

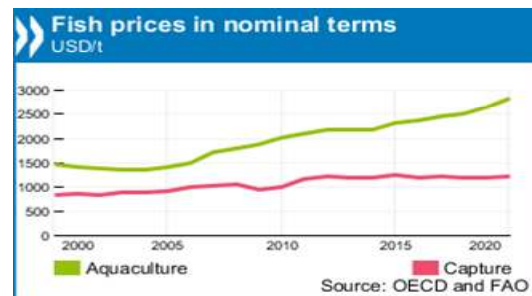
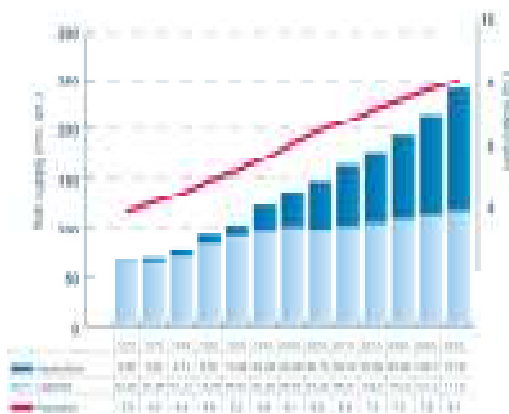
BIM Seafood Bulletin September 2011

Macroenvironment

The **OECD / FAO 2011-2010** outlook forecasts positive long term growth in global seafood market in line with population. Aquaculture volumes are predicted to grow at the rate of 2.8% per annum, while growth of wild caught species will be constrained due to stocking and sustainability issues.

Prices for seafood are predicted to continue to rise in line with growing demand for healthy proteins, growing middle classes particularly in Asia, and relatively limited supplies.

Fish prices and consumption to rise



Ref : FAO / OECD

Food Harvest 2020

In line with positive global perspectives for seafood, the Irish Government has set out a targeted growth strategy for seafood over the coming decade to 2020. Midterm milestones predict an additional 10,000 tonnes of seafood in aquaculture and €100 million in value added by 2015. The seafood strategy identifies a number of drivers including:

- Aquaculture:** Favourable policy environment
Sustainability
- Value-Adding:** Greater collaboration / co-operation
Confidence and dynamism
Innovation / new product development through BIM Seafood Development Centre

