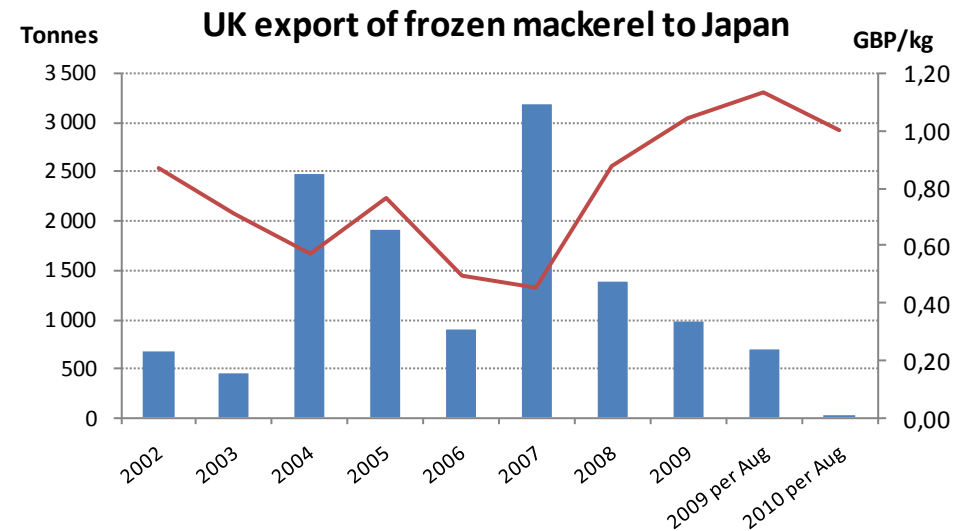
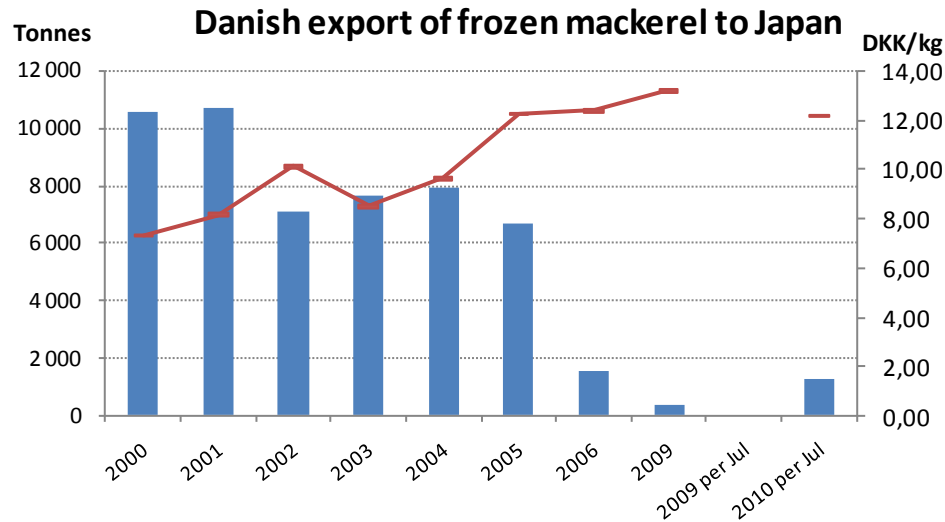
- For the Irish mackerel, prices calculated in EUR dropped by approx. 15% from 2000 to 2009. JPY/EUR dropped by 20% in this period.

- From 2009 to 2010 there was a 13% increase in prices calculated in EUR, while JPY/EUR strengthened by approx. 6%.



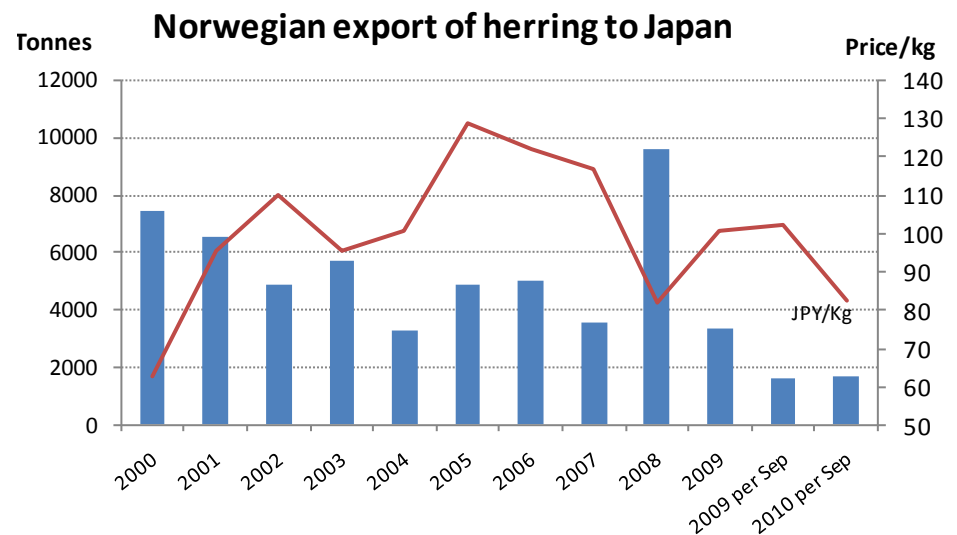
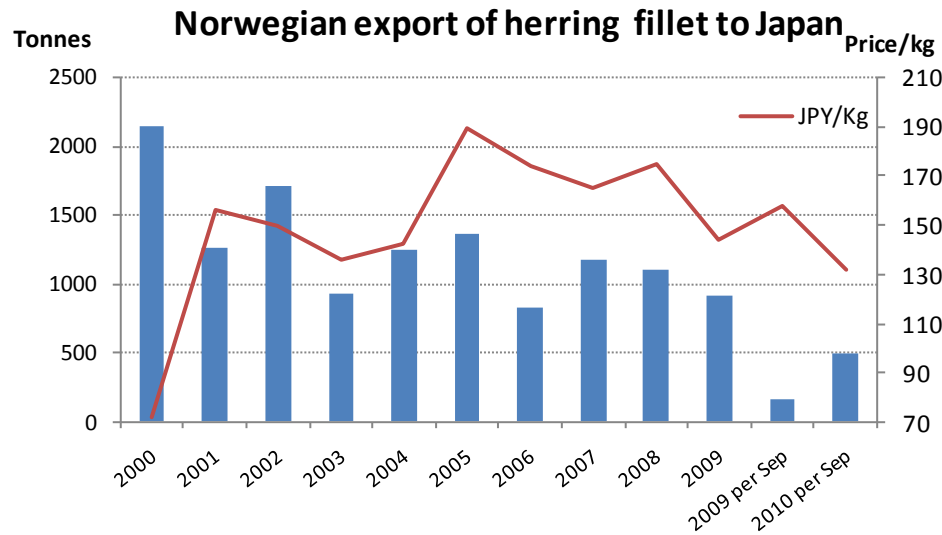


# Historical development in some key markets. Japan

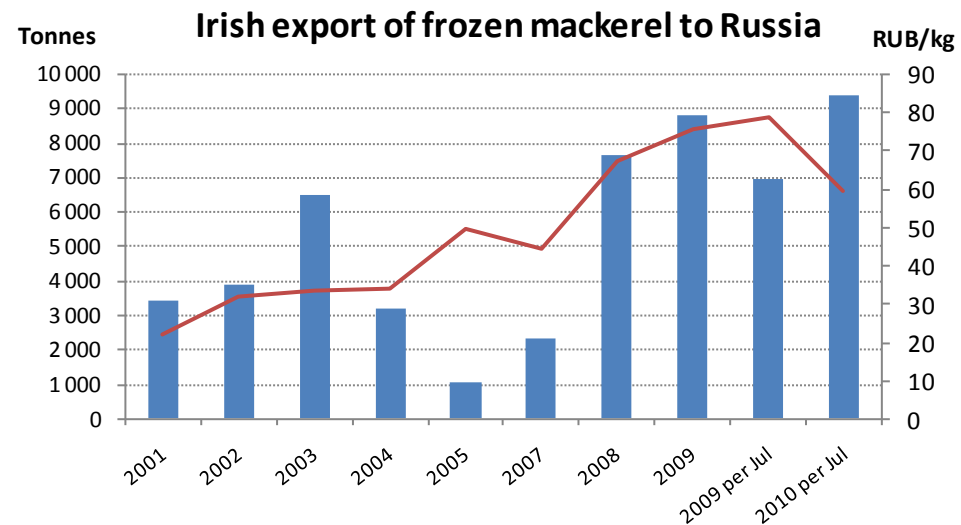
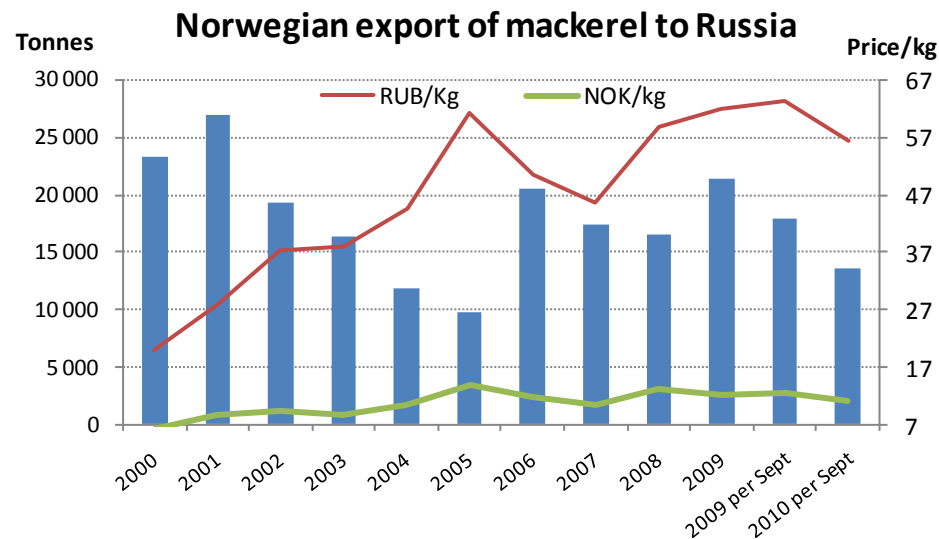




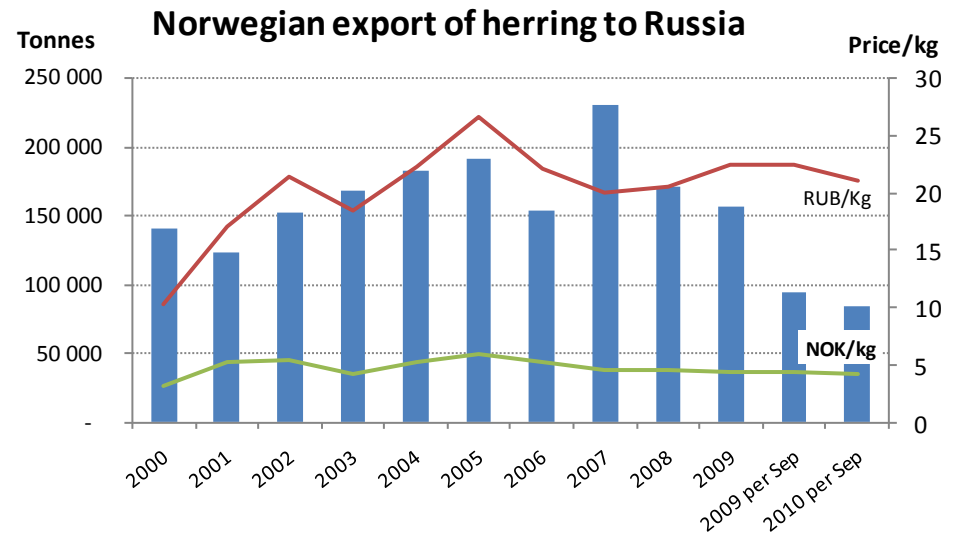
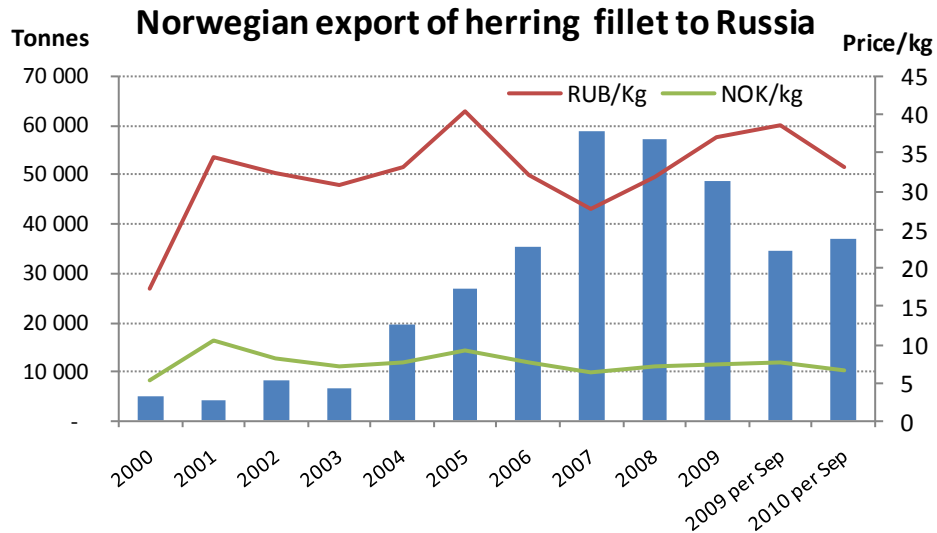
# Historical development in some key markets. Japan



