

Entering the European market for tuna loins

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In our [Market Analysis for tuna loins](#), you will learn that this product is used as raw material for the European canning industry. This segment provides huge business opportunities, as European canners are increasing their canned tuna production, particularly in Spain, Italy and France. However, since the canned tuna industry is vertically integrated (meaning a processor owns the entire supply chain), you are best off contacting a trader or agent who knows the market well. Buyers look at two main things when purchasing tuna loins: price and sustainability.

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1. What requirements must frozen and pre-cooked tuna loins comply with to be allowed on the European market?

To do business with Europe, seafood exporters must comply with European regulations, while European importers want to see there is control over the whole supply chain. Check the European Buyer Requirements for Fish and Seafood to better [understand the legal and additional requirements that European buyers](#) may ask of you. Ensure that your tuna loins are not from illegal, unreported and unregulated (IUU) fishing. Meeting the right labelling requirements and having sustainability certifications, like from the Marine Stewardship Council (MSC), is also an advantage.

What are mandatory requirements?

When looking at the requirements necessary to export fish and seafood products to Europe, the majority apply at the fish and seafood level, rather than focusing on specific species or products. Below, you will find the most relevant requirements specific to exporting tuna loins to Europe. It is also important that you read our [Buyer's Requirements study](#), for an understanding of the general requirements for exporting fish and seafood (and therefore your products) to Europe.

No illegal fishing allowed

Illegal unreported and unregulated (IUU) fishing, according to the European Union, [is any fishing that is in forbidden areas, uses illegal methods or goes unreported](#). IUU fishing has a negative effect on the sustainable management of global (and local) fish stocks and creates unfair competition for anyone fishing legally and responsibly.

Like other fishery products, imports of tuna loins are subject to a Catch Certification Scheme, which is based on the recognition of the non-European country by the European Union. This is a prerequisite for the exporting country to be able to export to Europe. The catch certificate also allows authorities to combat illegal fishing. The

catch certificate must contain [all the information specified in the specimen shown in Annex II of the European IUU legislation](#).

As an exporter, you should adhere to European guidelines to prevent and eliminate IUU fishing. Fishing is illegal if vessels are not authorised by a country's 'competent authority', or if it goes against conservation and management measures taken by the Regional Fisheries Management Organisations (*RFMOs*), such as maximum catch allowances or catch methods that are harmful to the sustainable management of stocks. Ensuring slave-free socio-economic conditions in the fishing vessel is also a must to obtain this certification.

The 'competent authority' is the government department in your country that the European Union finds the most capable (competent) of monitoring the seafood and fisheries products to be exported to the European Union. The European Union enters into an agreement with this department, giving them responsibility for the mandatory control measures before export.

In India, the competent authority is the Export Inspection Council, which delegates part of the responsibility to the [Marine Products Export Development Authority](#) (MPEDA), both under the Ministry of Commerce. In Bangladesh this is the [Department of Fisheries](#) under the Ministry of Agriculture, Fisheries and Rural Development. In Vietnam it is [NAVIQAD](#), the Quality Department of the Department of Fisheries under the Ministry of Agriculture. In general, the competent authority is a department in the ministry under which aquaculture and fisheries are regulated.

Tips:

- Check this link to learn more about the [European Union's rules to combat illegal fishing](#).
- Contact your competent authority to authorise your vessels/factories for trade with the European Union.
- Check the [DG Sante list of authorised establishments from non-European Union countries](#) to see whether your vessels/factories are registered for trade with the European Union.
- Learn more about CATCH, an IT system that [aims to digitise the European Union catch certification scheme](#), which was launched by the European Union in May 2019.

Labels matter

In December 2014, the European Union [adopted stricter regulations on labelling](#), in order to prevent buyers from being misled and confused.

Labels must provide precise information on the harvesting and production of tuna loins, in addition to the commercial and scientific name of the species. For wild-caught species, it is also necessary to include the specific catch method and the Food and Agriculture Organization (FAO) zone where the tuna was caught. This allows importers to determine how the tuna was harvested and which fishing gear was used. For additional information on labelling, refer to this [EU Pocket Guide to the EU's new fish and aquaculture consumer labels](#).

[Under a new rule \(Directive No. 1379/2013\)](#), tuna loin packaging must indicate how the product has been processed (pre-cooked and frozen) and the labels must be provided on the product or in the commercial document accompanying the goods.