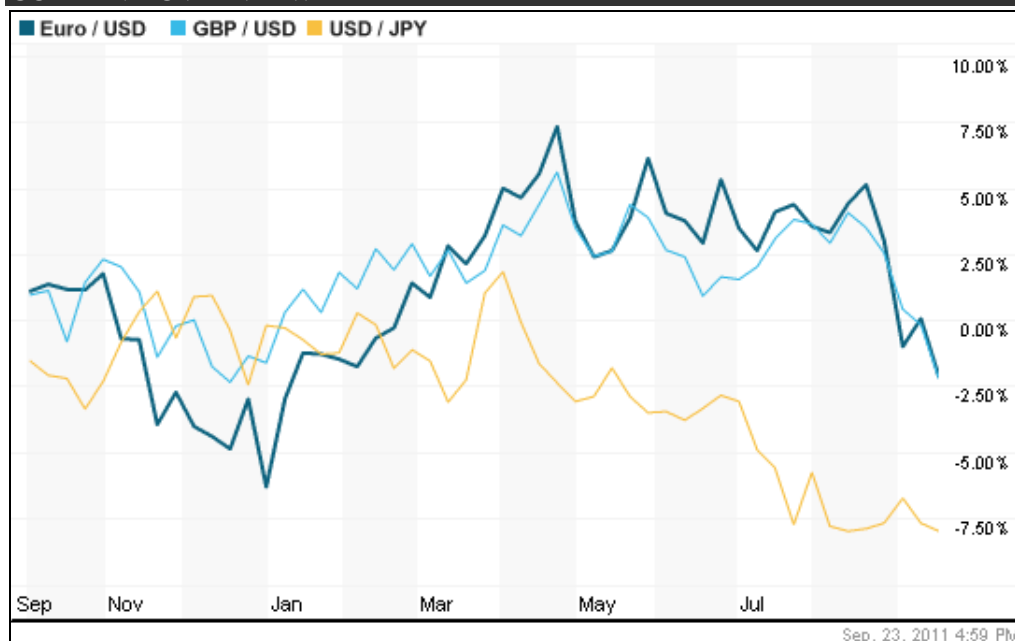
Seafood Markets

After a difficult 2009, characterised by a sharp decline of fish prices and a contraction in demand and trade, the seafood sector experienced solid growth in 2010 and early 2011. This recovery was partly due to higher average fish prices as well as to growing demand. Consumer demand has been particularly strong in developing countries supported by the faster than expected economic upturn.

During 2010 Irish seafood exports expanded by 14% to €378 million, and continue to grow in value during first half of 2011 by 11% despite some reduction in volumes due to holding stocks.

However the turmoil in financial markets since July has created increasing uncertainty among seafood operators in European markets. Higher taxes, reduced government spending in European markets will restrict demand and spending power. Learning from previous market difficulty during 2008/2009, it is likely that while overall volumes of seafood will remain stable, but that there will be a switch to cheaper seafood such as pelagic and cheaper whitefish products and overall pressure on prices.

CURRENCY OVERVIEW



Irish Seafood 2010

Seafood Exports for 2010, compared with 2009

- Salmon was up by 43% in volume to 8.8 thousand tonnes and by 18% in value to €55.5m. A similar situation was experienced in Norway with an increase of 9% in the value of Salmon exports.
- Pelagic exports were up by 5% in value to €124m and by 18% in volume to 134 thousand tonnes.
- Whitefish exports were up by a massive 77% in volume to 30.1 thousand tonnes and by 13% in value to €46m but there was a large drop in unit value from €2400 to €1532 per tonne.
- Shellfish exports were increased in volume to 40 thousand tonnes with an increase in value by 18% to €135.5m.
- Overall exports for year showed a 29% increase in volume to 274 thousand tonnes and an increase in value by 14% to €378m.

Domestic Market for 52 weeks ending to 26th December 2010 show:

- Spend of €187million on seafood which is a decrease of 9.6% on the previous year
- Spend on fresh fish showed a decrease of 12.3% to €109million whilst frozen fish sales also showed a decrease of 5.5% to €78million
- Prepack sales were down 6.7% to €153million and loose fish sales were also down by 20.7% to 33.4 million
- Salmon spend is down by 19.2% to €54.6million due to reduction in amount bought per shopping trip by buyers and less frequent shopping occasions
- Mackerel spend is down by 12.1% to €4 million due to decrease in amount purchased, price and number of buyers
- Mussel spend is up by 9.9% to €1.6million due to increase in price and number of buyers, whilst prawn spend showed a decrease of 6.4% to €18.6 million
- Cod and Haddock showed decreases in spend of 2.3% to €42million and 2.2% to €13.2 million respectively whilst Whiting showed a spend increase of 21.8% to €4.5 million.

Irish Seafood 2011

Seafood Exports up to end of May, compared with same period for 2010

- Salmon is down by 22% in volume to 2.7 thousand tonnes and by 19% in value to €18.6m.
- Pelagic exports are up by 29% in value to €90m with a slight decrease in volume to 74 thousand tonnes.
- Mackerel exports increase by a massive 59% in value in the year which was also experienced by the Norwegians whose exports soared by 55% for January to June compared to the same period last year.
- Norwegian exports of herring rose by 37% in the first half of 2011 whilst Irish Herring exports grew by a massive 239% in value in the year to May 2011
- Whitefish exports are down in both volume and value to €18.5m; however there was an increase in unit value from €1,300 to €3,300 per tonne.
- Shellfish exports were slightly down in volume to 16.5 thousand tonnes with an increase in value by 8% to €50.8m.
- Overall exports for year to date are showing a 7% decrease in volume to 124 thousand tonnes and an increased in value by 11% to €185m.

