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Horizon 2020
Programme

IIFET 2016
SCOTLAND

TROUT, SEABASS AND SEABREAM VALUE CHAINS. AN OVERVIEW OF SOUTH EUROPE

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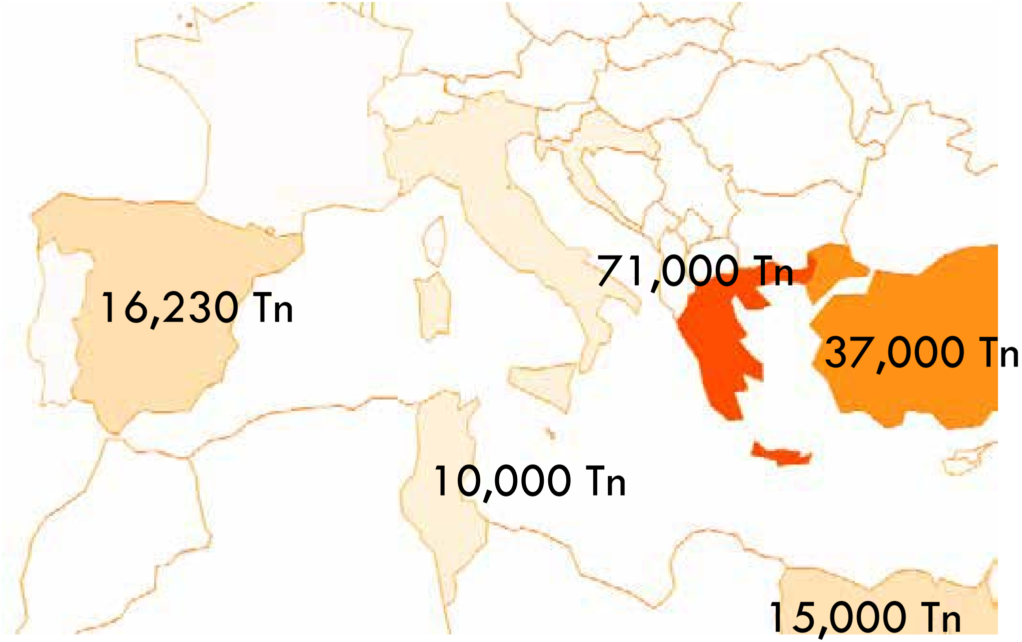
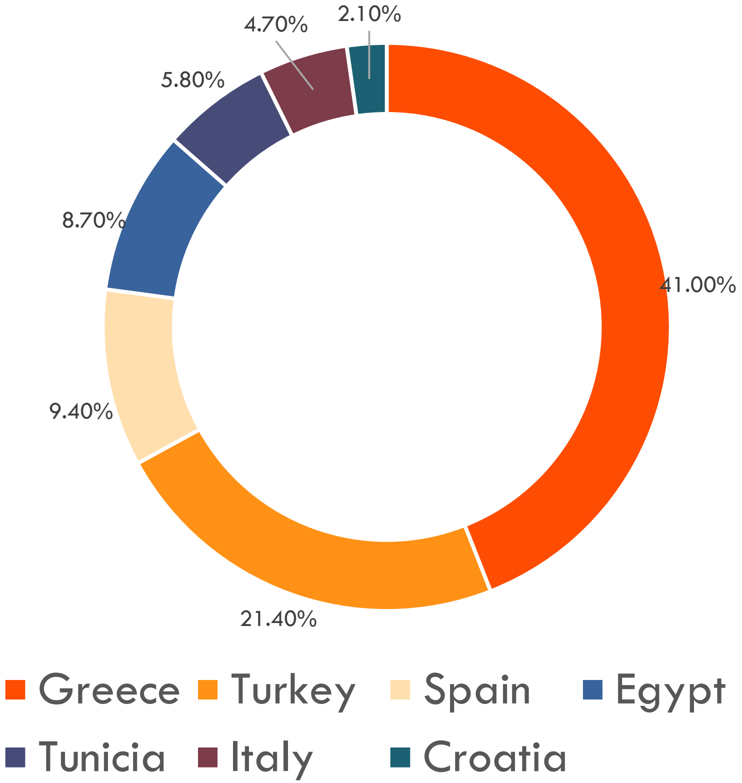
Overview

- Farmed fish products in Europe are mainly addressed to the market of live and fresh fish but the market are changing also in more “traditional” consumption country, like Italy
- Only for the trout sector, due to their vertical integration, is it common to process/transform the fish, offering a wider range of products to final consumers: smoked products, hamburgers, skewers, etc.
- For the seabass and seabream production, the larger share of the production is originated from few large businesses. In Spain their production is carried out by a consolidated sector with only a few firms and only one with an income higher than 100.000 €, 13 firms among 10.000 and 50.000 € and the rest obtaining lower profits.
- In Italy there seems to be a low probability of seeing new big companies entering in the aquaculture sector of seabream, seabass and trout. It seems not to be attractive (from a profitability point of view) and requires significant investments. In Spain there is a similar situation for the trout production. Greece situation is “under observation”.
- Export non EU countries are focusing on low segment of the market but the increasing demand for more processed fish and “low price” will advantage non EU competitors.
- The presentation will focus on final market segmentation that explain my previous reflections

Seabream overview in the Mediterranean context





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Source: FAO, FEAP & APROMAR, 2014

