

Nordea

Trade Patterns for Pelagic Fish

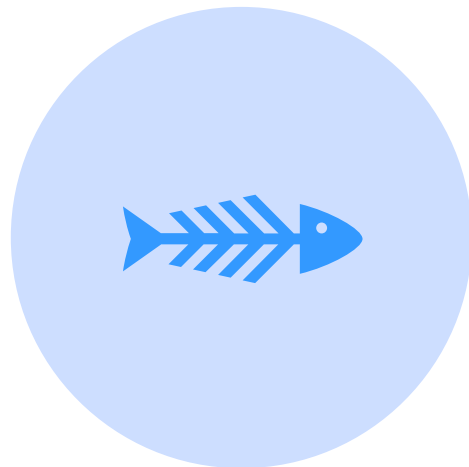
North Atlantic Seafood Forum

Finn-Arne Egeness, Chief Analyst Seafood

March 8th 2023



Significant market flexibility for pelagic fish

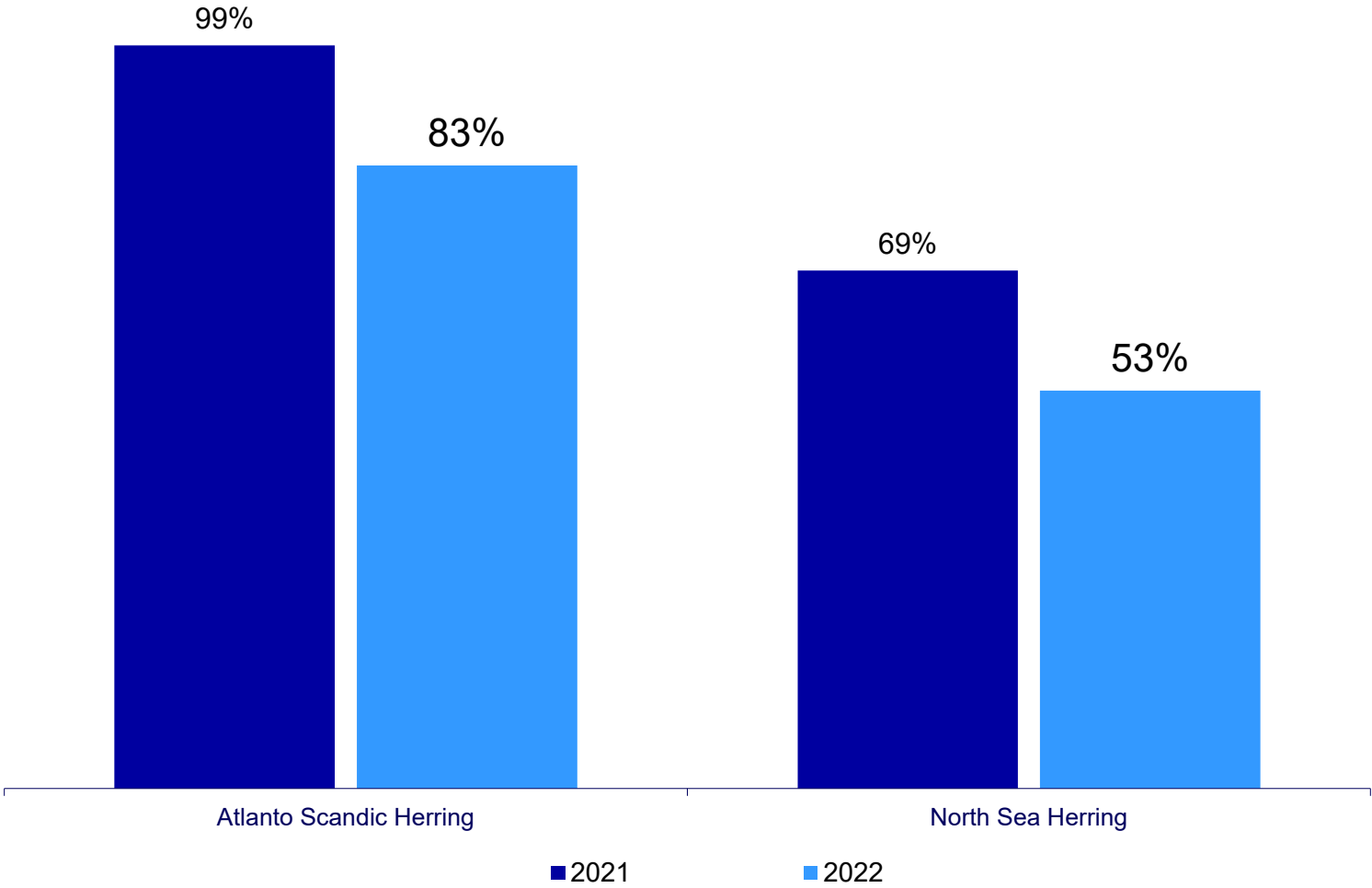


HUMAN CONSUMPTION



FISH MEAL AND FISH OIL

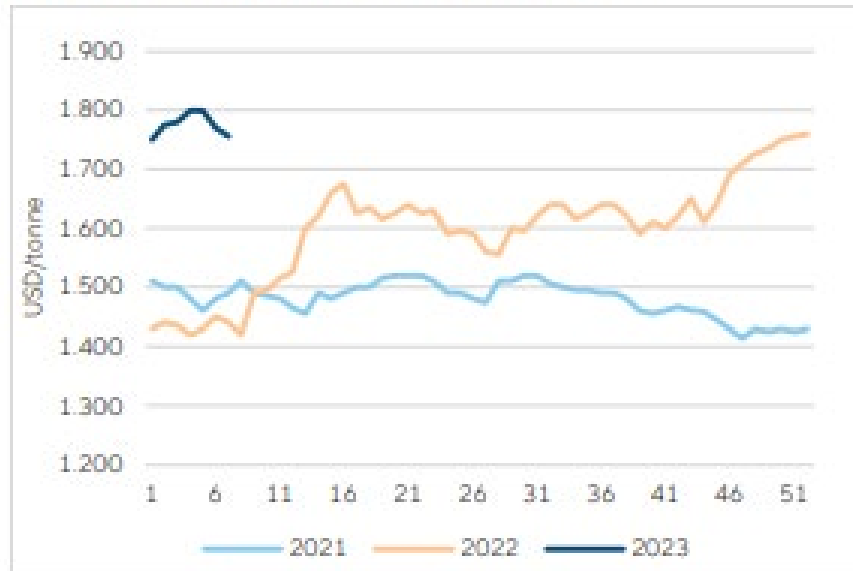
Less herring to human consumption in Norway last year



Source: Norwegian Fishermen Sales Organization for Pelagic Fish

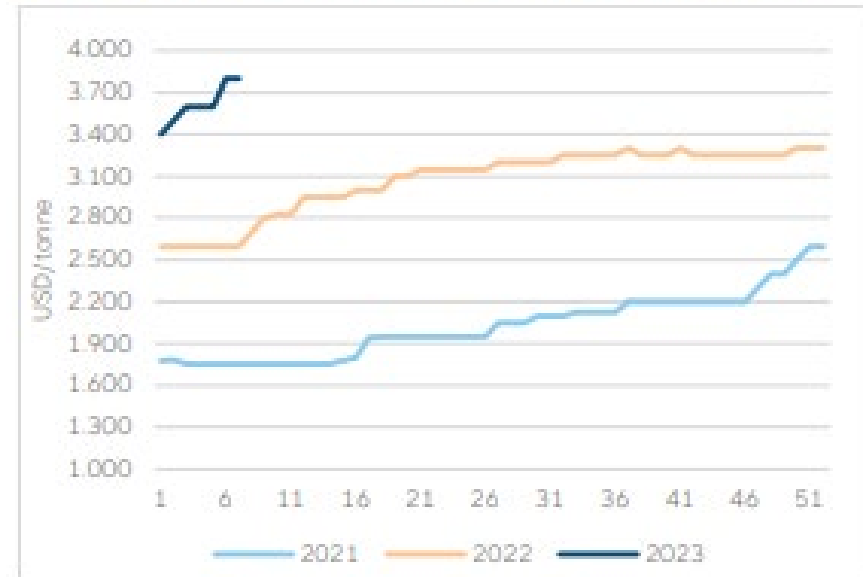
Increased prices for FMO

FISHMEAL (64/65% c&f Hamburg)



