



Low contract share and high spot prices. What are the demand consequences?

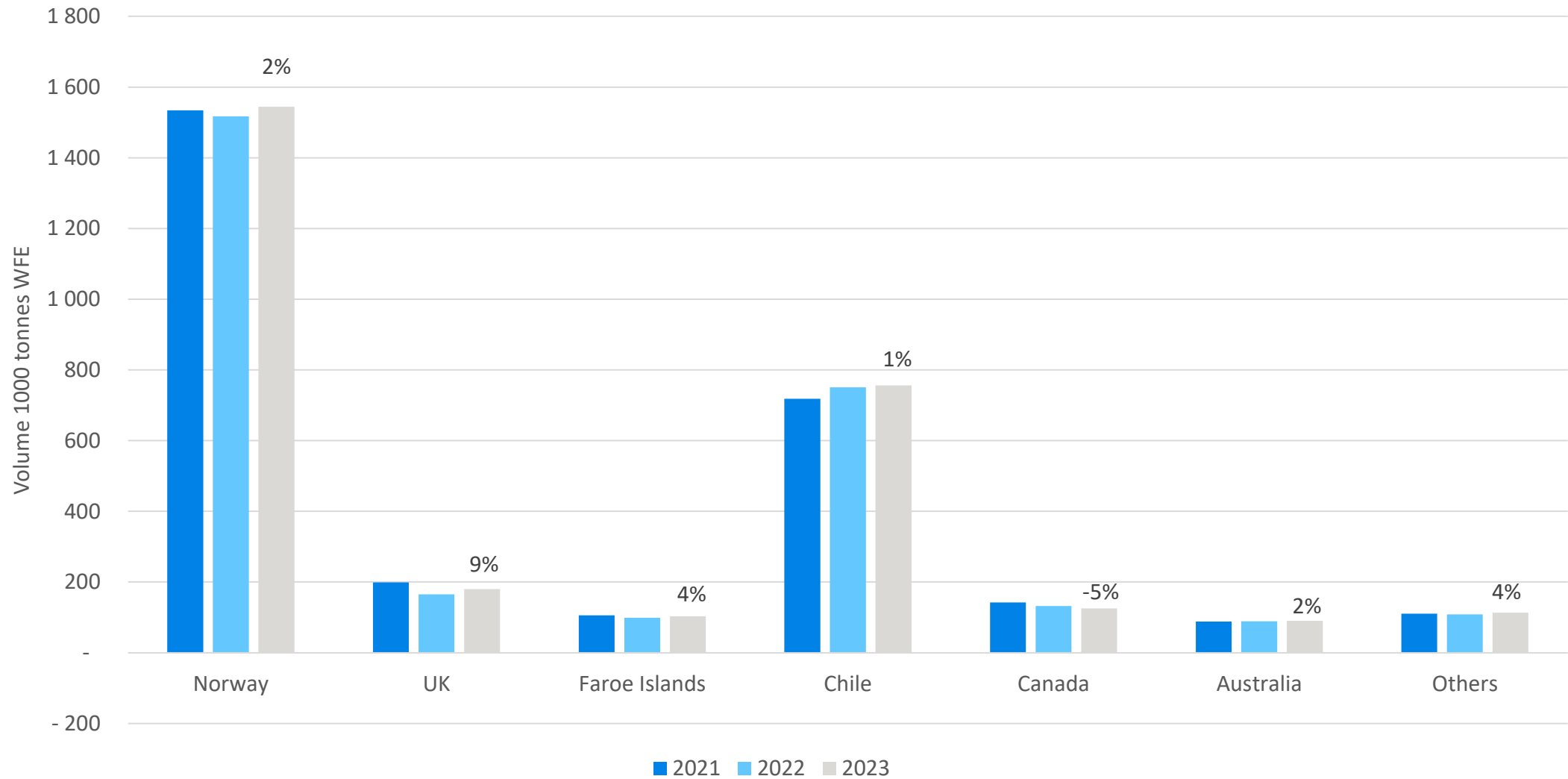
Fish Pool (Barcelona) 2023

Tom-Jørgen Gangsø, Director Market Insight and Market Access

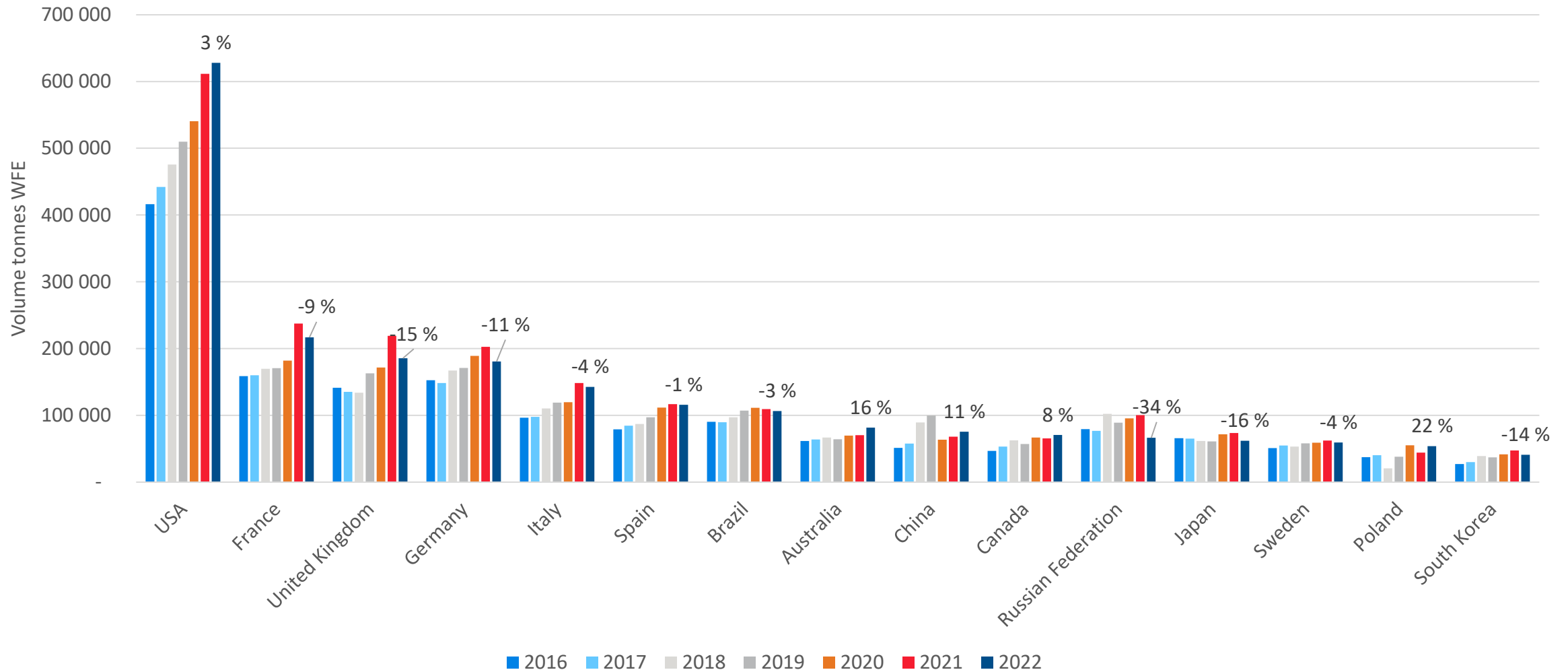
Agenda

- Global production Atlantic Salmon
- What is the actual consumption of salmon in certain markets?
- Who's paying these increased prices?
- Substitution effects between salmon and other proteins
- How is salmon performing against other seafood?
- Demand consequences?
- Key takeaways

