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Canada

International
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Bureau

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Inside Russia
Seafood Trade

Growing Forward

Canada

TRADE SUMMARY

Russia is an important market for Canadian exports of fish and seafood. Canada's share of the Russian fish and seafood market has increased from US$92.2 million in 2010 to US$114.7 million in 2011.

From a global perspective, Russia is the fifteenth-largest importer of fish and seafood, importing almost US$2.6 billion in 2011, an increase of 19.1% compared to 2010. The main suppliers to Russia are Norway (36.3%), China (12%), Iceland (6.3%), and Canada (4.5%).

Russia's main global fish and seafood imports in 2011 included fresh or chilled salmon with bones (US$549.9 million), frozen shrimp and prawns (US$262.5 million), mackerel (US$230.5 million), frozen fish fillets (US$195.8 million), and frozen fish with bones (US$188.8 million).

In 2011, Russia exported just over US$2.7 billion of fish and seafood products globally, an increase of almost 22% from 2010. Russia's main exports were frozen fish with bones (US$1.1 billion), frozen fish livers and roe (US$269.3 million), frozen fish fillets (US$254 million), frozen crab (US$206.5 million), and frozen salmon (US$193.2 million)

Top destinations for Russian fish and seafood included China (39.7%), South Korea (38.2%), and Japan (7.4%).

CANADIAN PERFORMANCE

In 2011, Canada was the fourth-largest supplier to Russia, with US$114.7 million worth of fish and seafood (based on Russian import data). Fish and seafood exports to Russia increased by 24.5% from 2010 to 2011. Much of this growth can be attributed to an increase in Canadian exports of frozen shrimp and prawns, which totaled US$84.5 million in 2011, whiting and hake, totaling US$18.2 million, and salmonidae, at US$2.9 million.

In 2011, Russia received 2.6% of Canada's fish and seafood exports, while the United States received 61.8%, China 9.1% and Japan 6.1%.

Canada's fish and seafood exports to Russia were largely led by shipments of frozen shrimp, with US$84.5 million and 58,000 tonnes in 2011. This represents a 31% increase in value from 2010. This product has shown value growth of nearly 1500% since 2001. Canada's share of this sector of the market was 32% in 2011, making it the top supplier. China and Denmark have ranked a distant second and third, respectively, since 2010. Based on tonnage, Canada held more than 44% of the Russian frozen shrimp market in 2011, almost double the share of its Chinese (23%) and Danish (17%) competitors.

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Top 10 Suppliers of Russian Fish and Seafood Imports and Top Imported Products, 2011

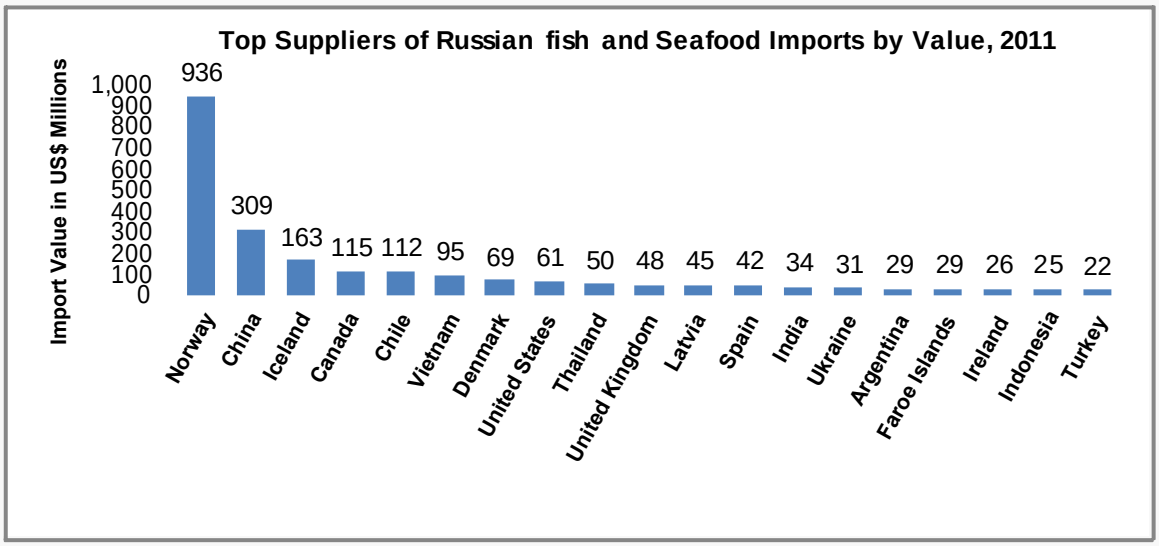
Rank	Country	Total Import Value in US$	Top Import Supplied	Top Import Value in US$
	World	2,578,556,902	Fresh/chilled salmon	549,901,932
1	Norway	935,944,647	Fresh/chilled salmon	532,447,101
2	China	309,212,280	Frozen fish fillets	93,442,931
3	Iceland	162,543,815	Frozen mackerel	90,845,068
4	Canada	114,739,365	Frozen shrimp and prawns	84,522,304
5	Chile	112,407,559	Frozen trout	84,256,630
6	Vietnam	95,382,334	Frozen fish fillets	48,030,381
7	Denmark	69,335,536	Frozen shrimp and prawns	35,877,317
8	United States	60,530,763	Frozen fish livers and roe	18,120,184
9	Thailand	49,864,437	Dried fish	9,909,238
10	United Kingdom	47,927,242	Frozen mackerel	42,416,401