Quality requirements and packaging

For fresh and frozen raw tuna loins used in the food sector, the quality is usually based on size, freshness, shape, fat content, texture and colour. As an exporter, ask your buyers if they have a specific preference. Buyers often express their desires in terms of grade. AAA grade is the highest grade, while A grade is the

lowest. The highest grades are usually supplied to restaurants for the sashimi business, but for tuna loins for canning, buyers may opt for a lower grade.

In this market entry study, the tuna loins referred to are pre-cooked and cleaned individual loin fillets. For this product, differentiation is usually species-specific (for example, skipjack or yellowfin loins) and whether the tuna loins were single-cleaned or double-cleaned. You can find out about the difference between single and double-cleaned loins in the niche market requirement section below.

After cleaning, loins that will be exported are vacuum-packed and frozen before being transported to customers.

Border check

The food safety standards in Europe are among the most strict in the world. Exporters must ensure that their products pass the safety standards and are free from any harmful substances, such as mercury or other heavy metals. Products that are found not to be compliant are registered and reported in the [Rapid Alert System for Food and Feed \(RASFF\)](#). If there is a problem with your tuna loins, you must be able to provide details of a transparent and traceable supply chain, and know your product's distribution status and origin, in order to determine what caused the health risk.

The European authorities will require that you, your company and your competent authority submit a corrective action plan to prevent the same thing happening again.

Tip:

- Check the RASFF portal to learn what kinds of products are recalled and the reasons for border rejection.

Metal content and maximum residue levels

Fish and other seafood are the most important contributors to inorganic mercury consumed by the European population. Tuna is the dominating contributor to methylmercury consumed. It is also usually the reason why tuna products are recalled or are red-flagged in the RASFF. The maximum residue level (MRL) of mercury for tuna is 1.0 mg/kg. The MRL indicates the maximum amount that is allowed in the product, as established by [Commission Regulation \(EC\) No 1881/2006](#) (see Section 3.3 of the Annex). Mercury content is the priority substance for exporters; there are, however, also other active substances that the European Union has issued MRLs for.

Your government must submit a plan with the guarantees that it monitors such residues and substances. The plan must include details on the structure of the non-European Union country's competent authority, the types of substances relevant for tuna loins (like mercury) and should provide sufficient guarantees regarding monitoring the MRLs. Directive 96/23/EC outlines the relevant requirements (Articles 29 and 30). Article 29(1) states that a non-EU country must submit a plan with the guarantees it offers for monitoring the residues and substances.

Tips:

- Use the Commission Regulation to [check the maximum levels for certain contaminants in food](#).
- Consult the [list of countries with approved MRL monitoring plans in this EU document](#) to find out if your country already has an approved plan.

What additional requirements do buyers often have?

There is no standard way of determining terms of payment and delivery, with each party negotiating for the terms that best suit them. In these negotiations, the size of the company and volume of its purchases, as well as the competition the buyer or seller faces, can determine the bargaining power of each party. In our tips for organising your exports with Europe, we go into more detail on what terms buyers might prefer, and what terms might be better for you. Below are the more species-specific requirements relevant to tuna loins.

Buyers want safety and sustainability seals

As a standard procedure, exporters must be accredited for food safety depending on the specific requirements of the buyer. The most commonly requested food safety certification schemes for seafood products are the [International Food Standard \(IFS\)](#) and/or the [British Retail Consortium \(BRC\)](#) standard, and sometimes also [GLOBALG.A.P.](#)

European retailers and importers, especially from northern and western Europe, usually require sustainability seals on seafood products. For tuna loins, this means that the [Marine Stewardship Council \(MSC\)](#) is an important certification for sustainable wild-caught tuna.

Getting an MSC seal helps secure your reputation as a reliable and trustworthy exporter among European importers. It is also a worthwhile investment now that sustainability plays a huge role in trade.

Tips:

- Read our [Trends Study](#) for a better understanding of the importance of sustainability and the growth of the MSC in Europe, as well as other trends in the European market that are relevant to your product. An audit by an accredited certification body can be an advantage in the business. Check [the list](#) of accredited certification bodies to see which one could assist you.
- Check out the Sustainability Standards Map, which [helps small and medium-sized enterprises in developing countries to develop their value chain with a focus on sustainability](#).

What are the requirements for niche markets?

Depending on the requirements and specifications of the buyer, tuna loins can be single-cleaned or double-cleaned. The single-cleaned loins have the veins, bones and skin removed. Double-cleaned yellowfin loins are usually of higher quality because they are cleaned a second time, at a new and completely clean table, which gives the workers a better view of the loin and what still needs to be removed, like the few remaining veins.

