European Commission

E U M O F A

European Market Observatory for fisheries and aquaculture products

Case study

Price structure in the supply chain for fresh seabream in Italy

Last update: June 2014

Fisheries

Contents

0 TASK REMINDER – Scope and content

0.1 Case study scope

Reminder

The rationale for the choice of seabream to analyze price transmission and distribution of value in the Italian supply chain is described in the table below.

Product	Origin	Characteristics	Market and price drivers
Seabream (whole, for fresh market)	Aquaculture (EU + extra-EU)	Growing reference in the fresh whole fish market Species particularly requested by big retailers	Supply/demand balance (market stability) Price of imported seabream/seabass (Greece, Turkey) Origin : quality and differentiation of Italian products vs. imported products

Key elements of the analyses will concern:

- The influence of Eastern Mediterranean supply (Greece, Turkey, Croatia) on prices and balance;
- The role of GDO ("Grande Distribuzione Organizzata", literally "Large Organized Distribution", i.e. large retailers) in the marketing of farmed species;
- The market dynamics and the effects of innovation (fillets, carpaccio) and private labels on prices and demand.

The study focuses on the Italian market for fresh whole seabream. It also provides an insight into the other two big markets : Greece and Spain.

Species - Products	Main MS (focus)	Other MS (overview)
Seabream (fresh, whole)	Italy	Greece, Spain

0.2 Content of the document

In conformity with the methodology developed within EUMOFA project and published in the website (http://151.22.5.46/ptat;jsessionid=7C07D6F321E2F3D75B5B8EBF8F9AA695), the document includes :

- A description of the product;
- A description of the most relevant EU markets for seabream, with a special focus on the Italian market;

An analysis of the price transmission along the supply chain.

1 DESCRIPTION OF THE PRODUCT

1.1 Biological and commercial characteristics

The case study focuses on fresh farmed Gilthead seabream.

Case study product

Name: Gilthead seabream (*Sparus aurata*)

ERS code: SBG

Presentation: quite exclusively whole fish, ungutted, fresh or chilled.

Fresh fillets and frozen fillets marginal (fillet yield: 25%).

Commercial size: 200 - 800 g (mostly), but some farms offer individuals up to 2 kg.

Biological parameters

Parameter	Characteristics
Temperature	22 - 26°C
Habitat	Saltwater
Diseases in farming	Vibrio spp, Pseudomonas spp, Pasteurella spp, Trichodina; Cryptocaryon spp
Maturation	After 13 months
Diet in the wild	Carnivorous
Diet in farming	Juvenile phase : live feed Grow-out : fish feed (50% of marine origin, hereof 35% fishmeal)
Juvenile phase	140 days
Grow-out	14-16 months
Distribution in the wild	Mediterranean, Black Sea, North Eastern Atlantic
Farming	Greece, Turkey, Italy, Spain, France, Malta, Croatia, Cyprus, North Africa, Egypt, Israel
Farming systems	Ponds/lagoons, tanks, cages, offshore systems

Source: Kontali analyse

Subsitutes

Main substitutes to fresh seabream are :

- farmed seabass (*Dicentrarchus labrax*), which is produced by the same producers with the same farming process,
- wild "Mediterranean" species (in addition to the wild Gilthead seabream) : common dentex (*Dentex dentex*), blackspot seabream (*Pagellus bogaraveo*), etc.
- other regularly available farmed fish (salmon, flathead grey mullet, …).

Related codes in the product nomenclature.

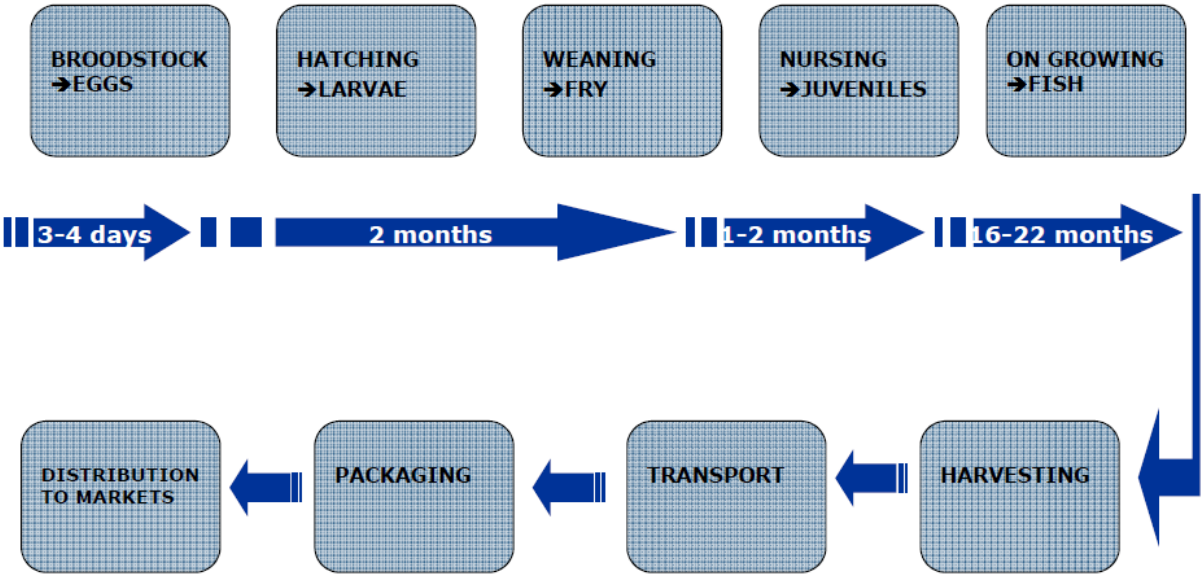
Gilthead seabream is distinguished in the Combined Nomenclature. From 2012 onwards the fillet and the frozen forms are differentiated :

CN code : 03 02 85 30 : "Gilt-head seabream (*Sparus aurata*), fresh"

CN code : 03 03 89 55 : "Gilt-head seabream (*Sparus aurata*), frozen".

1.2 Production cycle

Figure 1 – Production cycle of seabream/seabass



Source : Kontali analyse

1.3 Production and availability of Gilthead seabream

1.3.1 Structure of the supply

The European supply of Gilthead seabream depends at 97% on aquaculture.

Table 1 - Structure of the EU supply of Gilthead seabream (*Sparus aurata*)

t	Fisheries	Aquaculture	Total production	*% aquaculture*
2000	4 030	58 747	62 777	*93,6%*
2001	5 709	63 605	69 314	*91,8%*
2002	5 317	59 798	65 115	*91,8%*
2003	4 860	71 524	76 384	*93,6%*
2004	5 405	64 004	69 409	*92,2%*
2005	2 119	71 480	73 599	*97,1%*
2006	2 467	72 859	75 326	*96,7%*
2007	2 622	84 339	86 961	*97,0%*
2008	2 570	85 890	88 460	*97,1%*
2009	2 864	95 162	98 026	*97,1%*
2010	3 031	90 430	93 461	*96,8%*
2011	3 048	97 446	100 494	*97,0%*

Source : based on FAO

1.3.2 Supply from fisheries

Catches of Gilthead seabream are dominated by France and Spain in the EU and by Egypt and Turkey outside of the EU.

EU catches have halved over the last decade, while non-EU landings were significantly increasing.

Yearly world catches of Gilthead seabream are around 8 000 t. They decreased by 11% in 2011 due to lower catches in France, Turkey and Egypt.

The Mediterranean Sea provides the whole of the world supply.