# Historical development in some key markets, Russia

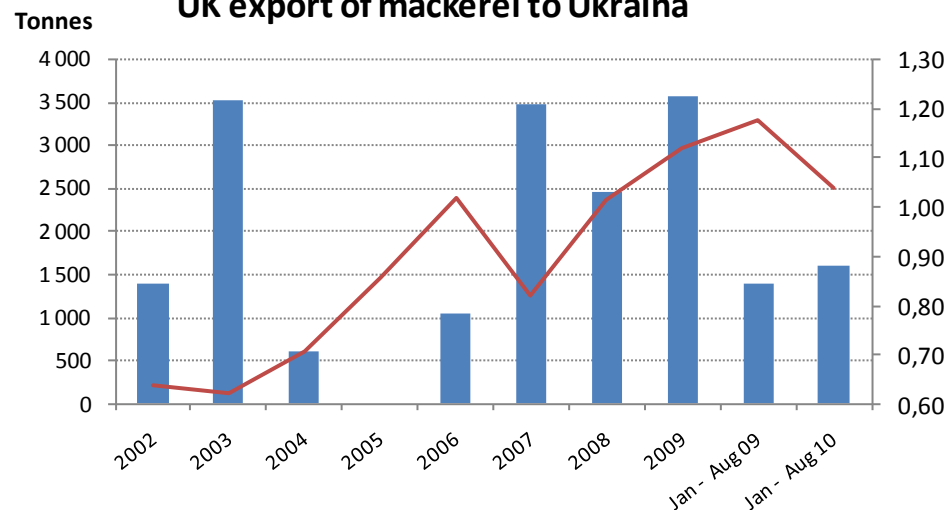


# Historical development in some key markets, Russia

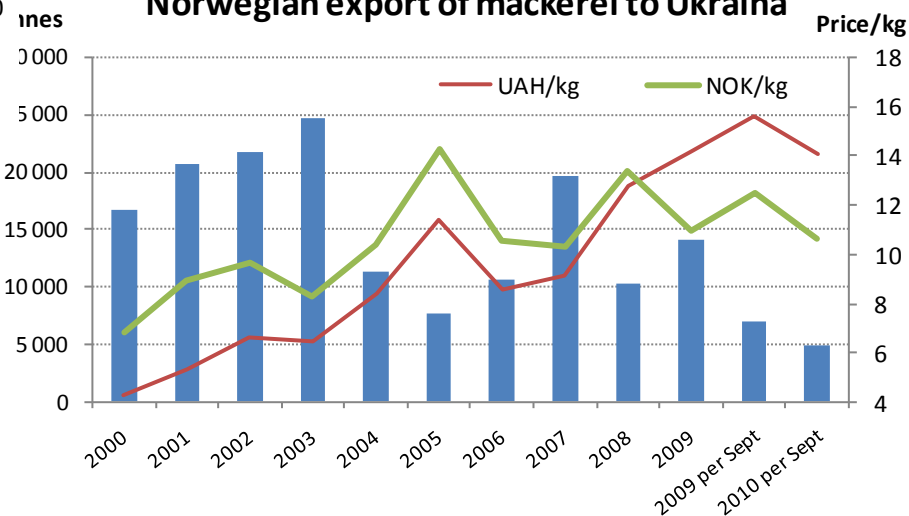


# Historical development in some key markets, Ukraine

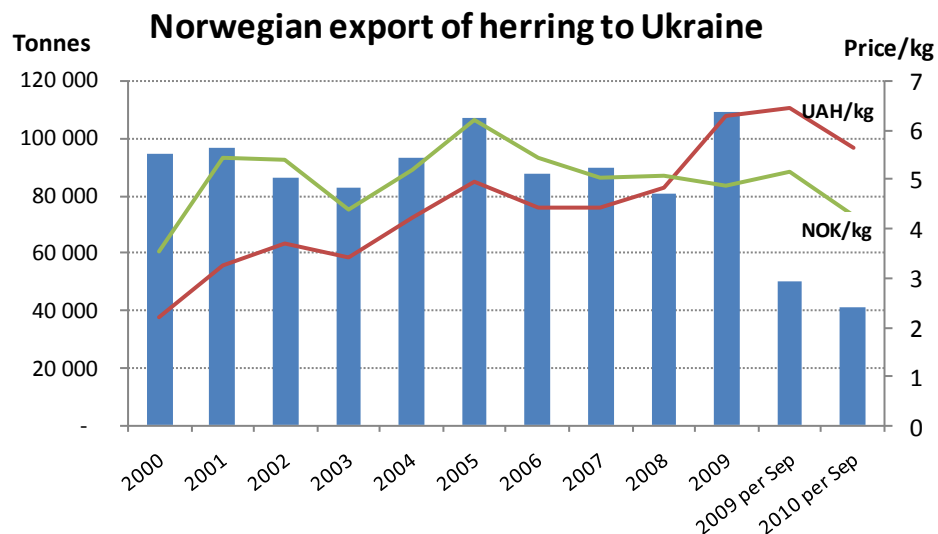
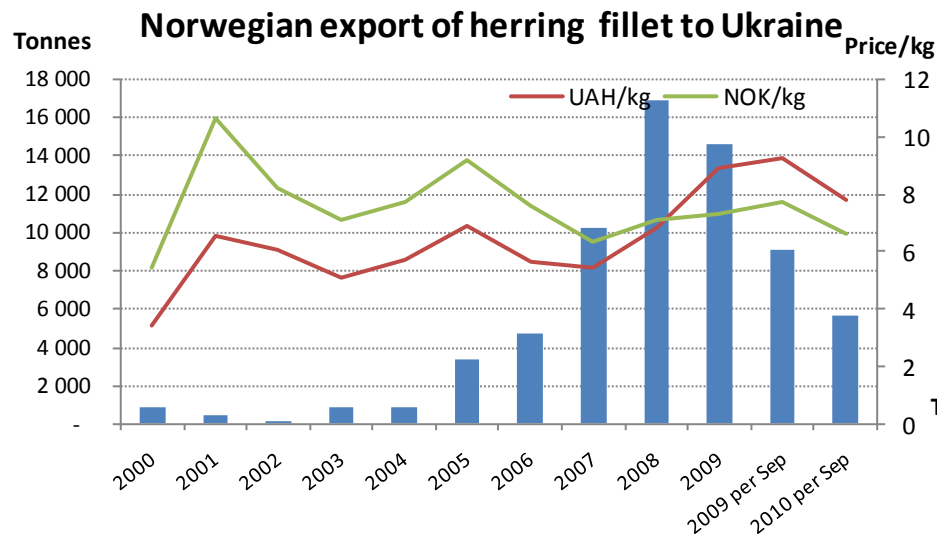
**UK export of mackerel to Ukraine**



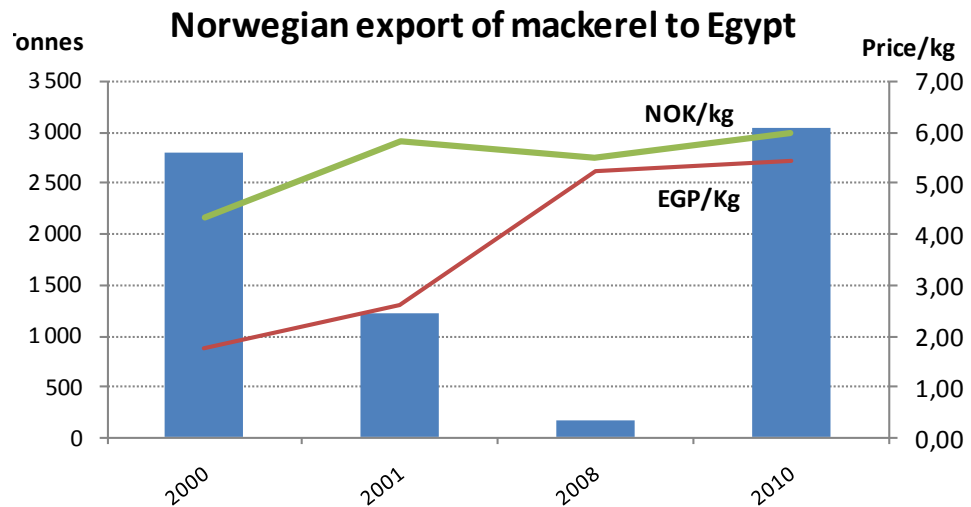
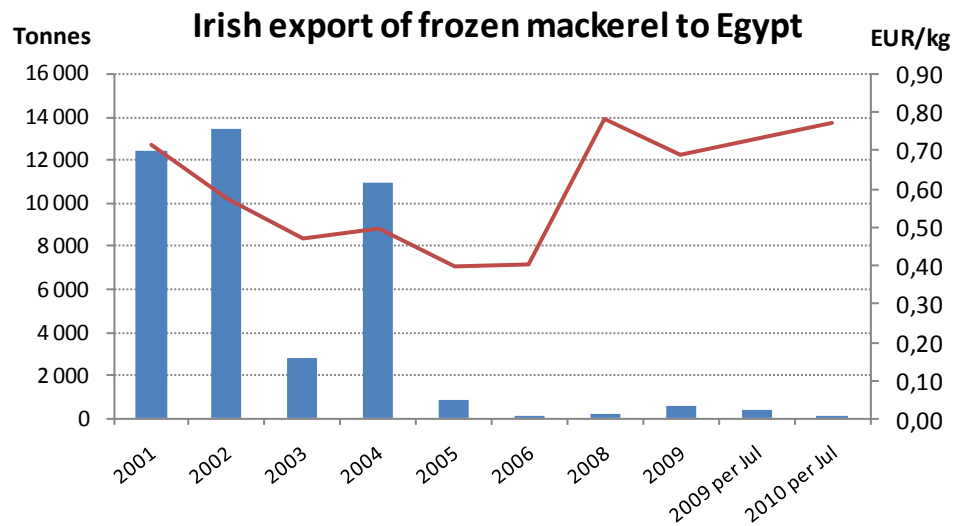
**Norwegian export of mackerel to Ukraine**



# Historical development in some key markets, Ukraine

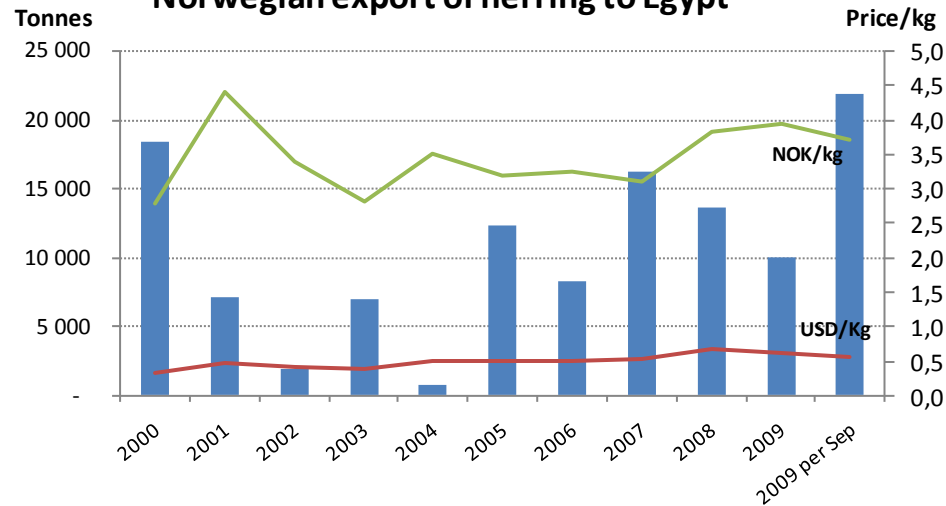


# Historical development in some key markets, Egypt



# Historical development in some key markets, Egypt

**Norwegian export of herring to Egypt**

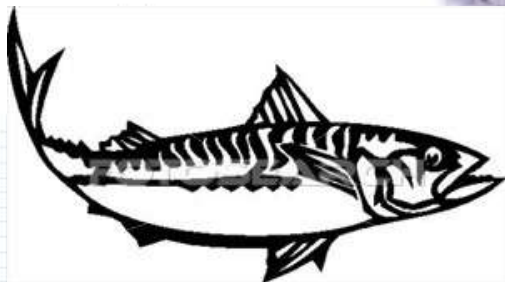


**UK export of mackerel to Egypt**

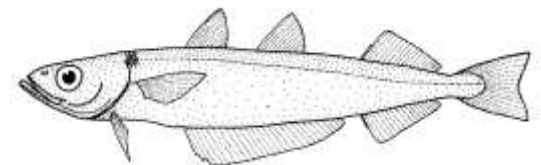




# The resent development for some particular interesting pelagic fisheries world-wide



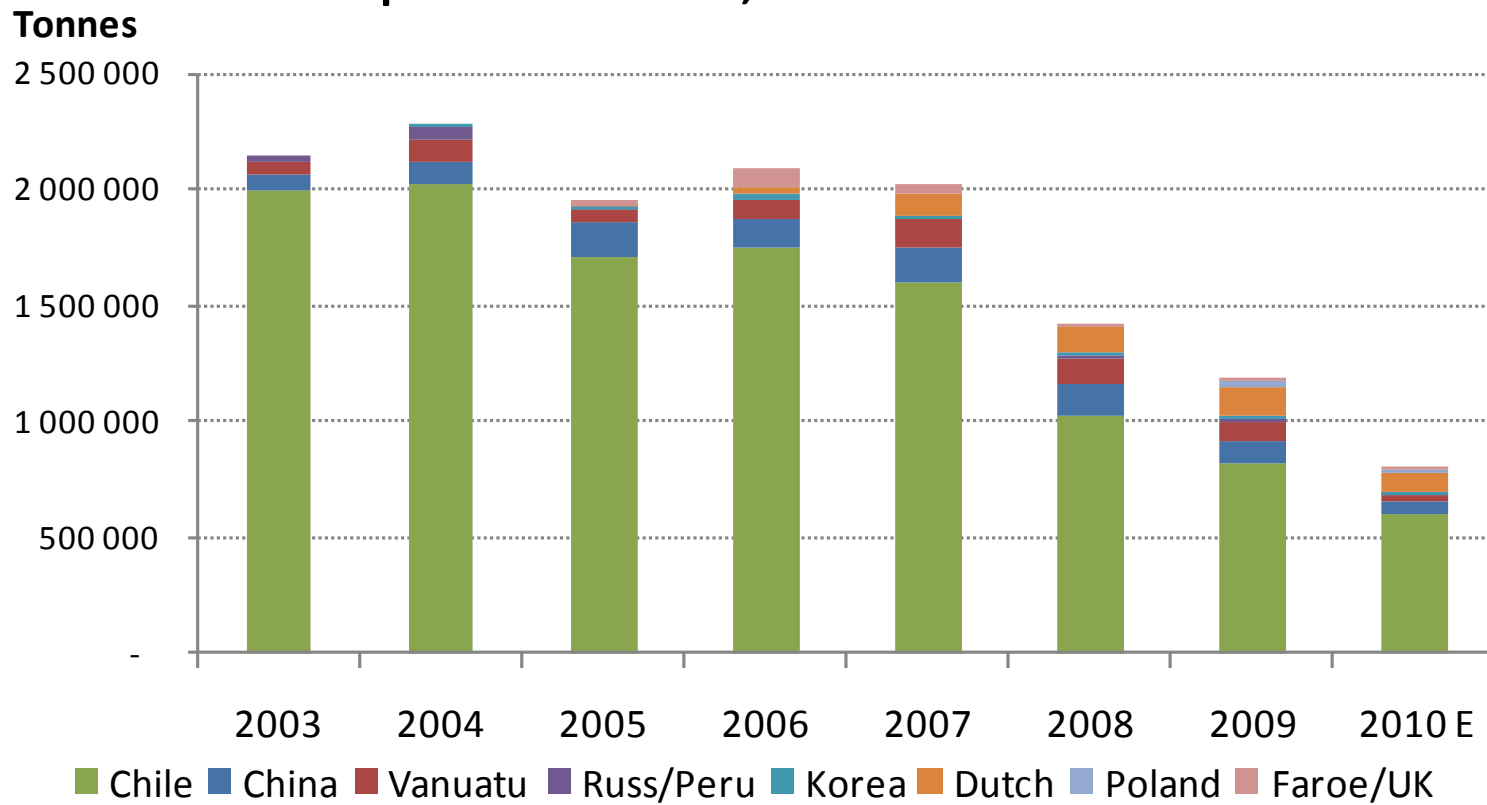
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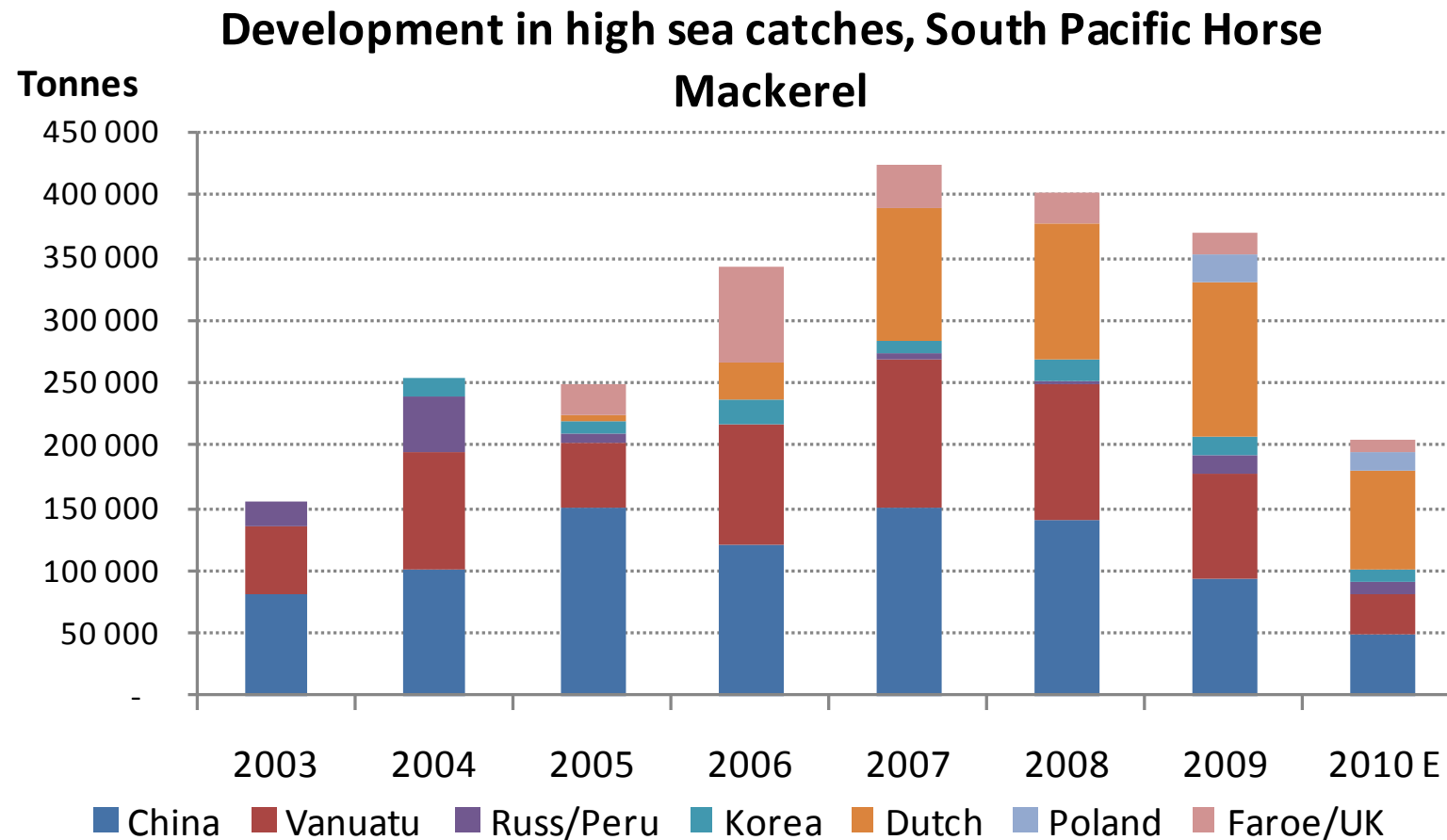


