Know-how

RUNGIS INTERNATIONAL MARKET
annual report 2010

The French route
for **quality**

Fish and seafood

Sales at Rungis fish and seafood pavilion stabilized in 2010. High prices did not detract from the good performance of the top-of-the-line offer. The sector maintained its attractiveness and welcomed new operators.

710,612 K€

Turnover 2009
Forecasted variation 2010/2009:+11,7%

83% **Wholesalers**
Turnover 2009: 586,933 K€
Forecasted variation 10/09: +10.3%

17% **Traders, brokers and import-export companies**
Turnover 2009: 123,679 K€
Forecasted variation 10/09: +18.3%

The change in buyers' behaviour continues. Their visits are increasingly shorter, lasting about twenty minutes for two out of three cases, compared to several hours a few years ago.

2010 looked like being a good year for Rungis fish Market, particularly between March and August, a period in which the increase in tonnage remained steady. However, the strikes in October called a halt to this situation, which was further damaged by the bad weather in December, just at the start of the festive season so important to this sector. In the end, the pavilion's recorded deliveries stayed relatively stable at -0.6%, representing a variation of about 300 tons, which is the equivalent of a good day's sales.

A good price level

Without these two accidents, 2010 would therefore have been a good year for fish and seafood at Rungis, with a rise in volumes of about one thousand tons. This was achieved despite a context where prices, regardless of variations according to products, were headed in the right direction for tenants, like the price of salmon, driven up on the world market by problems in Chile, where fish farms were decimated by an epidemic of infectious anaemia virus. For once the catering distributors recorded a slightly higher drop, at 1.5%, although this is more likely due to the reorganization of flows by some large operators rather than a worrying downturn in their activity.

The breakdown between French products and imports continues to follow the same trend, more favourable to the latter (58.6% of all deliveries, up 3.2% in 2010). After several difficult years, consumption seems to have stabilized, despite the high prices recorded on the market. In this respect, salmon is the perfect example: despite the leap in prices, it managed to remain stable with 10,000 tons at Rungis. Generally speaking, there were few noticeable changes in product categories, with some minor variations.

Upmarket products prevail

For instance, the decrease in tuna (-7.9%) was apparently due to blue-fin tuna problems, although it actually concerned albacore tuna. Inversely, refined products, much sought after by restaurants, remained in a good position, like sea bass (+6.7%). We also noted a real development of farmed organic products at Rungis fish and seafood pavilion, as in the other Market sectors, notably prawns from Madagascar or fish like sea bass or sea bream. Despite health problems with production, the tonnage in oysters remained stable, with Rungis remaining an upmarket outlet of choice for producers. Shellfish did well too, starting with mussels, which rose by 6.8% to over 6,000 tons. Some crustaceans also had a good year, like lobster mainly from America, which rose by almost 35%.

Despite a 17.5% increase, the market share of processed products remains low at the pavilion, totalling almost 1,300 tons. The growth may stem from difficult periods, when fish was in short supply, particularly in October. Fish fillets remain down (-4.6%), but the delivery statistics only reveal part of the picture, because buyers (fishmongers or restaurants) prefer to choose themselves a whole fish when they visit, and have it filleted at the pavilion. As for the clients, Japanese restaurants are still predominant and their buyers are particularly busy when the market opens. This catering concept has gradually gained ground and it now numbers almost 1,600 sales outlets in France.

A change in purchasing behaviour

Lastly, one sign of optimism for the fish and seafood pavilion is that it welcomed two new tenants last year, while other expanded its sales floor. Of course, the change in buyers' behaviour continues. Their visits are increasingly shorter, lasting about twenty minutes for two out of three cases, compared to several hours a few years ago. This is the consequence of a change in the nature of the transactions, with less verbal negotiation and more orders, the decrease in staff, which increases the buyers' work load and also, undoubtedly, a change in generation. The result is that sales (starting at 2 am) are handled faster, which means a more efficient flow of goods. Attendance remains high too, like the quantities purchased.

MARKET WATCH

BETWEEN MAINTAINING VOLUMES AND RISING PRICES

"After a relatively bad 2009, both in terms of price and quantities, 2010 turned out to be a good year for the fishing sector" explains Marion Fischer, who is in charge of economic studies for this sector at FranceAgriMer. As regards production, "the prices recovered slightly and the volumes sold increased with the drop in the quantities caught," she continues, with the exception of very small sardine and mackerel catches, notably in the Mediterranean. Anchovy fishing reopened in the Bay of Biscay and cephalopods still benefit from good volumes (+43% for cuttlefish especially) and prices driven rising demand, both on the domestic market and for export. "This offsets the drop in other species," remarks Marion Fischer. In fact, 2010 also saw consumption return to its underlying tendency. After a bounce back in 2009, fresh products fell again (-4%), penalized by a 7% price rise. Salmon weighs heavily in this tendency with prices up by 17% and volumes down 7%. As these price rises were barely reflected in the sale price, transformed products (especially delicatessen products, but frozen products too) returned to growth, led by surimi, with a 20% increase in household purchases. Generally speaking, "imports are filling the shortfall between stabilized supply and growing demand," concludes Marion Fischer

48 companies
of whom:
- 32 wholesalers
- 16 traders, brokers and import-export companies

836 employees
of whom:
- 768 at the wholesalers
- 68 at the traders, brokers and import-export companies

VOLUMES	(in tons)	Variation 2010/2009
Fish and seafood	**167,107**	-1.2%
Pavilion	63,030	-0.6%
Warehouses	104,077	-1.5%

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