Figure 2 – World catch of Gilthead seabream (tonnes)

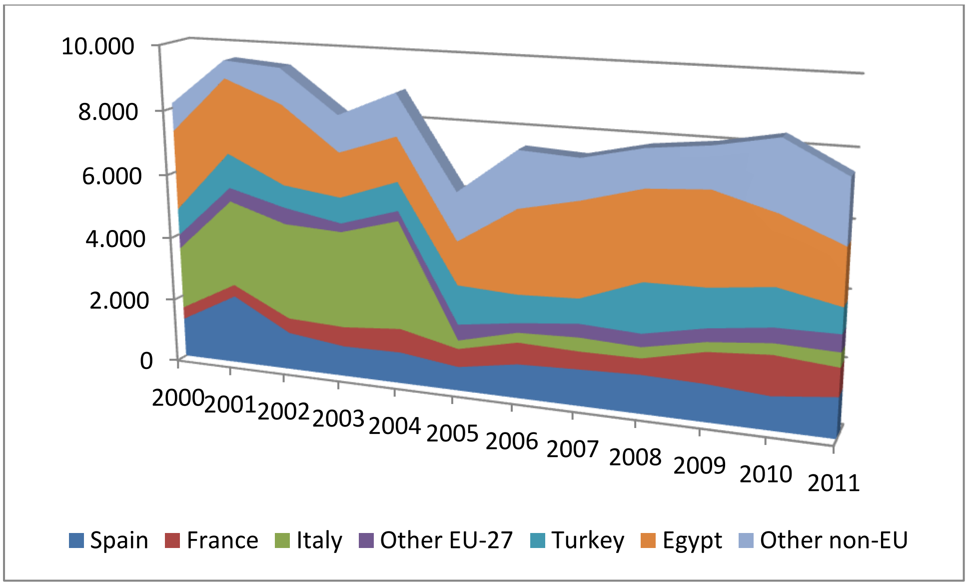


Table 2 - World catch of Gilthead seabream (tonnes)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Spain	1 229	2 164	1 174	954	978	744	1 054	1 126	1 189	1 151	1 022	1 235
France	376	369	474	618	748	567	675	549	496	951	1 215	854
Italy	1 939	2 675	3 004	2 999	3 349	265	303	424	339	293	341	439
Other EU-27	431	426	512	269	309	497	296	417	403	403	453	520
EU-27	**3 975**	**5 634**	**5 164**	**4 840**	**5 384**	**2 073**	**2 328**	**2 516**	**2 427**	**2 798**	**3 031**	**3 048**
Turkey	830	1 070	700	794	879	1 215	867	759	1 526	1 186	1 164	766
Egypt	2 478	2 312	2 480	1 373	1 353	1 334	2 569	2 884	2 705	2 798	2 072	1 702
Other non-EU	864	548	1 093	1 128	1 299	1 485	1 723	1 234	1 149	1 229	2 095	1 909
Non-EU	**4 172**	**3 930**	**4 273**	**3 295**	**3 531**	**4 034**	**5 159**	**4 877**	**5 380**	**5 213**	**5 331**	**4 377**
% EU-27	*49%*	*59%*	*55%*	*59%*	*60%*	*34%*	*31%*	*34%*	*31%*	*35%*	*36%*	*41%*

Source : FAO

Other species of seabreams, about 9-10 000 t/year, are also caught in the EU, mostly black seabream (*Spondyliosoma cantharus*) for 5-6 000 t and red seabream (*Pagellus bogaraveo*) for 1-2 000 t.

France, Spain and Portugal are the main producers.

1.3.3 Supply from aquaculture

The European production of farmed Gilthead seabream has considerably increased from 2005 to 2008, reaching a record level of 168 000 t in 2008.

The overproduction situation of 2008 led to a price crisis, which entailed a reduction of the supply of the two mass producers (-21% for Greece and -35%for Turkey) in 2009-2010. In 2011 the Greek production continued to fall (-19%) whereas Turkey increased back to pre-crisis level. In 2012 the Greek started to grow again (+20%) as well as the production of the second EU producer, Spain (+15%).

In 2012 the EU production was 106 000 t.

Table 3 – Evolution of Gilthead seabream farming production

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CYPRUS	1 266	1.81	1 356	1 465	1 879	1 404	1 600	2 572	2 799	3 065	3 121
FRANCE	1 361	1 100	1 600	1 900	2 200	1 392	1 636	1 648	1 377	1 500	1 300
GREECE	37 944	55 000	48 000	50 000	66 000	79 000	94 000	90 000	74 000	60 000	72 000
ITALY	**8 000**	**9 000**	**9 050**	**9 500**	**9 500**	**11 650**	**9 600**	**9 600**	**9 800**	**9 700**	**8 700**
PORTUGAL	1 855	1 449	1 685	1 519	1 623	1 600	1 611	1 600	1 600	1 200	1 000
SPAIN	11 335	12 442	13 034	15 577	20 220	22 320	23 930	23 690	20 360	16 930	19 430
EU-27	61 761	78 991	74 725	79 961	101 422	117 366	132 377	129 110	109 936	92 395	105 551
CROATIA	700	1 000	1 000	1 200	1 500	1 500	1 500	2 200	2 200	1 719	1 719
TURKEY	11 681	16 735	20 435	27 634	28 463	33 500	34 000	25 000	22 000	33 000	40 000
TOTAL	74 142	96 726	96 160	108 795	131 385	152 366	167 877	156 310	134 136	127 114	147 270

Data for Malta has not been included due to lack of reliability (FEAP)

Source : FEAP

The Italian production increased regularly until 2007, when it reached 11 650 t (record year). In 2008 the sector has been hit by the oversupply and the low Greek and Turkish prices. The production lowered in 2008 and then maintained at a level slightly below 10 000 t until 2011, before suffering a significant decrease in 2012 (-10%).

Italy represents 8% of EU production in 2012 (against 13% in 2002).

It has to be noted that the production of seabream juveniles has tremendously increased in 2011 (+51%) in all farming countries but Portugal. The EU-27 production was close to its 2006 record. In 2012 there was a small decrease due (-2,3%) to production declines in France and Cyprus.

At the Mediterranean basin level a new historical record has been reached with 599 million seabream juveniles produced in 2012.

Table 4 – Evolution of the production of Gilthead seabream juneviles (thousands)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CYPRUS	15 000	14 000	9 000	8 086	8 176	12 502	13 000	8 589	8 929	18 479	7 976
FRANCE	21 000	19 500	24 000	34 000	33 000	26 740	31 317	22 300	29 100	41 742	30 400
GREECE	170 000	160 000	142 500	207 000	273 000	220 000	214 000	150 000	160 000	242 000	245 000
ITALY	**40 000**	**30 000**	**40 000**	**45 000**	**61 000**	**52 000**	**50 000**	**48 000**	**48 000**	**62 000**	**70 000**
PORTUGAL	14 000	14 000	14 000	14 794	19 252	29 722	21 722	3 810	1 378	1 000	0
SPAIN	53 000	64 200	48 300	56 235	56 757	67 370	47 282	32 180	36 451	52 900	54 985
EU-27	313 000	301 700	277 800	365 115	451 185	408 334	377 321	264 879	283 858	418 121	408 361
CROATIA	2 000	2 000	2 000	2 000	5 000	6 000	7 000	6 000	6 000	6 900	5 400
TURKEY	20 000	20 000	35 000	75 000	93 000	103 000	80 000	72 000	85 000	140 000	185 000
TOTAL	335 000	323 700	314 800	442 115	549 185	517 334	464 321	342 879	374 858	565 021	598 761

Source : FEAP

Apart from Gilthead seabream one other seabream species is farmed in the EU, the white seabream (*Diplodus sargus*), which is produced in two MS, Italy (250 t in 2011) and Greece (85 t).

1.4 Seabream aquaculture in Italy

The Italian seabream aquaculture rests on two main farming systems : sea cages and land-based systems.

Table 5 – Farming systems in the Italian seabass/seabream aquaculture

Features	Farming systems			
	Wetland	Land-based system	Sea cages	Specialized hatchery
Location				
Zone	Fishing lagoon, lagoon, coastal lake	Coastal zones	in/off-shore	land
Technical				
Average area	≥ 5 ha	0,7 - 3 ha (pond)	15 000 - 120 000 m^3	-
Water use	Brackish (sea water by natural rising, wells)	Well (sea diversion)	Sea	Well (water supply point in sea and water treatment)
Feed	Pellets, extruded feeds, natural trophism	Extruded feeds	Extruded feeds	Rotifers, artemia, microencapsulated, crumbled, extruded
Species farmed	Predominanntly seabass, but also seabream, mullet and eel	Seabream and seabass (> 90%) White seabream, drum, …	Seabass and seabream Other sparids	Seabass, seabream Other sparids
Farming phases	Pre-growing On-growing	Pre-growing On-growing (some of them equipped with a hatchery)	Pre-growing On-growing (some of them equipped with a hatchery)	Reproduction-hatchery
Production				
Capacity	≤ 120 t/year	100 - 1 000 t/year	200 - 1 800 t/year	3 - 30 millions of juveniles
Farming density	1 - 7 kg/m^3	20 - 40 kg/m^3	10 - 25 kg/m^3	-
Length of farming period	36 - 60 months	20 - 36 months	14 - 24 months	5 - 9 months
Feed conversion ratio	2,5 - 3	2 - 2,5	2,25	-
Commercial				
Product size	500 - 1 500 g	300 - 1 500 g	300 - 600 g	2 - 4 g
Markets	Regional/national	Regional/national	Regional/national/export	National/export
Customers	Traders, wholesalers, restaurants	Traders, wholesalers, large scale retailers, catering	Traders, large scale retailers, wholesalers	Fish farmers

Source : ISMEA

Three companies are dominating the Italian supply: PANITTICA PUGLIESE, ACQUA AZZURRA and PISCICOLTURA DEL GOLFO DI GAETA.