# Latest development for some species with particular interest

**Development in catches, South Pacific Horse Mackerel**



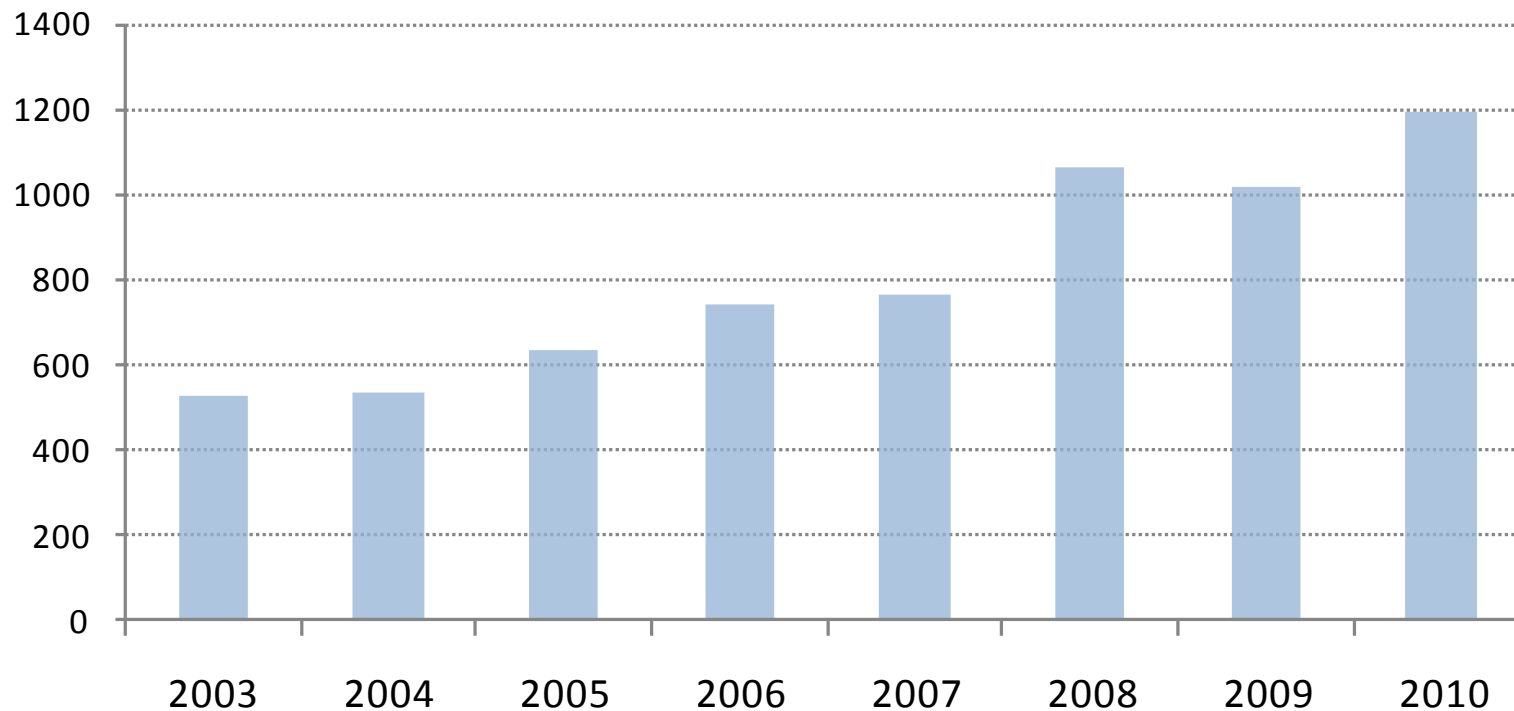
# Latest development for some species with particular interest



# Latest development for some species with particular interest

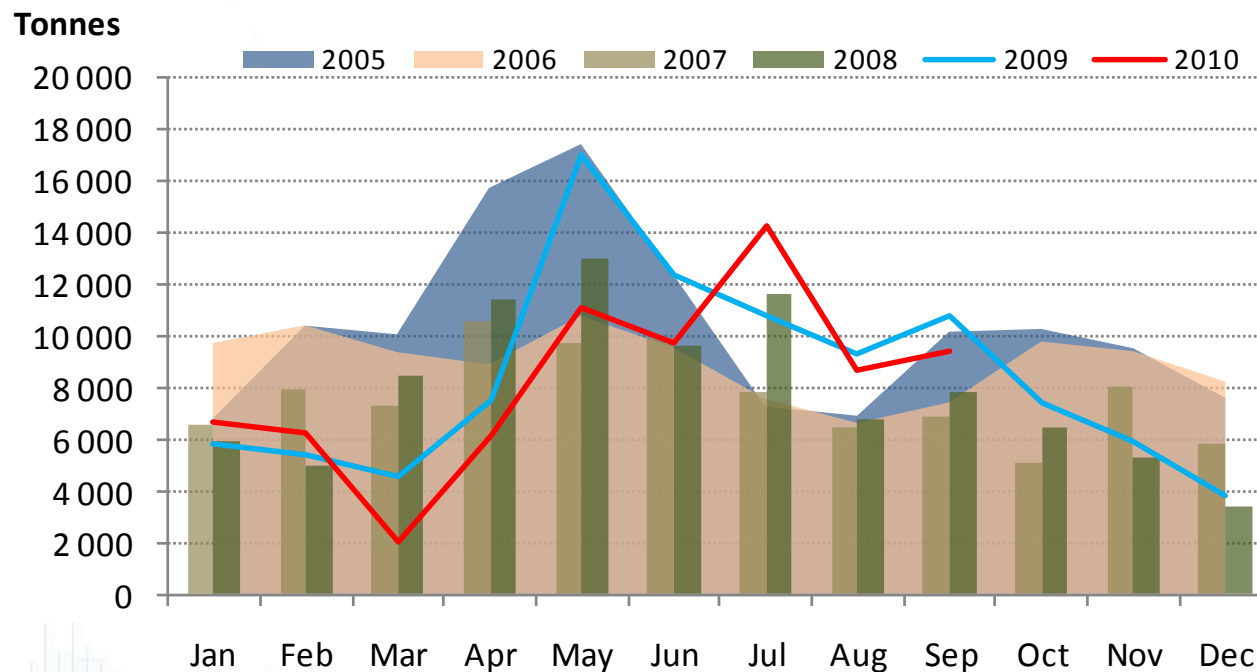
**Development in average CFR price, South Pacific Horse Mackerel**

USD/tonnes



# Latest development for some species with particular interest

**Catches , Pacific Horse Mackerel, Japan**



**Total catch:**

2005 - 124 000 tonnes

2006 - 108 000 tonnes

2007 - 92 000 tonnes

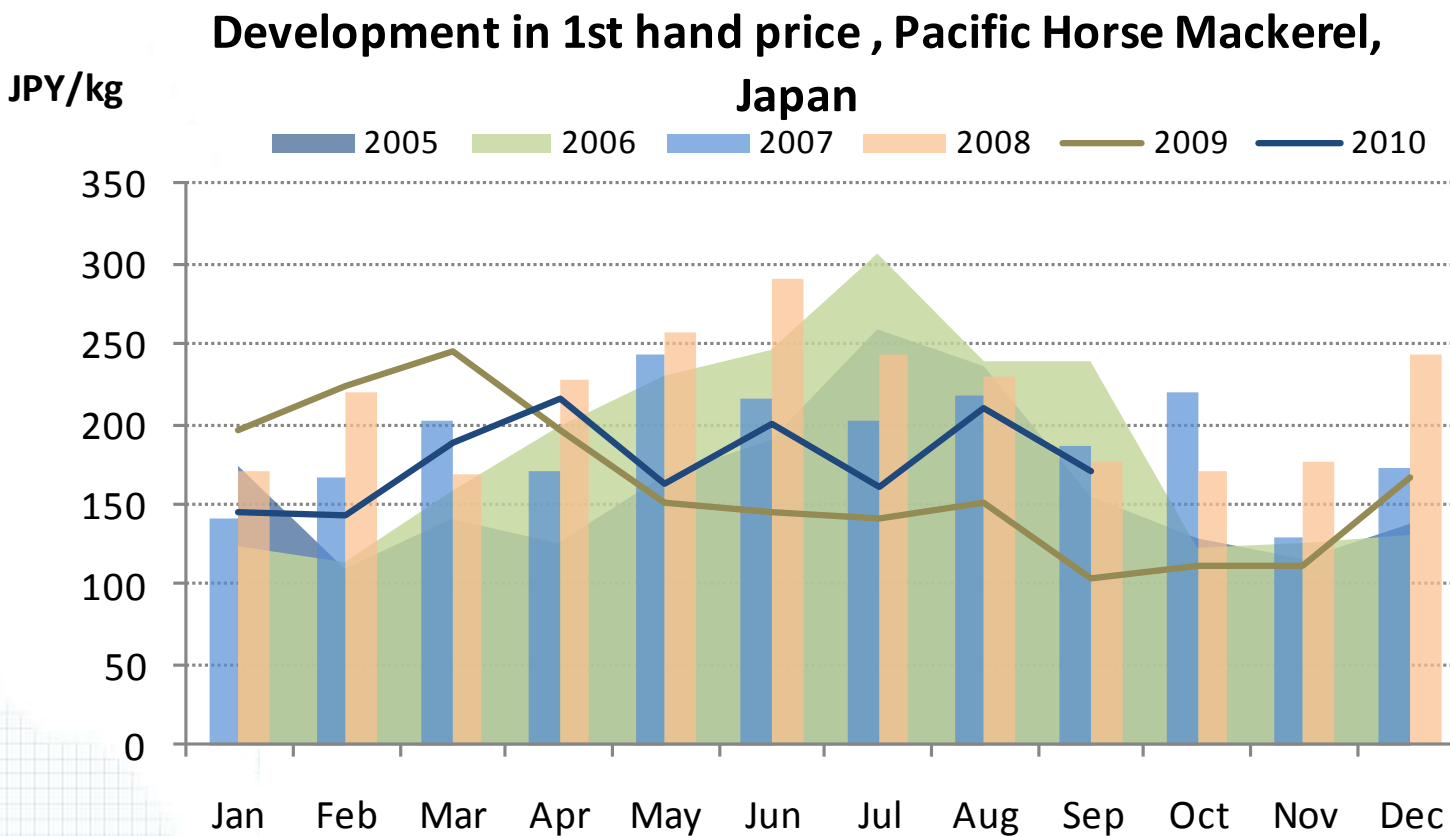
2008 - 95 000 tonnes

2009 - 100 000 tonnes

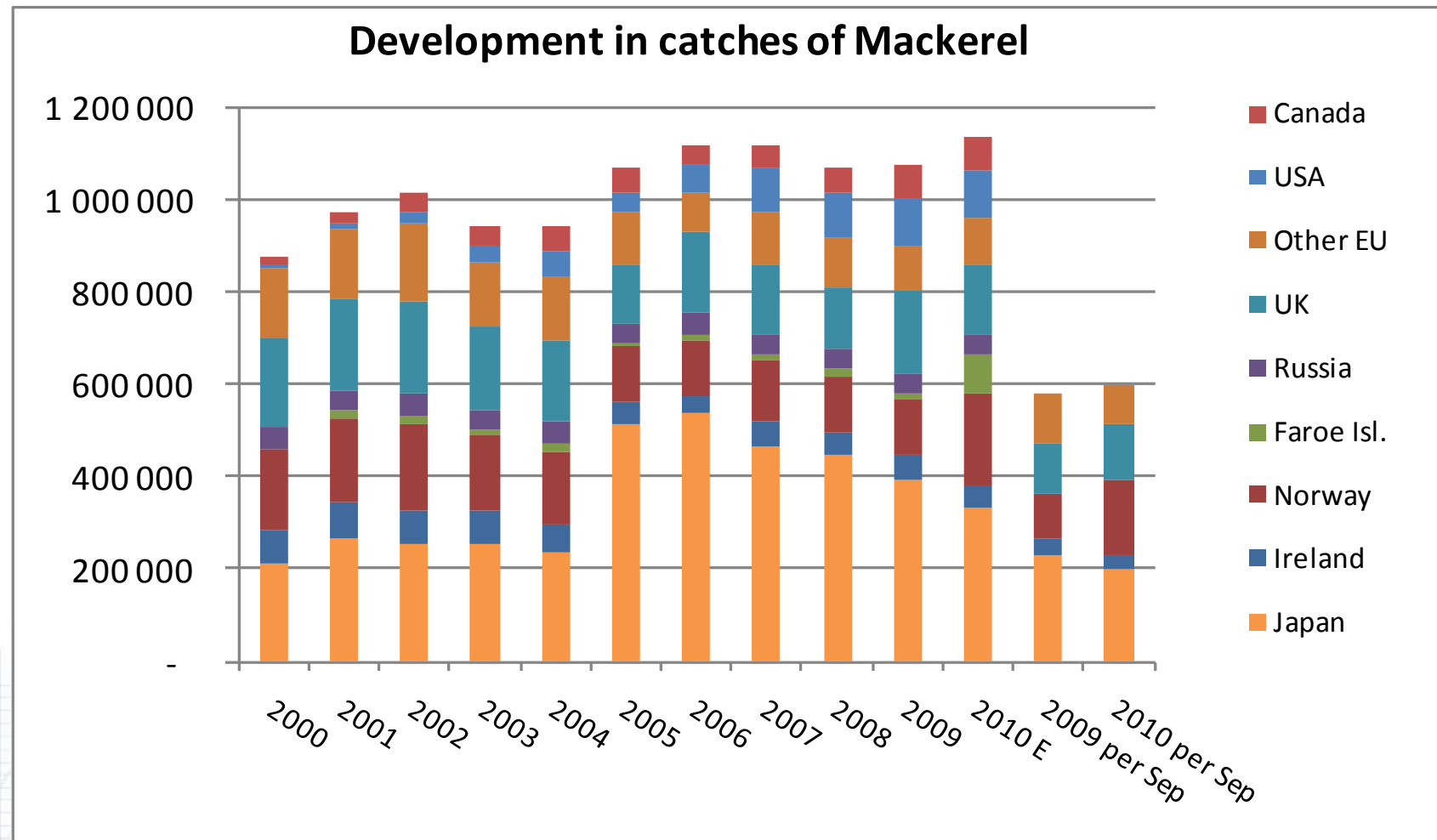
2010 E - 90 000 tonnes

2011E - XXX?

# Latest development for some species with particular interest

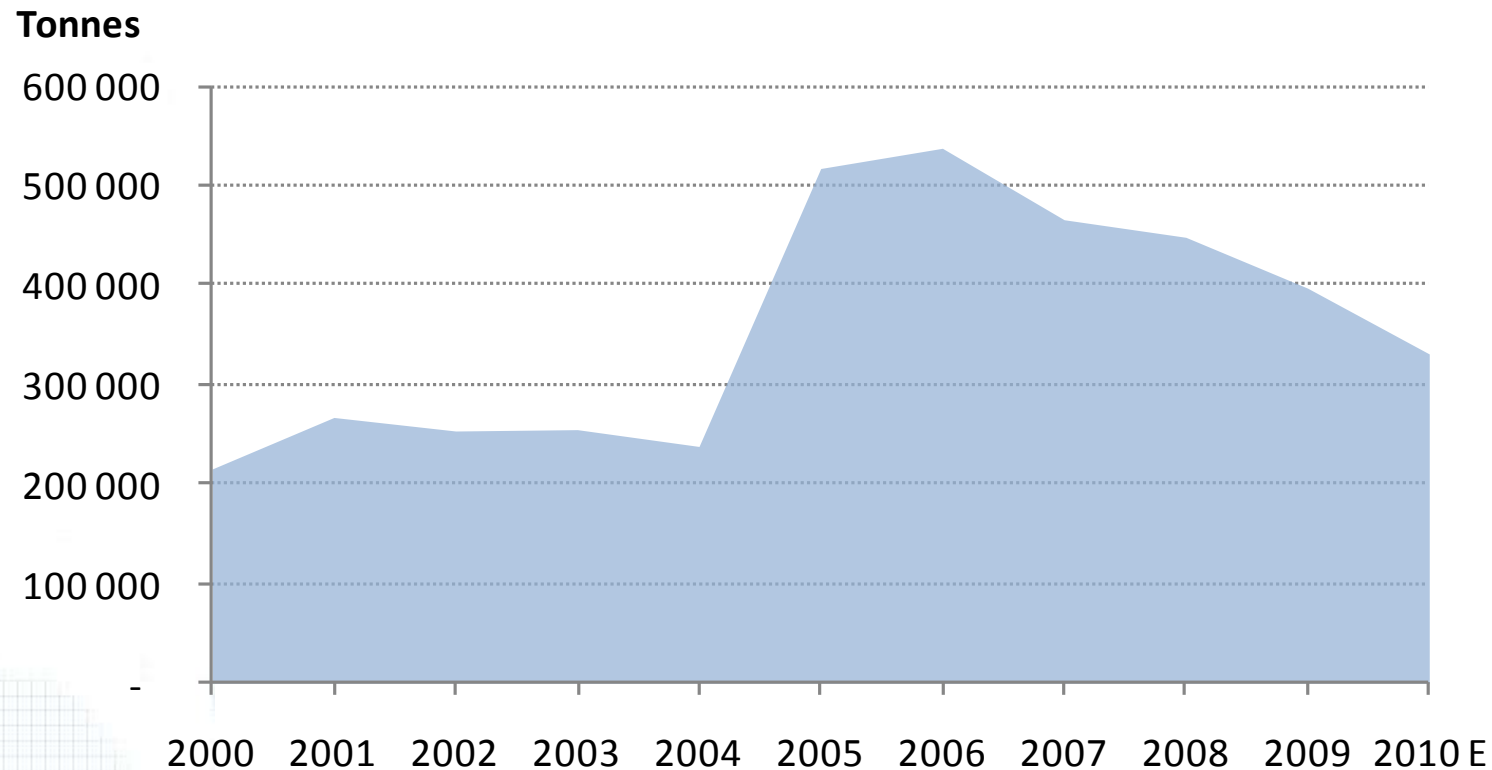


# Latest development for some species with particular interest



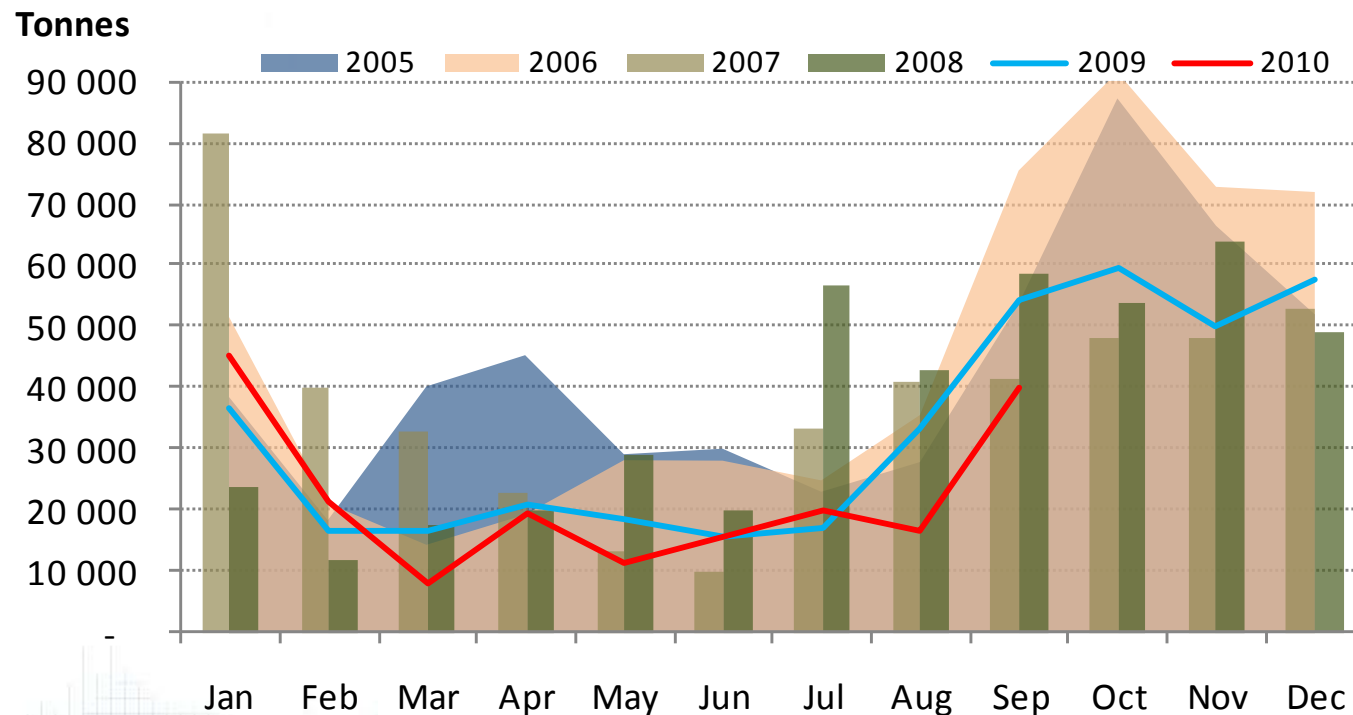
# Latest development for some species with particular interest