Global production of Atlantic Salmon = limited growth

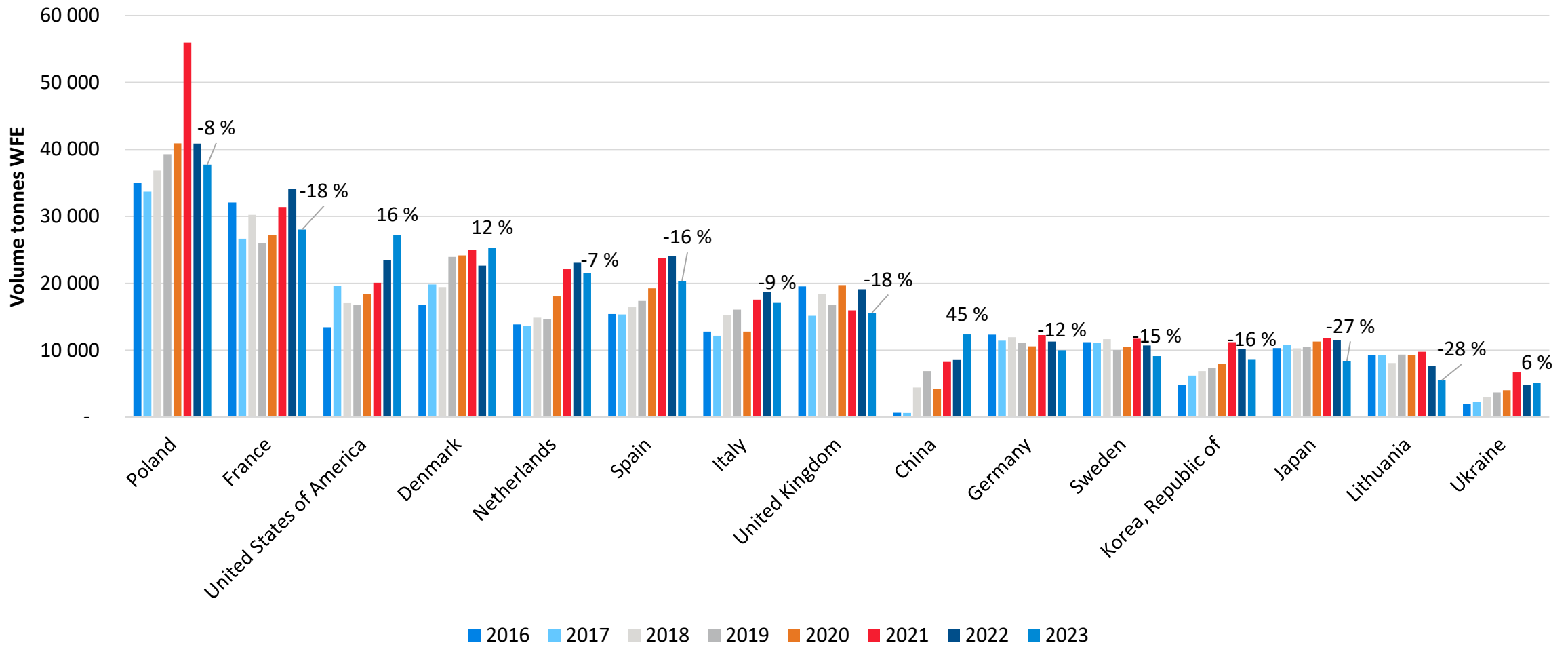


What is the actual consumption of salmon in certain markets?