	2021	2022	2023
Week 7	1.490	1.440	1.755

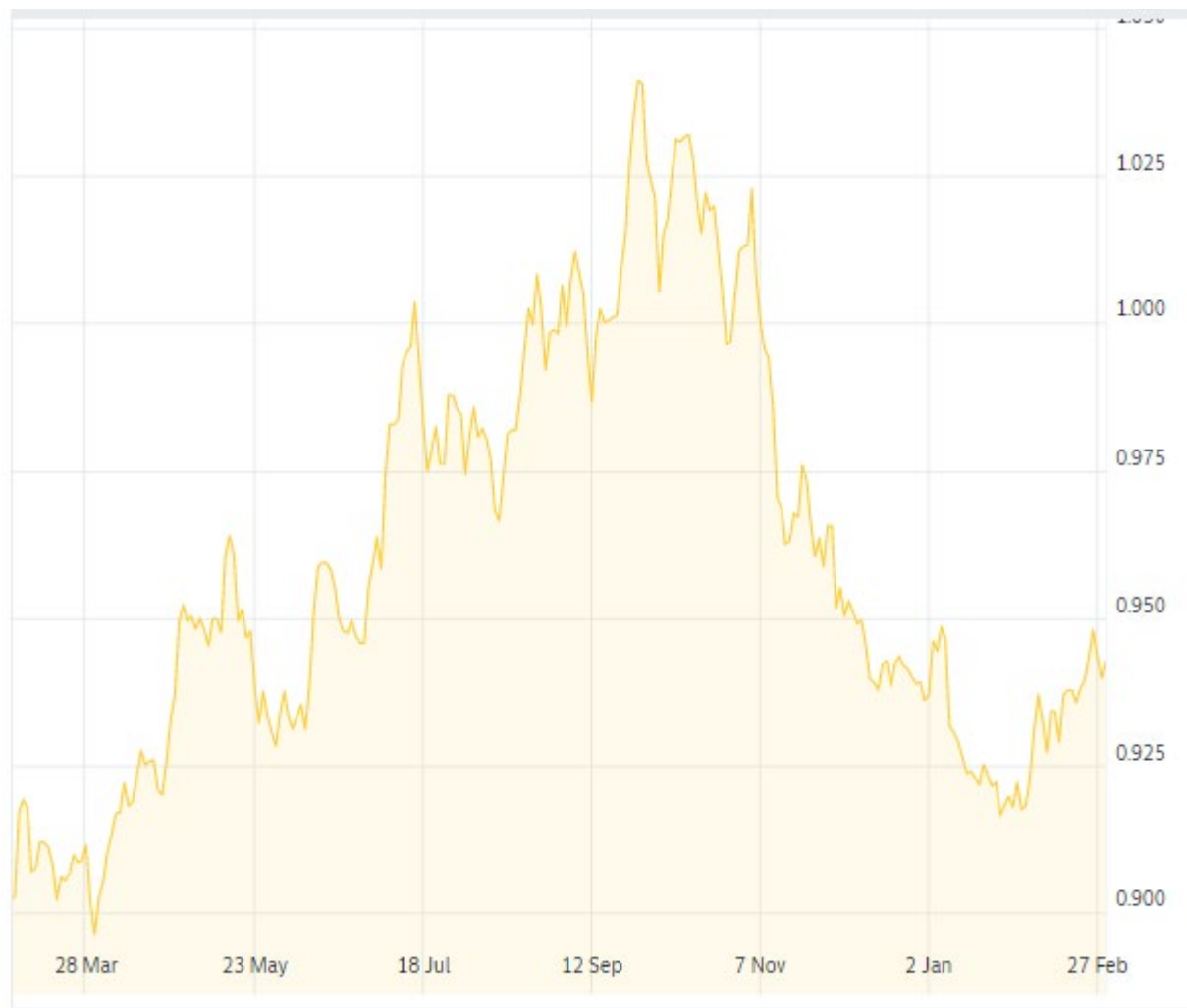
FISHOIL (origin N.W. Europe, c&f Hamburg)



	2021	2022	2023
Week 7	1.750	2.600	3.800

Source: Kontali

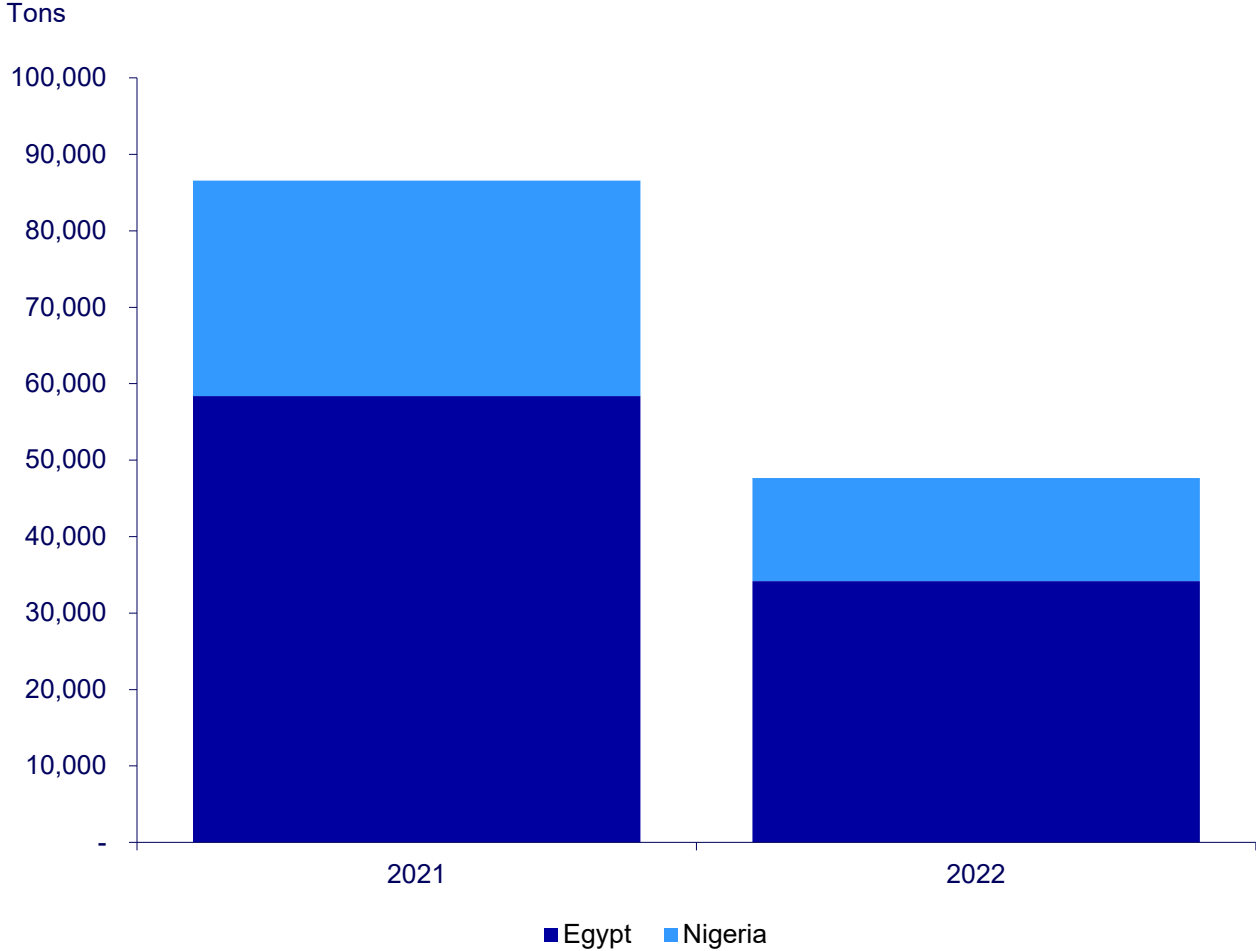
USDEUR supporting FMO as FMO is traded in USD