**Catches , Pacific Mackerel, Japan**



# Latest development for some species with particular interest

## Catches , Pacific Mackerel, Japan



### Total catch:

2005 - 512 000 tonnes

2006 - 536 000 tonnes

2007 - 464 000 tonnes

2008 - 447 000 tonnes

2009 - 396 000 tonnes

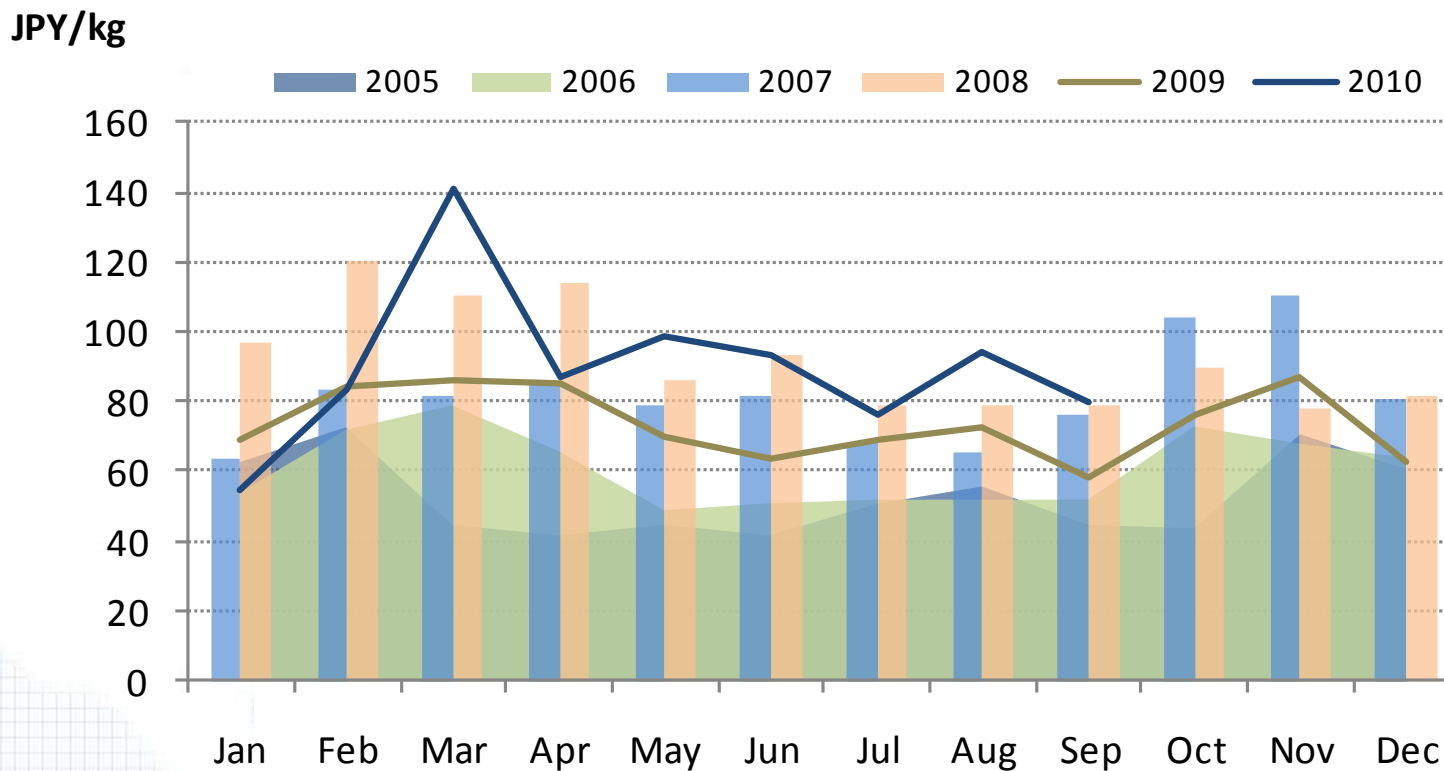
2010 E - 338 000 tonnes

2011E - XXX?

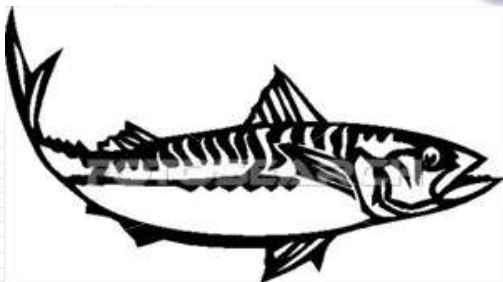


# Latest development in some species with particular interest

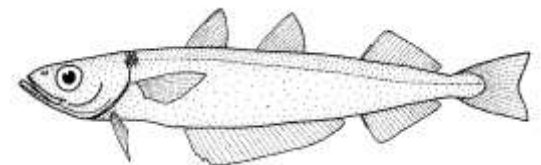
Development in 1st hand price , Pacific Mackerel, Japan



# Resent development in some key markets for the pelagic industry

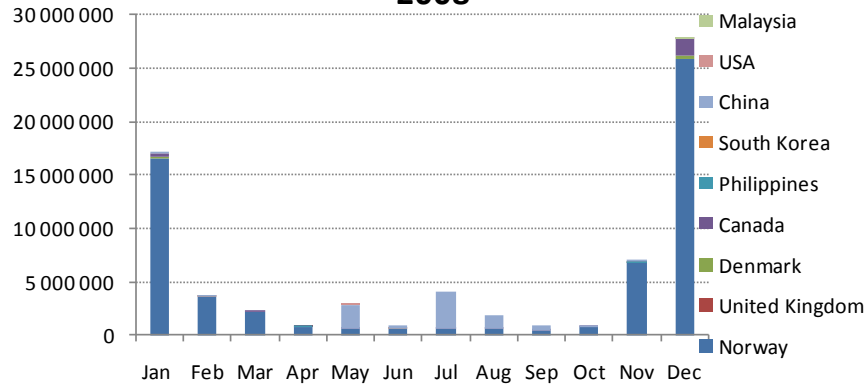


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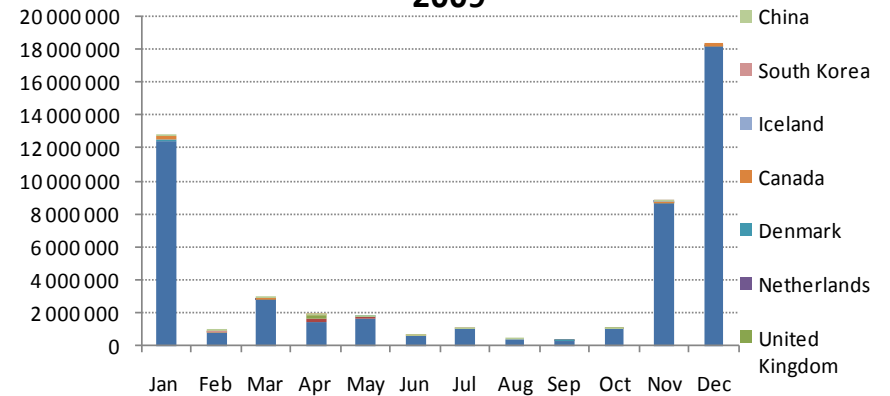


# Japan, Mackerel

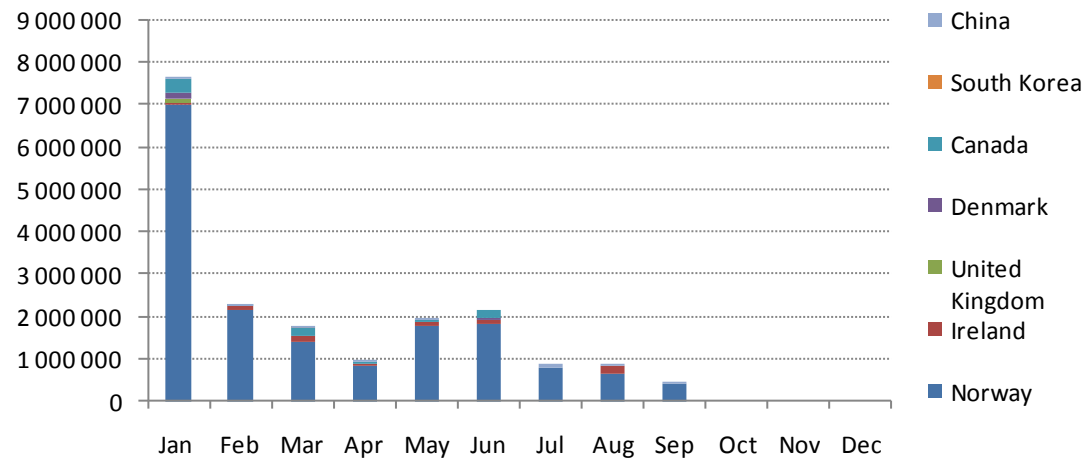
Imported mackerel to Japan, per month in 2008



Imported mackerel to Japan, per month in 2009

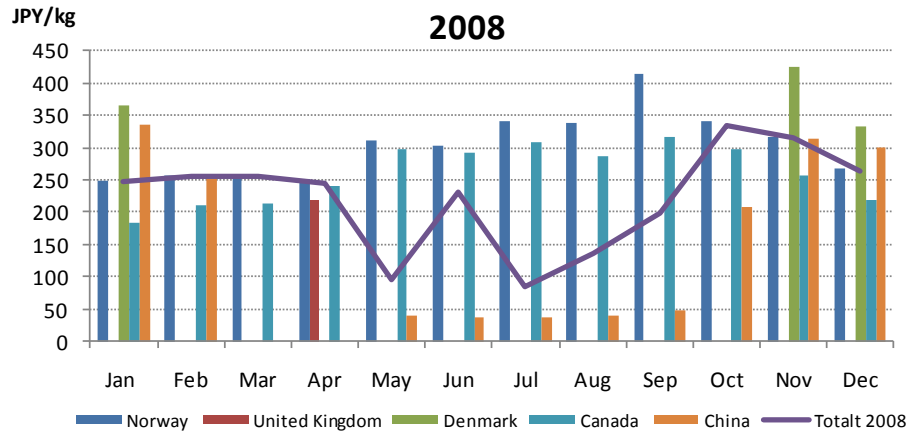


Imported mackerel to Japan, per month in 2010

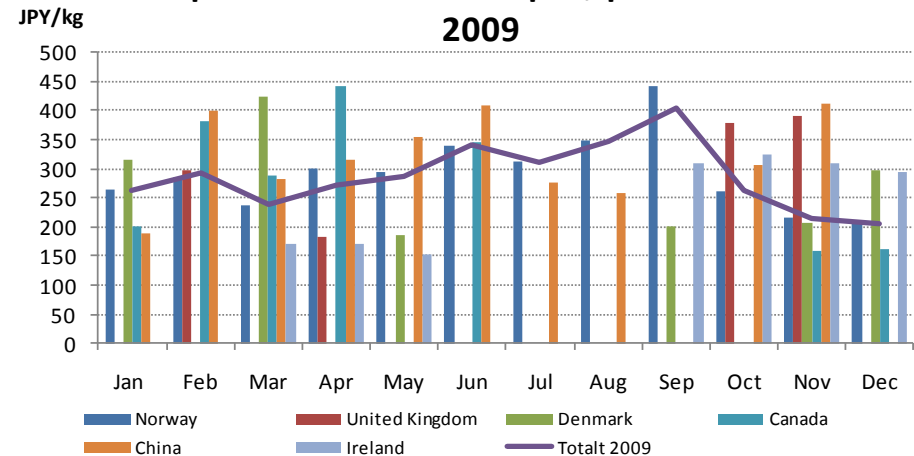


# Japan, Mackerel

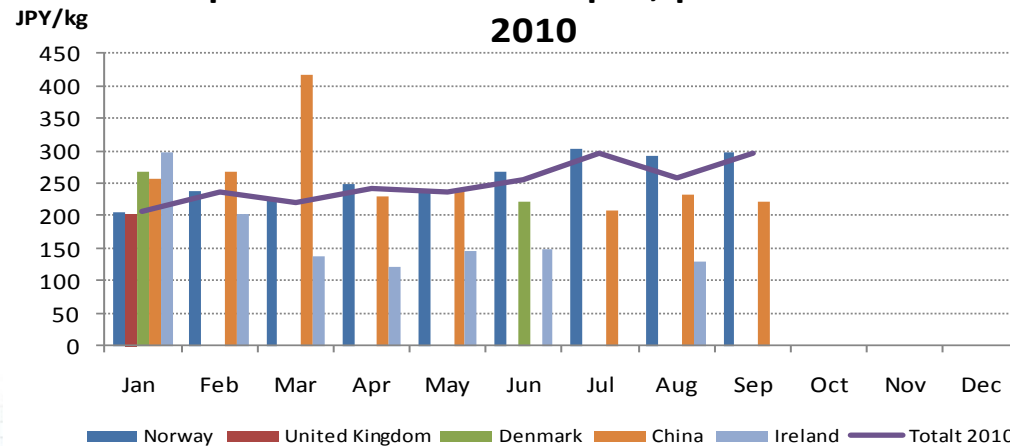
Imported mackerel to Japan, per month in  
2008



Imported mackerel to Japan, per month in  
2009



Imported mackerel to Japan, per month in  
2010



# Japan, Mackerel

## Headline from local news paper Minato Shimbun:

Seine Fishing Catch Volume of Mackerel in Ishinomaki decreases by 90% in August.

The catch at Ishinomaki port in Miyagi prefecture has showed a significant decrease in volume of mackerel large-mid vessel seine fishing.



# Japan, Mackerel

**Headline from local newspaper Nihon Keizai Shimbun;**

Seine Fishing for Mackerel in the Northern Pacific Ocean starts.