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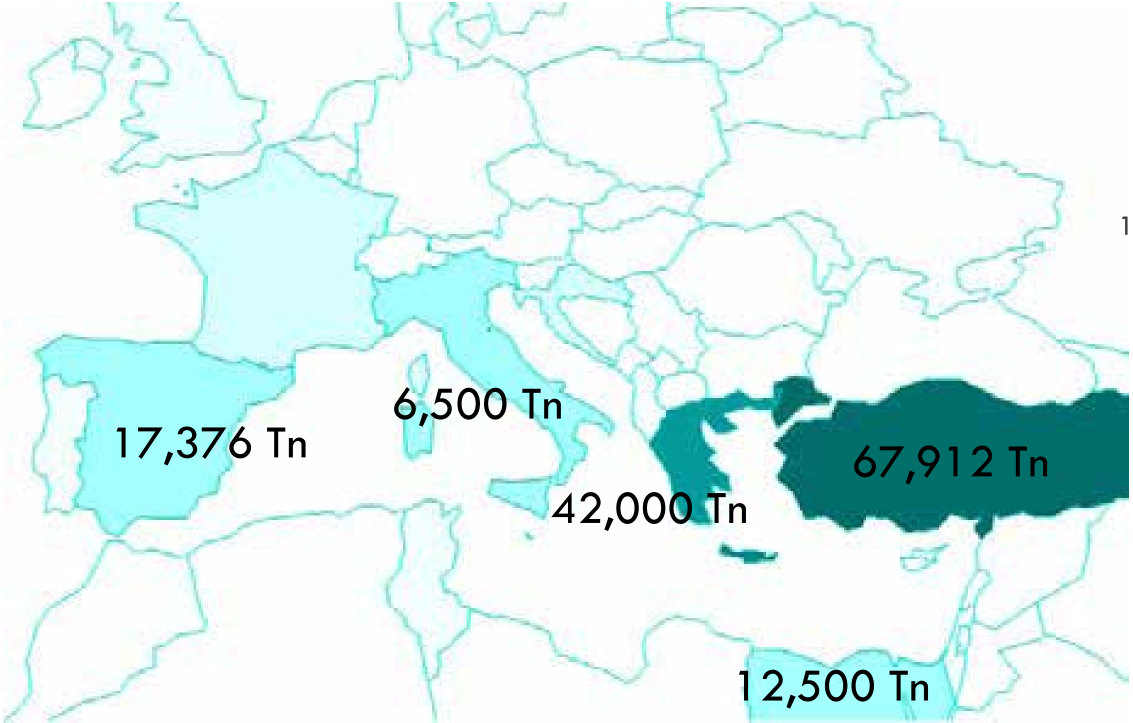
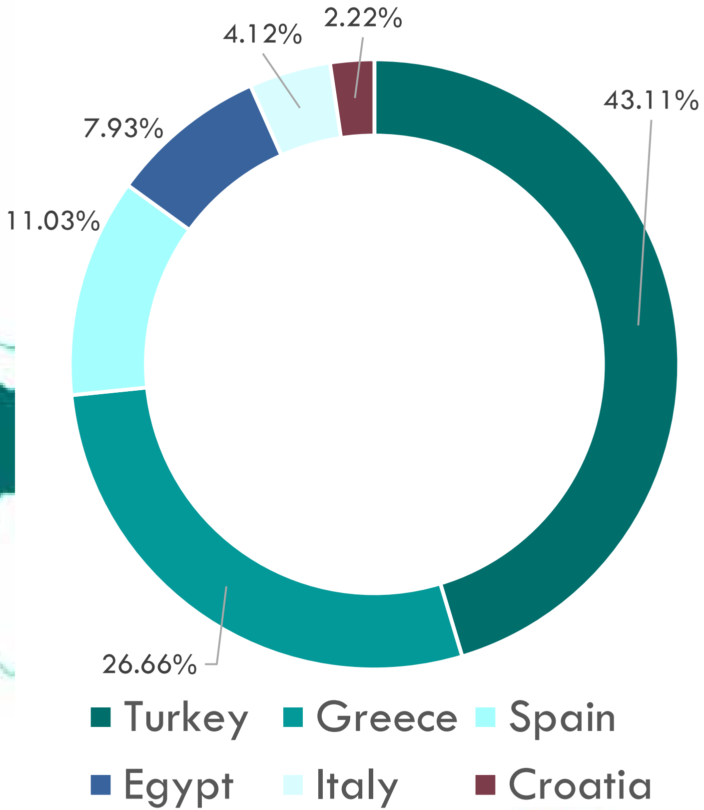
Seabass overview in the Mediterranean context





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Source: FAO, FEAP & APROMAR, 2014