● USDEUR

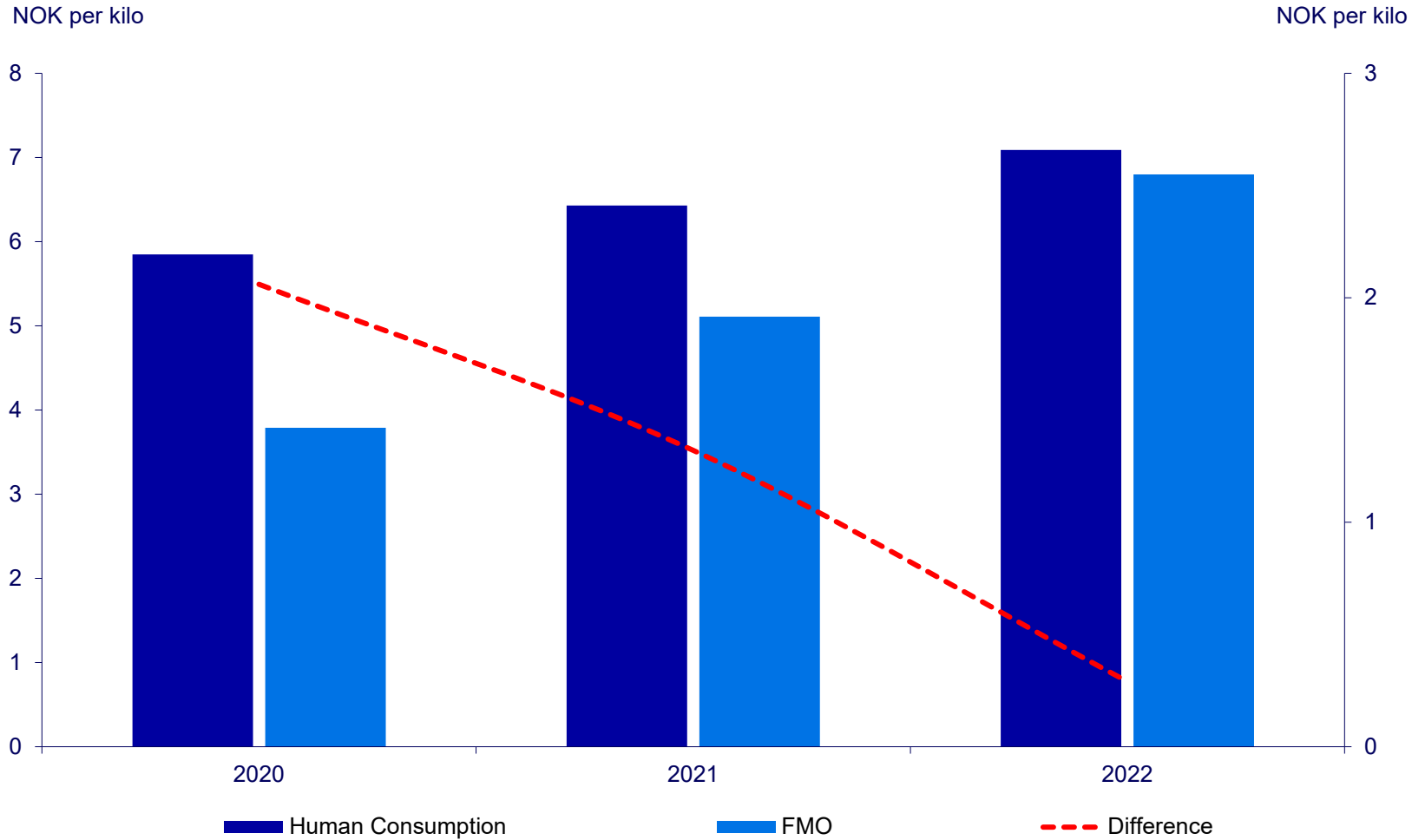
Source: Nordea e-markets

Drop in export of herring from Norway to Egypt and Nigeria



Source: Norwegian Seafood Export Council

Norwegian FMO Producers Paid more for the Herring



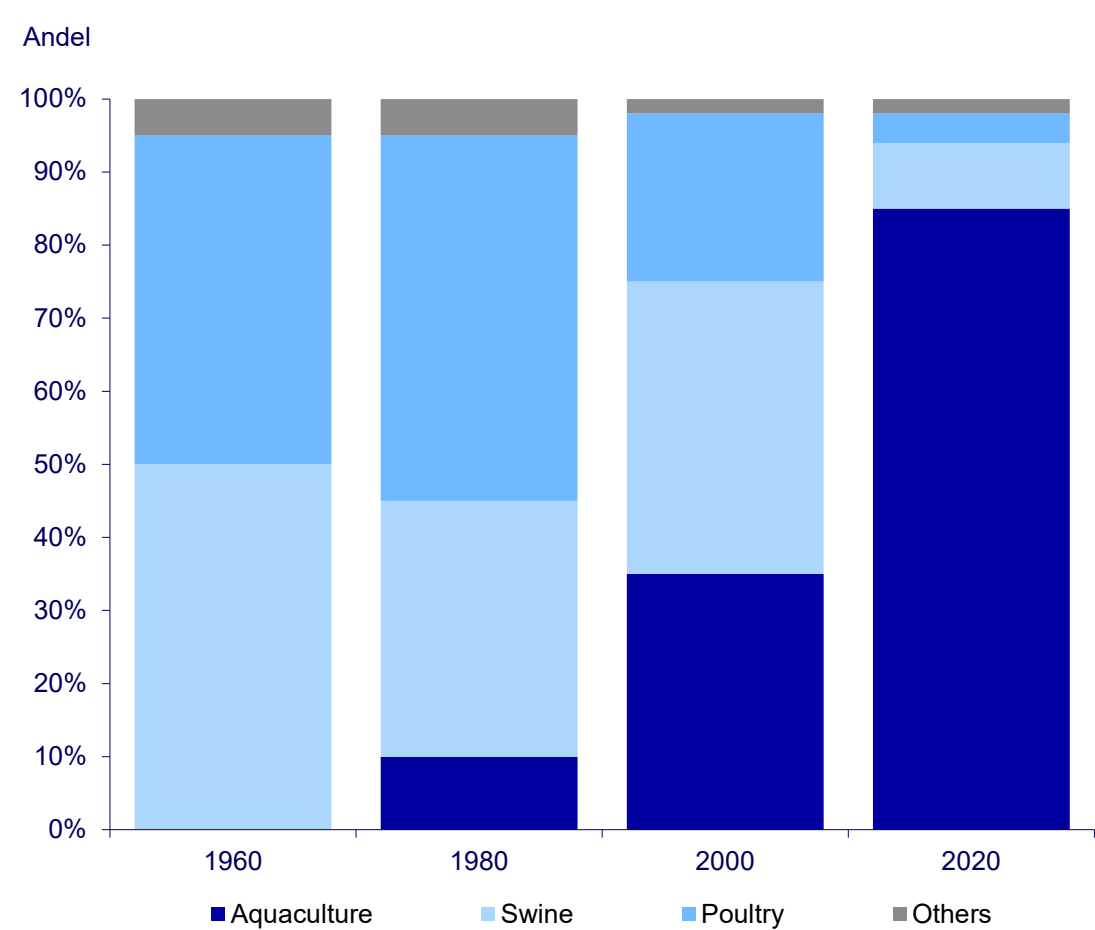
Source: Norwegian Fishermen Sales Organization for Pelagic Fish

Market Outlook

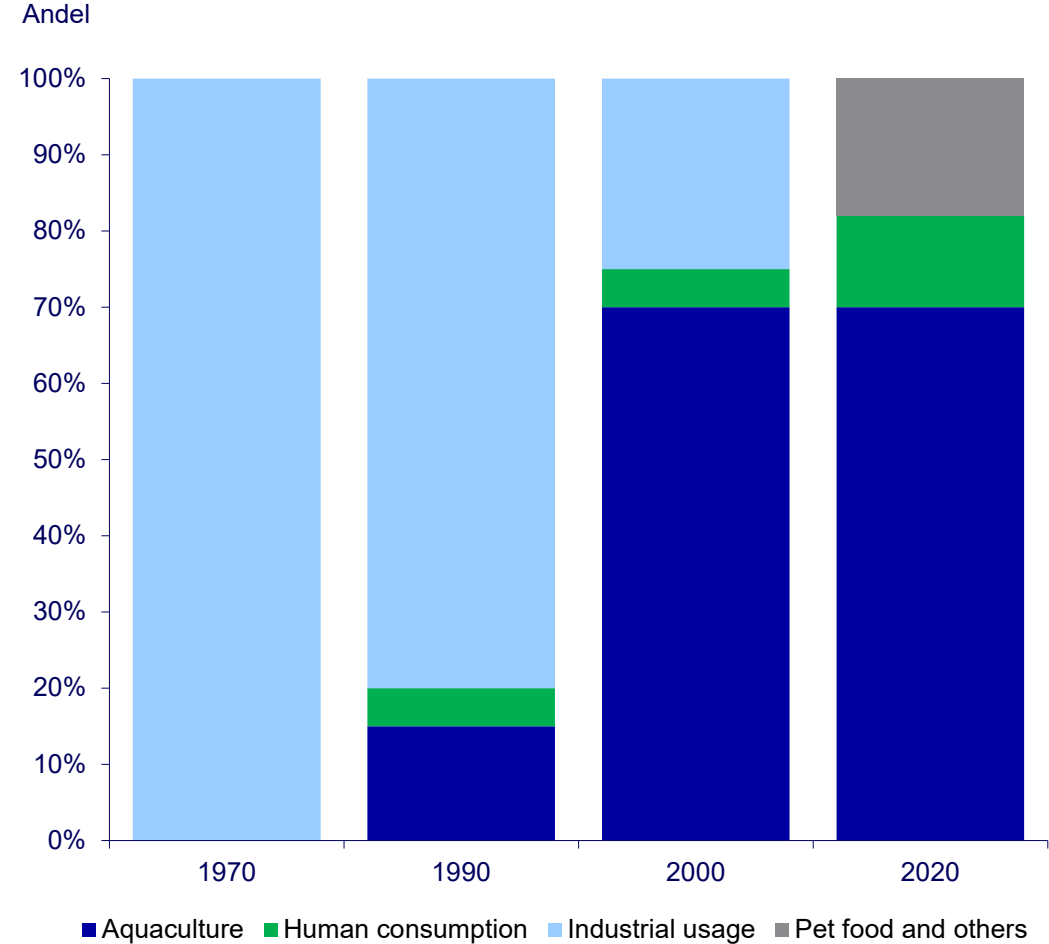
Fish meal and fish oil



Markets for fish meal

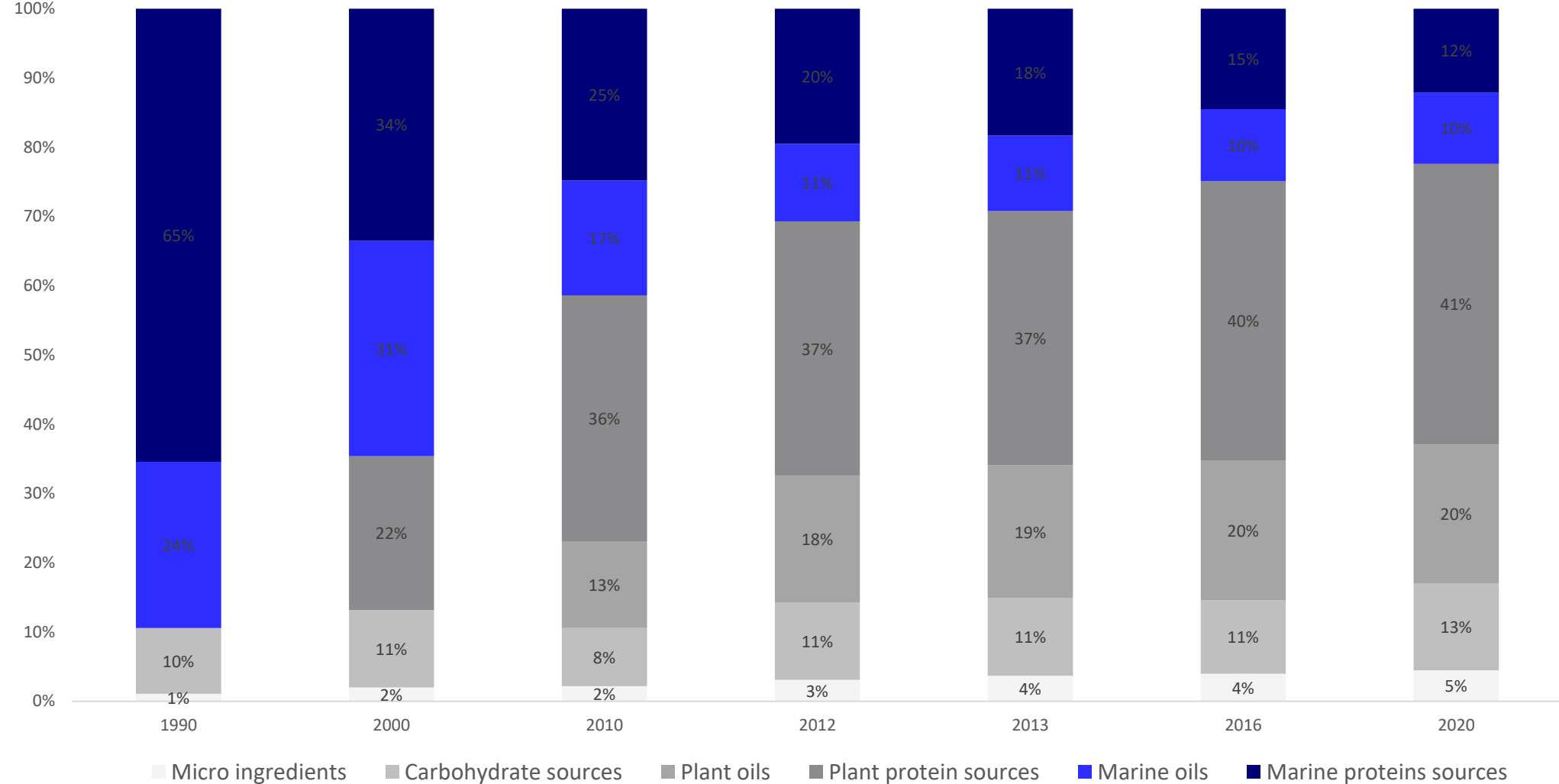


Markets for fish oil



Source: IFFO, Pelagic Fish Forum, Nordea Estimat

Feed Ingredients for Farmed Atlantic salmon



Source: Nofima

Long term trends supporting higher FMO prices

- FMO is to an increasing extent used in aquaculture
- FMO in feed is reduced to cut costs
- Aquaculture is expected to increase