Norwegian salmon exports Q1

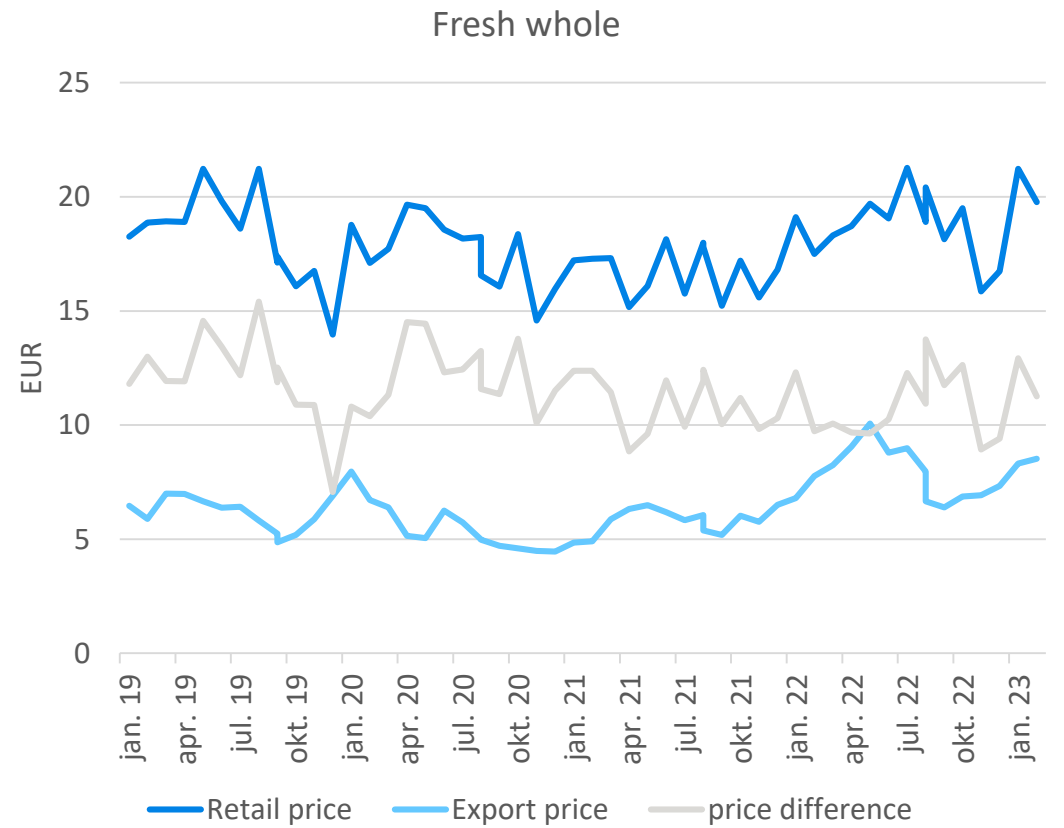
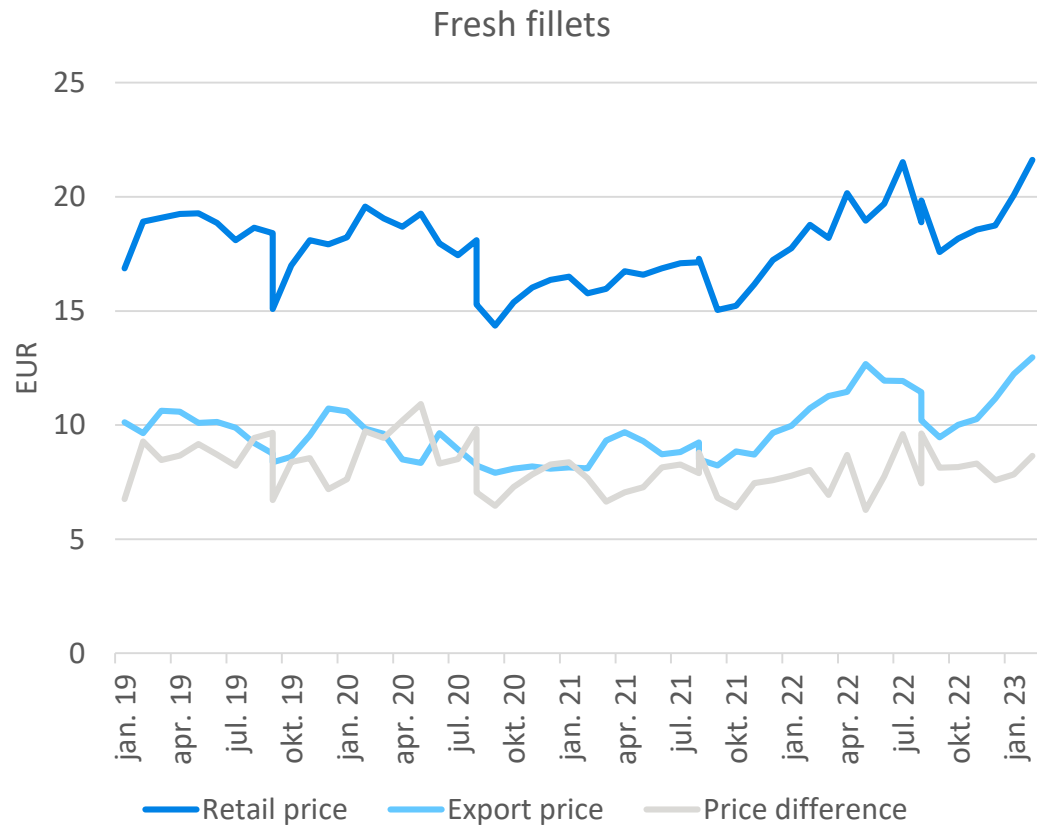
- Strong growth to the US and China, back to pre-pandemic levels in many markets and Japan continue to lose traction