GAETA MEDFISH has been declared bankrupt in 2012.

Table 6 – Concentration of the seabream/seabass aquaculture in Italy

Name	Location	Turnover (1000 €)		
		2009	2010	2011
Panittica Pugliese	Fasano (Apulia)	16 097	14 303	6 166
Acqua Azzurra	Pachino (Sicily)	13 406	15 247	19 024
Gaeta Medfish	Gaeta (Latium)	13 345		
Cosa	Orbetello (Tuscany)	5 253	6 446	
Civita Ittica	San Martino Buon Albergo (Veneto)	4 334	5 159	
Valle Ca' Zuliani	Conselice (Emilia-Romagna)	5 317	6 307	10 057
Il Vigneto	Orbetello (Tuscany)	3 352	3 367	

Source : ISMEA, AMADEUS

2 THE EU MARKETS FOR FRESH SEABREAM

2.1 Structure of the EU market

The EU apparent consumption of EU-27 for fresh seabream amounts to 105 500 tonnes in 2012, in strong increase compared to 2011 (+12%).

Italy is the largest market, followed by Greece and Spain. These three MS account for 77% of the EU overall market in volume.

The highest apparent per capita consumption is observed in Greece (2,6 kg), followed by Portugal and Italy (0,6 kg).

Table 7 - The EU main national markets for seabream in 2011 and 2012

EU-27 Apparent consumption 2011

Member States	Production Fisheries (t)	Production Aquaculture (t)	Import (t)	Export (t)	Apparent market (t)	Consumption per capita (kg)
Italy	400	9 700	22 700	2 100	30 700	0,506
Greece	200	60 000	400	40 500	20 100	1,775
Spain	1 200	16 900	7 000	5 900	19 200	0,416
France	900	1 500	6 000	900	7 500	0,115
Portugal	200	1 200	4 200	100	5 500	0,517
United Kingdom	-	-	2 700	200	2 500	0,040
Germany	-	-	1 200	200	1 000	0,012
Other MS	ε	4 700	3 000	4 100	3 600	0,013
EU-27	3 000	94 000	47 200	54 000	90 100	0,179

Source : FEAP, FAO, COMEXT

EU-27 Apparent consumption 2012

Member States	Production Fisheries (t)	Production Aquaculture (t)	Import (t)	Export (t)	Apparent market (t)	Consumption per capita (kg)
Italy	700	8 700	25 500	900	34 000	0,572
Greece	200	72 000	700	43 700	29 200	2,625
Spain	800	19 400	3 000	5 100	18 100	0,387
France	400	1 300	7 300	800	8 200	0,126
Portugal	200	1 000	5 300	100	6 400	0,607
United Kingdom	-	-	4 800	200	4 600	0,072
Germany	-	-	2 400	700	1 700	0,021
Other MS	200	5 500	3 200	5 600	3 300	0,019
EU-27	2 500	107 900	52 200	57 100	105 500	0,211

Source : FEAP, EUROSTAT, COMEXT

2.2 The Italian market

2.2.1 A still growing market

The Italian market for fresh seabream amounts to 34 000 t and has strongly risen (+9%) in 2012 due to increasing imports.

Table 8 – The Italian apparnt consumption of fresh seabream

tonnes	2008	2009	2010	2011	2012
Production -aquaculture	9 600	9 600	9 800	9 700	8 700
Production - catches	300	300	300	400	700
Import	19 200	19 300	22 500	22 700	25 500
Export	1 800	2 300	2 100	1 600	900
Apparent market	27 300	26 900	30 500	31 200	34 000

Source : API, FAO, COMEXT

2.2.2 Seabream species n°1 in the Italian consumption of fresh fish

With almost 9% of the total fish quantities consumed fresh, seabream is the species n°1 in Italy and has significantly increased its position in the last five years : its market share rose from 7,7% in 2005 to 8,9% in 2010.

Table 9 – Main species consumed fresh in Italy in 2010

Species	*In volume*	*In value*
Seabream	8,9	8,1
Seabass	6,5	6,5
Swordfish	3,1	6,0
Trout	6,2	5,2
Shrimps	3,5	5,0
Salmon	4,0	4,8
Octopus	4,3	4,6
Hake/pollack	3,9	4,5
Anchovy	6,8	3,9
Sole	2,2	3,9
Squid	3,6	3,9
Clam	4,7	3,8
Cuttlefish	2,9	2,9
Perch	2,2	2,4
Mussel	8,9	2,1
Mullet	1,7	2,0
Other	28,3	30,4
Total	**100,0**	**100,0**

Source : ISMEA

Despite some high prices seabream remains attractively priced and maintains a very positive image in the mind of consumers.

2.2.3 A market widely depending on import

The Italian seabream market is covered at 75% by imports.

Greece is by far the main supplier, providing 77% of total import (in 2013), followed by Turkey (10%), Malta (4%) and Croatia (4%).

Spain, France and Portugal deliver smaller volumes, but higher value products, as can be seen in the unit price table.

Table 10 - Evolution of Italian imports of fresh Gilthead seabreams

(CN 03 02 69 95 until 2011, CN 03 02 85 30 from 2012)

Origin	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GREECE	8 758	10 449	10 012	9 867	10 260	10 772	9 936	13 803	14 894	14 711	17 144	17 165	18 910	19 583
SPAIN	208	334	408	418	332	401	377	552	522	529	487	659	664	483
FRANCE	269	264	182	179	271	279	302	216	268	354	287	379	224	187
MALTA	1 409	993	1 015	774	723	544	728	883	1 107	1 015	1 508	1 869	1 624	1 037
NETHERLANDS	9	18	10	3	4	12	110	64	75	49	175	252	228	158
PORTUGAL	44	65	76	51	56	59	32	40	30	36	51	30	14	26
CROATIA	42	81	131	140	203	406	499	384	344	583	681	651	835	911
Other EU	6	14	13	25	156	129	7	84	60	20	44	76	366	534
EU28-INTRA	10 744	12 218	11 845	11 456	12 005	12 601	11 990	16 026	17 299	17 298	20 377	21 081	22 865	22 919
TURKEY	122	124	302	538	711	1 561	813	1 525	1 874	2 003	2 152	1 597	2 548	2 520
Other non-EU	110	62	56	19	118	95	11	57	37	16	5	5	54	37
EU28-EXTRA	231	186	359	557	829	1 656	824	1 582	1 911	2 020	2 156	1 602	2 602	2 557
TOTAL	10 975	12 404	12 204	12 013	12 834	14 257	12 814	17 608	19 210	19 317	22 533	22 683	25 467	25 476

Source : EUROSTAT-COMEXT

In 2013 the average import price is at the same level as in 2000.

However, the period analysed has been marked by strong fluctuations: an important drop in 2008 caused by the overproduction crisis (Greece, Turkey). In 2011, these two main suppliers experienced a dramatic price increase, 17% for Greece and 25% for Turkey, resulting from limited supply. Prices fell sharply in 2012 (around 20%), caused by a significant production increase. Prices remained stable in 2013.

Seabream of Spanish origin is characterised by a markedly different price evolution: an increase during the period observed, particularly since 2005 (a 50% increase between 2005 and 2013). Spain was able to increase its prices thanks to higher quality and larger sizes than those provided by the Greek-Turkish duo, and also because they export not only farmed seabream but also some wild seabream, which are more highly valued.