Domestic Market for 52 weeks ending to 7th August 2011 show

- Spend of €182million on seafood which is a decrease of 5.1% on the previous year
- Spend on fresh fish showed a decrease of 7.2% to €107million whilst frozen fish sales also showed a decrease of 2% to €76million
- Prepack sales were down 3.6% to €150million and loose fish sales were also down by 11.7% to 32.4 million
- Salmon spend is down by 13.7% to €51.7million due to reduction in no. of buyers and amount bought per shopping trip
- Mackerel spend is up by 9.3% to €4.2 million due to increase in amount purchased and more shopping trips
- Mussel spend is also up by 25% to €1.8million due to increase in price and number of buyers, whilst prawn spend showed a decrease of 7.9% to €17.6 million
- Cod and Haddock showed decreases in spend of 1.9% to €40million and 9.1% to €11.6million respectively whilst Whiting showed a spend increase of 9.6% to €5.1 million.

**Unit Price per Tonne for Irish Seafood
(Calculated on Exports Tonnes/Value Exports)**

SPECIES	2008	2009	2010	% Change 08-09	% Change 09-10	May-10	May-11	% Change May 10-11
ALL SALMON	6068	7614	6279	25%	-18%	6619	6853	4%
ALL TROUT	4929	6321	6381	28%	1%	6451	20962	225%
ALL OTHER FRESH WATER	3594	4208	4128	17%	-2%	3528	3985	13%
ALL FRESHWATER FISH	5740	7253	5980	26%	-18%	6209	6215	0%
ALL BLUE WHITING	739	556	493	-25%	-11%	471	835	78%
ALL HERRING	905	1050	1095	16%	4%	1038	1428	38%
ALL HORSE MACKAREL	687	732	726	7%	-1%	697	925	33%
ALL MACKEREL	1544	1509	1393	-2%	-8%	1401	1382	-1%
ALL TUNA	2206	2189	2259	-1%	3%	2260	2710	20%
ALL OTHER PELAGIC	1988	1832	1752	-8%	-4%	1725	1780	3%
ALL PELAGIC	1072	1039	925	-3%	-11%	922	1226	33%
ALL COD	2428	2195	2416	-10%	10%	2170	2532	17%
ALL HADDOCK	2646	2719	2535	3%	-7%	2695	2893	7%
ALL HAKE	2974	2234	1815	-25%	-19%	1958	2188	12%
ALL MEGRIM	4188	3234	3440	-23%	6%	3075	3756	22%
ALL MONKFISH	5137	4972	3474	-3%	-30%	4319	4627	7%
ALL PLAICE	3575	2672	3202	-25%	20%	3626	4056	12%
ALL POLLOCK	1719	1373	1591	-20%	16%	1686	1999	19%
ALL SOLE	6437	6809	7144	6%	5%	6431	6312	-2%
ALL WHITING	2882	3082	2035	7%	-34%	2449	2370	-3%
ALL OTHER WHITEFISH	2541	1616	815	-36%	-50%	688	3316	382%
ALL WHITEFISH	3042	2400	1532	-21%	-36%	1349	3327	147%
ALL CRAB	4235	3858	4134	-9%	7%	3663	3572	-2%
ALL PRAWNS	7280	6466	6799	-11%	5%	6439	7522	17%
OTHER CRUSTACEANS	11540	9957	11071	-14%	11%	6197	7520	21%
ALL CRUSTACEANS	5910	5206	5569	-12%	7%	5369	5649	5%
ALL MUSSELS	1689	1383	1294	-18%	-6%	1169	1141	-2%
OTHER MOLLUSCS	3941	3358	3975	-15%	18%	3900	4816	23%
ALL MOLLUSCS	2386	2087	2300	-13%	10%	1844	2121	15%
ALL SHELLFISH	3727	3175	3407	-15%	7%	2698	3074	14%
FISH MEALS AND OILS	4534	188	163	-96%	-14%	183	152	-17%
TOTAL IRISH EXPORTS	2046	1557	1378	-24%	-11%	1258	1496	19%