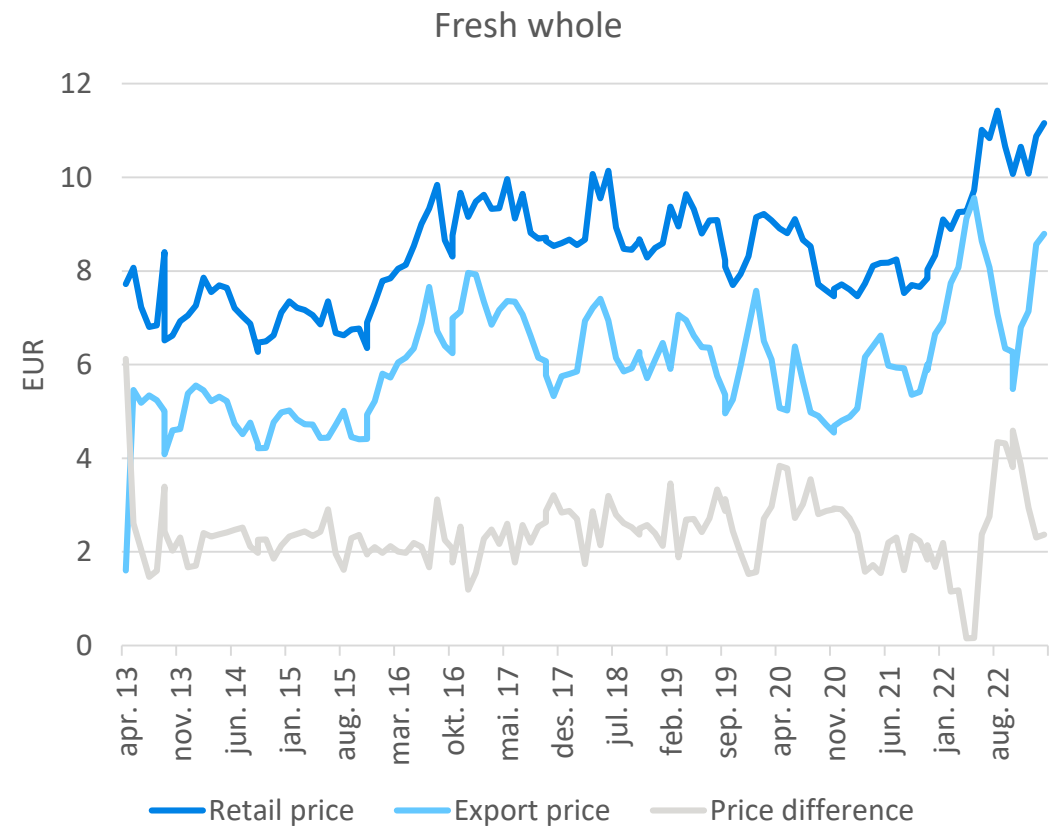
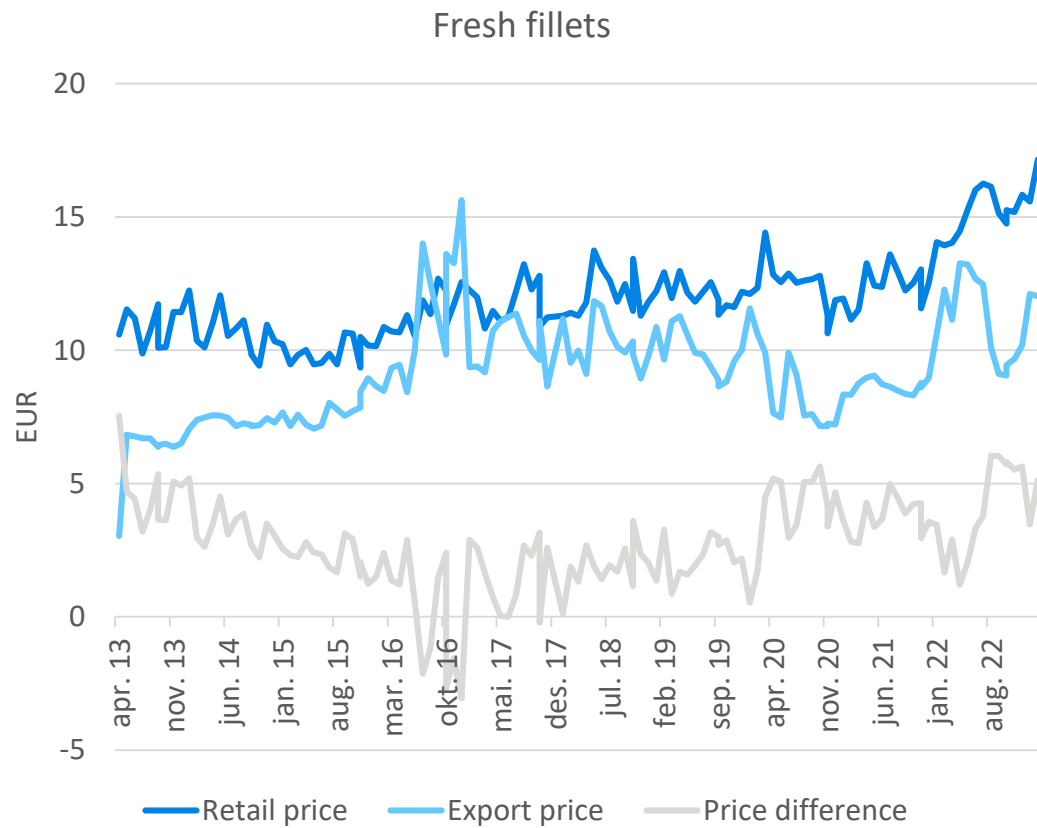


Who's paying these increased prices?