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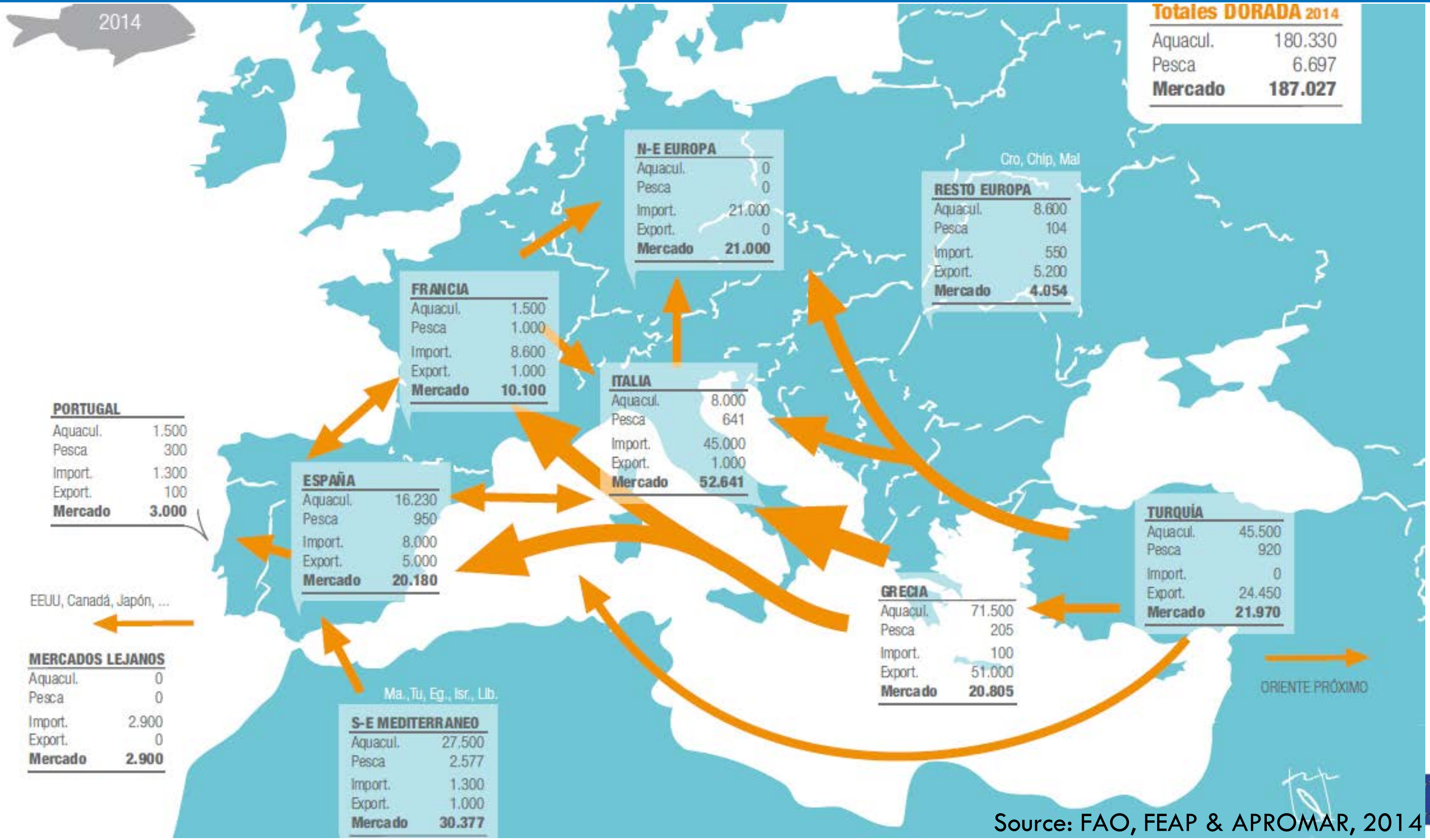
Seabream overview



Source: FAO, FEAP & APROMAR, 2014

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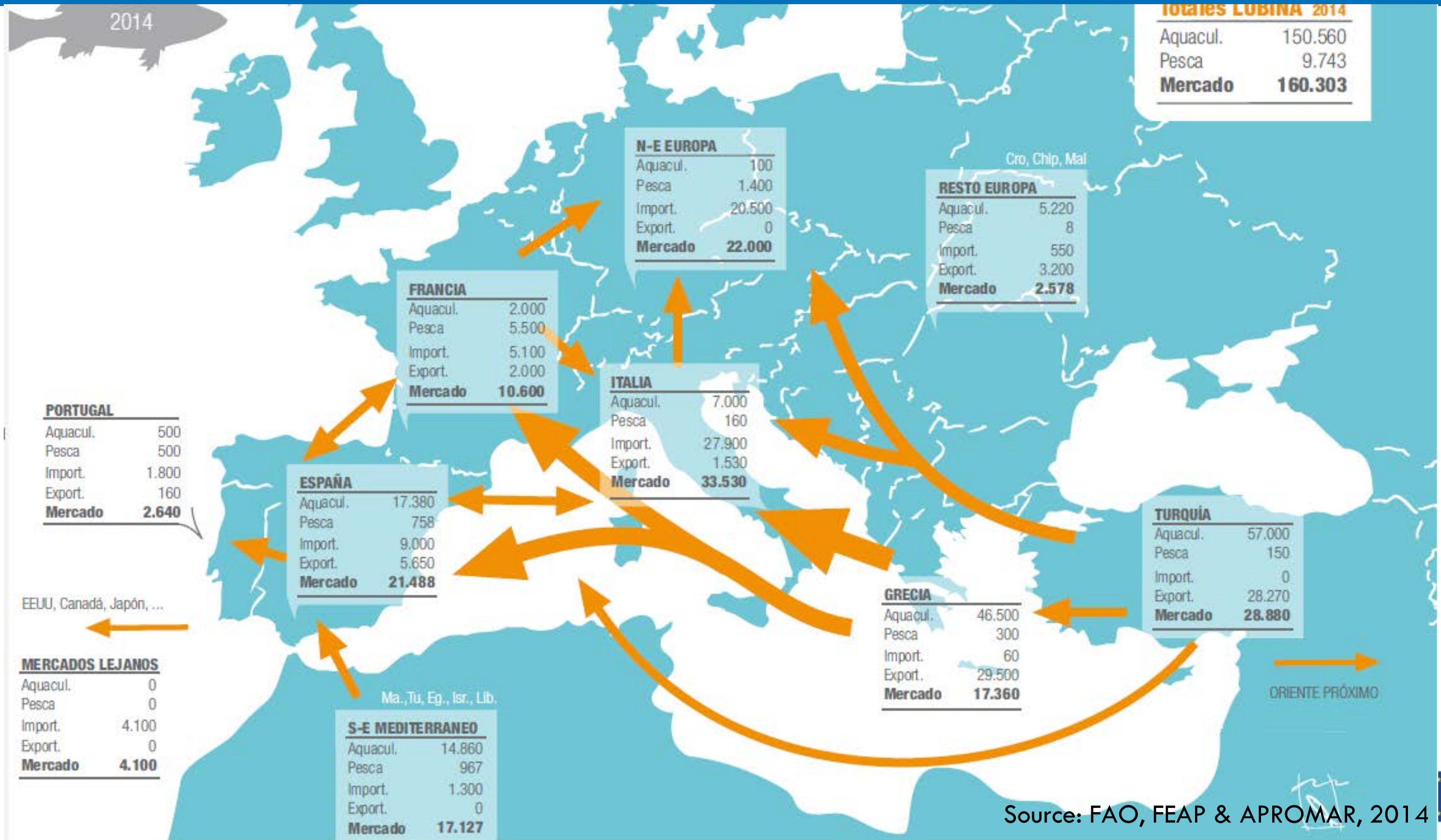
Seabass overview



