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## Russian Federation

### Fishery Products

### Fish and Seafood Market Update

## 2008

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**Report Highlights:**

Russia imported 13.8 percent more fish and seafood in the first quarter of 2008 than in the same period of 2007, totaling \$452.9 million. The U.S. supplied 4 percent of total imports. Fish consumption continues to expand in Russia, creating new opportunities for U.S. exporters. Overall, fish and seafood prices grew 3 percent from January to May 2008. These prices are 10 to 30 percent higher in supermarkets than in open markets.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Moscow [RS1]  
[RS]

## Trade

From 2006 to 2007, fish and seafood imports increased 29 percent in quantity and 44 percent in value. According to the Russian Federal Service of State Statistics (Rosstat), these imports reached one million MT worth \$1.7 billion. Imports were 13.8 percent higher in the first quarter of 2008 than in the same period of 2007, totaling \$452.9 million. Most of this growth was in seafood, particularly live squid, live scallops, live snails, oysters, and octopus. Table 1 shows the growth of fish and seafood imports by category.

**Table 1. Russia: Imports of Fish and Seafood by Category for the First Quarters of 2006 to 2008, in \$ million**

Description	HS	2006 Jan-Mar	2007 Jan-Mar	2008 Jan-Mar
Fish and Seafood (Total Worldwide)		22828.6	35162.9	52149.0
<b>Fish And Seafood (Total in Russia)</b>	<b>03</b>	<b>242.0</b>	<b>398.0</b>	<b>452.9</b>
Frozen Fish, Excluding Fillet	0303	162.1	203.8	193.0
Fillet, Other Fish Meat	0304	34.0	68.1	95.0
Fresh Fish, Excluding Fillet	0302	9.4	59.1	84.0
Crustaceans	0306	25.6	43.6	50.0
Other Seafood	0307	5.6	11.1	21.0
Dried, Salted, or Smoked Fish	0305	5.2	11.8	9.0
Live Fish	0301	0.2	0.4	1.0

Source of data: Customs Committee of Russia

Imports of salmon continued to soar in 2008. Imports of Atlantic salmon were worth \$51.7 million in the first quarter of 2008, a 25.2 percent increase over imports during the same period of 2007. Trout imports skyrocketed to a value of \$742 million during the first quarter of 2008, an 87 percent increase over the same period of 2007.

The U.S. also made significant gains in exporting scallops. Russia imported \$94,000 of U.S. scallops during the first quarter of 2008, a 50 percent increase over the same period of the preceding year.

## Consumption

Trade sources report that variety and quality are increasingly important to Russian consumers. To satisfy demand, local retail outlets and restaurants offer an expansive 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. The U.S. currently supplies about 4 percent of Russia's fish and seafood imports. In the future, U.S. fish and seafood producers will find new market opportunities in Russia as consumer income rises, consumer habits change, and the exchange rate remains stable.

Fish is the third most-consumed meat item in Russia, following red meat and poultry. Nevertheless, fish consumption is rapidly expanding, and market analysts attribute this growth to five factors:

1. Increasing consumer disposable income - particularly in Moscow, St. Petersburg, and other metropolitan areas;
2. New consumer preferences based on health, nutrition, and low-fat foods;
3. Higher prices of other animal products;
4. Greater availability of products, caused by higher investment in processing facilities; and
5. Better distribution channels.

### Price Survey

In July 2008 OAA Moscow conducted a price survey of fish and seafood in Moscow retail outlets and open markets. They offered a wide variety of traditional fish products - herring, mackerel, and salmon – as well as exotic products, including squid, mussels, prawns, snails, and oysters.

Fish and seafood prices are moderately rising. According to analysts, fish and seafood prices increased 8 percent over 2007. Rosstat contends that prices rose another 3 percent from January to May 2008. Traders confirm that retail prices increased 3.1 percent in the same period.

Prices differed significantly between retail outlets and open markets. Fish prices in average supermarkets were 10 to 30 percent higher than in open markets. Chilled salmon from Norway was easily available for \$10 to \$15 per kilo at the Odintsovo open market. At the Perekryostok supermarket, the same product cost \$5 more. There was a modest price difference of up to 5 percent for ground fish, particularly for frozen fillets of pollock and cod.

In the most expensive supermarkets, prices were more than double those in the cheapest open markets. For example, gourmet store Azbuka Vkusa charged as much as \$140 per kilo for sturgeon, while the same product was easily available in open markets for \$60 to \$80. In addition, Azbuka Vkusa charged about \$25.50 per kilo for chilled trout. The same product in the Kiyevskiy open market cost about \$8.50.

Russian importers believe that higher fish prices in the European Union will eventually spill over into the Russian market. They forecast a 10 to 20 percent price increase in the near term. Low fish stocks, strong demand for seafood products, and a reduction in annual catch quotas are driving up prices in the European Union.

Selection is also markedly different between retail outlets and open markets. Open markets provide limited choices, and the vast majority of products are domestic. Supermarkets carry imported products in addition to domestic goods, and they offer a significantly wider selection of items. For example, Azbuka Vkusa offered four varieties of chilled trout, while the Kiyevskiy open market carried only one. European Imports of chilled and processed seafood appeal to upper-middle class consumers who appreciate the expansive selection and can afford the higher prices.