France – some volatility, but retail price seem to follow export prices over time



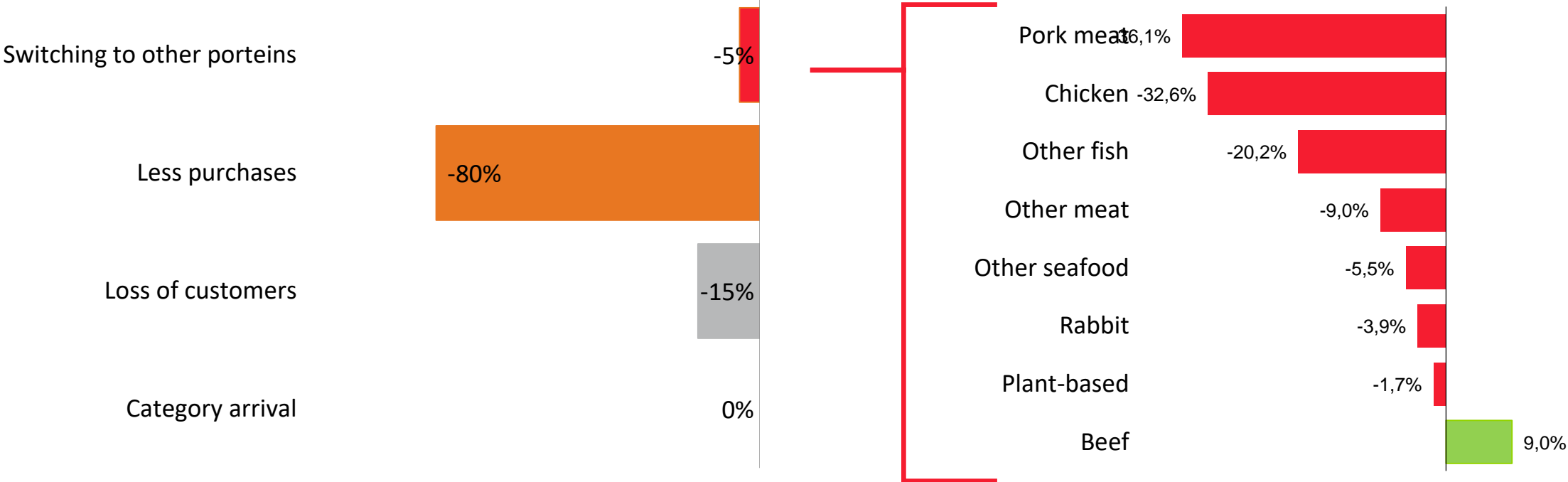
Spain – retail price increase last year, steady high prices YTD 2023



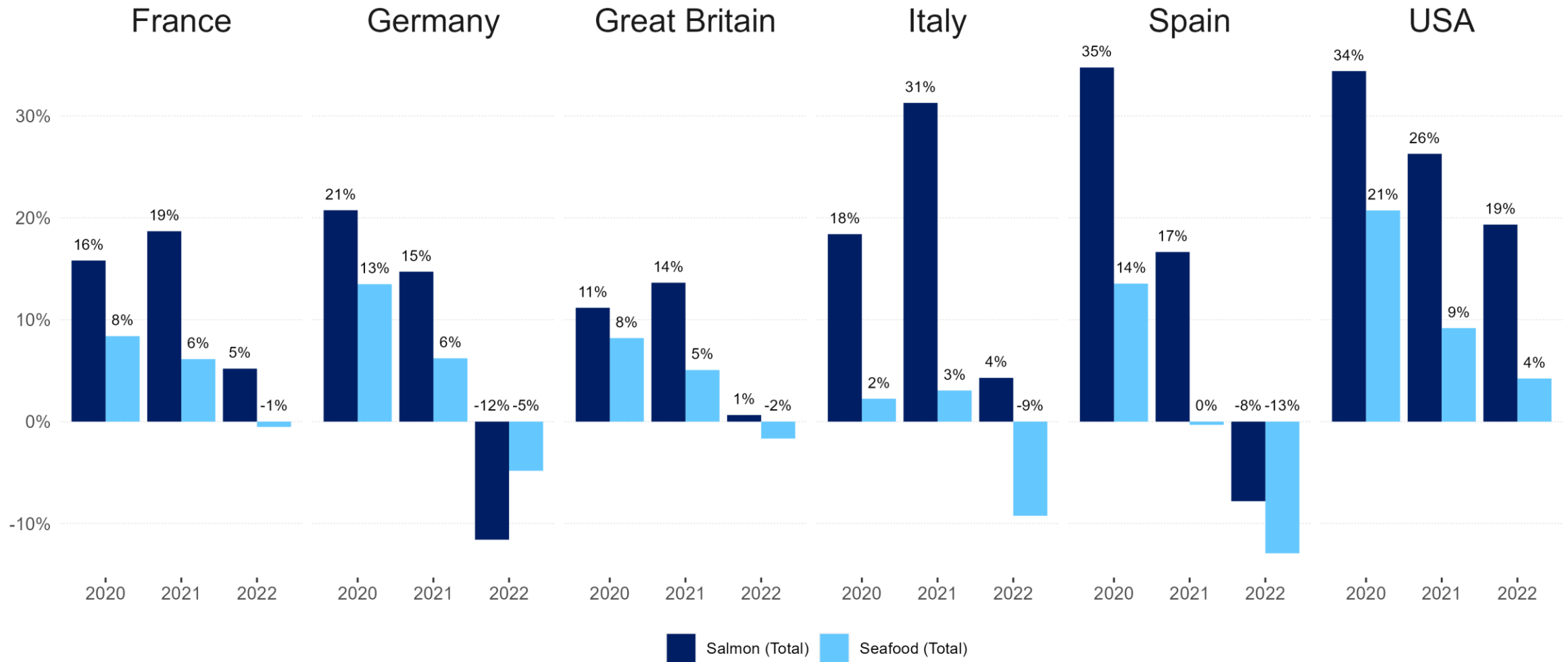
Does salmon have substitutes?