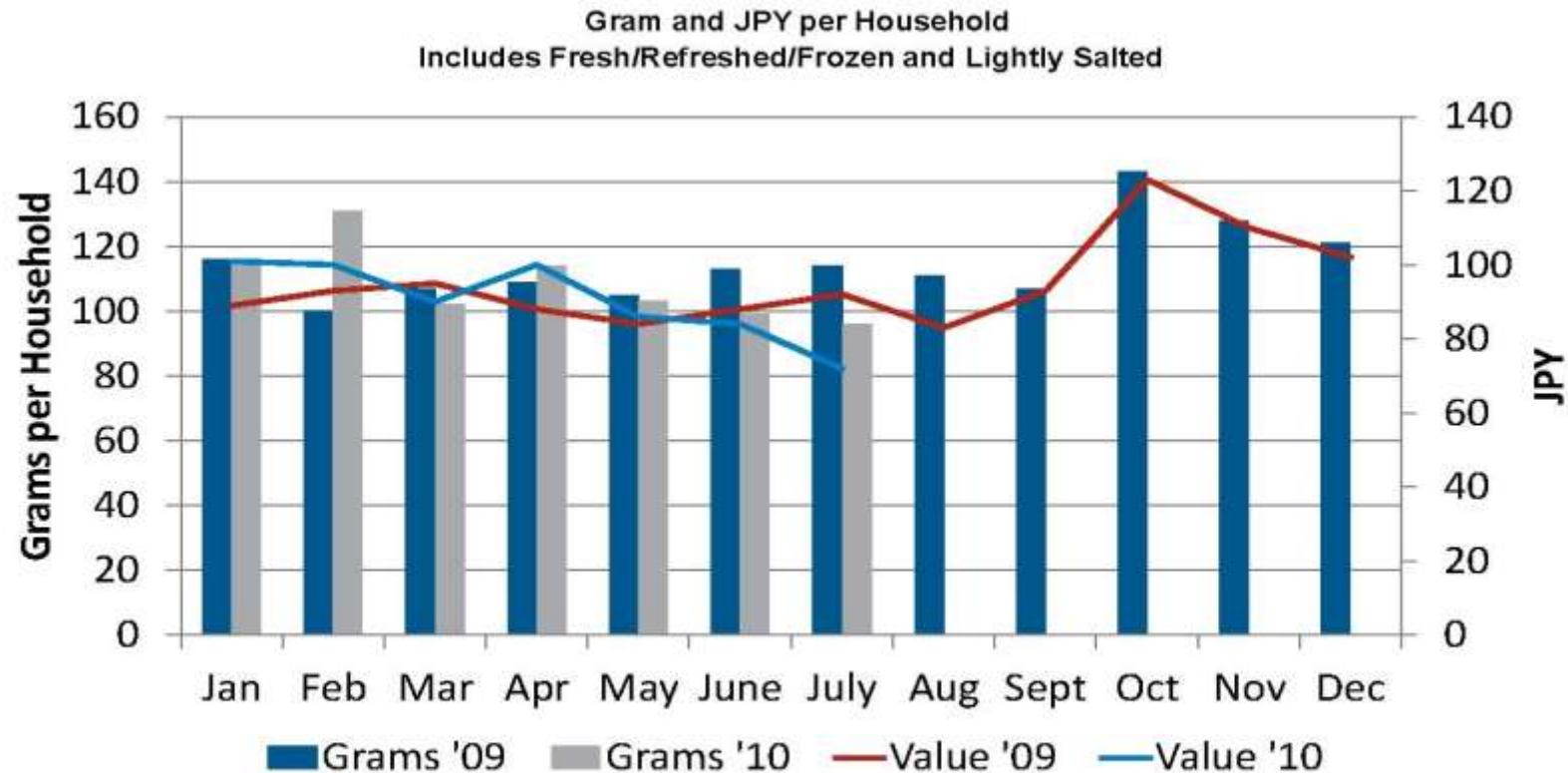
Most of the fish caught were masaba weighing around 350 to 400 grams (from 2009 spawn), but there is quite an amount of masaba sized over 600 grams (from 2007). Mackerel in the Northern Pacific which is expected to have a good catch this year has finally started to appear. The majority of the mackerel has a fat content of over 20%, which is suitable for processing.

The extremely hot summer is affecting water temperatures, which also has an effect on the timing of fishing. The situation will be carefully monitored this year to see if it will start smoothly after mid-September, when the weather is expected to cool down. Expectations for good catches are high



# Japan, Mackerel

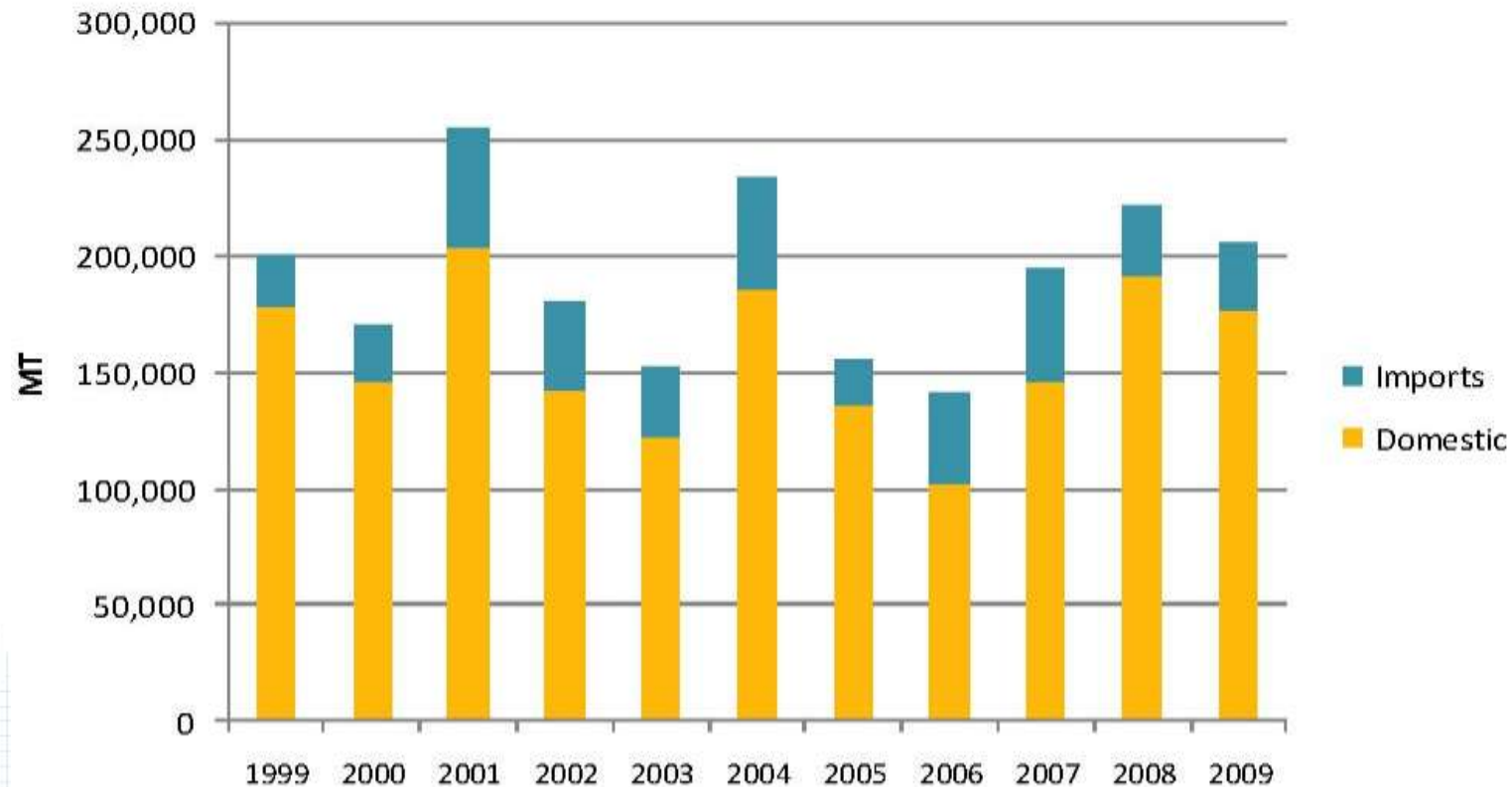
## Household Consumption of Mackerel



Family income and expenditure survey (average two or more households,  
excluding agriculture, forestry and fisheries industry )

# South Korea, Mackerel

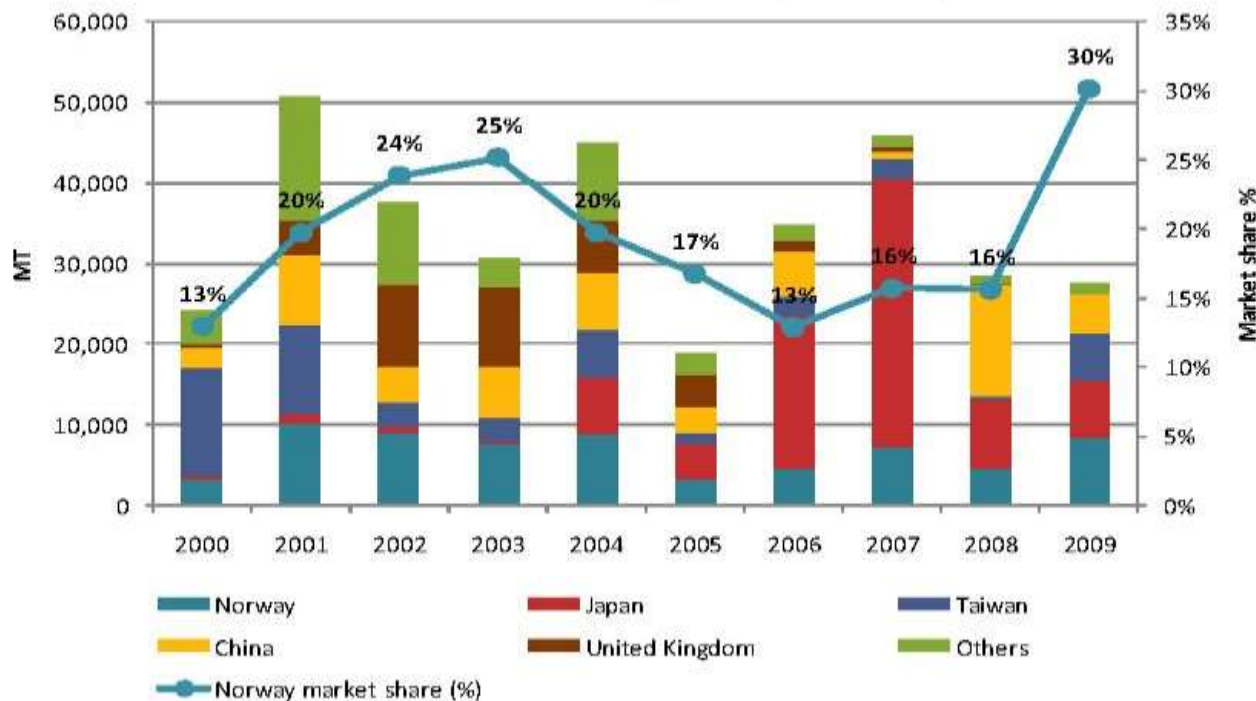
**Total Mackerel Market Volume  
(1999-2009)**



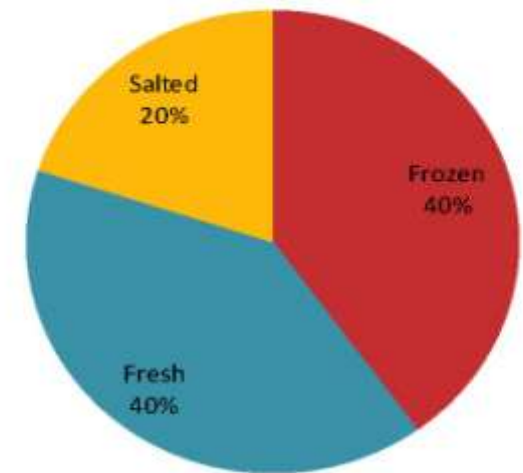


# South Korea, Mackerel

Frozen Mackerel Imports by Country

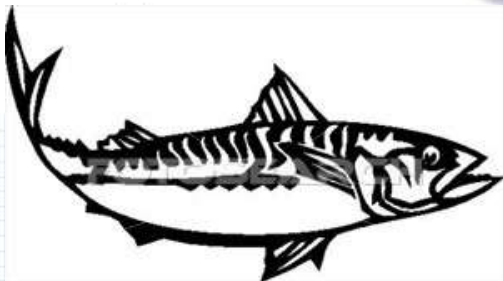


Imported Mackerel End Use

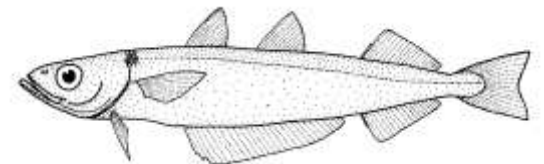


Total: 27,500 MT

# Development in inventories for some major pelagic species.

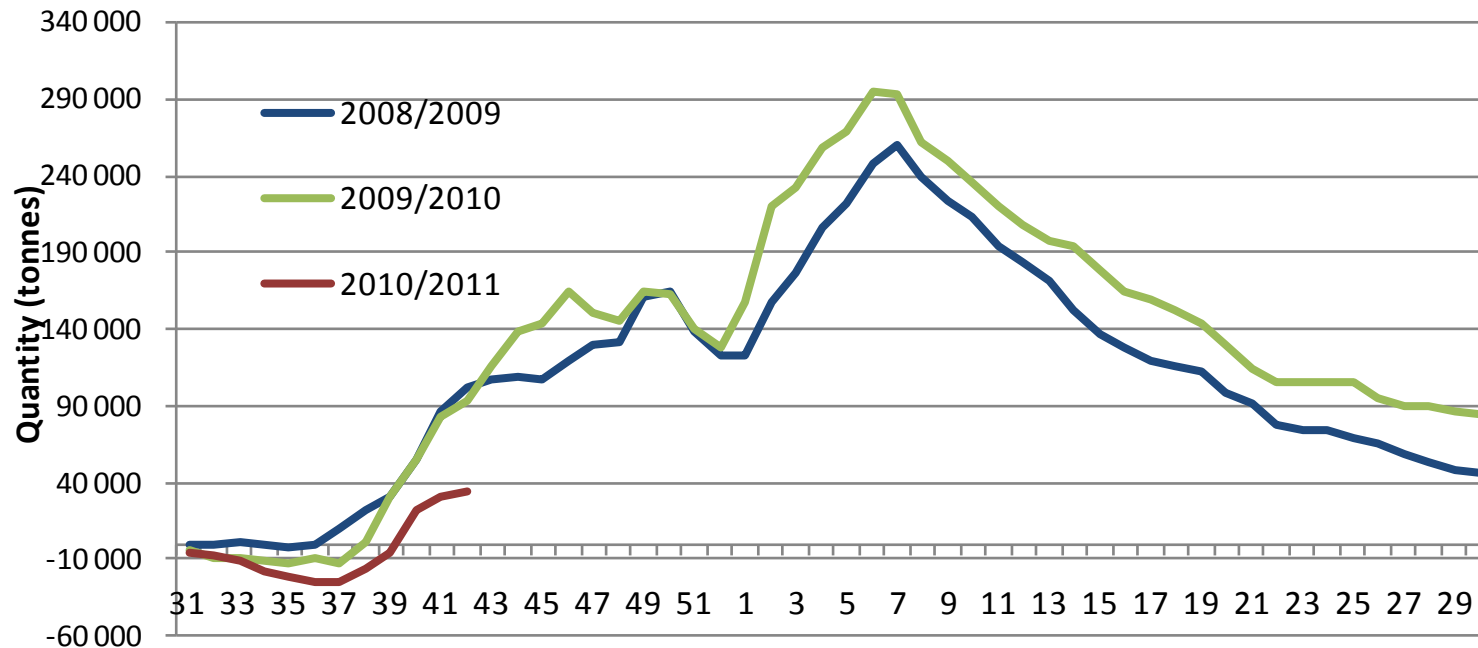


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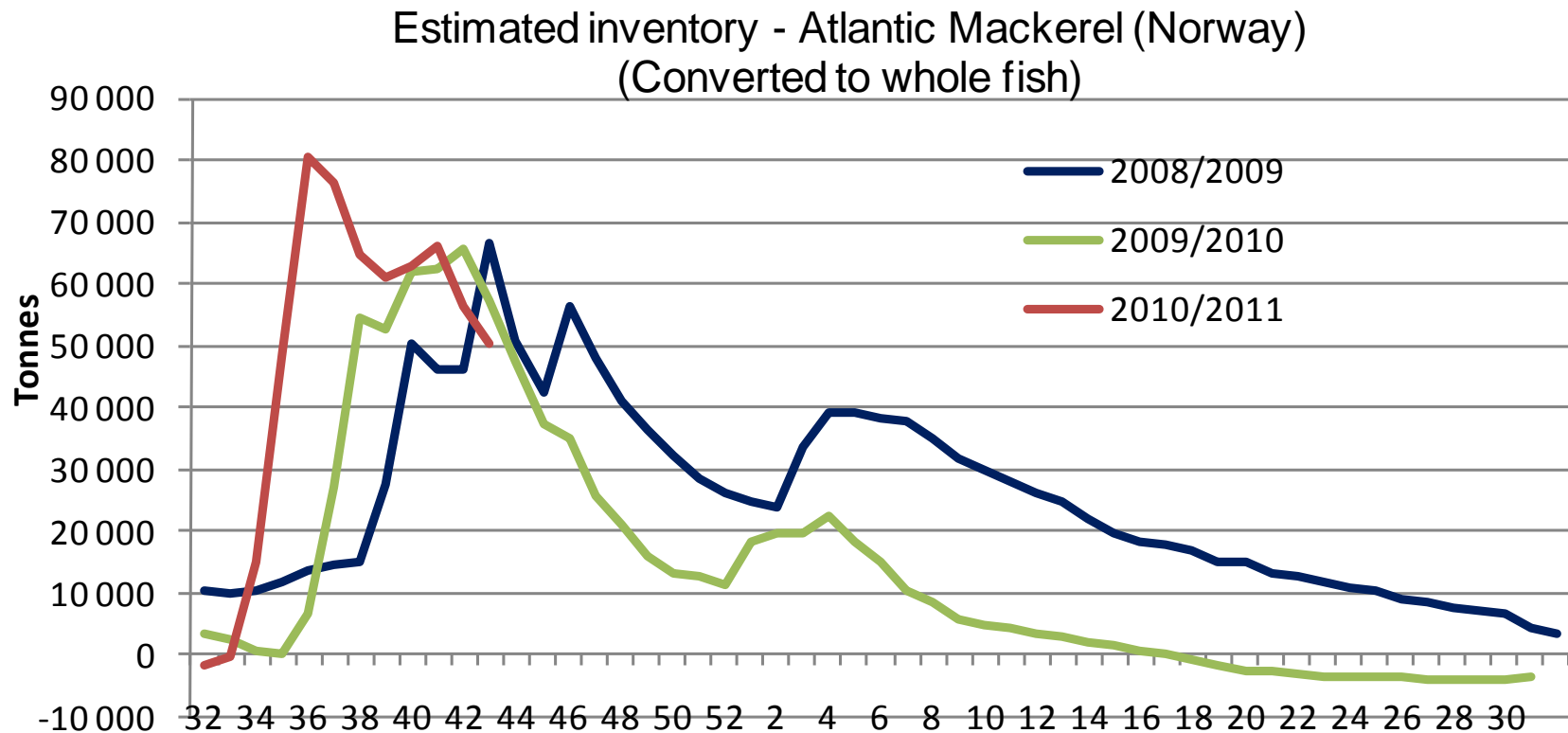