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Source: FAO, FEAP & APROMAR, 2014

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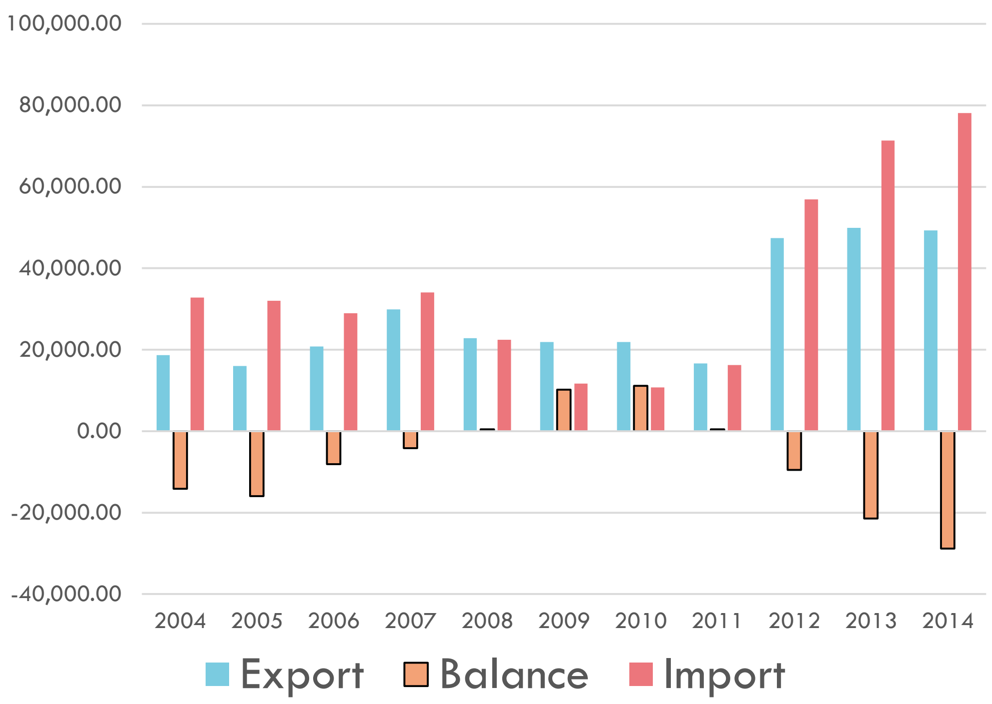
Trout production in volume (tons) and value

Species	Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Portion Rainbow Trout production (tons) 2005 - 2014										
Portion Rainbow Trout	**TURKEY**	48.033	56.026	58.433	65.928	75.657	78.165	100.239	111.335	122.873	107.533
	ITALY	39.000	39.000	39.000	38.900	40.500	39.000	39.000	36.300	36.000	36.800
	DENMARK	29.247	27.028	28.527	28.050	26.374	26.538	26.538	21.895	27.591	27.591
	FRANCE	25.000	25.000	25.000	25.000	25.000	22.000	23.500	23.500	20.870	22.000
	POLAND	14.000	17.000	17.000	15.000	14.000	11.000	13.000	14.500	14.500	17.500
	SPAIN	25.000	24.000	20.000	20.000	20.000	18.000	18.000	14.400	15.000	13.000
	UTD.KINGDOM	12.500	11.000	9.955	10.000	10.000	8.950	8.900	10.996	10.000	11.000
	GERMANY	23.000	23.000	23.000	23.000	23.000	22.300	10.062	8.116	8.333	8.466
	GREECE	4.892	3.187	2.820	3.420	2.588	2.712	2.389	1.967	2.014	2.014
	AUSTRIA	1.728	1.671	1.671	1.200	1.250	1.200	1.270	1.337	1.322	1.322
	IRELAND	1.100	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	PORTUGAL	845	943	937	941	936	951	900	900	1.000	1.000
	CZECH REPUBLIK	597	600	623	614	526	476	580	388	439	426
	CROATIA	800	800	800	800	2.000	2.095	2.358	1.232	350	361
TOTAL		**225.742**	**230.355**	**228.766**	**233.853**	**242.831**	**234.387**	**247.736**	**247.866**	**261.292**	**250.013**

Seabream: international trade balance



- Negative trend in trade balance
- Target market of seafood
- Mainly fresh and chilled