Strong demand outlook for pelagic fish to human consumption



RISING FOOD PRICES



POPULATION GROWTH

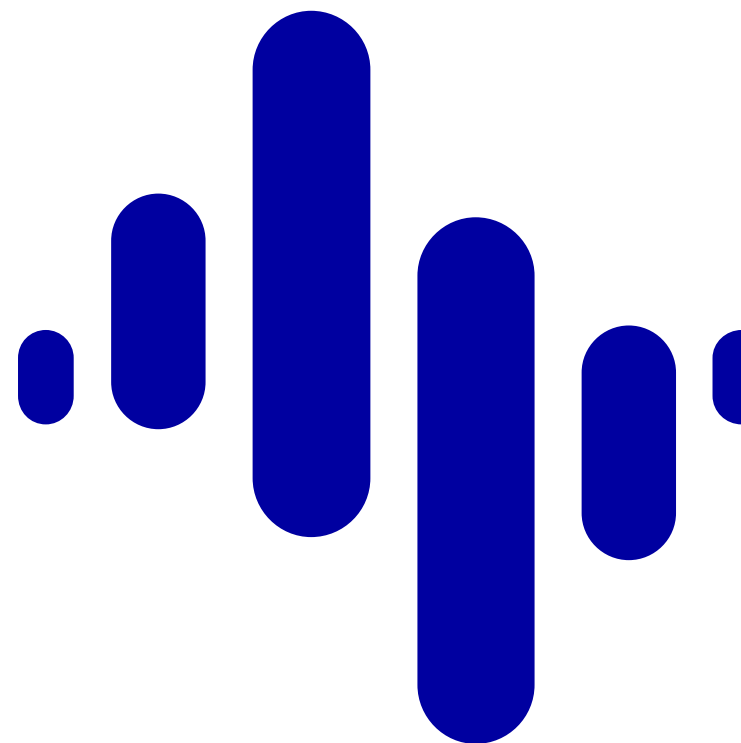


INCREASED HEALTH FOCUS



LOW CARBON FOOTPRINT

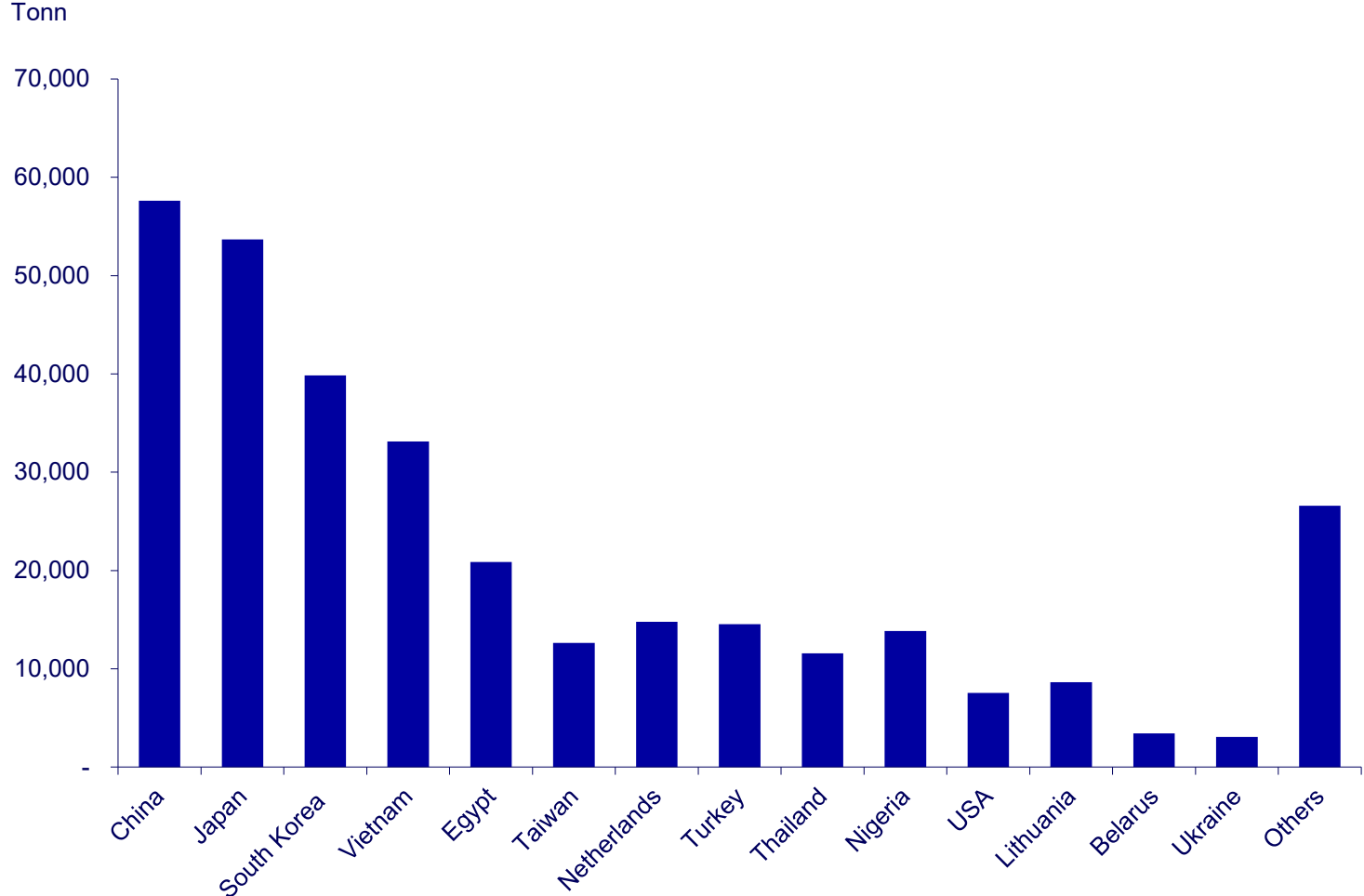
Atlantic Mackerel



Historic trade pattern for Atlantic Mackerel

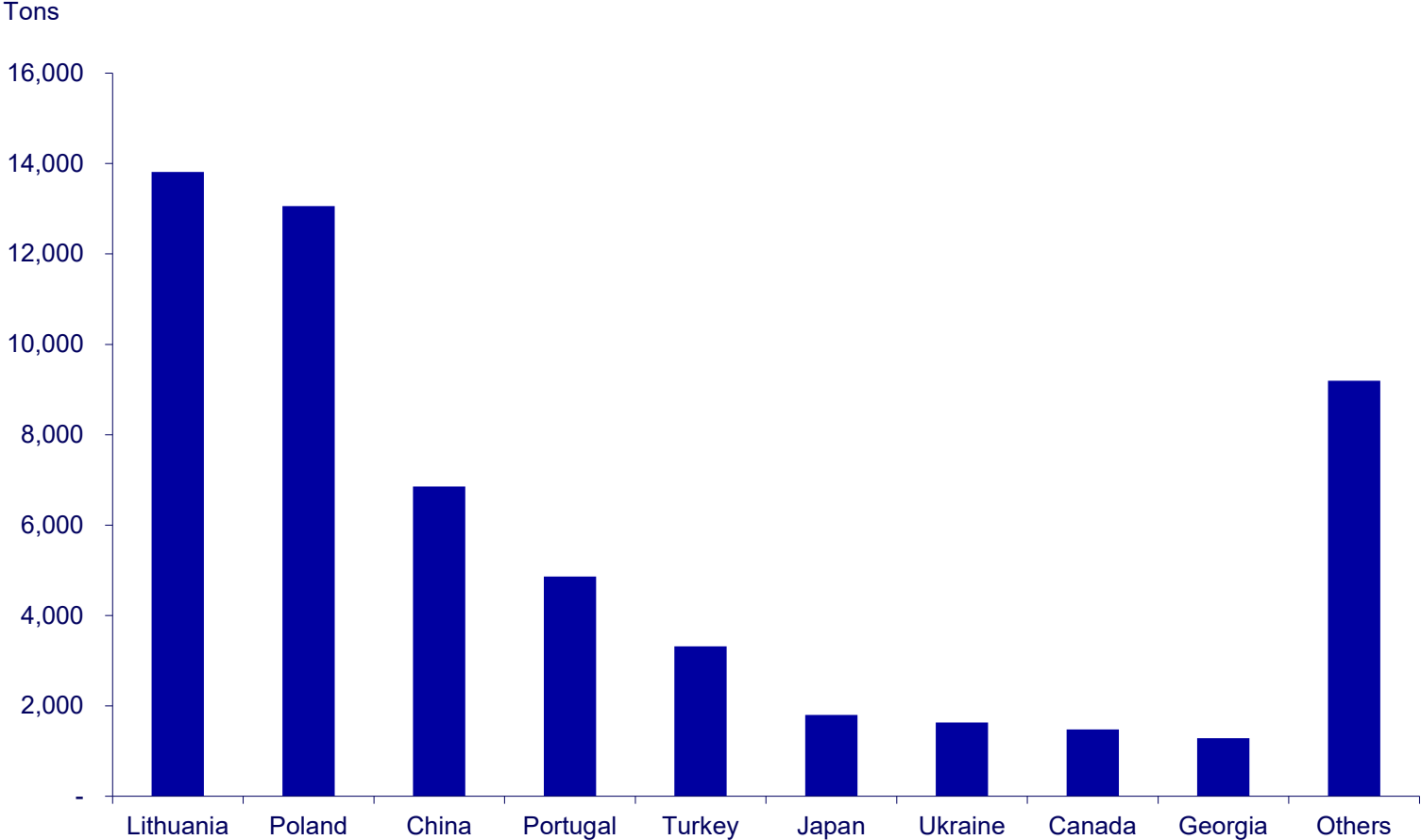
- EU with a fragmented export pattern
 - West-Africa and Middle-East important markets
 - Fresh landings abroad
- Norway has been the number one exporter to Asia
- Iceland exports mainly to Europe
- Faroe Island is the only exporter to Russia