The double-cleaned loins are mostly used in premium tuna products, particularly in the United Kingdom. Spanish buyers usually prefer single-cleaned loins.

Tip:

- Take the time to analyse and study the business of your buyers and potential client in order to understand their canned tuna business. This will allow you to tailor your tuna loin products to their standards.

2. Which channels can you use to put frozen and pre-cooked tuna

loins on the European market?

Because tuna loins are used as raw material in the canning industry of Europe, they do not end up in the retail market. As an exporter, your target buyers are the European canned tuna processors. However, in order to contact them, you must first understand the European market. Because most canners are vertically integrated, it is difficult (but not impossible) to trade directly with canning companies. You can choose to enter the market with the help of agents and traders. Below we will explain the advantages and disadvantages of each channel.

How is the end market segmented?

This product fact sheet is about frozen and pre-cooked tuna loins that are used for the canning industry. Therefore, your product will ultimately end up in the processing industry, either through traders or through the canning factories. Your focus should be on dealing with the processors, which are mostly located in southern Europe.

Another way is to deal with parties in trading nations, such as the Netherlands and Germany, which then deliver the tuna loins to the tuna canning nations, such as Spain, Italy and France.

Figure 1: End-market segmentation for tuna loins

Source: Seafood Trade Intelligence Portal, 2019

Figure 1 shows the main retail and wholesale/food service end-market segments in the Europe. The segments that are darker are segments where there is the highest demand for your end products.

Usually the processing sector is the main end market for tuna loins. Although some exporters may choose to directly contact major European retailers to get better margins, there are risks involved. For example, it is crucial to understand the responsibilities of an exporter if the tuna loin supply from your country is low, as well as to understand the challenges that come with stock variability and competition with other sellers.

Potential exporters must also remember that while frozen pre-cooked tuna loins are used as a raw material by processing companies, ultimately the end market is the canned tuna retail and food service sector. In order to do lasting business in tuna loins in Europe, you also have to be up to date about the canned tuna market which creates the demand for tuna loins.

Through what channels do tuna loins reach the end market?

Since frozen and pre-cooked tuna loins are usually exported to Europe as a raw material for the tuna canning industry, and the fact that most canning companies in the tuna loin sector are vertically integrated and own their own fishing fleets, your best way to enter the European market is through importers, traders and agents. The vertical integration can make access to the market challenging, while working with locals can make it easier to find the best opportunities in the market.

Importers, distributors and wholesalers all act as middlemen to canning factories, which have the biggest demand for this product. Importers often supply tuna loin to wholesalers and distributors, who sell the tuna on to the canning industry. Making direct contact with these importers is a good way to gain access to this market.

You can also seek the services of an agent, who can represent your company in a particular market or country, when finding an importer or wholesaler. For example, it may be an option to contact a Spain-based agent in order to negotiate deals with Spanish canners. As mentioned in our Market Analysis, [countries in southern Europe \(particularly Spain, Italy and France\) are the largest importers of tuna loins](#), so these are the countries that you may want to target first.

Agents can help to establish contacts between overseas buyers and suppliers and have a good knowledge of

distribution channels. They can act as a substitute for your sales force and provide you with up-to-date market information.

More companies want to have shorter supply chains; this is why some exporters may also decide to contact processors directly. As you can see in Figure 2, this is not a very common practice, as the European processing sector usually already has established suppliers and connections. However, this option can be viable if you already have extensive knowledge of the European market, and if the food service company or retailer is also linked to the processing industry where the demand for tuna loins exists.

As shown in Figure 2, processors supply the canned tuna sold by retailers or food service companies. Some processors also create their own brands, such as [Bolton Group](#), which produces the French leading brand [Saupiquet](#) and the Italian [Rio Mare](#). Other processors cater to the private labels of huge grocery retailers such as [Aldi](#), [Lidl](#) or [Edeka](#).

Figure 2: European market channels for frozen pre-cooked tuna loins

Source: Seafood Trade Intelligence Portal (2019)

Tips:

- If you want to export seafood or other fishery products to Europe, as a general rule, you must first contact the relevant competent authorities in your country.
- You can also consult the [European Union Trade Help Desk](#) to learn more about trade requirements. It is easy to navigate and also informs you about the necessary requirements depending on the country of origin.

What is the most interesting channel for you?

