

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

Date: 8/30/2010

GAIN Report Number: RS1047

Russian Federation

Post: Moscow

Salmon Production and Price Update

Report Categories:

Fishery Products

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Report Highlights:

An estimated 30 percent cut in salmon harvest in the Far East is increasing the wholesale prices for the product and raising concerns among the trade. However, a price survey conducted by FAS /Moscow showed that retail prices in the open markets and hypermarket for locally produced fish, including salmon, are relatively stable with an exception of prices for Norwegian salmon that has increased by 10-15 percent in the last 6 months.

General Information:

Russian salmon catch is forecast to drop by 30 percent in 2010 as a result of lower spawning season in comparison with a record harvest of 540,000 metric tons in 2009. Although salmon catch is down this year, Russian fishermen were able to harvest 2.4 million metric tons of other fish products during the period of January-August, or 10 percent more over the same period in 2009. The outlook for overall fish and seafood catch in CY 2010 calls for a 10 percent increase and will likely reach 4 million MT in comparison with the harvest for CY 2009.

Salmon has been a traditional product for the Russian population. Currently wholesale prices for pink salmon in the Far East vary from 55 to 65 Rub/kilo in comparison with 35 ruble/kilo in August 2009.

Wholesale prices for pink salmon in Moscow almost doubled since August 2009 and range between 95-105 Ru/kilo. Trade sources report that due to high prices, sales of pink salmon is slow, since most producers send their product to cold storages and hold their products and wait for prices to increase.

Trade sources also estimate that consumers will eventually shift to pelagic fish, such as herring, potoussou, capelin, and pink salmon from the Far East which is three times cheaper than the Norwegian product. Our sources also note that if prices for meat and poultry continue to increase due to poor grain and oilseed harvests there will be a trend to further increase in fish consumption. However, due to the high transportation cost of product from the Far East to the European part of Russia some analysts believe that it is possible to lower the cost of fish by sourcing the product from Murmansk, the northern port of Russia.

In addition to Russia's smaller catch of salmon this year, production of salmon in Chile, second largest world supplier, after Norway, was reduced by 70 percent as the result of earthquake and disease. This combination is fostering price increases for Norwegian salmon.

Price Survey

The price survey conducted by FAS staff in Moscow retail stores, open market and the hypermarket "Auchan" showed that the prices for domestically produced fish have remained relatively stable. However, the price for Norwegian salmon (syomga) increased in average by 10-15 percent since March 2010.

The price for all types of fish and seafood vary considerably depending on the outlet.

For example, the prices for groundfish species in the supermarket "Sed'moy Continent" are usually higher from 10 to 20 percent. The price for 1 kilo of fillet of Norwegian salmon in the supermarket is higher by \$7 per kilo than the same cut in the open market and hypermarket Auchan.

The prices for locally harvested beheaded fresh frozen salmon (trout, chinook, coho) in the open market is about 130 Ru/kilo (\$4.3/kilo). While the price is affordable for lower middle and low income population and almost equivalent to a chilled chicken, most consumers will tend more for poultry as the source of protein.

Fish from lower priced segments, such as far eastern cod (navaga), poutassou, haddock, are available

frozen in the open markets. The price for these species varies from \$2.5 to \$4 per kilo and these types of fish are popular among low income families and retired people. Since open markets are targeted mostly to these layers of population the variety of imported fish is limited to fillet of tilapia and pangasius (\$5-\$6/kilo) from China. Open markets have also very limited availability of Norwegian salmon. The price for Norwegian salmon cut in the open market is 450 Ru/kilo (\$15/kilo), equals in price to the same cut in hypermarket Auchan.

Auchan offers huge variety of chilled and frozen fish both domestically produced and imported, as well as different kinds of processed fish. Given the insignificant gap in prices between open markets and Auchan, consumers tend to make purchases at the retail outlet where the choice is wider and the product is sold in attractive and convenient packages. The prices for the same product in Auchan and upscale supermarkets, such as “Kopeyka” and “Seventh Continent” may differ by \$2-5 per kilo

The prices for traditional species, such as mackerel and herring have not increased since the beginning 2010 and are accounted respectively for 140Ru/Kilo and 90-95Ru/kilo in the open market and hypermarket Auchan. Trade sources report that the sales of these species continue to be stable.

The price for frozen ground fish fillet, such as Pollock, cod and hake, varies by \$2-\$5 between regular convenience stores and supermarkets and open market. Price difference between frozen ground fish fillet domestically produced and imported is around \$4.

Prices for frozen Pollock and cod fillet from Iceland, Denmark and Norway, are sold at 180-240 Rubles per kilo in hypermarket Auchan, while the price for the same product at the supermarket Sedmoy Continent and convenient stores is up to 300 Rubles.