Table 11 - Average import prices of fresh Gilthead seabream

(CN 03 02 69 95 until 2011, CN 03 02 85 30 from 2012)

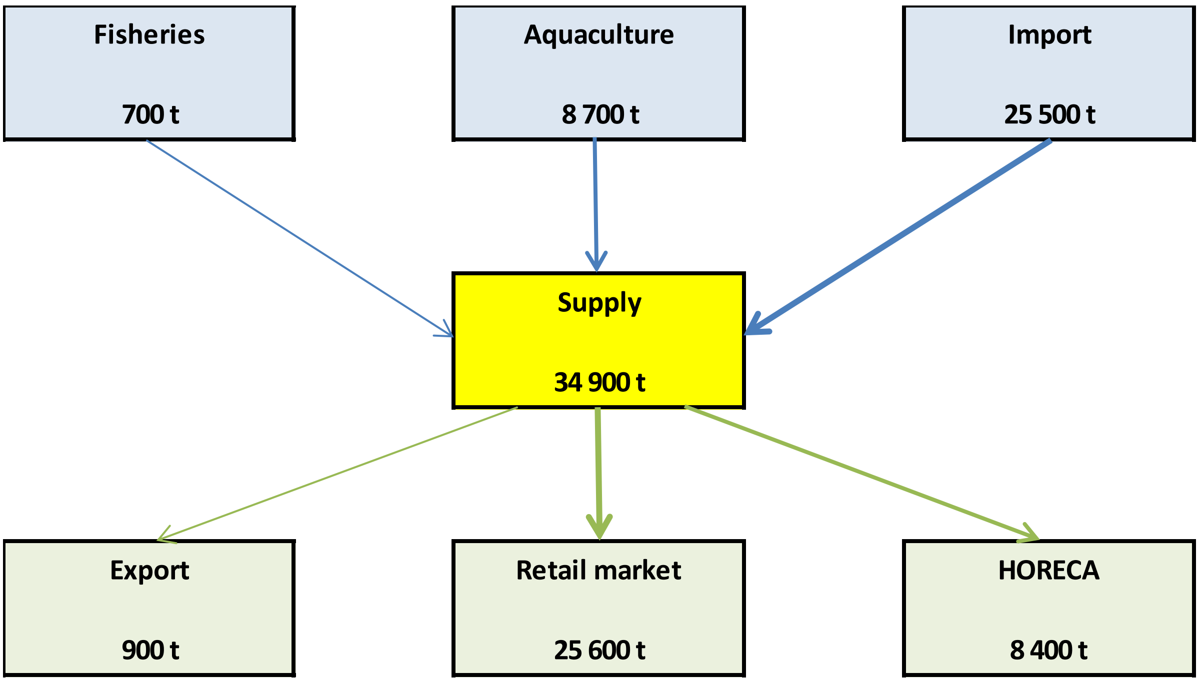
Origin	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GREECE	4,51	3,70	3,64	3,69	4,31	4,25	4,30	4,03	3,37	3,76	4,30	5,02	4,18	4,13
SPAIN	8,99	7,99	8,30	8,85	8,94	7,39	7,73	7,88	8,69	9,55	10,51	10,27	10,14	11,11
FRANCE	4,76	5,89	6,99	6,98	6,55	6,45	7,18	8,41	8,67	7,16	9,32	9,06	9,07	10,54
MALTA	3,12	2,82	2,62	3,79	5,07	4,79	4,74	4,15	3,26	3,45	4,01	4,86	4,09	4,23
PORTUGAL	11,60	11,93	11,97	11,65	11,56	11,65	14,56	14,24	11,76	11,20	13,15	13,62	16,74	14,18
EU27-INTRA	4,45	3,84	3,82	3,97	4,57	4,47	4,57	4,27	3,64	4,03	4,56	5,31	4,44	4,37
TURKEY	4,12	3,56	3,28	3,37	4,45	3,64	3,58	3,44	2,84	3,18	3,74	4,69	3,53	3,86
CROATIA	3,91	3,27	3,47	4,10	4,25	4,53	4,37	4,85	4,53	4,30	4,49	4,97	4,61	4,71
EU27-EXTRA	4,12	3,35	3,23	3,52	4,29	3,81	3,92	3,74	3,17	3,47	3,93	4,78	3,81	3,89
TOTAL	4,44	3,83	3,80	3,94	4,55	4,37	4,50	4,21	3,59	3,95	4,48	5,26	4,35	4,33

Source : EUROSTAT-COMEXT

2.2.4 Structure of the supply chain

The figure below gives an overview of the structure of the Italian market.

Figure 3 – The Italian supply chain for fresh seabream (2012)



Source : elaboration AND International

Fresh seabream is predominantly sold in the fish counters of the supermarkets. The market share of large scale distribution is much bigger for seabream (66%) than for the whole of fresh fish (59%).

Indeed aquaculture products fit, much more than fisheries products, the needs of supermarkets, which are looking for steady supply all along the year, stability of prices and traceability.

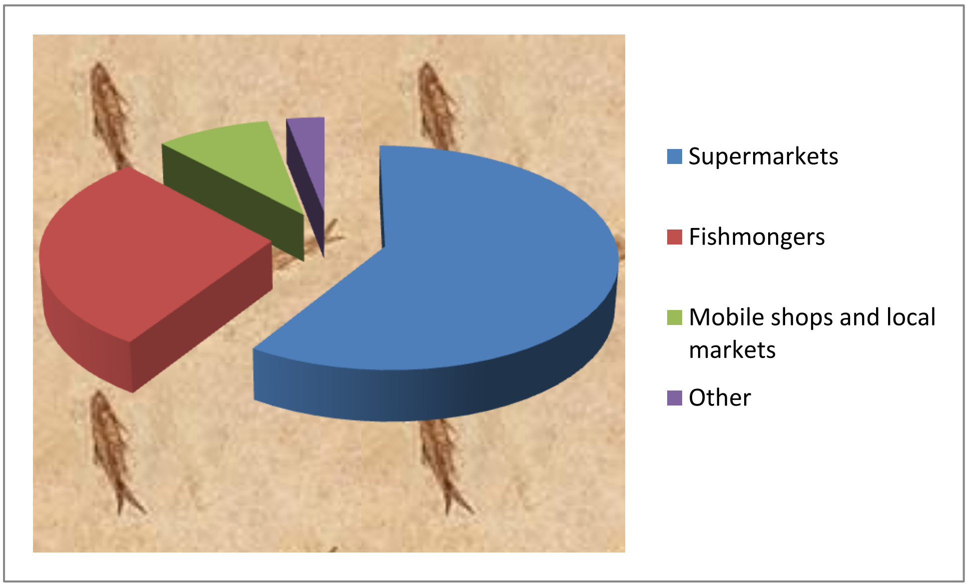
Table 11 – Places of purchase of the fresh seabream (volume) – 2010

%	All species	Seabream
Supermarkets	59,1	66,2
Fishmongers	28,9	22,1
Mobile shops and local markets	9,0	8,0
Other	3,0	3,7
Total	**100,0**	**100,0**

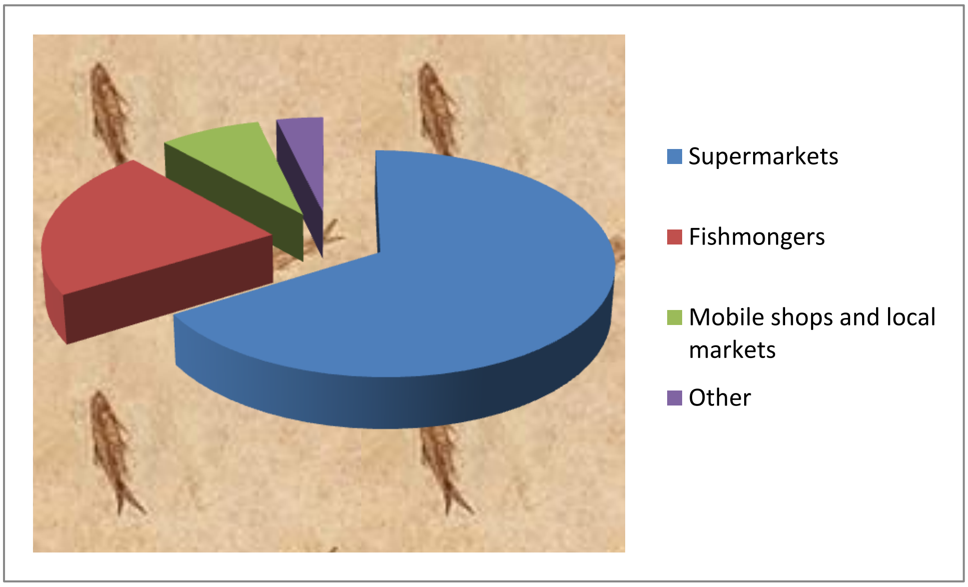
Source : ISMEA

Figure 4 – Places of purchase of fresh seabream compared to fresh fish on the whole

All fresh species together



Seabream



Key analyses:

- Large retailers market 2/3 of the volumes. They develop private labels on Italy-farmed products;
- Since Italian aquaculture production is stable around 9 000 t/year, the demand increase is met by imports or by a reduced export supply.

2.2.5 Segmentation of the market

The market for seabream is segmented according to production method (aquaculture/fisheries), size, origin and quality.