# Development in Herring inventory Norway

Change in herring inventory Norway (per season) (Converted to whole fish)

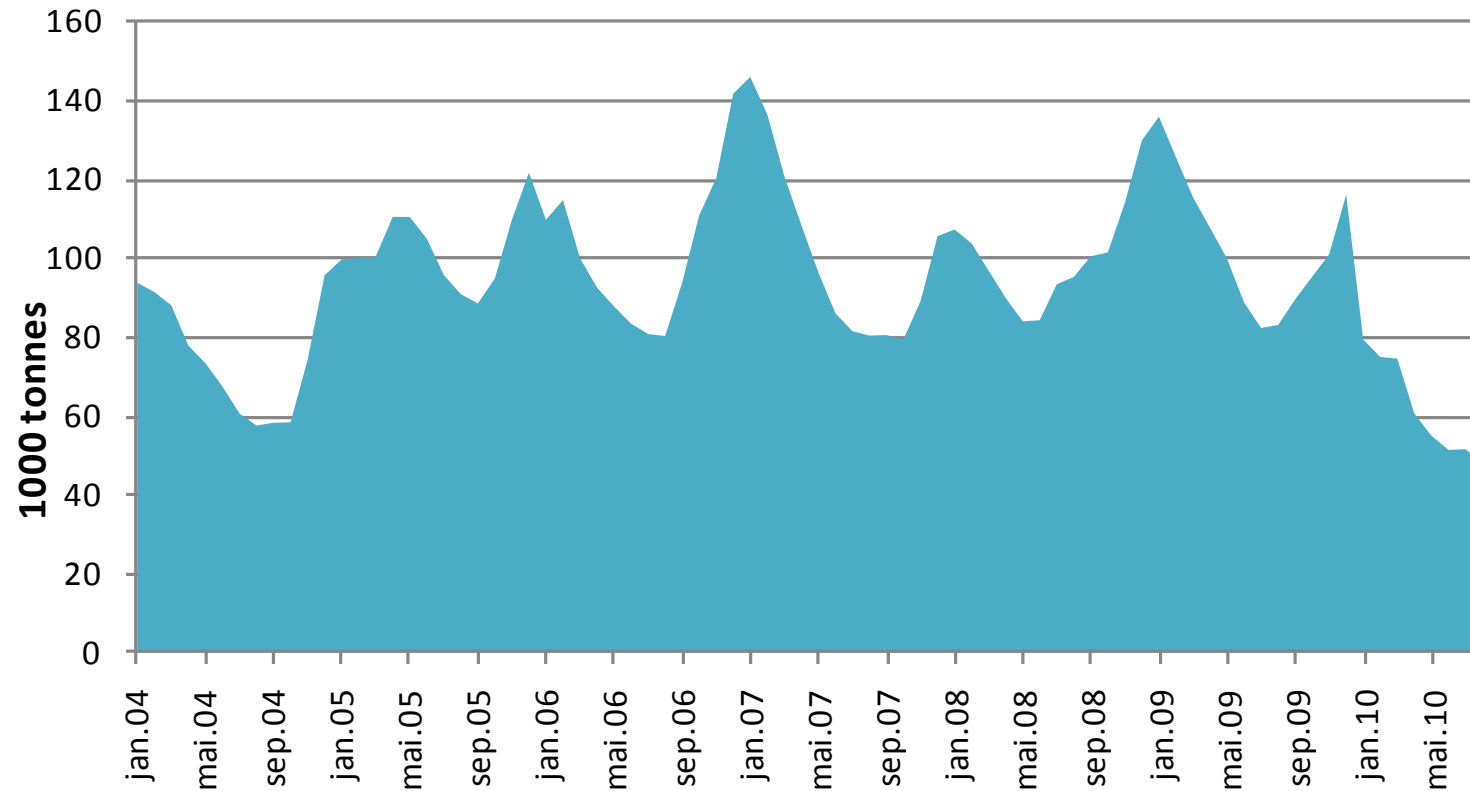


# Development in Mackerel inventory Norway



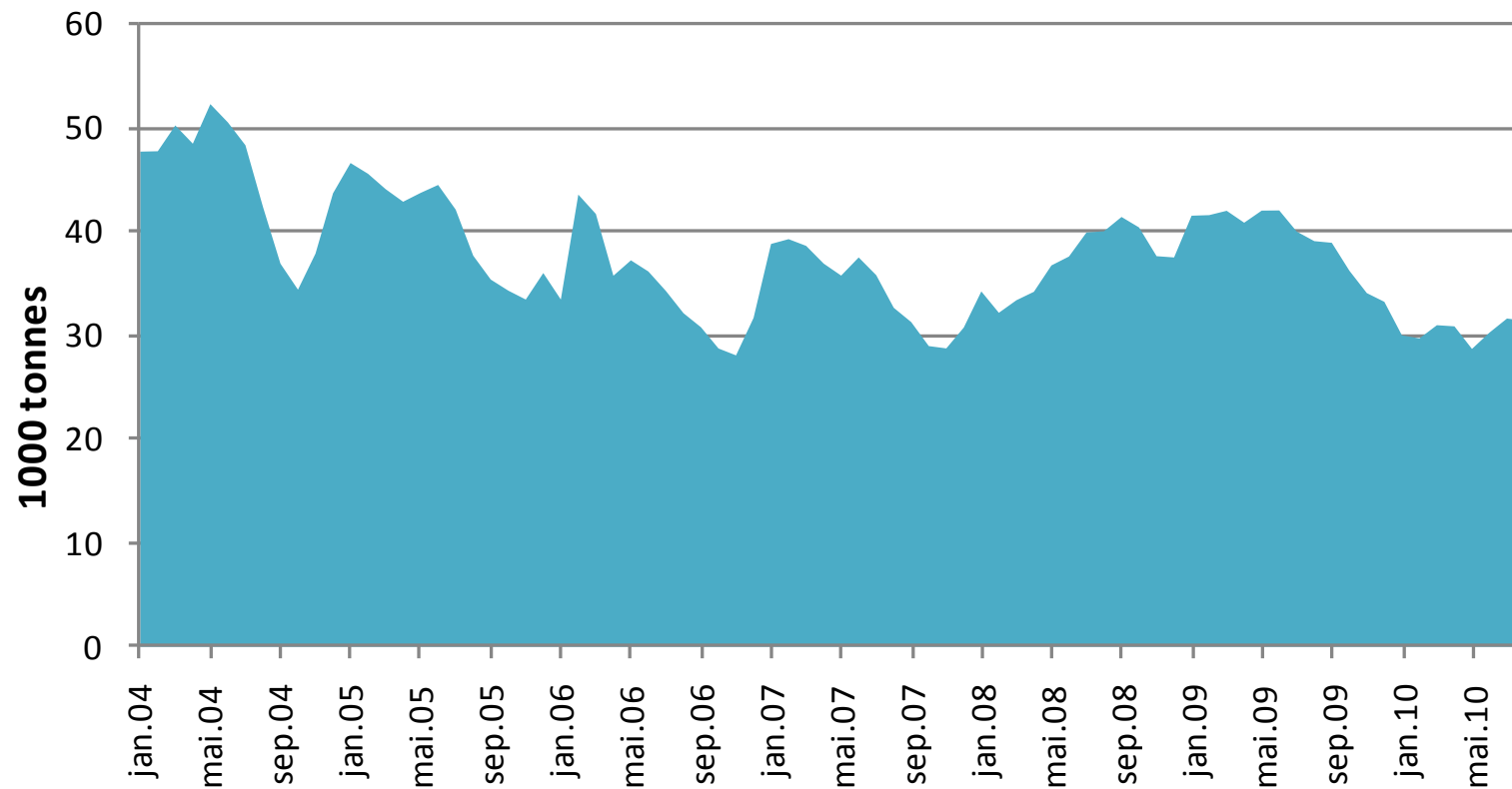
# Development in inventory Japan

Cold storage inventory Japan - Mackerel - Jan 04 - Aug 10

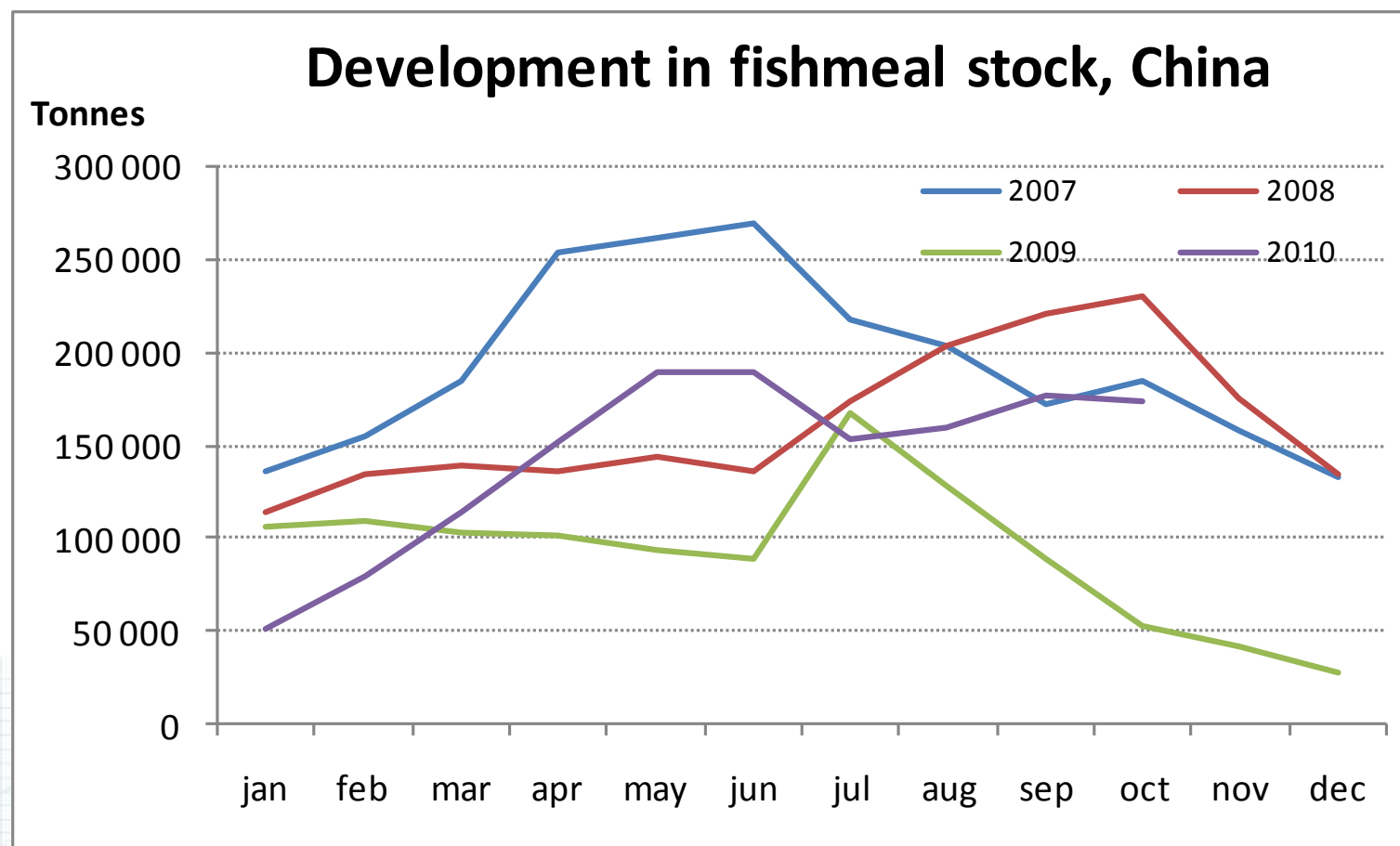


# Development in inventory Japan

Cold storage inventory Japan - Jack Mackerel - Jan 04 - Aug 10

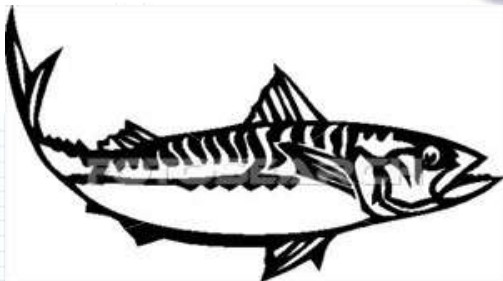


# Development in Fishmeal inventory China

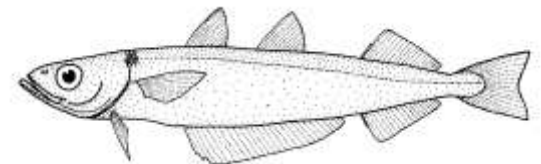




# Development for the fish meal industry



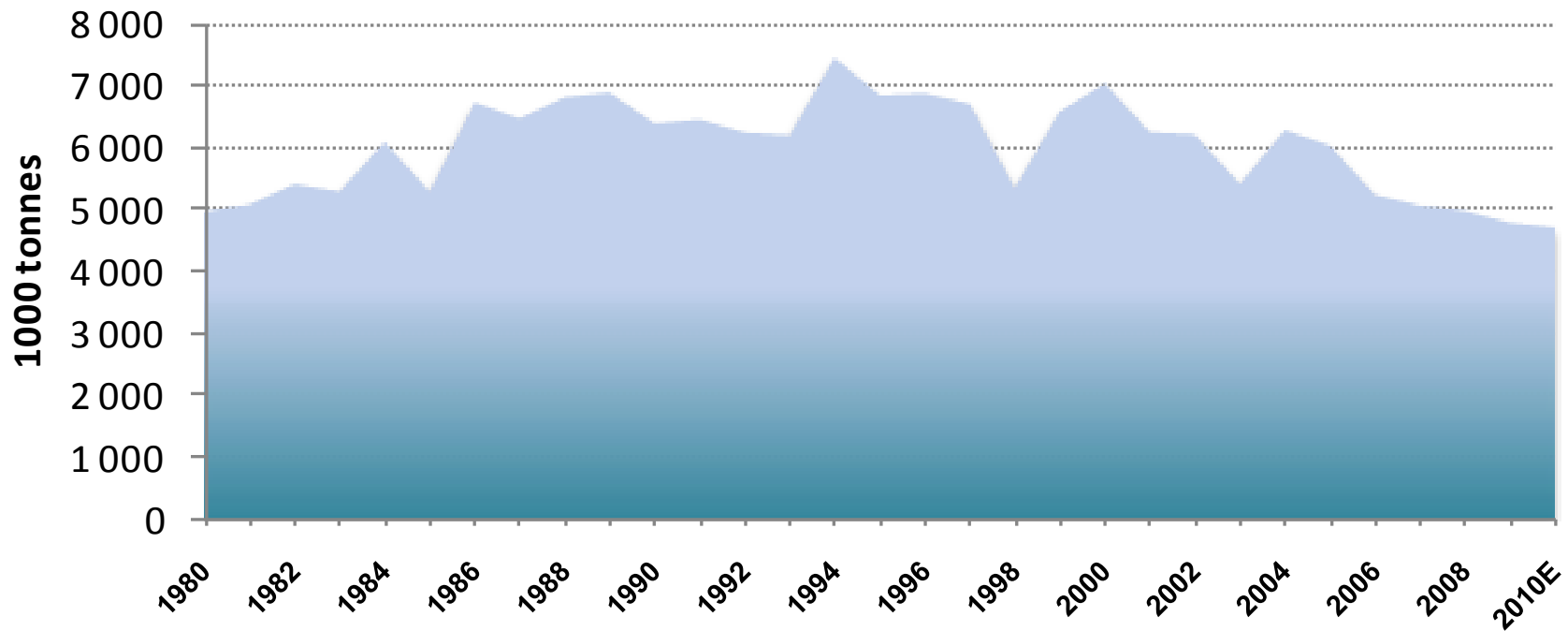