For the export of tuna loins into Europe, the market segment is usually divided among traders/agents and the processing companies or the huge retailers. There are various benefits in choosing to deal with local agents and importers. This is because processing companies, particularly from Spain, Italy or France, already have established suppliers for canned tuna processing. These middlemen will help introduce you to the processors who ultimately will be your buyers.

As discussed in the previous section, there is more risk in contracting a processing company, since they usually get their supplies directly from the country of origin, and make high demands on suppliers regarding volumes they can provide consistently and the speed of delivery. Unless you are an established tuna loins supplier with massive capacity who can deliver quickly, the best way is to go through a trader or agent.

Europe has a long history in canning operations; the business is vertically aligned, meaning there is not much room for branching out, unless you can sell your tuna loins at much lower prices than your more established competitors. Chinese tuna loin suppliers, as newcomers in the European tuna loin market, were able to do this successfully. Chinese suppliers have made their products so cheap they are irresistible. China is also actively looking for other markets due to the trade war with the United States and because dealing with Europe has paid off for skipjack loins.

However, if you choose to contact a processor directly, you must first be knowledgeable of the market requirements in that specific country. The European canned tuna processing sector is composed of well-organised associations in each country. The following is a list of some of the major European tuna processing organisations; check them out for potential buyers.

- Italy
[ANCIT](#) (Associazione Nazionale Conservieri Ittici delle Tonnare)
- Spain
[ANFACO](#) (Asociación Nacional de Fabricantes de Conservas de Pescados)
- France
[FIAC](#) (La Fédération française des Industries d'Aliments Conservés)
- Portugal
[ANICP](#) (Associação Nacional dos Industriais de Conservas de Peixe)

Tips:

- It is useful to reach out to country-specific processing organisations if you are targeting a specific country.
- Consider focusing on companies like [Amacore Seafood](#) and [Anova](#) in the Netherlands, which are important re-exporters of frozen tuna products in Europe.
- Use [Google Translate](#) if you are trying to access a company website linked in this study and the website is not available in a language you are familiar with. Companies that you might be interested in may only have their websites translated into the languages that they use most often.

Making direct contact with a retailer is also an option for suppliers looking into doing business with a particular brand or supermarket chain that produces its own private label. However, we advise you to do this only if you already have an established connection with the retailer, as retailers usually already have a processor that manages this production. Furthermore, retailers often make even higher demands on their suppliers than processing companies, particularly in terms of consistency of supply.

3. What competition do you face on the European tuna loin market?

There are several countries that already have a strong control of the European market, based on a long history of trading tuna loins. Here, we list down some of the major competitors that you will encounter. While they are established suppliers, there are common reasons why they are the leading exporters to Europe: tariff-free access, product sustainability and competitive prices.

Which countries are you competing with?

Ecuador

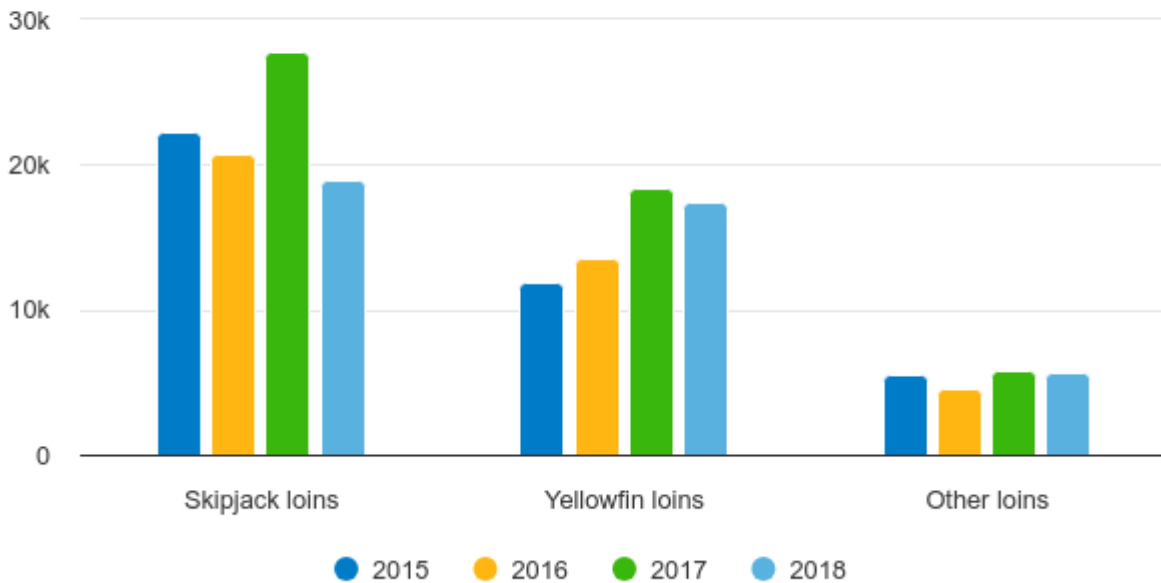
The biggest competition in the tuna loin trade is Ecuador, which currently leads in the export to Europe. In 2017, it concluded a new free trade agreement with the European Union, which upholds the region's tariff-free access for Ecuador's tuna loins.