Source: own elaboration from MINECO, 2015

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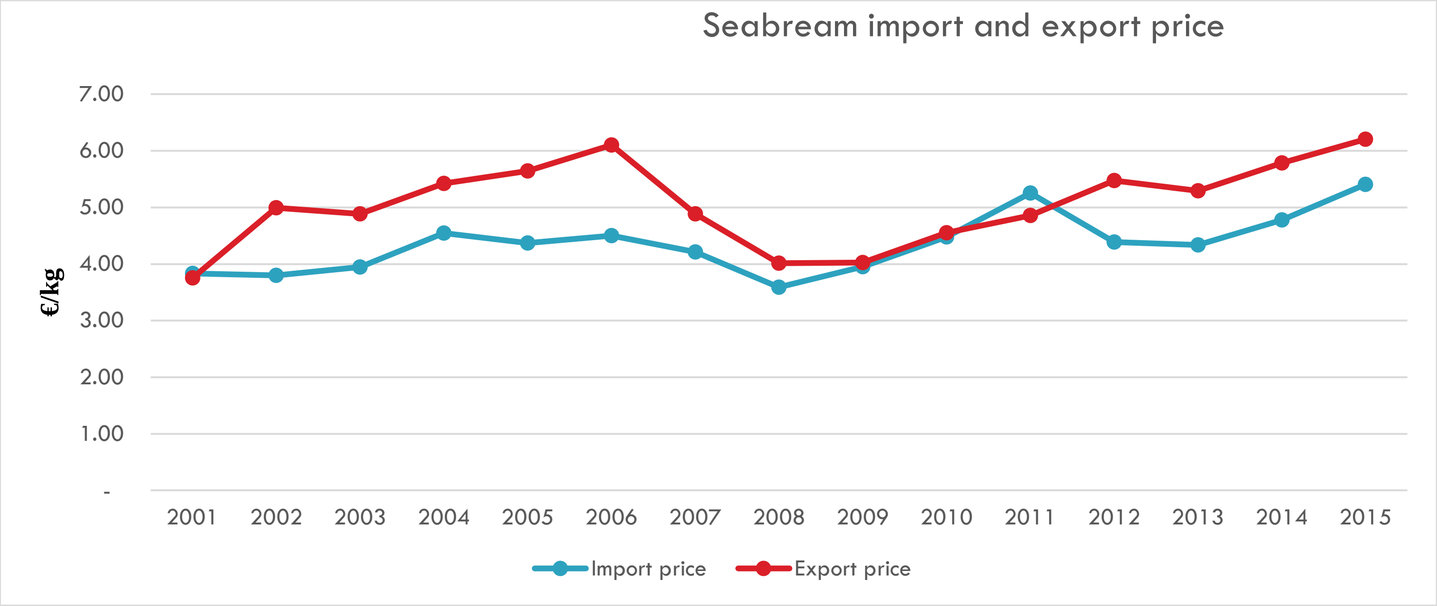
Seabream import and export price – Italy –



Source: own elaboration based on EUMOFA

Seabass: international trade balance

- The increase of the production seems related to the increase of export
- Target market for this product (reflected in price)
- Fresh & Chilled import/export products

PrimeFish Source: own elaboration from MINECO, 2015

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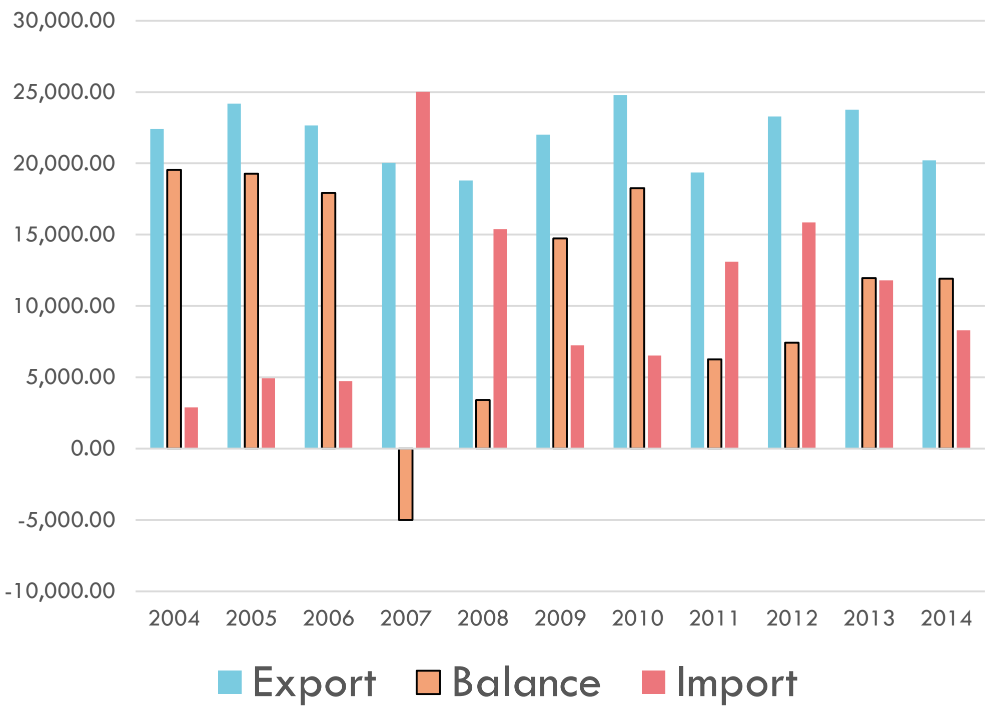
Seabass import and export price – Italy –

Trout: international trade balance



- Positive trend
- Russian trade conflict
- Increase trend of live fresh and chilled trout