Norwegian Export of Atlantic mackerel (2022)



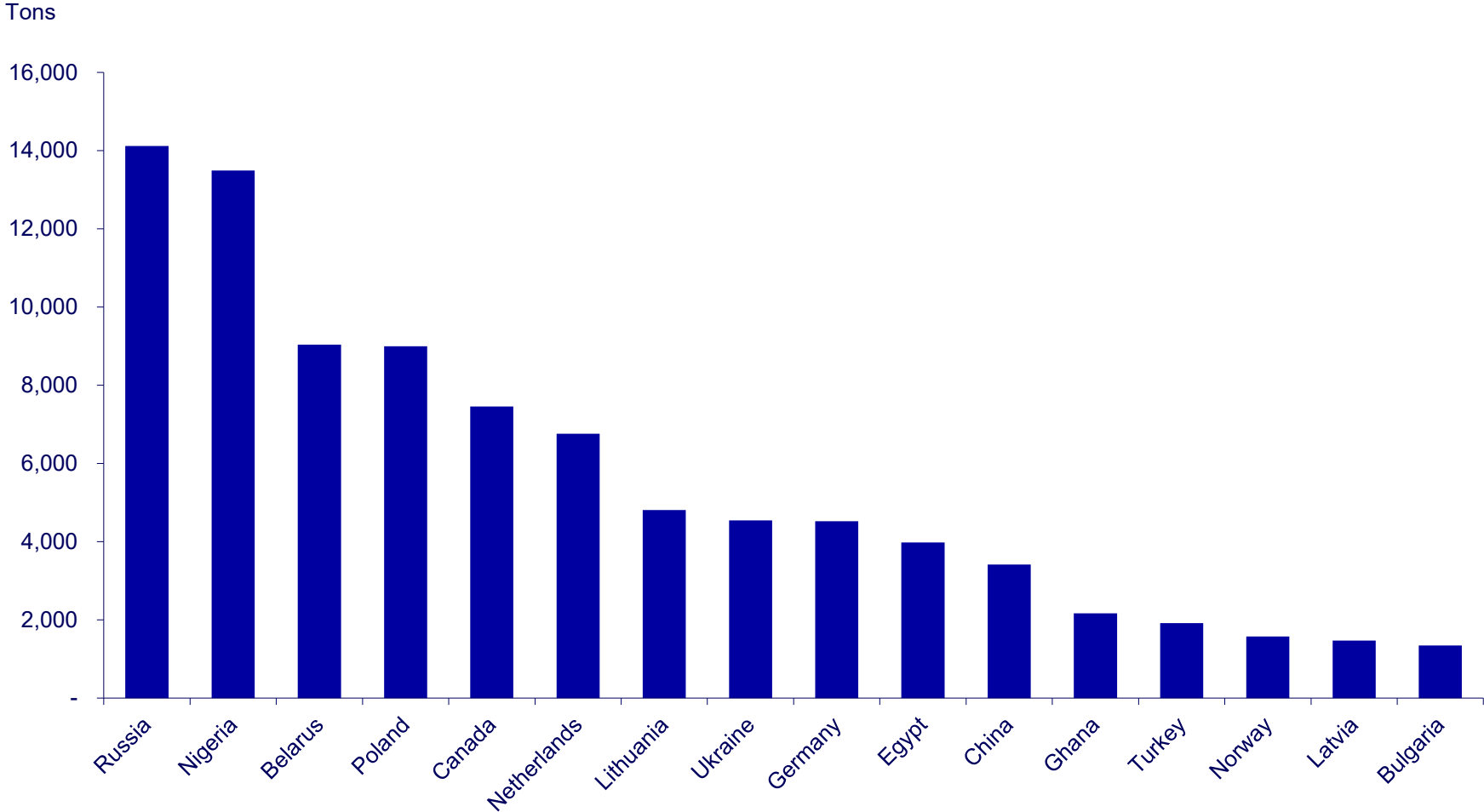
Source: Norwegian Seafood Export Council

Icelandic Export of Atlantic Mackerel (2022)



Source: Sea Data Center, Maritech

Farose Export of Atlantic mackerel



Source: Norwegian Seafood Export Council

3T - Three trade trends

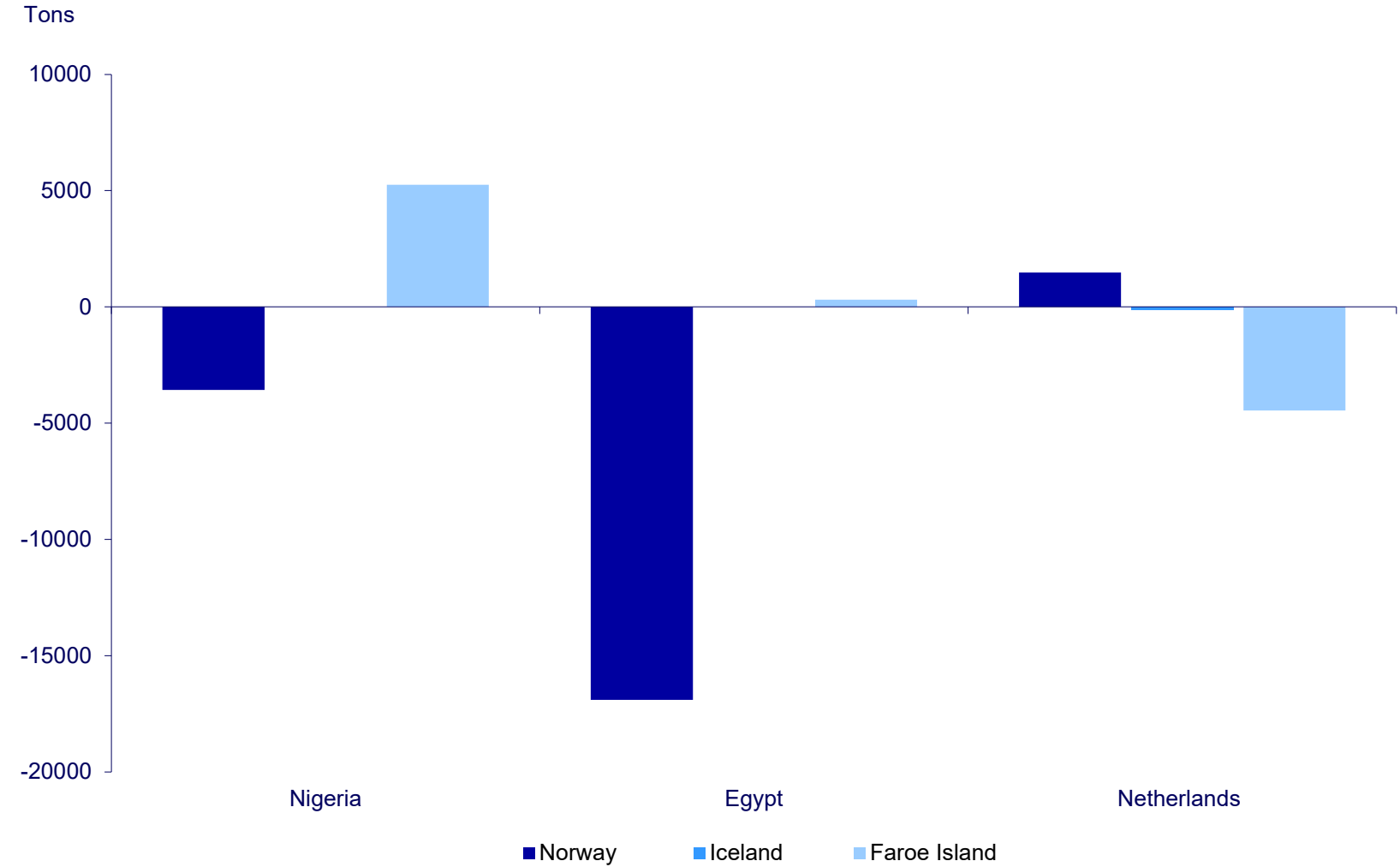
- War effect
- FX challenges in Nigeria and Egypt
- Demand growth in Asia

War effect (2022 vs 2021)