The South American country controls 26% of the total volume of skipjack loins exported to Europe and secured a 31% market share in the export of yellowfin loins in 2018. Some of the biggest Spanish tuna companies also own factories in Ecuador, including [Salica](#), [Garavilla](#) and [Calvo](#).

Ecuadorian exports of skipjack loins increased steadily until 2018, when volumes fell by 32% to 18,989 tonnes. This was mostly due to Chinese suppliers disrupting the market with lower-priced tuna loins. Meanwhile, volumes of yellowfin tuna loins increased by 47% from 2015 to 2018, amounting to 17,447 tonnes of loins supplied to Europe last year.

Figure 3: Ecuador's tuna loin exports to Europe

in tonnes



Trademap (2019)

While Ecuador also exports to North and South America, Europe is its largest market. The European market has been crucial to Ecuador's tuna sector. Fisheries and aquaculture are responsible for Ecuador's second largest exports, after oil. Ecuador is also responsible for 4% of the world's total tuna catches.

As Ecuador is the main supplier of tuna loins to Europe, European buyers view the country as a 'tried and tested' supplier with well-organised and structured companies.

China

In the last few years, China has seen an explosive growth in the volumes of skipjack loins supplied to Europe, with volumes growing by 121% from 2015 to 2018. In 2018, China became the second largest exporter of skipjack loins to Europe, after Ecuador. Exporting 17,738 tonnes, China took a significant share in the market from the leading exporter. Over the course of three years, China overtook several other Asian countries as supplier, such as the Philippines and Indonesia.

Chinese expansion in the European market can be largely attributed to the Autonomous Tariff Quota (ATQ), explained elsewhere. Under the ATQ, the European Union allows 30,000 tonnes of frozen tuna loins to be exported to Europe duty-free. Anything above this volume is subjected to a 24% duty. In this new system, Chinese tuna loins, which were sold at a cheaper price, became more competitive, since European buyers will choose the cheaper loins and can get these tax-free.

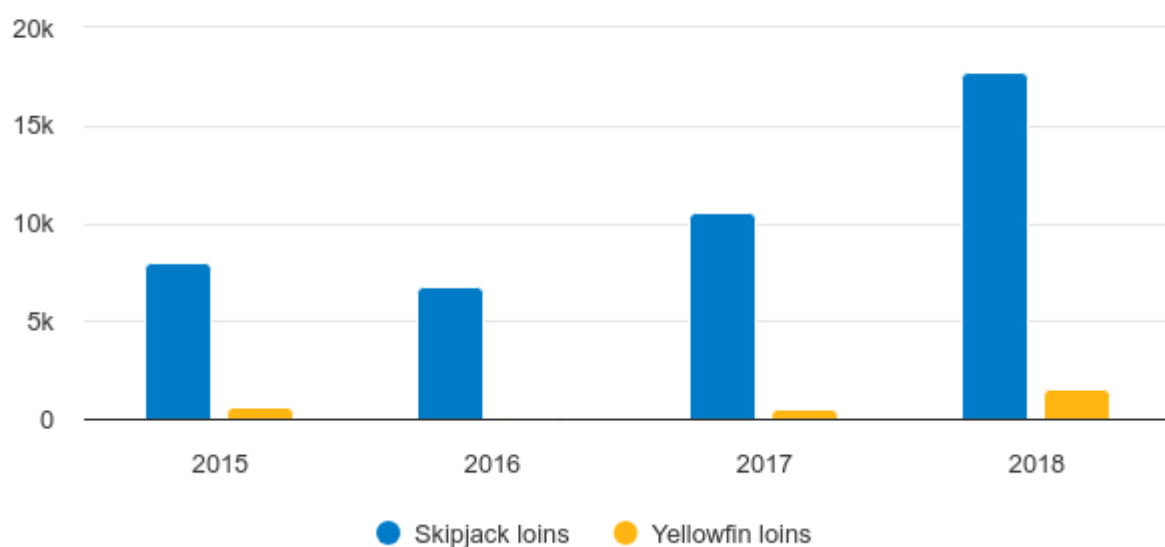
However, China is still far from being a top contender for yellowfin loins. Currently, the country only supplies 1,518 tonnes to Europe, compared to 17,447 tonnes from Ecuador.