2.2.5.1 Segmentation by production method

The wild seabream market represents less than 1 000 t, i.e. less than 3% of the total market. Local catches are complemented by some imports from Spain.

Wild species are viewed as superior to farmed species, more natural and of higher quality. This is reflected in the price which can reach up to 40 EUR/kg.
The demand for wild seabream exists mostly in traditional channels while large scale retailers focus on farmed seabream.

Table 13 - Market segmentation : offer of fresh seabream in a major large-scale retailer (Esselunga) in April 2014

Product	Consumer price (€/kg)
Seabream - origin Greece (350 g/piece)	10,90
Seabream - origin Italy (230 g/piece)	15,50
Seabream - origin Italy Private quality label (Naturama) (450 g/piece)	11,83
Seabream fillets - origin Greece (economy packaging - 250 g)	26,90
Seabream fillets - origin Greece (thin slices - 150 g)	31,90
Aromatized seabream fillets - origin Greece (280 g)	25,90
Seabream fillets "alla ligure"- origin Greece (250 g)	27,50

Source : surveyed by AND International

The wild seabream caught and landed by the Italian fishermen is paid around 15 EUR/kg to the producer.

Table 14 - Landings of Gilthead seabream (*Sparus aurata*) in Italy

	t	€	€/kg
2007	407	5 984	14,70
2008	326	5 270	16,17
2009	282	4 701	16,67
2010	341	5 113	14,99
2011	439	6 832	15,56
2012	672	5 637	8,39

Source : Eurostat

In the auctions (first sale markets) the price of the wild seabream can vary from 4 to 28 EUR/kg, in connection with the size, the fishing technique and the volume landed.

Table 15 – First sale prices for wild seabream in the Italian auctions in the last three years

Mercato	Size	Fishing technique	Packaging	2013			2012			2011		
				Volume kg	Min P €/kg	Max P €/kg	Volume kg	Min P €/kg	Max P €/kg	Volume kg	Min P €/kg	Max P €/kg
Ancona	medium	trawl	plastic box	803	6,88	8,35	431	7,73	10,08	1 837	6,24	8,66
Ancona	big	trawl	plastic box	486	7,23	10,37	161	10,61	11,87	134	9,19	10,39
Cesenatico	medium	trawl	wooden box	-	-	-	35	2,00	2,00	118	2,90	2,99
Cesenatico	medium	trawl	plastic box	1 455	4,86	7,29	1 397	9,92	12,22	2 341	6,43	9,01
Civitanova Marche	mixed	trawl	plastic box	233	5,29	7,07	218	8,81	10,37	725	6,57	8,84
Civitavecchia	-	trawl	polystyrene box	5 697	12,97	20,71	6 131	15,19	22,63	2 058	17,80	23,88
Corigliano Calabro	-	trawl	polystyrene box	114	14,84	15,03	144	14,61	15,72	231	10,45	15,30
Goro	medium	trawl	plastic box	628	6,52	7,15	383	9,18	12,00	1 616	6,62	8,24
Livorno	-	trawl	bulk	124	18,63	20,69	7	21,00	25,00	177	16,41	19,90
Livorno	medium	trawl	polystyrene box	88	8,96	10,28	234	8,83	10,82	43	11,51	13,84
Livorno	big	trawl	polystyrene box	114	17,91	18,15	190	16,25	19,55	264	19,25	20,90
San Benedetto del Tronto	medium	trawl	plastic box	929	4,12	7,31	255	5,39	6,49	718	4,91	7,22
Viareggio	0,5-1 kg	entangling nets	polystyrene box	88	27,91	27,91	205	25,44	25,64	220	25,36	25,62

Source : ISMEA

2.2.5.2 Segmentation by origin

Seabreams of Italian origin are selling at a premium, compared to Greek products, as can be seen in tables 13 and 21.

But this premium is mainly connected to the size, since Italian seabream is generally marketed at sizes (300-400 g, 400-600 g, 600-800 g) bigger than Greek fishes (mainly 250-300 g). Turkey and Malta also supply low/average quality and small sizes. Spain and France are selling higher quality and bigger sizes (and a part of wild seabream in the export volume also partly explains the higher average price); this represents a niche market.

Table 16 – Segmentation of the Italian market by origin in 2012

	t	€/kg	Market share (%)
Italy	8 500		25
Grece	18 900	4,18	56
Turkey	2 500	3,53	7
Malta	1 600	4,09	5
Spain	700	10,14	2
France	200	9,07	1
Croatia	800	4,61	2
Other	700	5,74	2
Total	34 000		100

Source : elaboration AND International, based on COMEXT

The price differentiation between Italian production and import is to be found at the wholesale level, as it is shown in the tables below.

Table 17 – Prices of fresh seabream in the Wholesale Market of Milan (EUR/kg)

Origin	Size	System	2013		2012		2011		2010		2009		2008		2007		2006		2005		2004	
			P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max
National	> 800 gr	Fisheries	18,00	22,00	18,00	22,00	18,00	22,00	14,40	19,94	12,08	18,33	17,76	24,00	18,00	25,64	16,79	24,78	19,28	26,45	18,67	27,94
National	400-600 gr	Farming	5,17	5,56	6,78	7,68	7,50	8,50	4,76	6,68	4,32	5,21	4,45	8,17	4,60	11,50	7,55	9,72	8,02	9,61	7,30	8,73
Import	400-600 gr	Farming	5,18	7,97	4,91	5,92	5,35	5,94	4,48	5,35	4,55	5,62	4,50	5,40	4,50	5,40	4,47	5,33	5,27	6,62	5,59	6,73
Import	200 - 400 gr	Farming	4,83	5,25	4,83	5,25	4,83	5,25	4,38	5,22	4,13	4,89	4,23	4,93	4,60	5,00	4,61	5,02	4,41	5,53	4,24	5,52

Source : ISMEA

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Table 18 – Price of fresh seabream in the Wholesale Market of Turin (EUR/kg)

Origin	Size	System	2013		2012		2011		2010		2009		2008		2007		2006		2005		2004	
			P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max	P. min	P. max
National	Medium	Fisheries	n.a.	n.a.	11,08	13,70	12,65	15,96	12,69	19,56	9,06	20,56	0	0	0	0	0	0	0	0	0	0
National	Medium	Farming	n.a.	n.a.	3,26	17,38	3,46	15,17	3,14	14,67	4,21	13,25	3,74	11,68	4,36	9,53	4,62	8,51	4,74	8,56	5,05	9,85
Import	Medium	Fisheries	n.a.	n.a.	10,83	18,38	12,98	22,36	17,75	21,32	13,42	15,49	0	0	0	0	0	0	0	0	0	0
Import	Medium	Farming	n.a.	n.a.	5,01	8,70	6,06	8,49	4,81	8,11	3,01	7,97	2,37	7,83	2,77	8,28	3,41	9,05	3,49	8,10	3,60	7,87

Source : ISMEA

Figure 5 – Evolution of minimum prices of fresh farmed seabream (400-600 g) in the Wholesale Market of Milan (EUR/kg)