PrimeFish Source: own elaboration from MINECO, 2015

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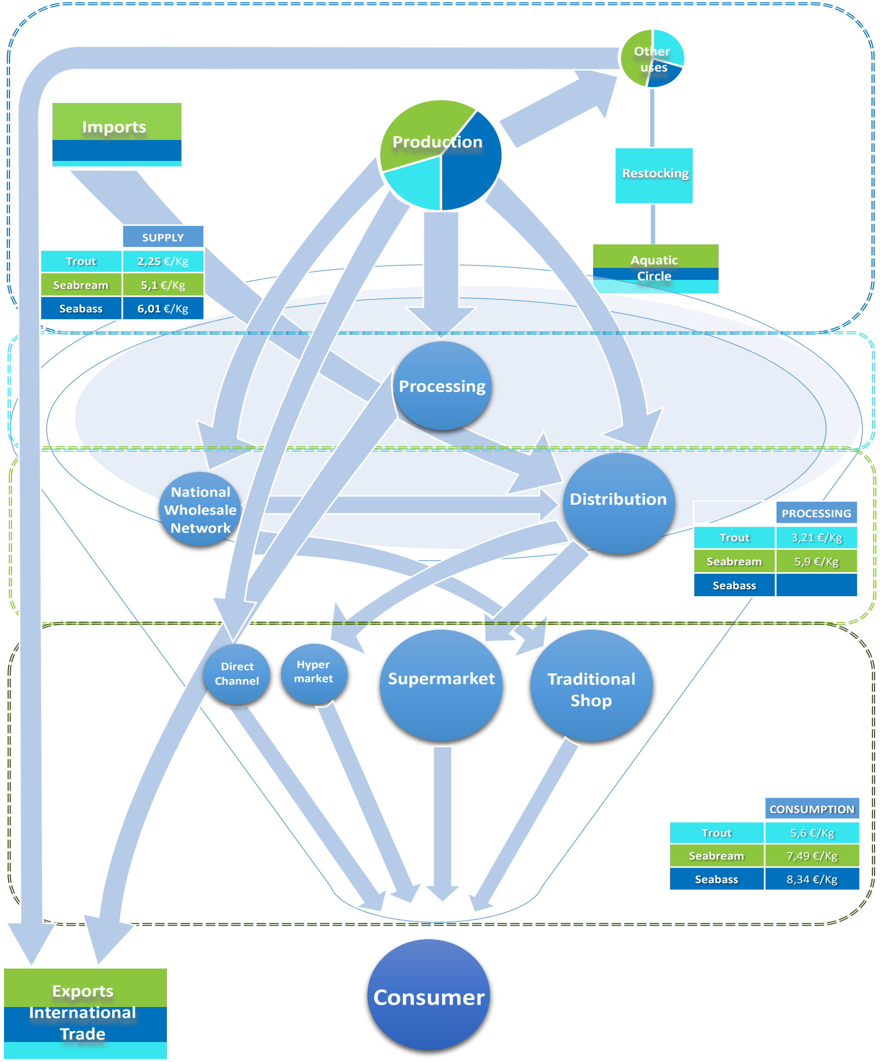
Supply Chain in Spain

	SUPPLY	PROCESSING	CONSUMPTION
Trout	2,25 €/Kg	3,21 €/Kg	5,6 €/Kg
Seabream	5,1 €/Kg	5,9 €/Kg	7,49 €/Kg
Seabass	6,01 €/Kg		8,34 €/Kg

Average prices by chain
Source: MAGRAMA



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Distribution

- Although supermarkets represent the largest share of retail sales, traditional channels such as fishmongers and municipal retail markets are relatively more frequent in Italy than in most other European countries.
- In Spain, supermarkets and traditional channels represents the 90% of market share (68% and 22% respectively) for trout, seabass and seabream.
- Traditional channels achieve highest prices for seabass and seabream products (+15%).

Distribution (and price)

The most important wholesale markets for fishery and aquaculture products in Italy coincide with the largest cities of the country: Milan, Rome, Turin, Naples and Palermo. Products from fishery and aquaculture are distributed by wholesale fish traders and only a minor part is sold directly by fishermen or farmers.

Prices of fresh seabream in the Wholesale Market of Milan (EUR/kg)

Origin	Size	System	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
			P.min	P.max	P.min	P.max	P.min	P.max	P.min	P.max	P.min	P.max	P.min	P.max	P.min	P.max	P.min	P.max	P. min	P. max	P.min	P. max
National	> 800 gr	Fisheries	18.67	27.94	19.28	26.45	16.79	24.78	18	25.64	17.76	24	12.08	18.33	14.4	19.94	18	22	18	22	18	22
National	400 - 600 gr	Farming	7.3	8.73	8.08	9.61	7.55	9.72	4.5	11.5	4.45	8.17	4.32	5.21	4.76	6.68	7.5	8.5	6.78	7.68	5.17	5.56
Import	400 - 60[illegible]	Farming	5.59	6.73	5.27	6.62	4.47	5.33	4.6	5.4	4.5	5.4	4.55	5.62	4.48	5.35	5.35	5.94	4.91	5.92	5.18	7.97
Import	200 - 400 gr	Fa[illegible]	[illegible]	5.52	4.41	5.53	4.61	5	4.5	5	4.23	4.93	4.13	4.89	4.38	5.22	4.83	5.25	4.83	5.25	4.83	5.25

There are differences between national and import price. The import price is less variable in the reported period.

Place of purchase - Seabream

- Fresh seabream is predominantly sold in the fish counters of the supermarkets. The market share of large scale distribution is much bigger for seabream (66%) compared to other species (59%).
- Aquaculture products fit, much more than fisheries products, the needs of supermarkets, which are looking for steady supply all the year, stability of prices and traceability.