u15909853 fotosearch.com



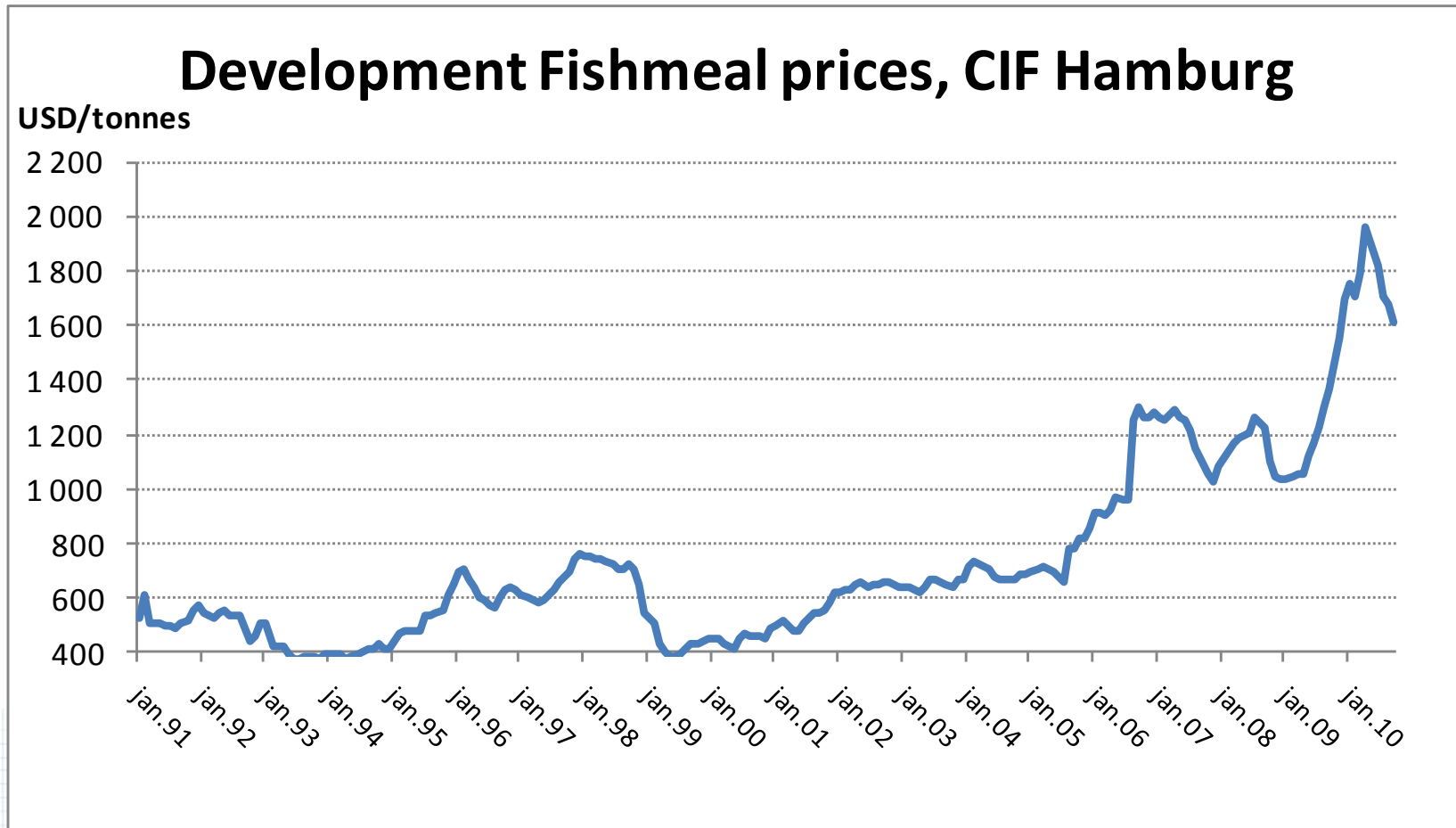


# World fishmeal production

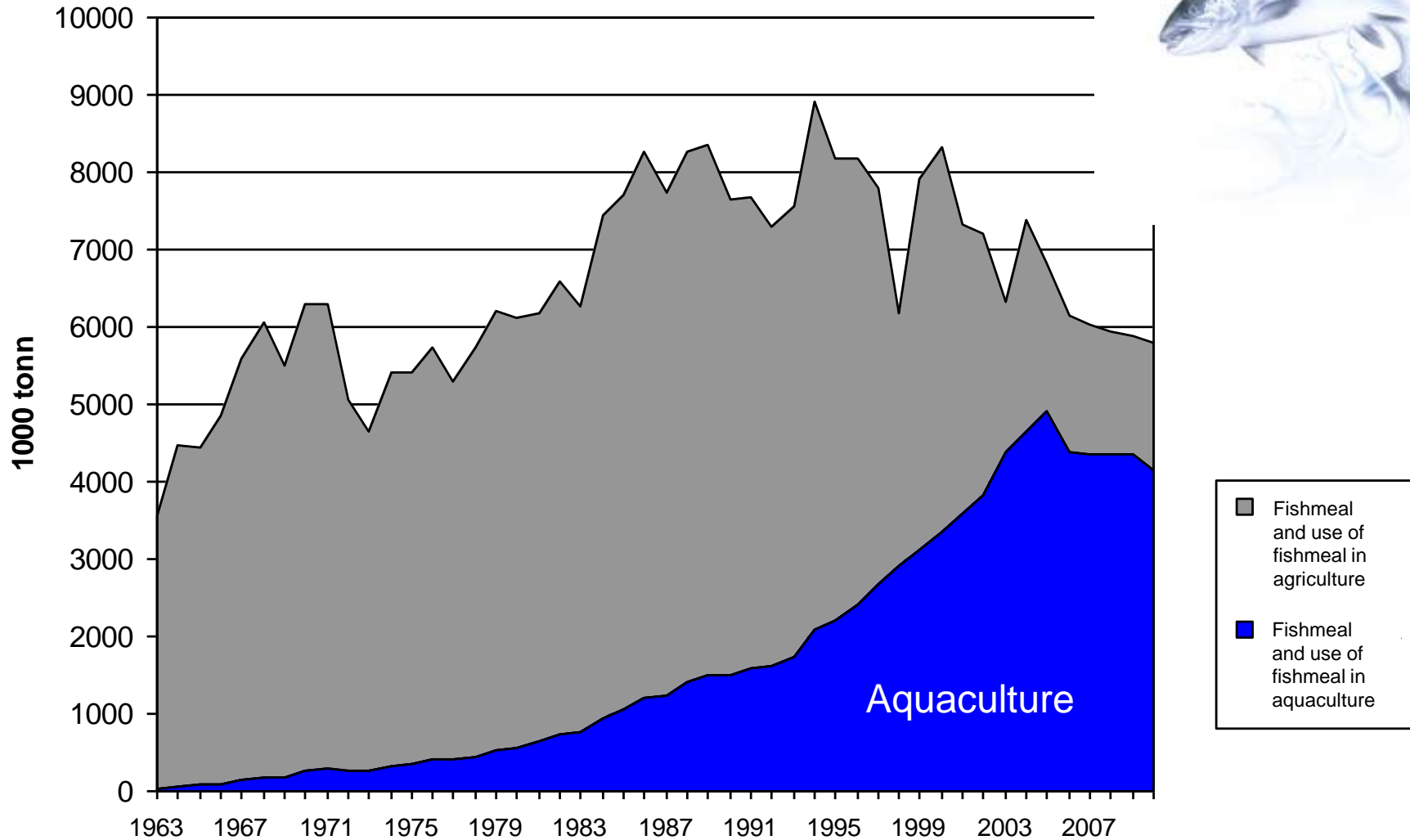
**Production of fishmeal world wide 1980 - 2010 E**



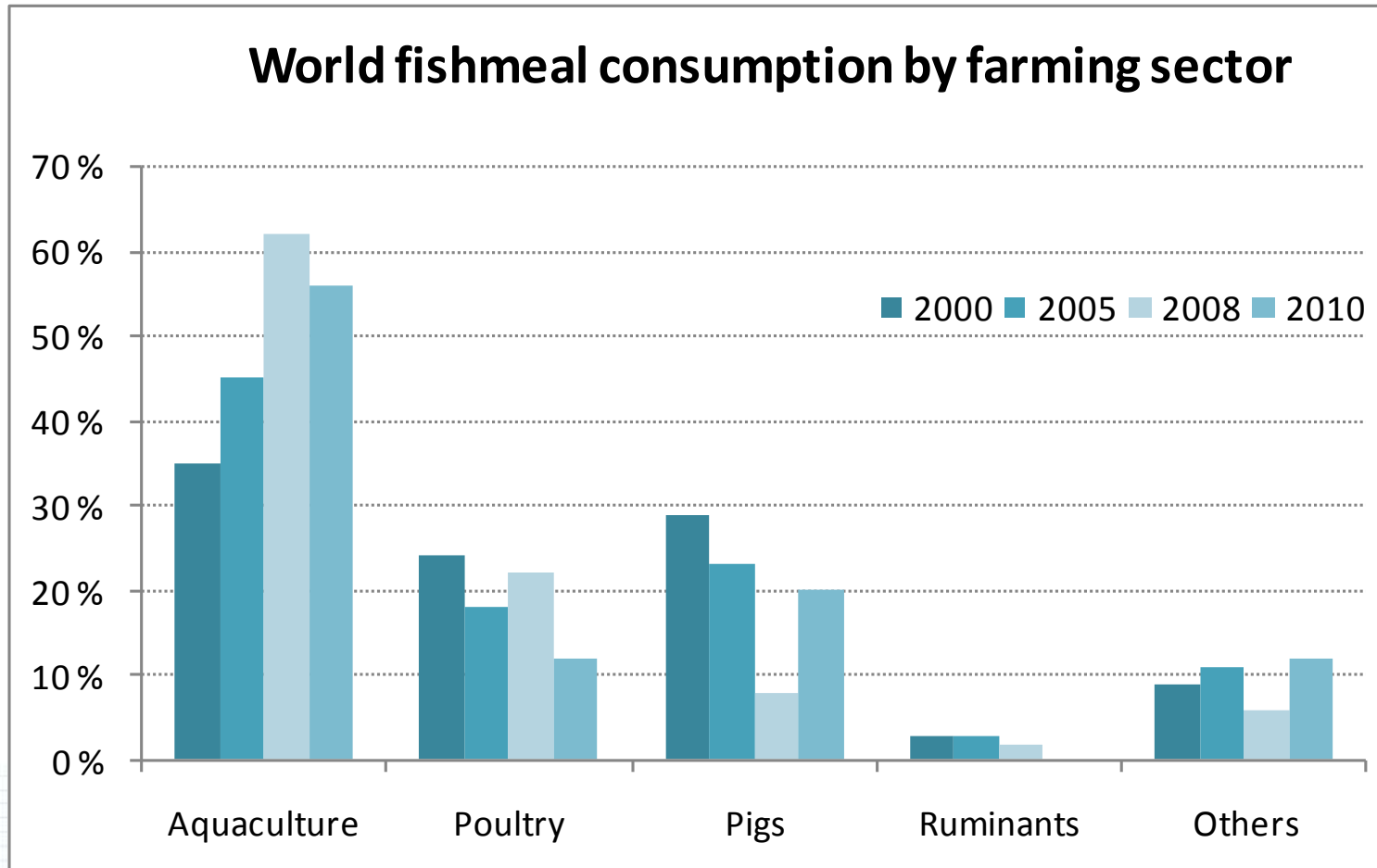
# World fishmeal production



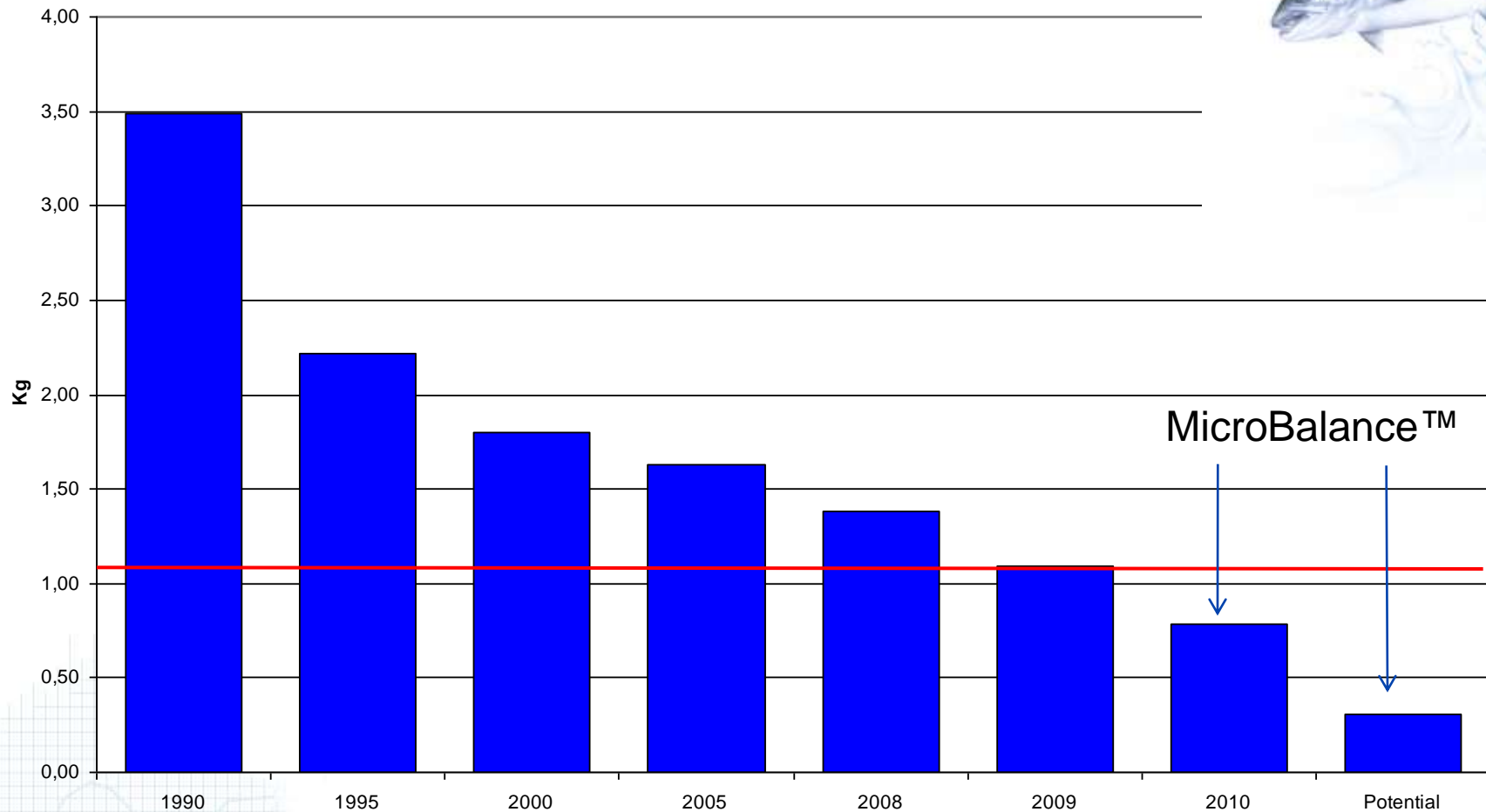
# Fishmeal production and use in aquaculture



# Fishmeal production and use in aquaculture

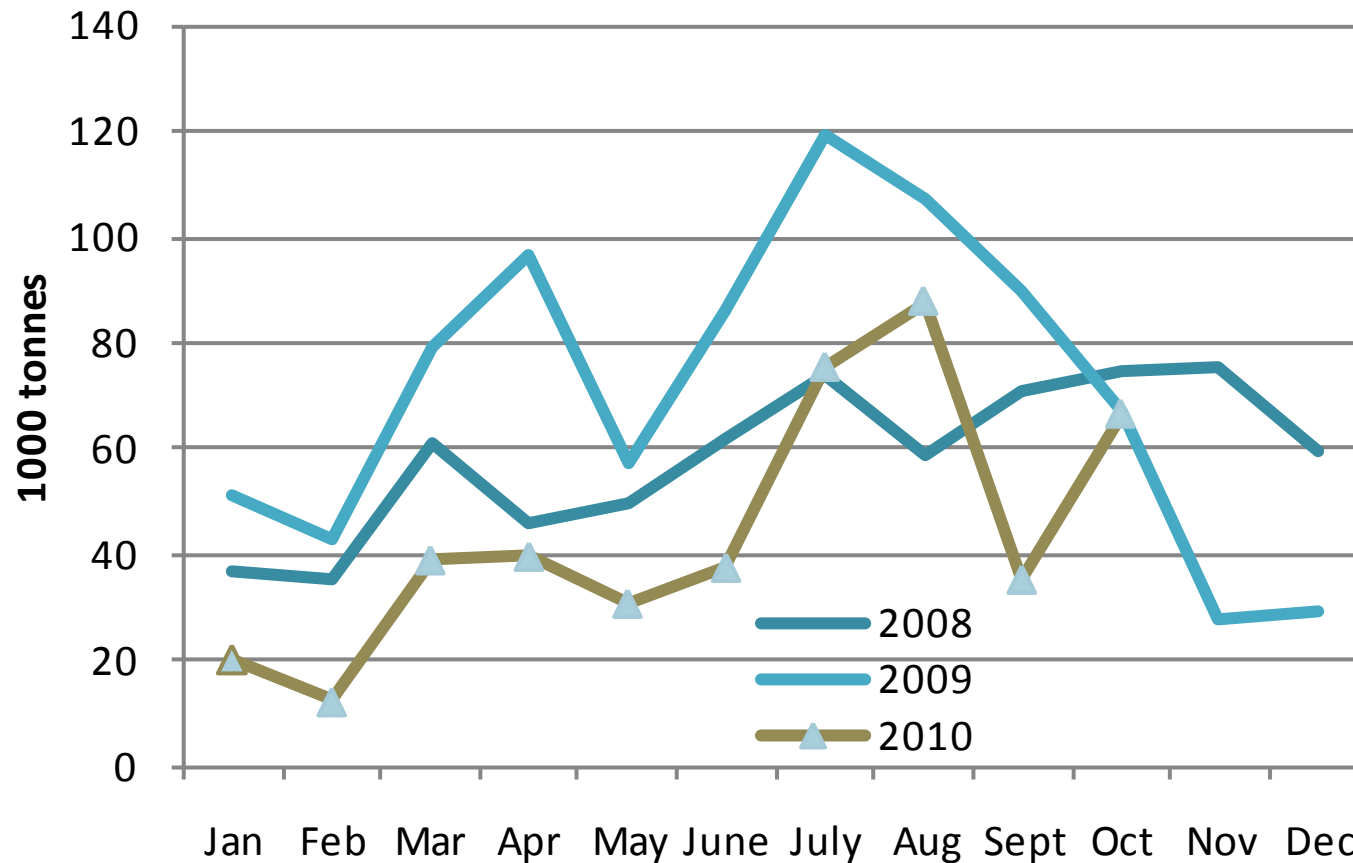


# Fishmeal production and use in aquaculture

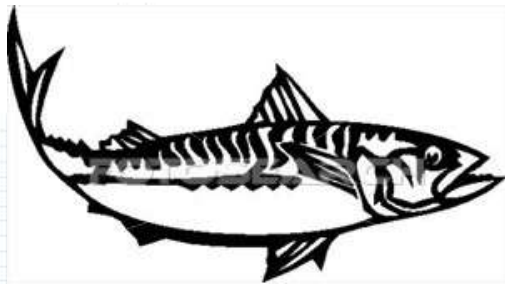


# World fishmeal production

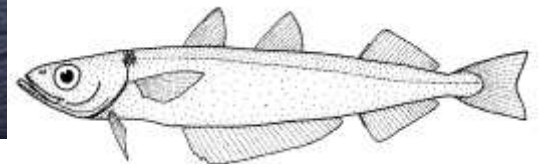
## Monthly Fishmeal consumption in China