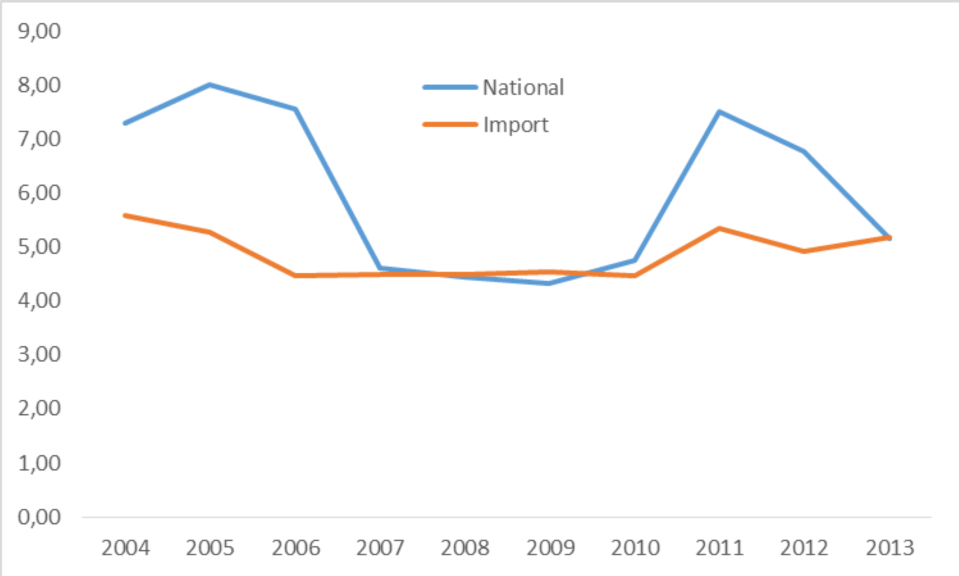
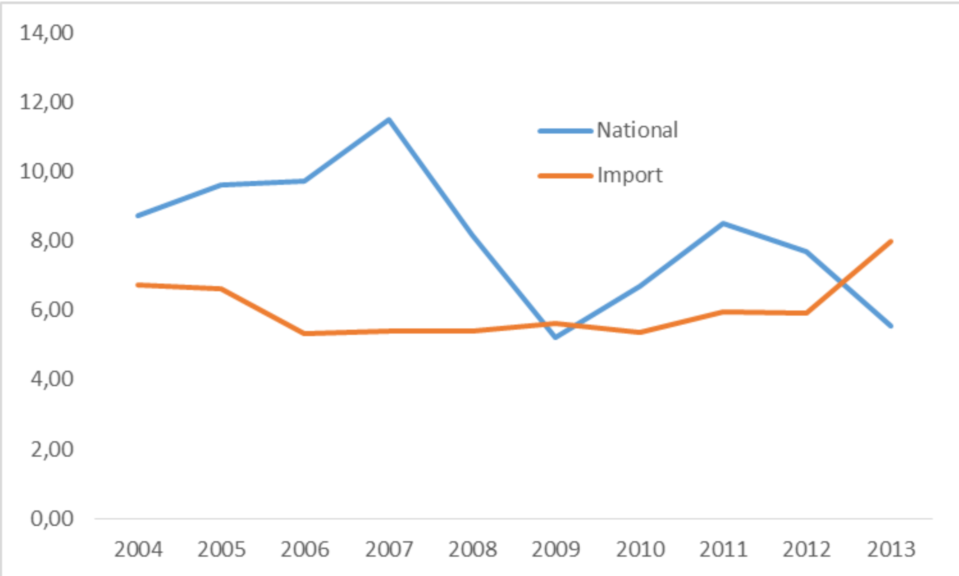


Figure 6 – Evolution of maximum prices of fresh farmed seabream (400-600 g) in the Wholesale Market of Milan (EUR/kg)



While minimum and maximum wholesale prices of imported seabreams observed in the Wholesale Market of Milan follow a quite regular trend, prices of domestic products follow different patterns: sharp price falls in a first time (in the years 2006-2007 for the minimum prices and 2008-2009 for the maximum prices), followed by strong increases in 2011.

In 2013 minimum prices of national and imported seabreams converge, while maximum import prices clearly exceed national maximum prices for the time.

2.2.5.3 Segmentation by labels / brands

The major large-scale retailers have developed private labels on aquaculture products. The market leader, COOP Italia, has for instance 8 aquaculture species under this scheme: rainbow trout, seabass, seabream, salmon, turbot, tropical shrimp, striped bass, with specifications in particular on traceability, sustainability and animal welfare. COOP has selected 5 suppliers for seabream, which all produce in sea cages.

ESSELUNGA, whose slogan is “the triumph of freshness” (“il trionfo della freschezza”) has always attached a big importance to fresh fish. Farmed seabream is one the species in the NATURAMA quality scheme of the retailer. In June 2013 the seabream of Italian origin is sold the double of the price of Greek seabream, even with a smaller unit weight (230 g for the Italian product vs. 350 g for the Greek seabream). The NATURAMA seabream (450 g/piece) is sold with a premium of 12% compared to unbranded seabream of Italian origin and a premium of 121% compared to unbranded seabeam imported from Greece.

AUCHAN should also include shortly seabream in its range of its “filiera controllata” scheme, which is based on 5 major principles (traceability, transparency, control at every phase of the production process, non-use of GMO, guarantee of taste). This scheme is presently limited to meat and fruit and vegetables and should be soon extended to fish, in particular to seabream.

2.2.5.4 Segmentation by presentation

One of the main features of the Italian seabream market is that it is mostly fresh-based with large price swings (as shown in figures 5 and 6).

By tradition Italian consumers are consumers not only of fresh fish, but also of whole fish, especially for seabream. The market is characterized by limited value addition and limited product development.

Filleted products are still little frequent on the market but expanding.

For instance ESSELUNGA sells fillets of seabreams (seabreams are filleted in Greece, where filleting costs are much lower than in Italy).

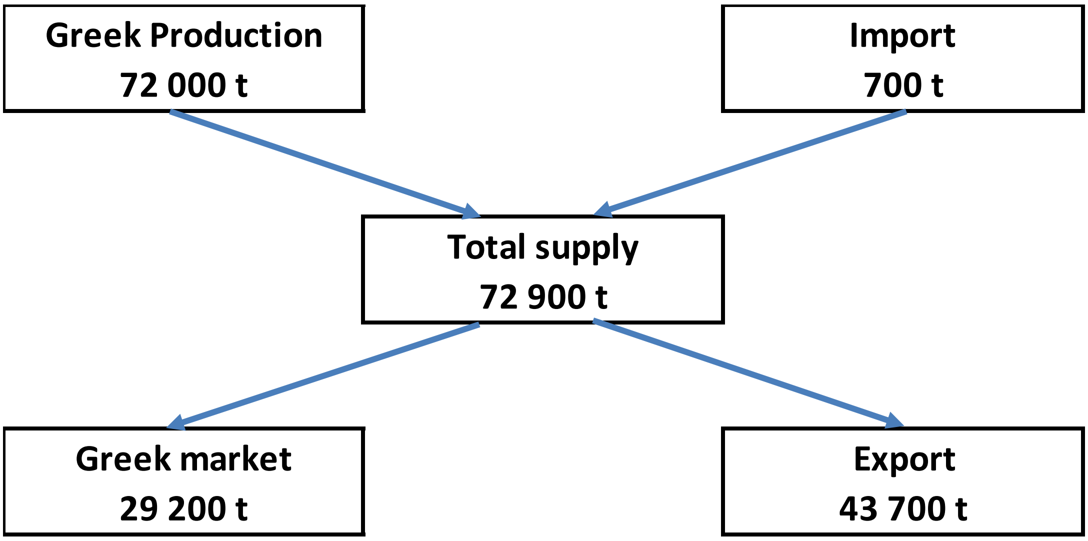
AUCHAN also sells fillets of seabreams (29,48 EUR/kg at Chronodrive Turin in February 2014).

2.3 Overview of the main EU markets

2.3.1 Greece

Greece has the biggest seabream production in the EU (and in the world) and is the exporter n°1 but it has also a strong domestic market with a per capita consumption reaching 2,6 kg in 2012.

Figure 7 – Greek apparent market for seabream in 2012



After the overproduction crisis of the year 2008 (94 000 t) the Greek production of farmed seabream decreased to 60 000 t in 2011 according to FEAP data. The sector, which is stable in capacity as there have been no new licenses since 2006, has recovered after the crisis, thanks to strong demand, higher prices and market stabilization, but had to face a new price crisis in 2012, in relation with a strong production increase in the two main producing countries (+ 12 000 t in Greece, + 7 000 t in Turkey).

Five companies, listed in the Athens Stock Exchange, NIREUS, SELONDA, DIAS, GALAXIDI and HELLENIC, control OVER 70% of the total production.

Greece provides the two thirds of the EU seabream production and exports 40 000 to 50 000 t a year. The main destinations are Italy (44 % of total volumes exported by Greece in 2013), Spain (13%), France (12%), and Portugal (10%). Exports to “Northern” Member states (Germany, United Kingdom, Netherlands) strongly increased in the last years. It has to be noted that the export figures of Greece are significantly higher than the import figures of destination countries; e.g. in 2011 Greece exports 18 733 t to Italy whereas Italy’s import figures state only 17 165 t, it is the same for France (5 733 t instead of 4 568 t), Spain (5 368 t instead of 4 819 t), Portugal (3 994 t instead of 1 570 t).