***Source**: Global Trade Atlas, 2012.*

The fish and seafood sector has proven to be a promising area for Canadian suppliers specializing in fish, crustaceans, mollusks, and other aquatic products. Canada's total exports of fish and seafood to Russia have increased every year since 2003, and are expected to continue growing.

The ready-to-eat seafood segments, including shrimp, crab, scallops, squid, and mussels, continue to show positive growth. The fresh fish and seafood market is also on the rise, and is thought to be far from saturation; local markets are carrying a full range of products covering all price ranges.

Despite rising overall consumption, per capita consumption of fish and seafood in Russia still lags behind Europe and the United States. In 2011, per capita consumption of fish and processed fish was 16 kg, compared to the European average of 21 kg, and the Japanese average of 26 kg. However, long-term forecasts remain positive, and it is expected that fish consumption in Russia will eventually begin to reach the level of large fish-consuming markets.



***Source**: Global Trade Atlas, 2012.*

TOP TEN FISH AND SEAFOOD SUPPLIERS TO RUSSIA, 2011

1. Imports from Norway		2. Imports from China	
Fresh salmon	$532.4M	Frozen fish fillets	$93.4M
Fresh/chilled trout	$114.4M	Frozen shrimp and prawns	$66.7M
Frozen herring	$101.2M	Prepared/preserved fish, whole or pieces	$33.9M
Frozen fish meat	$51.6M	Frozen/salted/dried mollusks	$24.6M
Frozen mackerel	$38.5M	Frozen/dried/salted cuttlefish and squid	$19.3M
3. Imports from Iceland		**4. Imports from Canada**	
Frozen mackerel	$90.8M	Frozen shrimp and prawns	$84.5M
Frozen fish with bones	$28.0M	Frozen whiting and hake	$18.2M
Frozen fish meat	$21.0M	Frozen salmonidae	$2.9M
Frozen herring	$15.8M	Frozen mackerel	$2.5M
Frozen fish livers and roe	$4.3M	Fresh/chilled/live lobsters	$1.4M
5. Imports from Chile		**6. Imports from Vietnam**	
Frozen trout	$84.3M	Frozen fish fillets	$48.0M
Frozen salmon	$8.7M	Frozen shrimp and prawns	$19.8M
Prepared/preserved mollusks	$6.4M	Frozen fish meat	$12.8M
Frozen/salted/dried mollusks	$4.4M	Dried/salted fish	$7.9M
Frozen salmon	$4.4M	Frozen/salted octopus	$2.7M
7. Imports from Denmark		**8. Imports from the United States**	
Frozen shrimp and prawns	$35.9M	Frozen fish livers and roe	$18.1M
Frozen trout	$7.4M	Frozen fish meat	$15.1M
Fresh salmon	$5.5M	Frozen whiting and hake	$12.2M
Fresh/chilled trout	$4.7M	Frozen fish with bones	$2.9M
Prepared/preserved fish, whole or pieces	$4.0M	Frozen/salted/dried scallops	$2.8M
9. Imports from Thailand		**10. Imports from the United Kingdom**	
Dried/salted fish	$9.9M	Frozen mackerel	$42.4M
Prepared tuna, skipjack, bonito	$9.0M	Frozen salmon	$2.8M
Frozen shrimp and prawns	$8.6M	Frozen fish with bones	$0.9M
Prepared/preserved fish, whole or pieces	$5.1M	Frozen shrimp and prawns	$0.7M
Frozen fish meat	$4.4M	Frozen trout	$0.2M

Source: *Global trade Atlas, 2012.*

MARKET SIZES

Fresh Fish and Seafood Retail Sales in Russia by Segment in Thousands of Tonnes, Historic/Forecast

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fish	1,772.2	2,018.8	1,955.4	2,115.8	2,239.4	2,385.0	2,516.1	2,616.8	2,747.6	2,926.2
Crustaceans	27.5	32.6	27.2	28.2	27.8	27.2	27.8	28.9	30.6	32.8
Mollusks and cephalopods	33.8	26.8	22.8	24.3	25.2	24.9	25.3	26.2	27.5	29.1