# Overview of the Norwegian pelagic industry



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# Existing players

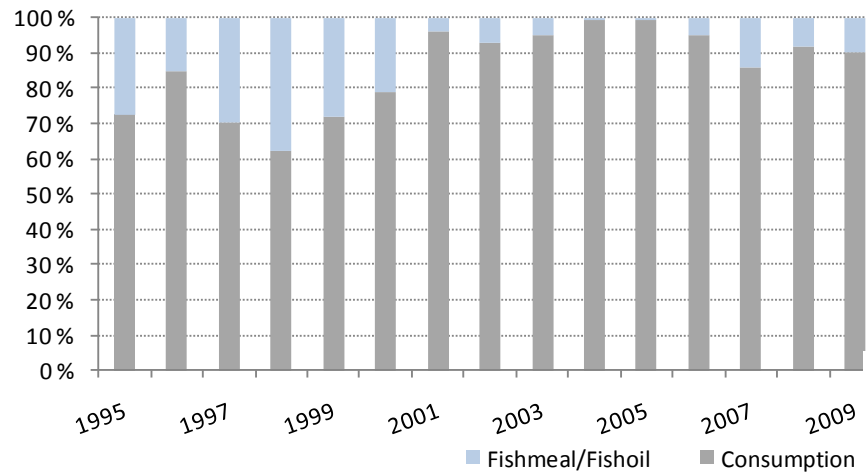
Company	Group
Austevoll Fiskeindustri	Austevoll Seafood ASA
Atlantic Dawn Seafoods AS	
Brødrene Myhre AS	Norway Pelagic ASA
Brødrene Sperre AS	
Bø Fiskeindustri	Nergård Pelagic AS
Norway Pelagic	Norway Pelagic ASA
Norway Pelagic	Norway Pelagic ASA
Norway Pelagic	Norway Pelagic ASA
Norway Pelagic Bodø	Norway Pelagic ASA
Norway Pelagic Sommarøy	Norway Pelagic ASA
Norway Pelagic Bergen	Norway Pelagic ASA
Norway Pelagic Karmsund	Norway Pelagic ASA
Egersund Nor AS	Egersund Seafood AS
Egersund Seafood AS	Egersund Seafood AS
Emy Fish AS	Norway Pelagic ASA
Fonn Egersund AS	
Fosnavåg Seafood AS	
Fryseriet AS	Norway Pelagic ASA
Gimsøy Pelagiske AS	
Grøntvedt Pelagic	
Gullfisk AS (Prev Harrengus AS)	
H. J. Kyvik AS	

Company	Group
Hopen Fisk AS	
Karsten Flem AS	
Koralfisk AS	Norway Pelagic ASA
Lofoten Pelagiske AS	Egersund Seafood AS
Lofoten Viking AS	Nergård Pelagic AS
Maaløy Seafood AS	Coast Seafood AS
Modolv Sjøset Pelagic AS	Austevoll Seafood ASA
Moskenes Fiskeindustri AS	
Nergård sild	Nergård Pelagic AS
Nils Sperre AS	
North Capelin AS	Austevoll Seafood ASA
Darina Fish AS	
Olav E. Fiskerstrand AS	
Rørvik Fisk AS	
Severin Tranvåg AS	
Sir Fish AS	Austevoll Seafood ASA
Sirevaag AS	Austevoll Seafood ASA
Skude Fryseri AS	
Sunnmøre Seafood AS	
Torsken Havprodukter AS	
Vikomar AS	

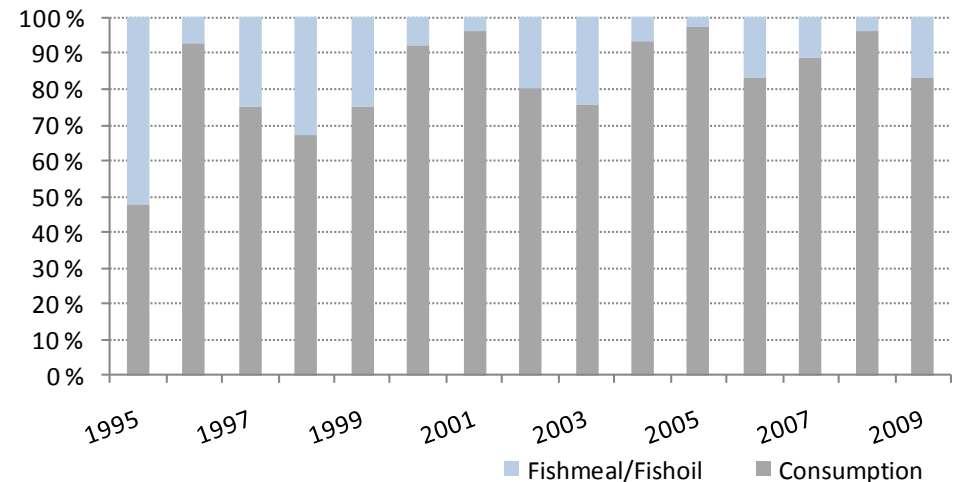


# Production development in Norway

Utilization of the NSS Herring catches landed in Norway

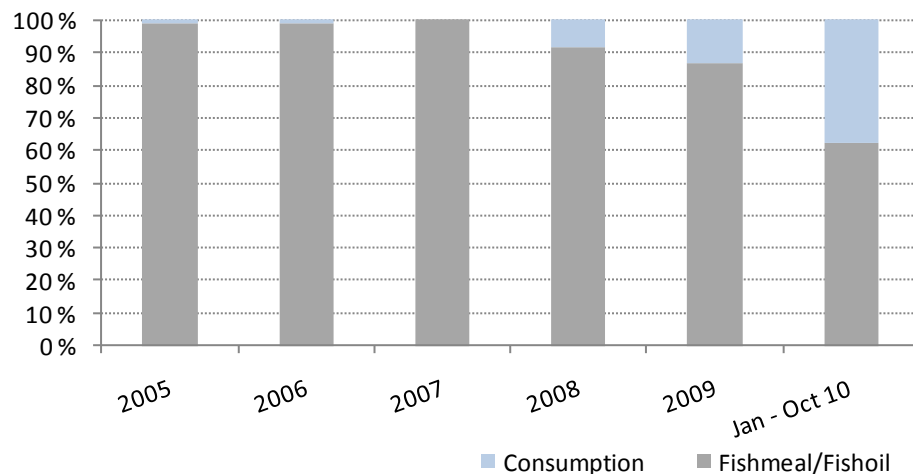


Utilization of the North Sea Herring catches landed in Norway



# Production development in Norway

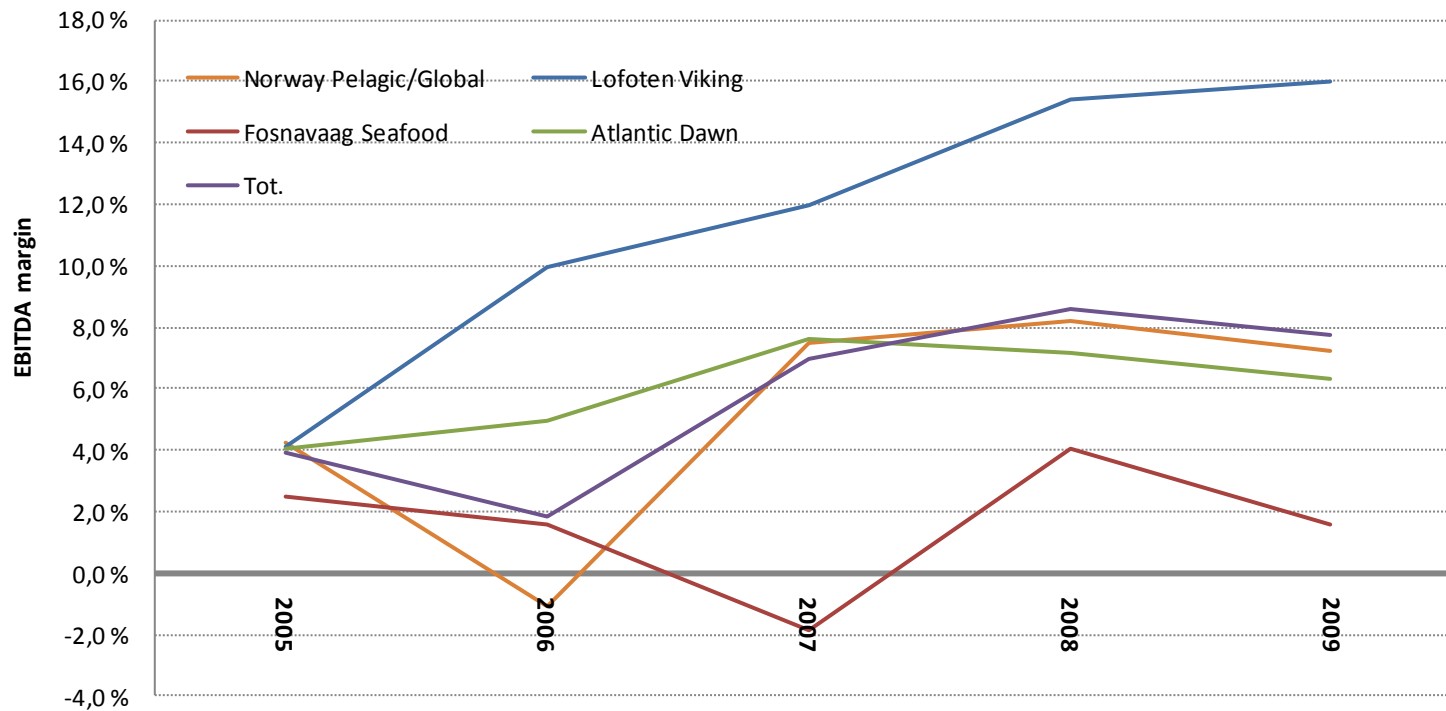
Utilization of the Blue Whiting catches landed in Norway



Utilization of Capelin in Norway			
			Total catch
Year	Fishmeal/Fishoil	Consumption	Capelin
2007	68 %	32 %	40 599
2008	24 %	76 %	40 907
2009	35 %	65 %	230 000
Jan - Oct 10	23 %	77 %	261 000

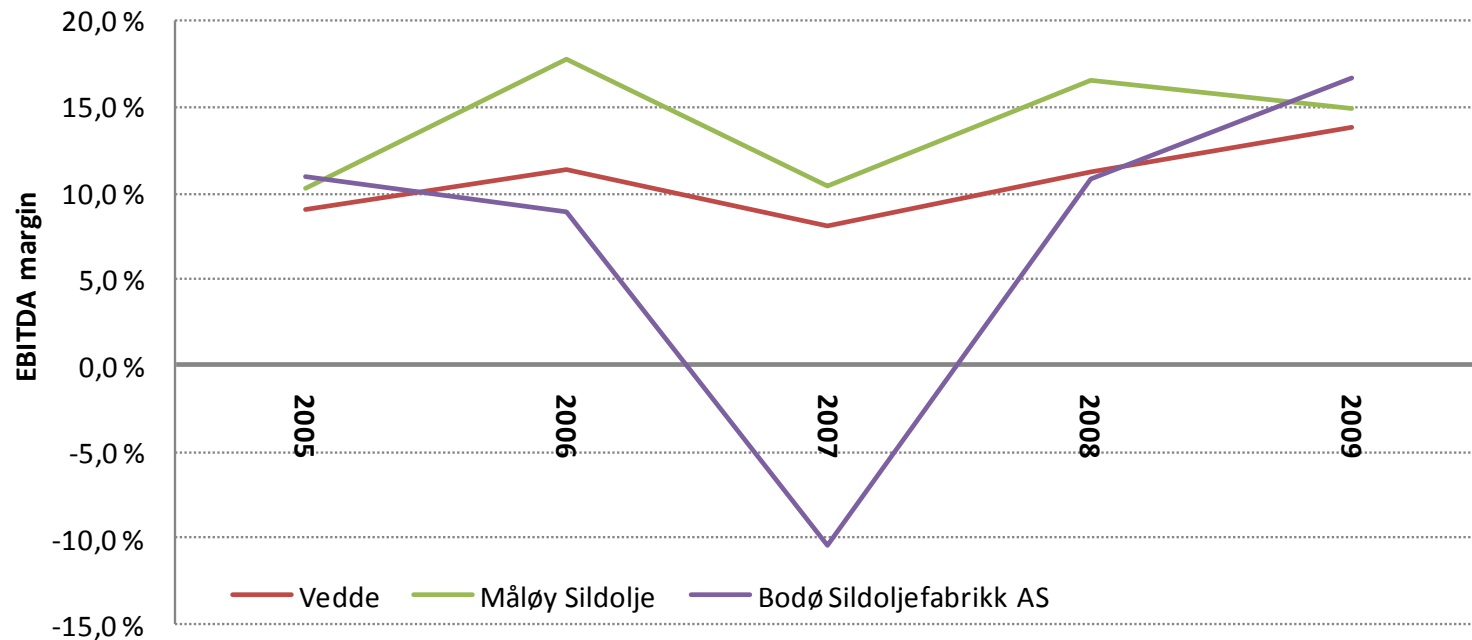
# Financial development Norwegian industry

Latest development EBITDA margin, Consumption industry in Norway



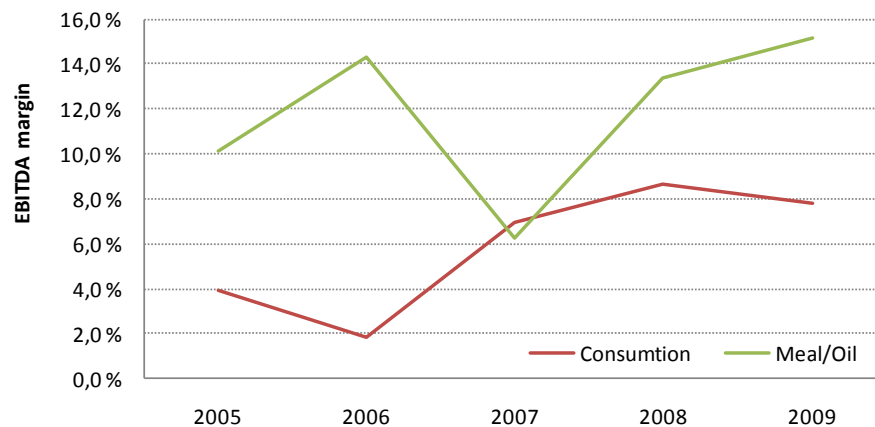
# Financial development Norwegian industry

Latest development EBITDA margin, Fishmeal industry in Norway

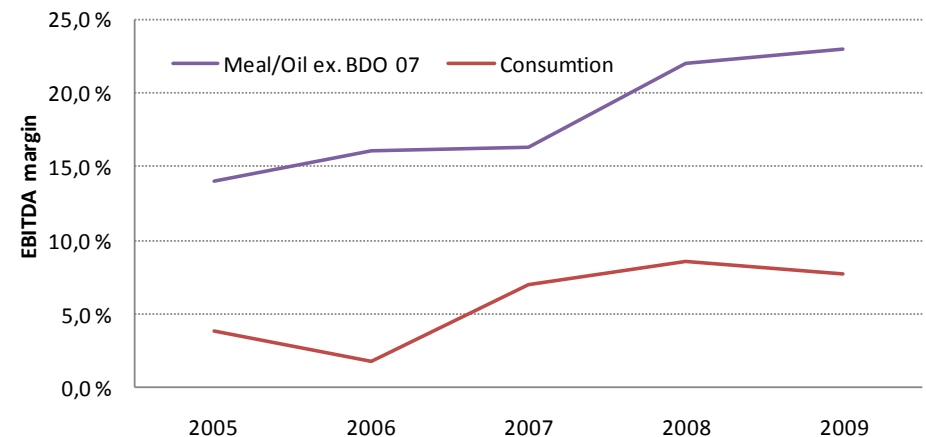


# Financial development Norwegian industry

Margins per sector - Total selection



EBITDA margins per sector - (BDO 07 excluded)



**Thank you very much!!!**