Places of purchase of the fresh seabream (volume) - 2010

%	All species	Seabream
Supermarkets	59.1	66.2
Fishmongers	28.9	22.1
Hawker and local markets	9.0	8.0
Other	3.0	3.7

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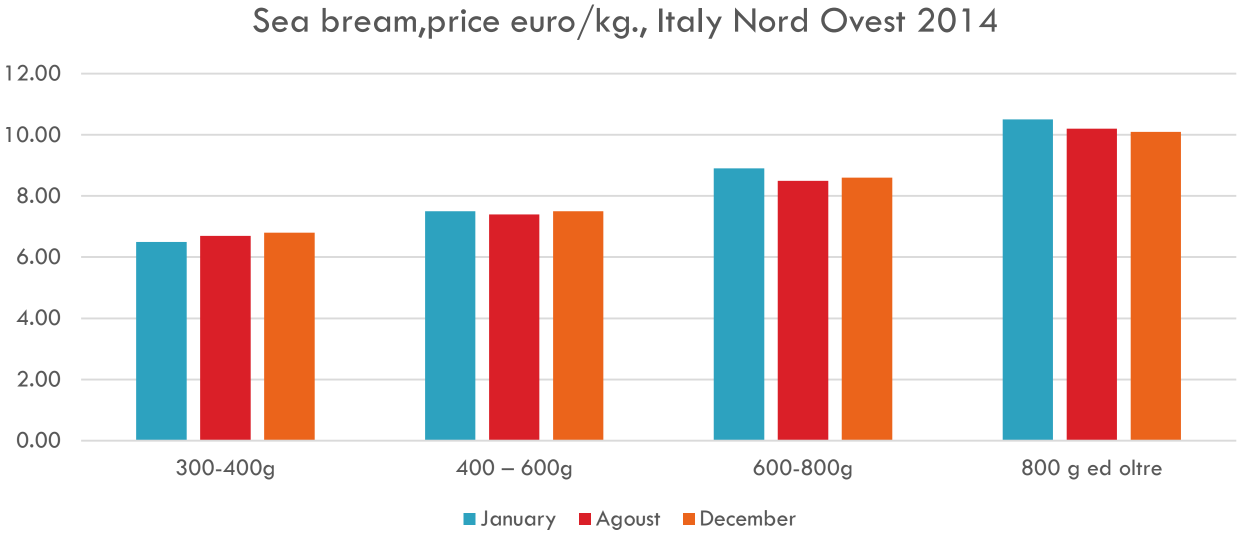
Segmentation and price

The market for seabream is segmented according to:

1. **production method (aquaculture/fisheries)**
2. **size**
3. **Origin (national versus imported, regionally traded)**
4. **Other(labels, traceability, presentation..)**



Look at seabream price collected in North -West of Italy in three months of 2014.

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............Segmentation and price

- The caught (wild) seabream market represents less than 1,000 t, i.e. less than 3% of the total market.
- Local catches are complemented by some imports from Spain. Wild species are viewed as superior to farmed species, more natural and of higher quality.
- This is reflected in the price which can reach up to 40 EUR/kg. The demand for wild seabream exists mostly in traditional channels while large scale retailers focus on farmed seabream.

Aquaculture product (in a large Italian retail market)	Consumer price (€/Kg)
Seabream – origin Greece (350g/piece)	10.90
Seabream – origin Italy (230g/piece)	15.50
Seabream – origin Italy, Private quality label (Naturama) (450g/piece)	11.83
Seabream fillets – origin Greece (economy packaging – 250g)	26.90
Seabream fillets – origin Greece (thin slices – 150g)	31.90

Source: surveyed by AND International

Segmentation by origin and size and price

- Seabreams of Italian origin are selling at a premium, compared to Greek products
- However, this premium is mainly connected to the size, since Italian seabream is generally marketed at sizes (300-400 g, 400-600 g, 600-800 g) bigger than Greek fishes (mainly 250-300 g).
- Turkey and Malta also supply low/medium quality and small sizes.
- Spain and France are selling higher quality and bigger sizes (and a part of wild seabream in the export volume also partly explains the higher average price)

Segmentation by labels / brands

- The market leader, COOP Italia, has 8 aquaculture species under private label scheme with specifications in particular on traceability, sustainability and animal welfare. COOP has selected 5 suppliers for seabream, which all produce in sea cages.
- Farmed seabream is one the species in the NATURAMA quality scheme of the ESSELUNGA retailer. In June 2013 the seabream of Italian origin is sold the double of the price of Greek seabream, even with a smaller unit weight (230 g for the Italian product vs. 350 g for the Greek seabream). **The NATURAMA seabream (450 g/piece) is sold with a premium of 12% compared to unbranded seabream of Italian origin and a premium of 121% compared to unbranded seabream imported from Greece.**