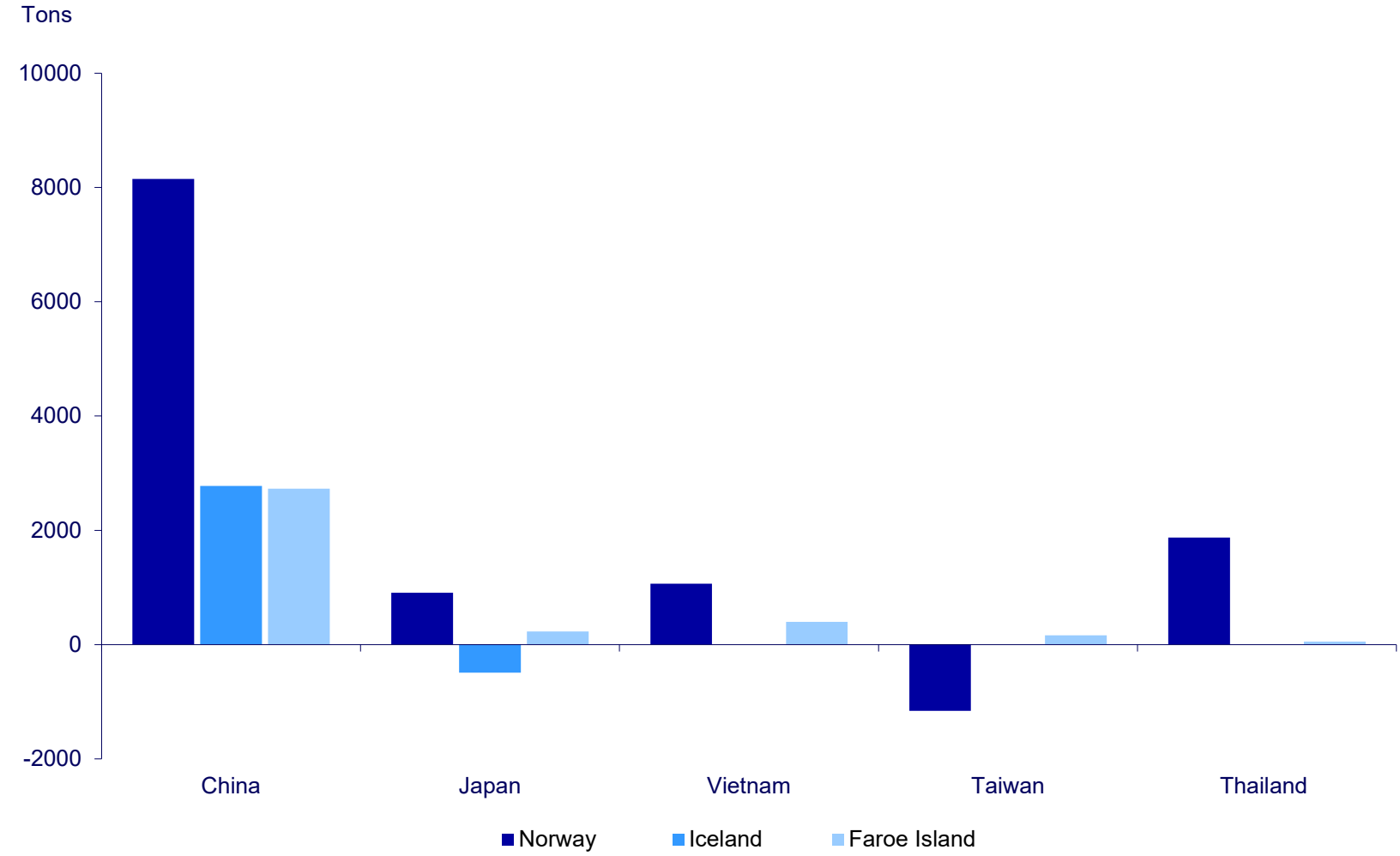
Source: Norwegian Seafood Export Council

FX Challenges (2022 vs 2021)



Source: Norwegian Seafood Export Council

Demand growth in Asia (2022 vs 2021)



Source: Norwegian Seafood Export Council

Challenges for Norwegian Atlantic mackerel

Loss of access to fish in British economic zone (BEZ)

- Atlantic mackerel catching season starts earlier in Norway
- Lower fat content in August and September than in October

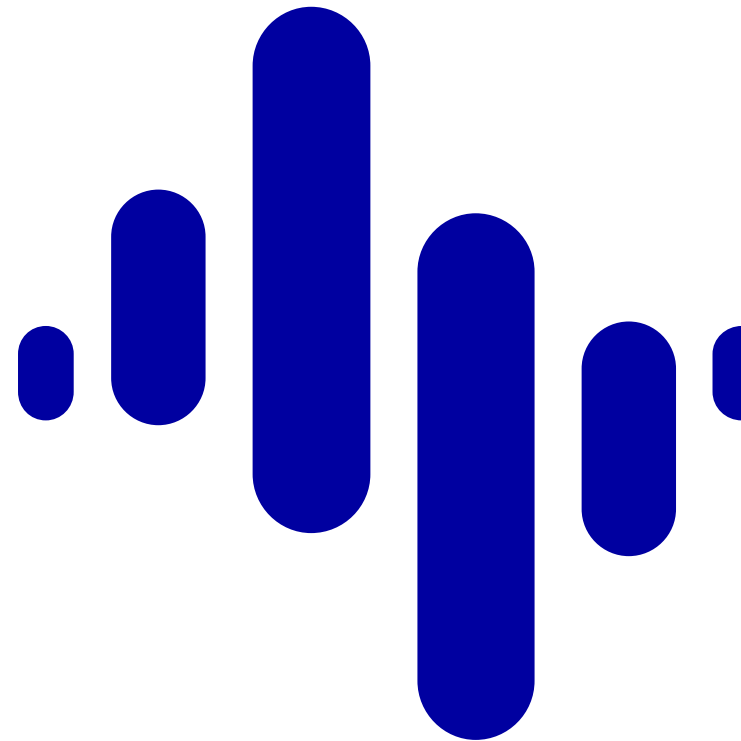
Coastal states increase domestic landings

- 96 220 tons Atlantic mackerel from foreign vessels in Norway in 2022
- 154 000 tons Atlantic mackerel from foreign vessels in Norway in 2014