Fresh Fish and Seafood Consumption in Russia per Capita in Kilograms, Historic/Forecast

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fresh fish and seafood	12.8	14.5	14.0	15.2	16.0	17.1	18.0	18.7	19.7	20.9
Fish	12.4	14.1	13.7	14.8	15.7	16.7	17.6	18.3	19.3	20.5
Crustaceans	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Mollusks and cephalopods	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Fresh Fish and Seafood Market Sizes in Russia % Volume Growth Forecasts

Category	Total 2012-2016	CAGR* 2012-2016
Fish	22.7%	5.2%
Crustaceans	20.3%	4.7%
Mollusks and cephalopods	16.7%	3.9%

***CAGR =** *compound annual growth rate*
***Source for all:** Euromonitor, 2012*

Currently, Russia remains one of the world's largest producers, importers and exporters of fish and seafood. In addition, fish consumption within the country is gradually expanding. Datamonitor market analysts attribute this growth to several factors, including: the stabilization of consumers' disposable incomes after the economic downturn, particularly in Moscow, St. Petersburg, and other metropolitan areas; new consumer preferences based on health, nutrition, and low-fat foods; higher prices for products of animal origin; and an overall greater availability of products, caused by greater investment in processing facilities and improved distribution channels.

Fresh food as a category has huge growth potential in Russia, although per capita consumption of many products remains relatively modest. According to Euromonitor, fresh foods are expected to experience significant overall growth, averaging a 5% to 8% increase per year over the next few years. Some products will see more dynamic growth, including fish and seafood products, as Russian consumers follow the global trend away from red meat in favour of lighter sources of protein.

▶ MARKET SIZES (continued)

Canned Fish and Seafood Retail Sales Value in Russia, Historic/Forecast by Segment, in US$ millions

Category	2009	2010	2011	2012	2013	2014
Tuna	415	412	410	408	406	404
Mackerel	394	389	384	379	374	369
Other canned fish/seafood	384	379	375	370	365	360
Salmon	334	331	328	326	324	323
Total	1,527	1,511	1,496	1,482	1,469	1,456
Growth over previous year	-1.1%	-1.0%	-1.0%	-0.9%	-0.9%	-0.9%

Frozen Fish and Seafood Retail Sales Value in Russia, Historic/Forecast by Segment, in US$ millions

Category	2009	2010	2011	2012	2013	2014
Raw fish	271.9	286.7	299.1	311.8	324.5	335.9
Coated fish/seafood	233.8	246.2	258.7	271.5	284.3	297.2
Raw seafood	180.6	191.4	200.8	210.3	219.7	228.3
Other fish/seafood	35.1	37.2	39	40.9	42.7	44.3
Total	721.3	761.5	797.6	834.4	871.3	905.6
Growth over previous year	6.1%	5.6%	4.7%	4.6%	4.4%	3.9%

Chilled Fish and Seafood Retail Sales Value in Russia, Historic/Forecast by Segment, in US$ in millions

Category	2009	2010	2011	2012	2013	2014
Coated Fish/Seafood	658.9	681.2	702.3	723.1	743.2	763.5
Raw seafood	556.5	557.6	558.6	559.7	560.8	561.9
Raw fish	412.3	423.7	434.7	445.9	456.9	467.9
Total	1,627.8	1,662.4	1,695.7	1,728.6	1,760.9	1,793.3
Growth over previous year	2.2%	2.1%	2.0%	1.9%	1.9%	1.8%

Source for all: *Datamonitor, 2012.*

Fish consumption patterns depend heavily on household incomes. Russian consumers tend to prefer herring, pollock, mackerel, salmon, and trout. Premium fish and seafood products are primarily favoured by consumers with higher incomes, and are eaten once or twice a week. Lower-to-middle-income Russians treat fish and seafood products as food for holidays or special occasions, consuming these dishes just once, on average, in a three-to-four-month period.

Mintel reports that variety and quality are increasingly important to Russian consumers. To satisfy demand, local retail outlets and restaurants offer a broad selection of traditional products and exotic items. In addition to the customary herring, mackerel, and salmon, consumers can now find squid, prawns, mussels, live scallops, snails, and oysters.

DISTRIBUTION CHANNELS

The majority of fish and seafood sales in Russia take place through the retail channel, which accounted for 88% of sales by volume in 2011, with the remainder attributed to sales through foodservice outlets and institutions. In fact, the Russian fish and seafood market is quite fragmented, with the top five grocery retailers controlling only 13.8% of the market.

Top Five Russian Grocery Retailers, 2010

Company	Number Of Outlets	Grocery Market Share %
X5 Retail Group	2,469	5.26
Magnit	4,055	3.64
Auchan	95	2.17
Metro Group	73	1.67
O'Key	57	1.06
Total	6,749	13.80

Source: *Planet Retail, 2011.*

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