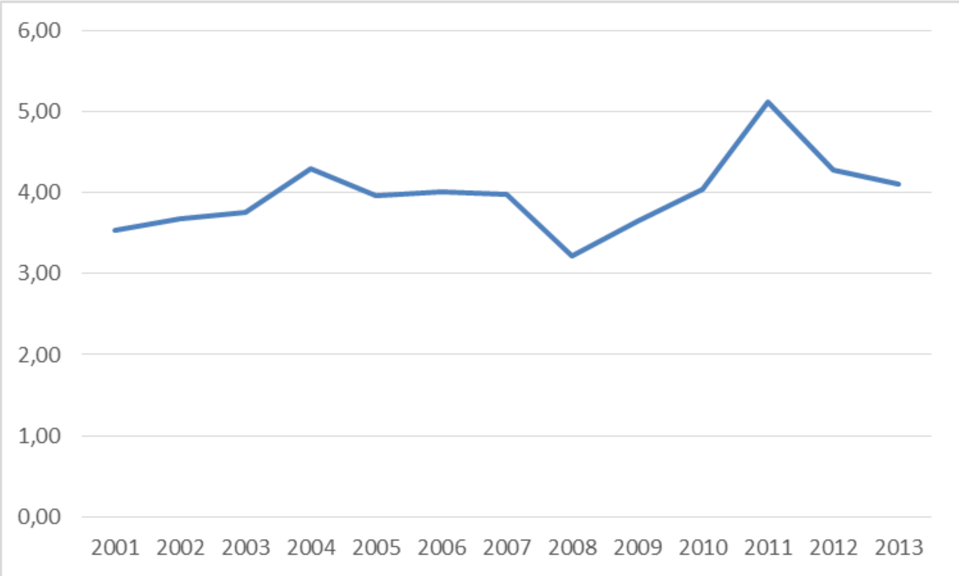
Table 19 – Greek exports of fresh seabreams (CN 03 02 69 95 and, from 2012, CN 03 02 85 30), in t

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
ITALY	12 360	13 440	6 838	10 522	9 711	10 487	12 998	17 109	23 517	23 891	23 141	18 733	20 513	20 716
SPAIN	3 147	6 046	3 263	5 280	3 122	2 739	4 213	5 296	8 916	7 431	6 781	5 368	5 152	6 378
FRANCE	810	1 188	468	1 618	1 167	1 273	2 384	4 141	6 243	6 712	6 618	5 733	5 777	5 713
PORTUGAL	711	2 040	1 258	1 477	601	507	1 393	2 112	3 074	3 354	3 147	3 994	4 426	4 858
GERMANY	163	193	79	169	252	329	638	1 377	1 746	2 741	2 180	1 981	2 379	2 501
UNITED KINGDOM	1 489	264	87	334	311	362	676	996	1 269	1 349	1 335	1 453	1 671	1 262
NETHERLANDS	189	154	21	56	92	96	439	726	1 033	1 040	1 133	1 029	1 086	1 069
Other	154	185	1 854	212	273	404	560	1 507	2 270	2 537	2 762	2 202	2 693	4 903
TOTAL	19 022	23 508	13 869	19 669	15 528	16 196	23 302	33 264	48 068	49 053	47 098	40 493	43 697	47 400

Source : Comext

After the heavy fall of 2008 (the price fell from 3,97 EUR/kg in 2007 to 3,23 EUR/kg in 2008), the average export price of the Greek seabream recovered : it rose to 3,65 EUR/kg in 2009 and reached a new peak in 2011 (5,12 EUR/k) before coming back to more normal levels in 2012 (4,28 EUR/kg) and 2013 (4,10 EUR/kg).

Figure 8 – Evolution of the average export price of the fresh Greek seabream (EUR/kg)

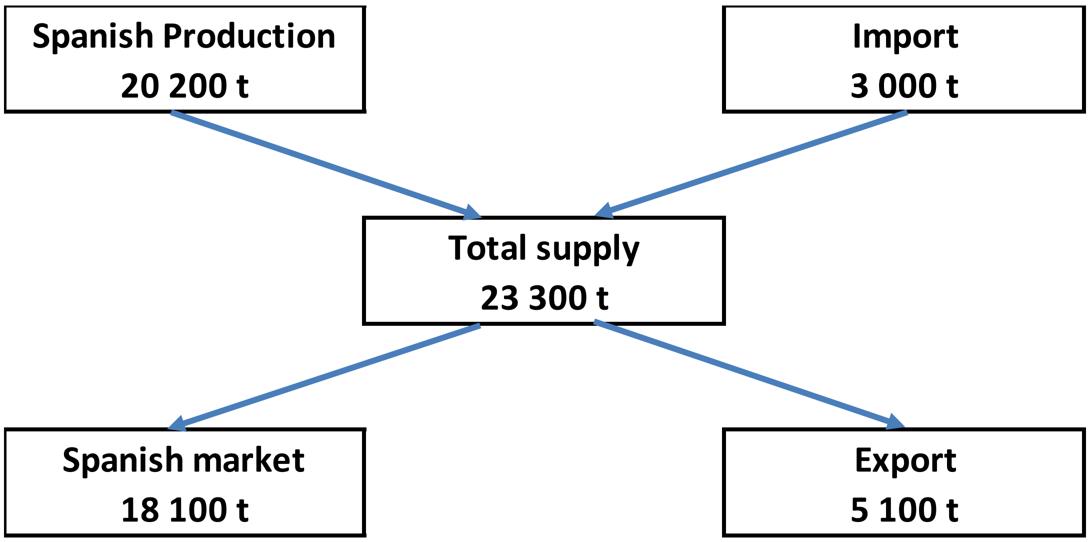


2.3.2 Spain

The Spanish market is the third one after Italy and Greece. The apparent consumption of seabream registered a strong decrease in the last years, falling from 24 800 t in 2010 to 18 100 t in 2012.

Unlike the Italian market, it is supplied mainly by the domestic production.

Figure 9 – Spanish apparent market for seabream in 2012



After three years of decrease the Spanish seabream farming production experienced a recovery in 2012 (see table 3). Two companies, CULMAREX and TINAMENOR Group, control 60% of the Spanish production.

Spain exports to its two neighbours, Portugal (3 100 t in 2013) and France (2 200 t). Sales to Italy are limited (less than 300 t).

Imported seabreams are supplied by Greece (55% of the total in 2013) and Turkey (40%).

Market prices recovered in 2010-2011 and average wholesale prices of farmed seabream reached 5,69 EUR/kg in Mercabarna in 2011 (same level as farmed seabass). In 2012 seabream prices decreased to 4,94 EUR/kg (-13% compared to 2011) while prices for seabass kept rising to reach 6,51 EUR/kg (+14%). In 2013 trends have reversed: seabream prices recovered to 5,26 EUR/kg (+6%) while seabass prices experienced a significant decrease (-7%).

3 PRICES DOWNSTREAM THE SUPPLY CHAIN

This chapter proposes to analyse prices and trends at the various stages of the seabream supply chain in Italy, with the objective to set the framework for price transmission analysis (chapter 4).

3.1 Price information sources

While chapter 4 relies on data gathered through direct interviews with stakeholders, chapter 3 lists the consistent sources regularly accessible and the content of the information provided by each of them.

Table 20 – Price information sources on the seabream supply chain in Italy

Supply chain stage	Type of price	Frequency	Source
First sale	Producer prices (aquaculture)	Quarterly	ISMEA (based on data provided by API)
	Producer prices (fisheries)	Yearly Daily, weekly, monthly, yearly	EUROSTAT ISMEA
Import	Import price	Monthly, yearly	COMEXT
Wholesale	Wholesale price (in two major auction markets : Milan, Rome)	Daily, weekly, monthly, yearly	ISMEA
Retail	Retail price (all channels)	Daily	MIPAAF (Ministry of Agriculture) - service currently suspended
	Retail price (large-scale retailers)	2-3 times a year	API

3.2 Retail prices

Prices at first sale, import and wholesale levels have been tackled in Section 2.2. We give details below on retail prices available.

3.2.1 MIPAAF

The Italian Ministry of Agriculture (MIPAAF) monitors the daily retail prices of a basket of 84 major food products, out of which 12 fish species (farmed seabream is one of them). Consumers have access to this service, called SMS Consumatori, and can request prices by SMS.

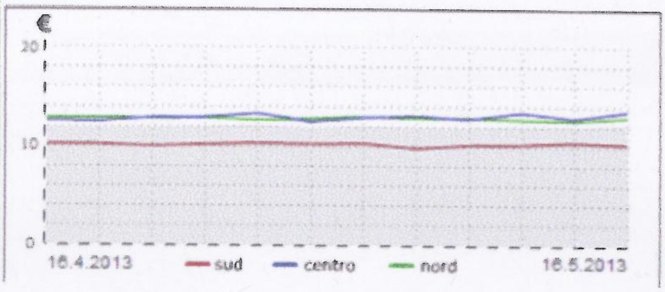
This service is currently suspended.