Tip:

- Read our [Market Analysis for tuna loins](#) for a better understanding of how producers can use the ATQ to increase their competitive advantage.

Figure 4: China's skipjack and yellowfin loin exports to Europe

in tonnes



Trademap (2019)

The secret to Chinese tuna loins being considerably lower in price is the cheap labour and lower operating costs. For potential exporters, you can learn from the marketing strategies of China, which promises cheap tuna loins. However, to sustain this kind of growth, you can learn from Ecuador's formula of a more structured supply chain, which also puts a huge premium on sustainability. European buyers are concerned with the IUU practices and lack of traceability that are often associated with Chinese tuna loins.

Tips:

- Compare the tariffs that you would have to pay when exporting tuna loins to Europe with what your competitors from other origins would have to pay (or perhaps would not even be subject to under certain tariff agreements).
- Familiarise yourself with [Europe's ATQ system](#) to learn about Europe's policy in duty-free tuna loins.

Papua New Guinea

Like Ecuador, tuna loin exports from Papua New Guinea are also always duty-free. Papua New Guinea is an important tuna hub and the tuna sector represents the largest of Papua New Guinea's fisheries. Historically, Papua New Guinea has charged licensing fees to foreign fishing fleets, which has made the country popular in the raw material sector of the tuna industry.

Papua New Guinea is the third largest supplier of skipjack loins after Ecuador and China, exporting 7,393 tonnes in 2018. This represents a 60% increase since 2015, showing that Papua New Guinea is a strong contender in the tuna loins industry. Papua New Guinea is also the third largest supplier for yellowfin loins, at 7,352 tonnes in 2018.

Papua New Guinea accounts for 12-17% of the world's tuna catch and has historically exported a huge volume of other canned products processed in local factories, as well as tuna loins, to Europe and other countries.

The country has recently offered foreign fleets incentives to process the tuna locally, in order to boost the labour opportunities for the local industry. Papua New Guinea has also begun the process of getting its tuna fishery MSC certified, which could also potentially boost its onshore processing industry. In total, the processing sector of Papua New Guinea is operating at 7,125 tonnes per day, but has a full capacity of 15,000 tonnes.

Currently, sales of Papua New Guinea and other island nations within the Parties to Nauru Agreement (PNA) are being managed by Dutch marketing company [Pacifical](#), which promotes the catch, distribution and marketing of the MSC-certified tuna caught within PNA waters. The PNA comprises a group of eight Pacific island nations formed in 1982: the Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands and Tuvalu.

Tips:

- Exporters looking into distributing to the European market should check out Netherlands-based [Pacifical](#), which manages tuna exports from the eight PNA countries.
- The main tuna processors in Papua New Guinea are [RD Processing](#), [Frabelle](#), [IFC Ltd.](#), [Majestic Seafood](#), [Nambawan Seafood](#) and [South Seas Tuna](#).

Mauritius

Tuna fisheries are important in Mauritius, with exports mainly focused on tuna loins and canned tuna. In 2018, Mauritius exported a total of 7,453 tonnes of yellowfin loins to Europe. Mauritius also exports skipjack loins to Europe, although not in such volumes as in the yellowfin trade. In 2018, the country exported a total of 477,900 kg of skipjack loins to Europe.

In 2014, a Fishery Partnership Agreement (FPA) was signed by the European Union and Mauritius. It allows vessels from Spain, France, Portugal, and Italy to fish in Mauritian waters, and is part of the tuna network fisheries agreements in the Indian Ocean. Major French canning company [Sapmer](#) mainly sources its tuna loins from Mauritius.

Tips:

- Check whether your government has an FPA with Europe. Fishing deals can facilitate a smoother connection and deals between tuna fishing fleets and trading countries.
- Find out [what kind of fishing agreements the European Union has with non-EU countries](#), how these work, and what any agreements entail.

Which companies are you competing with?