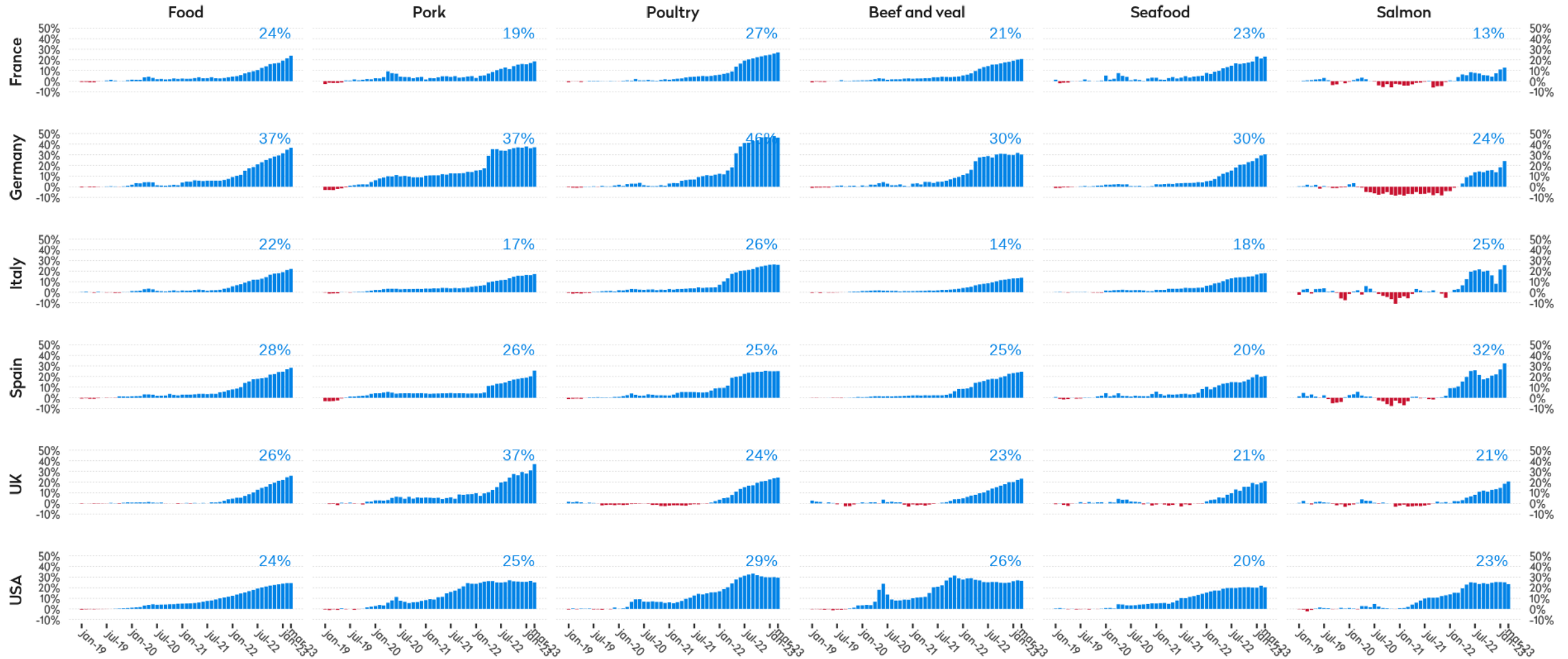
Spain: Three main reasons explaining downturn home consumption of salmon in 2022