Figure 10 – Example of data on farmed seabream - SMS Consumatori – Screenshot 17 05 2013

QUOTAZIONI

SCHEDA PRODOTTO

prodotto: Orata (da allevamento)



12,25 €/kg

13,00+0,25 € (2,04%)

aggiungi alla spesa simulata

cambia prodotto:

Orata da allevamento

DATI DETTAGLIATI:

VENDITA	
Nord:	13,00 €/kg
Centro:	13,55 €/kg
Sud:	10,25 €/kg
Media nazionale:	12,25 €/kg
PREZZO MEDIO SETTIMANALE	
Origine (*):	n.d.
Ingrosso (*):	8,06 €/kg
PREZZO MEDIO PERIODICO	
Ultimi 15 giorni:	12,19 €/kg
Grande distribuzione:	12,02 €/kg
Negozio specializzato:	12,66 €/kg
Mercato:	11,90 €/kg
16/5/2013 - prezzo più alto rilevato a Milano (Negozio specializzato):	22,00 €/kg
16/5/2013 - prezzo più basso rilevato a Bari (Mercato):	6,00 €/kg

(*) Fonte ISMEA
Il prezzo all'origine non è definito per sostanziale coincedenza tra la fase dell'origine e quella dell'ingrosso.

3.2.2 API

The Association of Italian Fish Farmers (API) monitors the consumer prices in the large-scale retail ("grande distribuzione") for 10 aquaculture products (6 trout products + Italian seabream + imported seabream + Italian seabass + imported seabass). The prices issued (on API website) are average consumer prices surveyed in the points of sale of 19 retail chains in a two week period.

Table 21 – Average consumer prices in the large-scale retail in the period 16-29 September 2013

Group	Seabream Import	Seabream Italy
AGORÀ NETWORK	-	9,50
BENNET	10,05	11,40
C3	-	8,90
CATENE INDIPENDENTI	-	7,50
CONAD	8,68	14,32
COOP ITALIA	9,62	13,73
DESPAR SERVIZI	9,44	14,22
ESSELUNGA	9,84	13,74
FINIPER	8,94	13,69
GRUPPO AUCHAN	8,81	12,41
GRUPPO CARREFOUR IT	7,66	14,05
GRUPPO LOMBARDINI	10,90	-
GRUPPO PAM	9,06	13,90
GRUPPO SUN	11,20	10,70
IL GIGANTE	9,90	18,80
REWE	9,15	14,95
SELEX COMMERCIALE	8,10	15,88
SIGMA	8,75	12,23
SISA	-	12,40

Source : API

4 PRICE TRANSMISSION IN THE SUPPLY CHAIN

Chapter 4 complements the data of chapter 3 with information obtained through direct interviews with stakeholders.

Table 22 – Costs and margins for the fresh seabream in the large-scale retail in Italy (March 2012)

	€/kg
Purchase price (to the producer)	**4,20**
Transport farm -> Platform	0,35 - 0,40
Packaging	0,04 - 0,05
Labour cost	0,40
Delivered at platform	**5,00-5,05**
Distribution cost	0,35
Weight loss	<0,01
Shrink	0,09
Labour cost (fish counter)	1,35-1,44
Operating cost (fish counter)	1,20
Net margin	1,50-1,64
Average selling price, exclusive of VAT	**9,63**
VAT	1,07
Average selling price	**10,70**

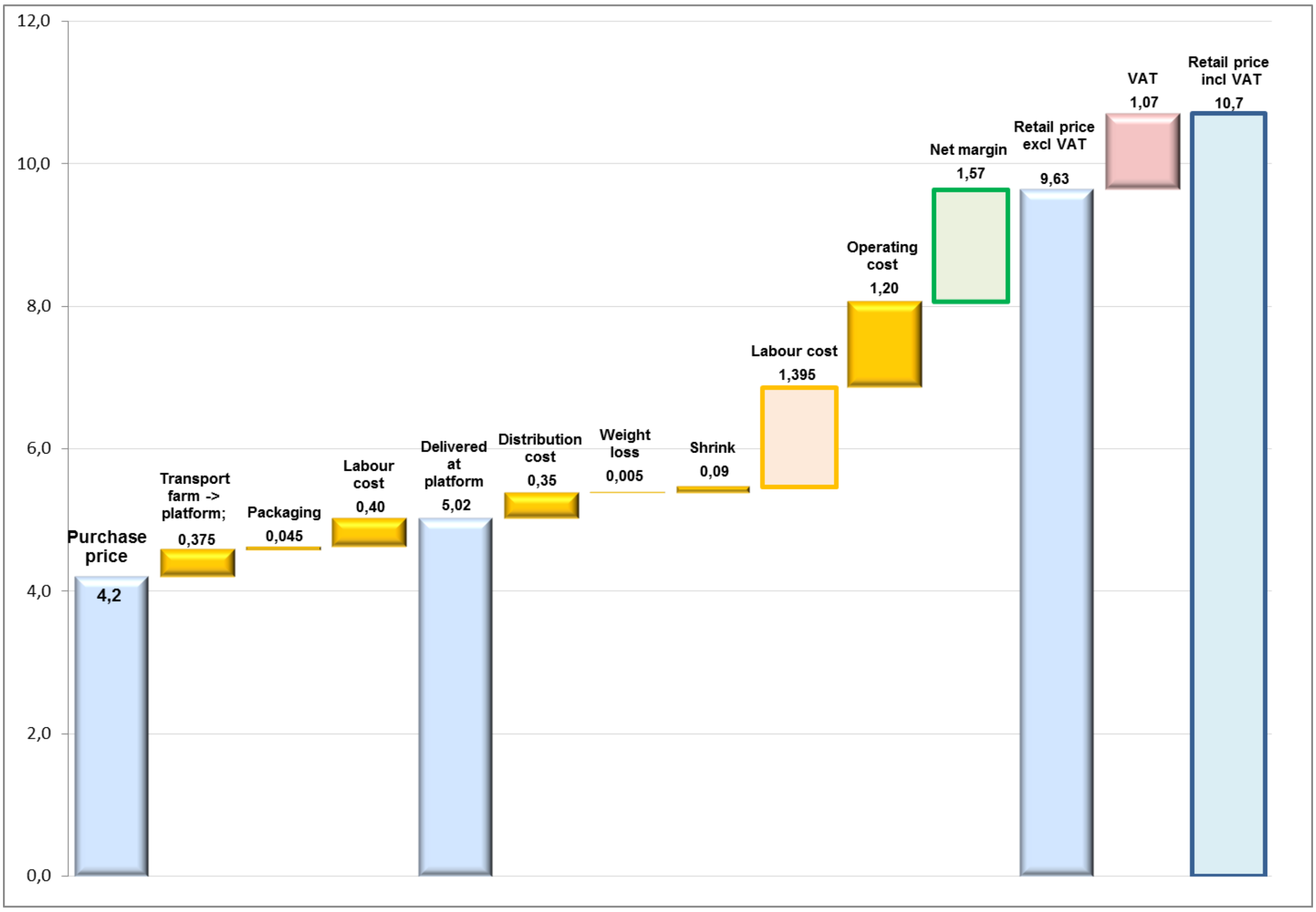
Source : elaboration by COGEA workteam from interviews with supermarket chains' purchase managers in March 2012 for seabream 300-400 gr origin Italy

Assumptions :

- cost of a box : 0,25 €
- weight loss : 0,5%
- shrink : < 1%
- labour cost (fish counter) : 14-15%
- operating cost (fish counter) : 12,5%
- VAT : 10%

Figure 11 illustrates the price transmission in the supply chain for fresh seabream. This figure has been drawn up from interviews of fish purchase managers of the GDO (large retailers) in March 2012.

Figure 11 - Price transmission for fresh seabream sold in Italy – large retailers (March 2012) - €/kg



Source**: interviews of fish purchase managers of the GDO (large retailers) in March 2012**

- cost of a box : 0,25 €,

- weight loss : 0,5 %,

- shrink : < 1 %

- labour cost (fish counter) : 14-15 % of selling price,

- operating cost (fish counter) : 12,5 % of selling price,

- VAT : 10%,

- Average selling price :

normal price : 10,90 to 11,90 €/kg,

special offers (20% of total sales) : 7,90 €/kg.

5 ANNEXES

5.1 Sources used

- EUMOFA

- EUROSTAT

- FAO

- FEAP

- MiPAAF (Ministero delle Politiche Agricole, Alimentari e Forestali)

- ISMEA (Istituto di Servizi per il MErcato Agricolo alimentare)

- AMADEUS

- AUCHAN

- ESSELUNGA

- COO.P.AM

- API (Associazione Piscicoltori Italiani)