There are many companies you will be competing with, mostly based in Ecuador, Papua New Guinea and China. The following companies are major players in the export of tuna loins to Europe.

Asiservy

[Asiservy](#) is one of the largest tuna processors in Ecuador. Located in Manabi province, the plant measures 23,000 square metres. The company processes 120 tonnes of tuna a day and specialises in the production of skipjack and yellowfin loins. The company's principal export destination is the European market (65%), while also exporting to Latin America (25%) and the United States (8%).

The company has been in the business of tuna loins production for over 12 years and aims to further diversify

its market with its value-added products. The company is also part of the [Ecuadorian Chamber of Industries and Processors Tuna \(CEIPA\)](#), which represents 17 companies in the tuna value chain in Ecuador.

Nirsa

[Nirsa](#) is another of Ecuador's main tuna processors; the company does not just focus on tuna, however, but also on the production of sardines, shrimp, oil and fishmeal. The company can process 250 tonnes a day. In 2003, the company started its venture in tuna pouches, now not only distributed in the United States but also in Europe.

Shanghai Kaichuang Marine International

Based in China, this company is mainly engaged in marine fishing, but also is strongly involved in tuna processing. In March 2019, on the country's eastern seaboard, the Chinese fishing company began construction on a processing plant with 25,000 tonnes annual capacity.

The company catches 90,000 tonnes of tuna annually. This is a company that competitors should watch out for, given that they are investing heavily in the internationalisation of their tuna business, particularly in Europe. The firm acquired Spanish tuna company Conservas Albo for €61 million in 2016.

RD Corporation Group

[The RD Company](#) currently has two tuna factories, RD Tuna Cannery Ltd. in Papua New Guinea and PhilBest Canning in the Philippines. The production capacity of their factories is 500 metric tonnes per day, equivalent to about 25 shipping containers.

RD has acquired boats and is capable of locating schools of tuna by helicopter and radar, and does not need to use FADs (Fish Aggregating Devices). An FAD is a man-made device used to attract tuna for fishing, but can also result in a higher bycatch rate. Based in Madang, the company has easy access to Papua New Guinea's fishing grounds, which are just half a day's sailing away, ensuring maximum freshness of the fish.

Frabelle PNG Ltd.

Frabelle is a Filipino tuna company based in Papua New Guinea. In 2017, Frabelle opened a new tuna processing line that produces up to 100 tonnes of tuna products daily. Both Frabelle and Majestic Seafood Cannery export canned tuna and frozen cooked tuna loins to the European Union, with which Papua New Guinea has a market access agreement. Frabelle also sells into the local Papua New Guinea market under the Isabella brand. Frabelle also has a joint venture with Thai Union Group called Majestic Seafood.

Frabelle has also recently started MSC assessment for its tuna fishery. It hopes that the MSC certification will boost the local industry as well as the expansion of its market globally. Frabelle hopes to expand its processing to other Pacific Islands in Kiribati and the Federated States of Micronesia.

Which products are you competing with?

Tuna loins are a niche product since they are used as a raw material for canned tuna production. As long as Europe produces canned tuna, there will be a demand for tuna loins. Comparing tuna loin products, there is a stronger demand for skipjack loins in Europe.

Total volume of skipjack loins imported stood at 79,237 tonnes in 2018, which is 31% higher than the imports in 2015. Although yellowfin loins show a steady demand in Europe, at 57,677 tonnes in 2018, the demand is also largely dependent on the health of the stock, so imports show some fluctuations over the years.

While canned tuna comprises the largest segment for canned production in Europe, raw materials for sardine and anchovy production are also in demand. Read our [Product Fact Sheet on canned fish](#) to learn more about

the European demand for these products.

Sardine

Imported frozen sardines mainly go to the processing industry. In 2018, a total of 89,301 tonnes of frozen sardines were imported by Europe. Top importing nations include Spain (28,096 tonnes), Malta (13,324 tonnes) and Portugal (13,140 tonnes). Imported sardines from non-European countries are mostly supplied by Morocco and imports have increased progressively after stocks of sardines declined in 2011, leading to a decrease in fishing quotas in Europe.

The increase in imports of raw material for sardine production is also reflected in the increase in canned sardine production in Europe. In 2017, a total of 80,748 tonnes of sardines was produced in Europe, 2% higher than the production in 2016.

Anchovies

Processed anchovies compete with the canned tuna sector in Europe, particularly in southern European countries such as Italy and Spain. Spain and Italy account for 71% of European anchovy consumption.