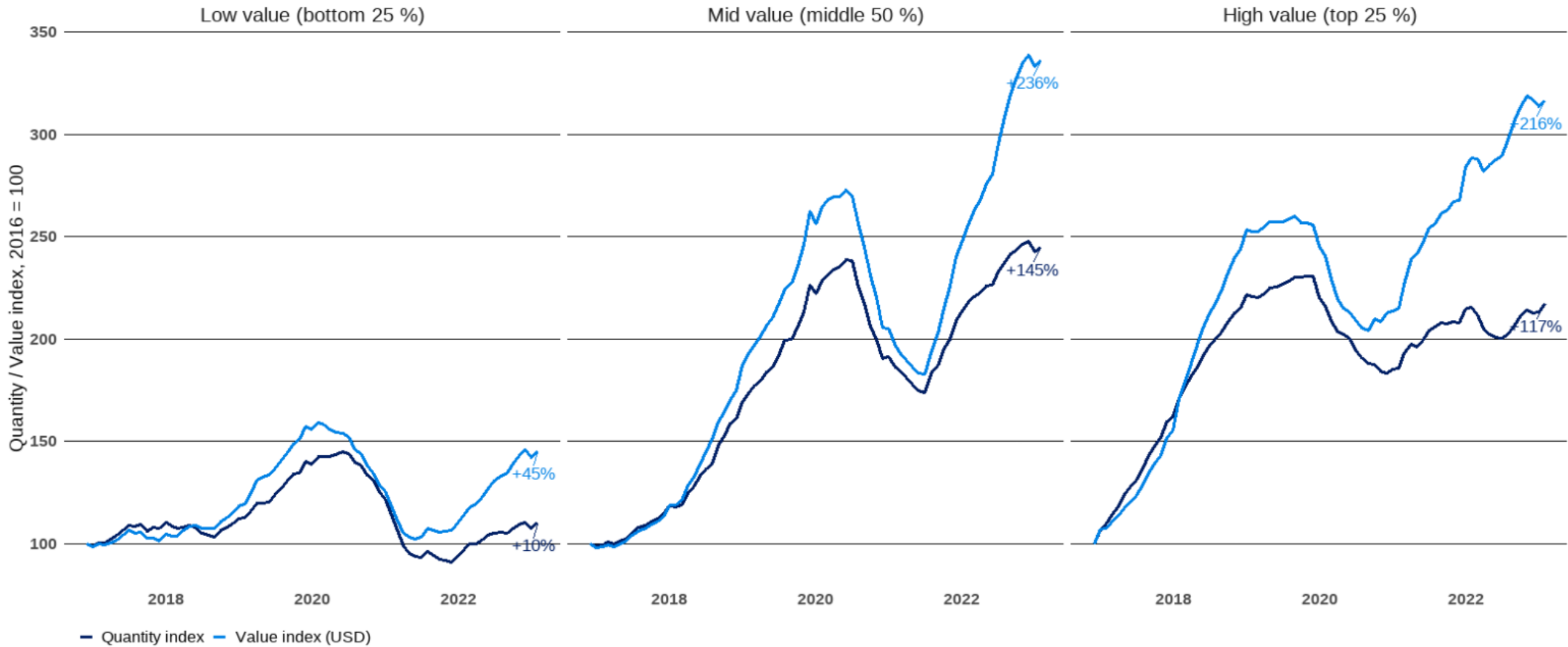
Change in home consumption of salmon and seafood relative to pre-covid



Consumer price indices – price changes since 2019



Chinese imports of mid and high-value products are growing much more than low-value products



Key takeaways

- Long-term trend: Consumption growth in most markets
- North America has a higher growth rate
- China is back
- Some setbacks in overseas markets such as Japan and South-Korea – no wonder
- Back to pre-pandemic levels in many markets
- Consumers are the ones paying the high prices
- Price transmission: Adjustments up goes fast, adjustments down a bit slower
- Salmon has few substitutes
- There are segments and target groups willing to pay the extra price
- Even if salmon consumption goes down in many markets, salmon is still taking market shares in the seafood sector



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