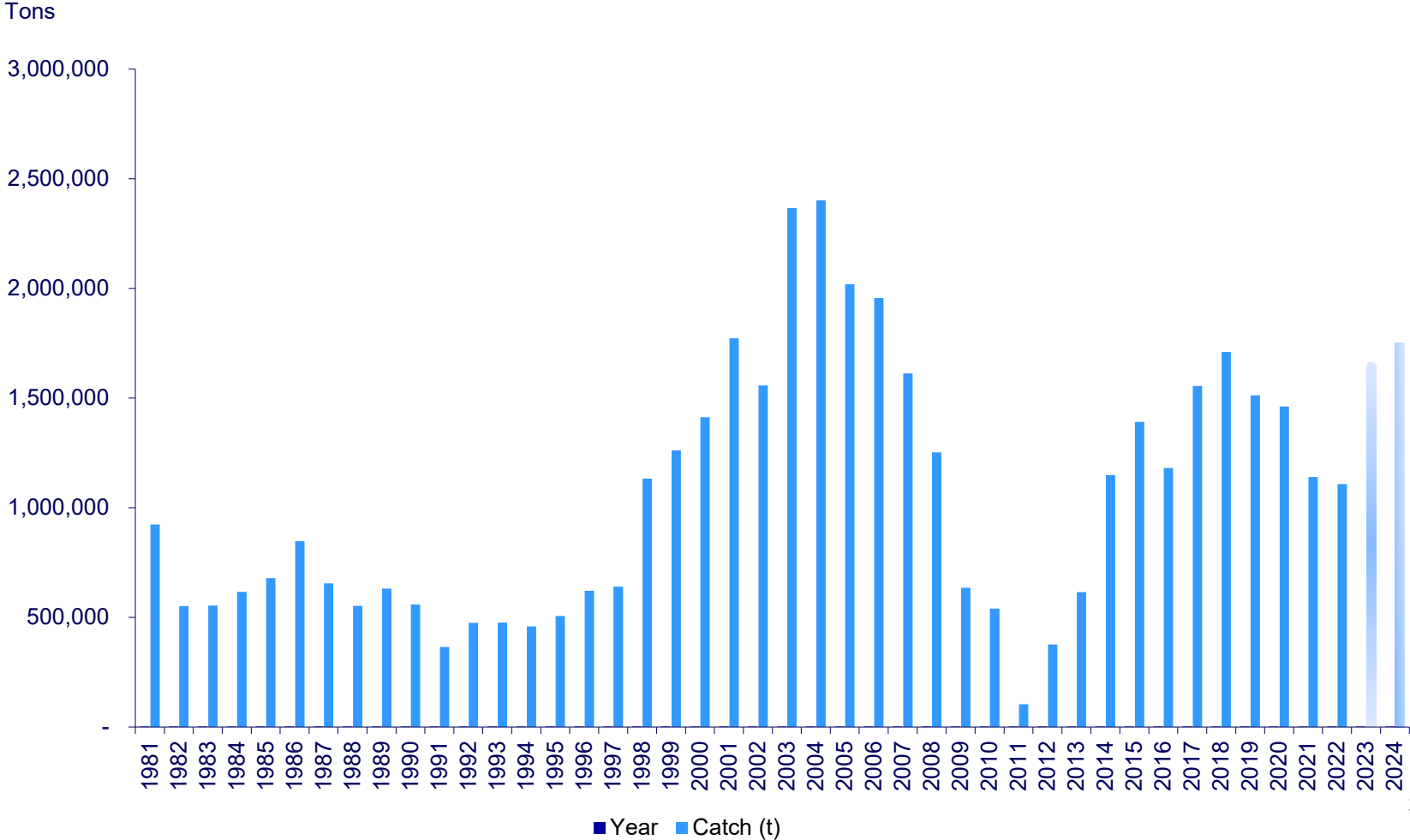
Trade Agreements

- EU-Japan Economic Partnership Agreement

Blue whiting

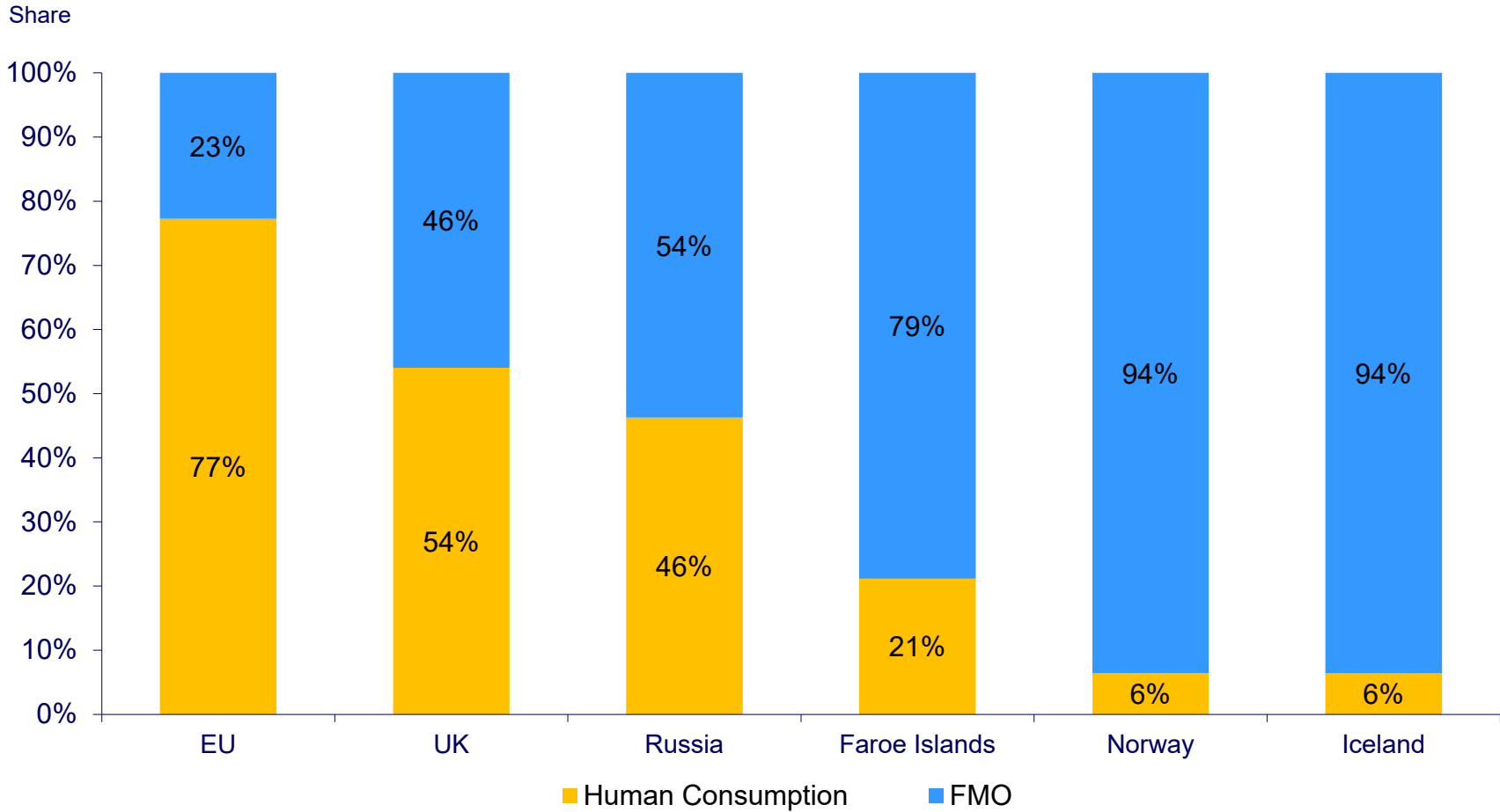


Total catch of Blue whiting



Source: Institute of Marine Research Norway and Nordea Estimats

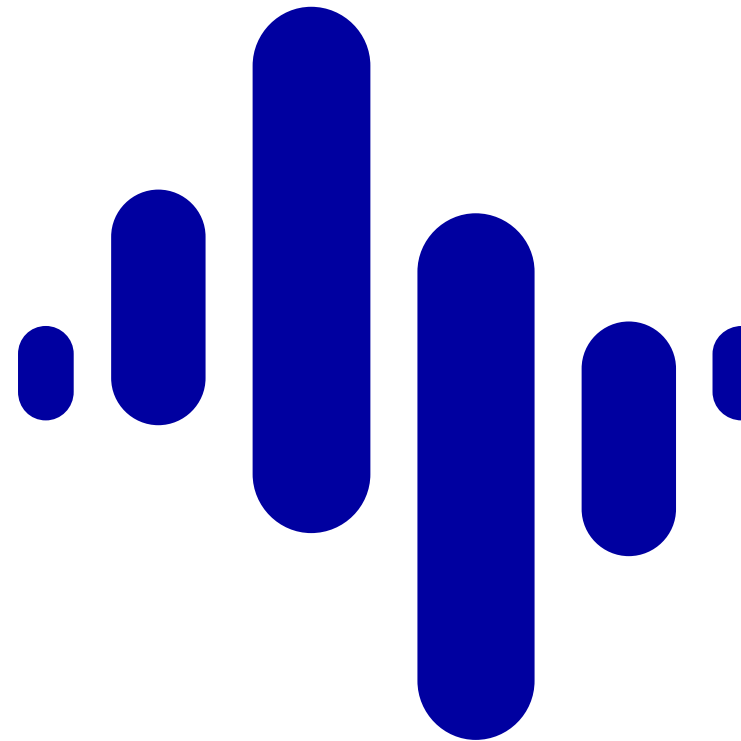
Utilization of Blue whiting



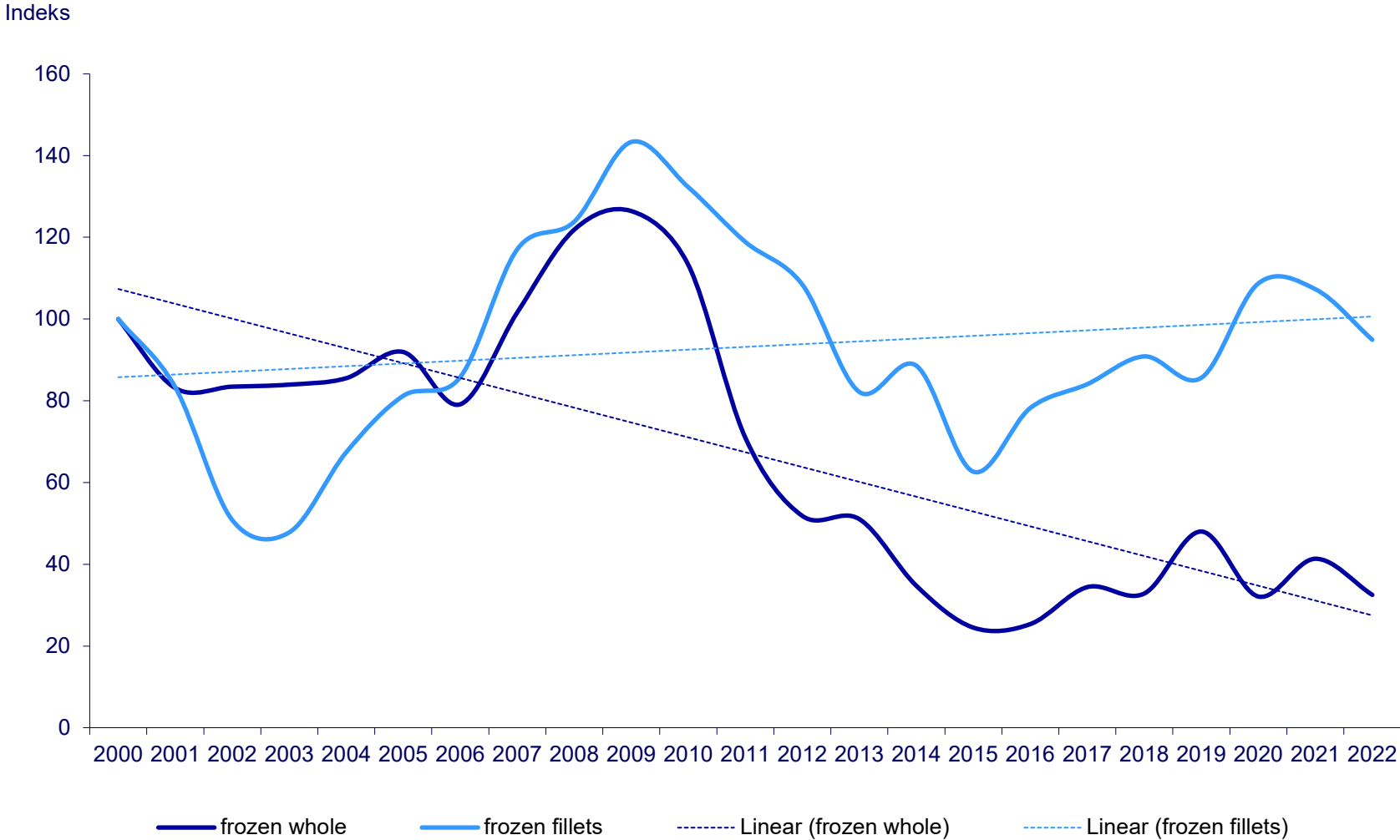
Source: Pelagic Fish Forum, Havforskningsinstituttet, Nordea Estimat