Segmentation by presentation

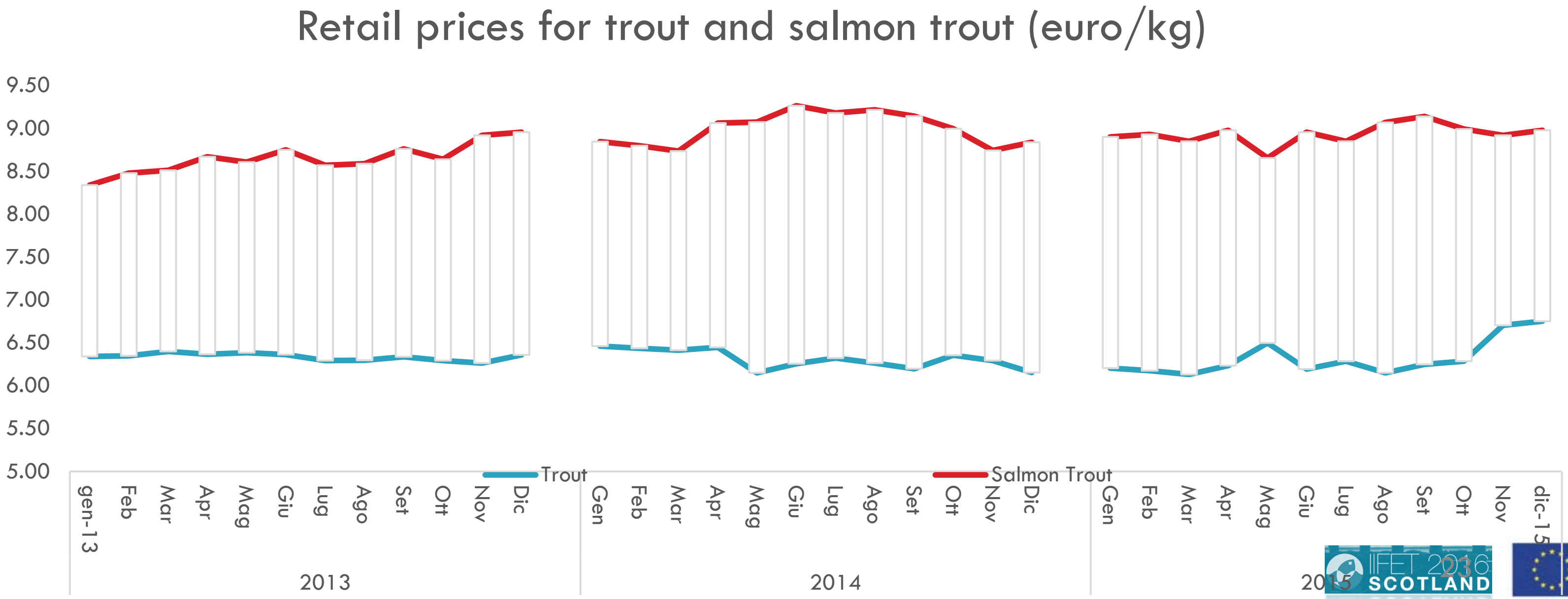
- Italian seabream market is mostly fresh-based with large price swings.
- By tradition Italian consumers are consumers not only of fresh fish, but also of whole fish, especially for seabream.
- Fillets products are still little frequent on the market but expanding. For instance ESSELUNGA sells fillets of seabreams (seabreams are filleted in Greece, where filleting costs are much lower than in Italy).

Consumption – seabram

Category	% 2014	
	volume	value
Fresh e unfrozen	**48,0**	**47,8**
Not processed (natural)	45,3	43,8
Processed	2,8	4,0
Frozen (not packed)	**5,9**	**5,0**
Not processed (natural)	4,9	4,4
Processed	1,0	0,6
Frozen (packed)	**17,7**	**14,7**
Not processed (natural)	8,9	7,8
Processed	8,8	7,0
Preserved food (packed)	**24,0**	**24,2**
Dry, salty and smoked (packed and not packed)	**4,4**	**8,2**
Total of fish products	100,0	100,0
Source: own elaboration, from data Ismea		

Retail prices - Trout and salmon trout price from 2013 to 2015 (only data available).

Last week promotion in Parma



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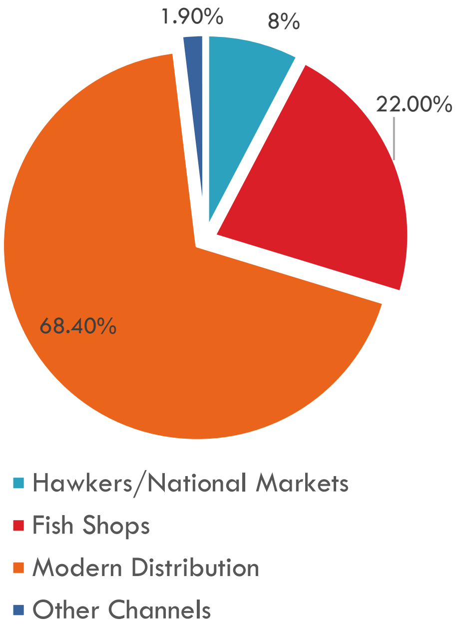
Consumption

Consumer Identikit of Seabream and Seabass		
	Seabream	**Seabass**
Higher Consumer	South - Center	Center and North - West
	Upper Middle income	High income
	Purchasing Manager ≤ 34 Years	Purchasing Manager ≥ 55 Years
	New - Families	Older Couples
Low Consumer	North - East	South
	Low Average Income	Low Income
	Purchasing Manager ≥ 65 Years	Purchasing Manager ≤ 34 Years
	Older Singles	Pre - Families

SEABREAM AND SEABASS



Consumption details in Spain

		Traditional shop	Supermarket	Hypermarket	Direct channel
Seabream	Weight	9.293,54	30.128,76	4.304,91	524,57
	Value	76.525,38 €	214.516,90 €	31.959,02 €	4.078,02 €
	Average price	8,23 €	7,12 €	7,42 €	7,77 €
Seabass	Weight	7.351,38	19.309,16	2.557,42	126,45
	Value	67.434,09 €	153.229,03 €	19.611,16 €	928,03 €
	Average price	9,17 €	7,94 €	7,67 €	7,34 €
Trout	Weight	4.986,93	16.307,69	2.287,23	163,57
	Value	27.362,03 €	92.340,31 €	12.555,18 €	1.002,02 €
	Average price	5,49 €	5,66 €	5,49 €	6,13 €

Source: Own elaboration from MINECO, 2015

Main references

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SEABASS

TROUT

SEABREAM

Thank for the attention

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