Raw materials for processed anchovies mostly consist of anchovies imported from non-European countries, such as Morocco, Albania and Tunisia. These are usually used for the production of processed anchovy on an industrial scale. Salted anchovy can be used as raw material for the production of preserved anchovy in oil. Some stakeholders estimate that 95% of the volumes of salted anchovy available are used for the production of preserved anchovy. The remaining 5% is used as a final product, mostly sold to niche markets.

4. What are the prices for tuna loins on the European market?

The raw material price of tuna loins represents 65-70% of the final price of the product, which is why it is also the main driver of the prices for canned tuna. In Europe, by importing tuna loins, processors reduce the most labour-intensive part of production, which includes cooking, cleaning and loining the fish. The loining process accounts for up to 80% of the labour costs in a full-scale tuna cannery.

Transportation costs are also reduced when loins are transported instead of the entire frozen tuna, because loins only make up around 60% of the weight. They are also more convenient since they can be transported in shipping containers instead of bulk reefers.

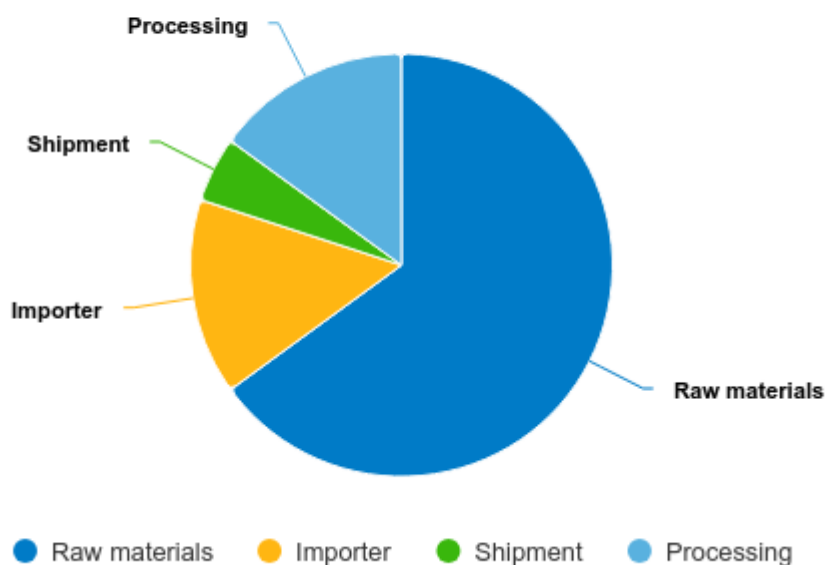
The price of the tuna loin also determines the competitiveness of exporters, and it goes without saying that the cheaper the price, the more competitive you can be.

The price breakdown for tuna loins can be found below:

Raw materials 65-70%
Importer 12-15%
Shipment 5%
Processing 10-15%

Figure 5: The price breakdown for tuna loins

in %



Seafood Trade Intelligence Portal (2019)

It is difficult to determine the exact margins of this product, given that it is a raw material used for canning operations. For tuna loins, the most important prices are therefore the CFR (Cost and Freight) and Free on Board (FOB) prices, which are discussed below.

Tip:

- You can monitor the prices of tuna loins via Atuna.com, a news website for the global tuna industry and check your competitive advantage or disadvantage against other exporters.

The Free on Board (FOB) price for skipjack loins per tonne is \$4,650 and \$6,850 for yellowfin loins. An FOB price means that the buyer has to bear all costs and risks of the goods from the port of shipments.

See Table 1 for the CFR prices per kg. CFR stands for Cost and Freight, a legal term used in international shipping, where the seller assumes the responsibility for the delivery of the tuna loins.

Table 1: CFR prices of tuna loins (January to September 2019)

	CFR price per kg (€)					
	January	March	April	May	July	September
Skipjack loins	5.0	4.9	5.3	5.3	4.3	5.3
Yellowfin loins (double cleaned)	6.0	6.0	6.3	6.3	5.3	6.5

Yellowfin loins (single cleaned)	6.0	5.5	5.7	5.7	5.0	6.0
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Source: European Price Report (FAO), 2019


Tip:

- Familiarise yourself with [the different types of relevant incoterms](#) (international commercial terms). These are a series of commercial terms published by the International Chamber of Commerce. These are important to know as an exporter, especially in setting the prices.


The study has been carried out on behalf of CBI by [Seafood Trade Intelligence Portal](#).

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