Herring

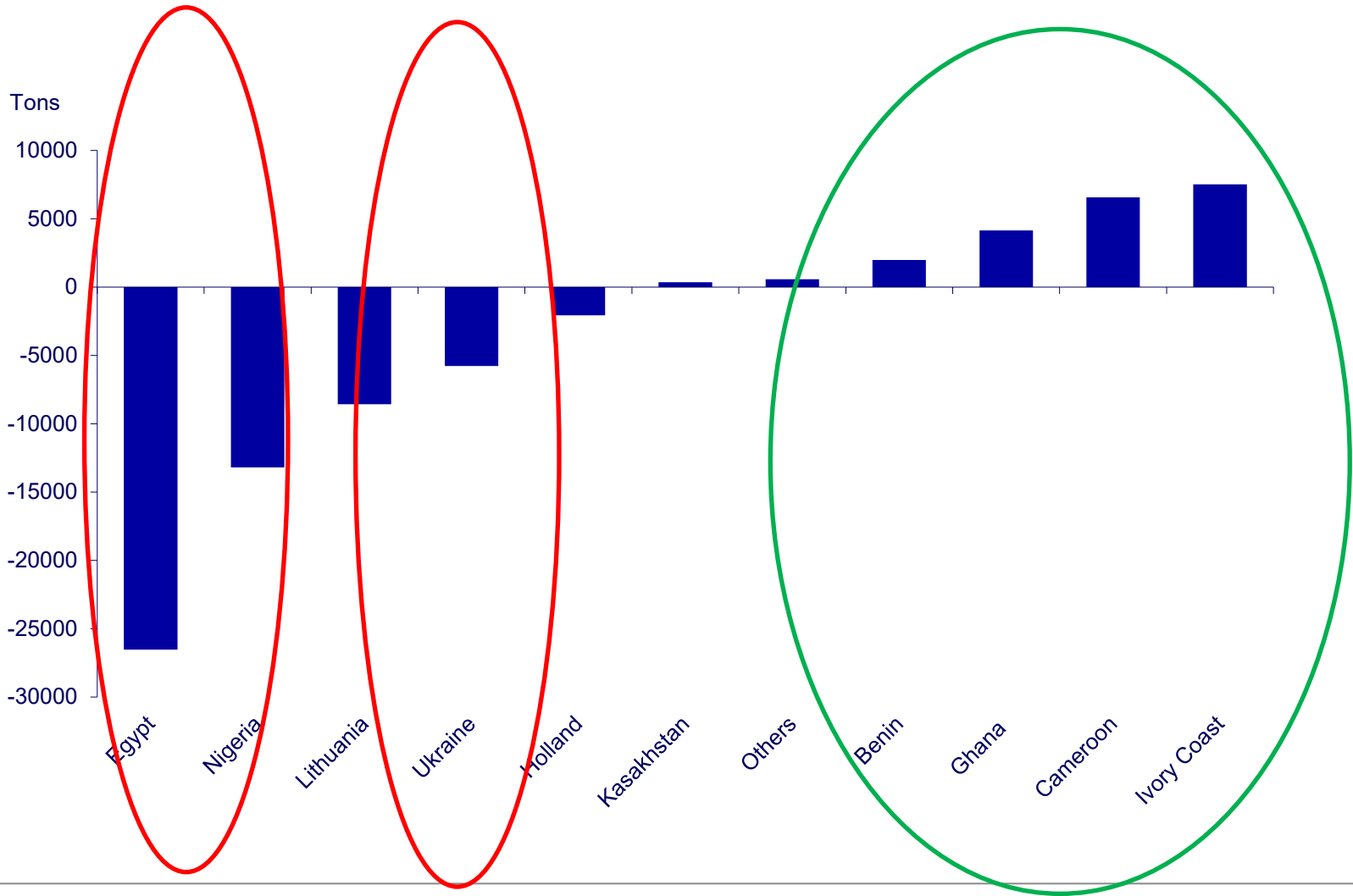
Fillet is the winner



Fillets is the Winner in Norway

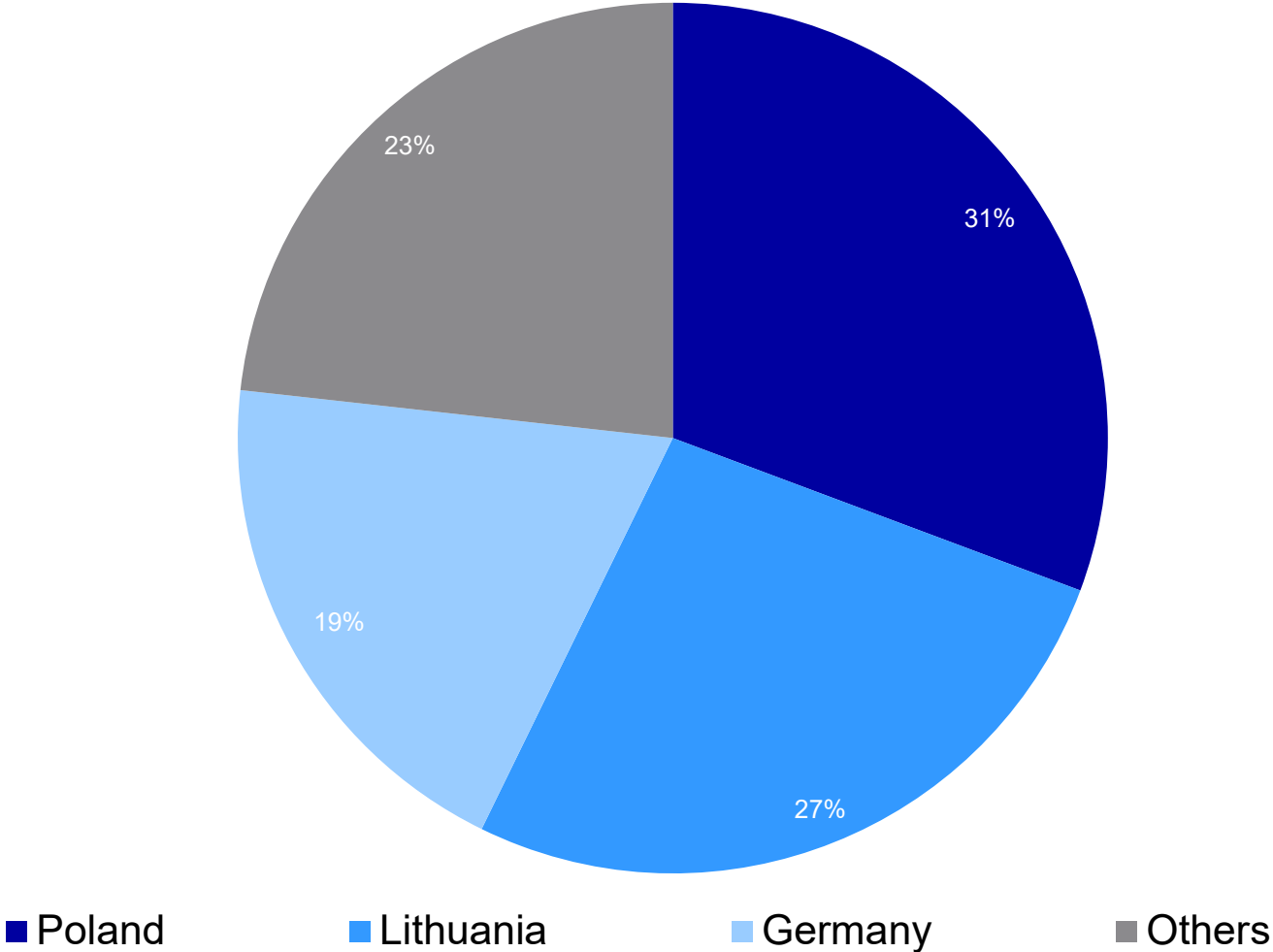


Change in Trade flow of Herring from Norway



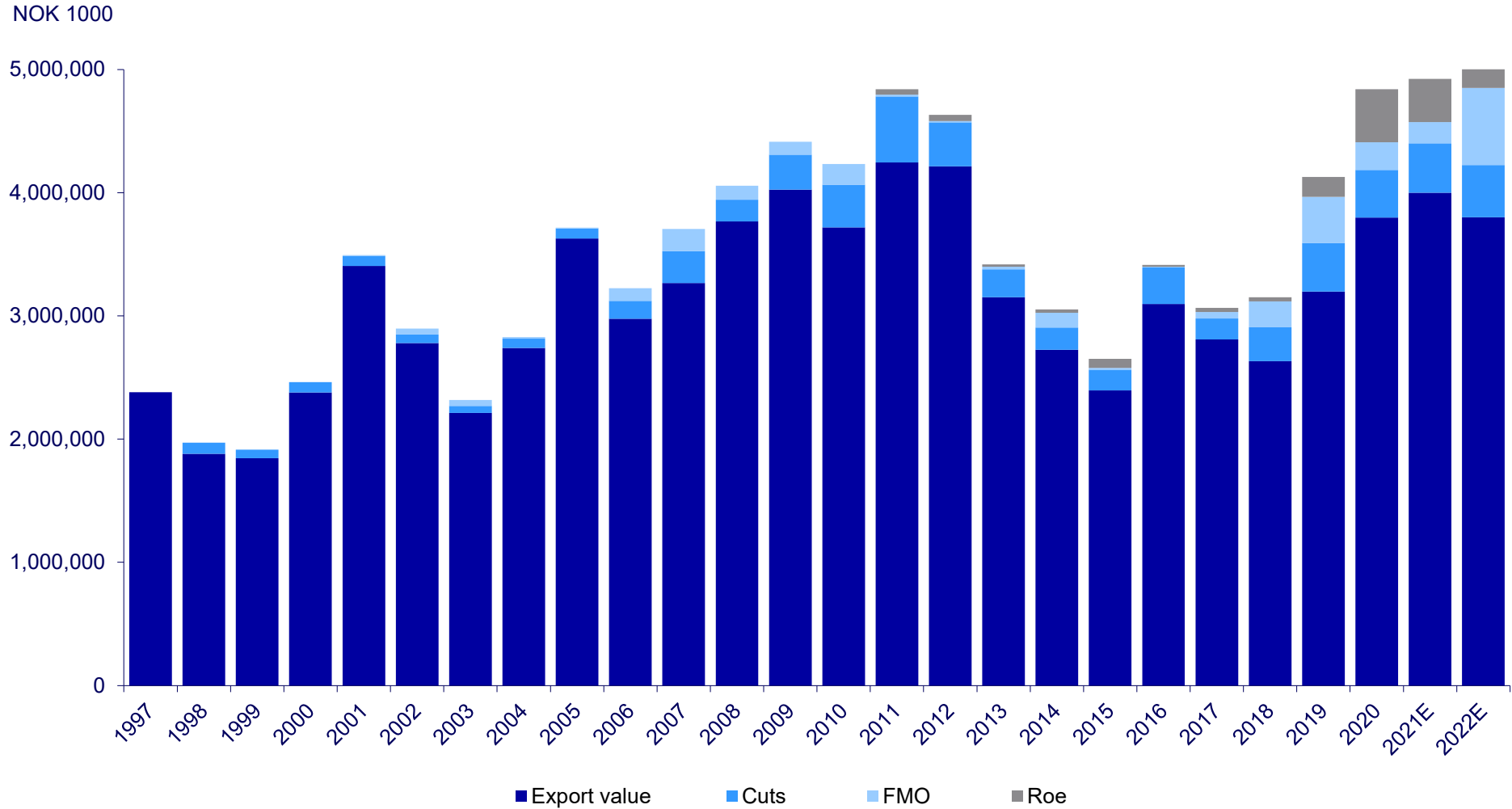
Source: Norwegian Seafood Export Council

Three big markets for Norwegian herring fillets



Source: Norwegian Seafood Export Council

Herring is more than herring



Kilde: Nordea Estimates,

Final remarks

1. Increased demand

2. Increased competition in the Asian market for Atlantic mackerel

3. Vital to utilize the entire fish

Nordea

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