Exporting tilapia to Europe

Although tilapia is one of the most farmed fishes in the world, the EU import value for tilapia has decreased since 2014. In 2013 the EU import value for tilapia was €118 million, which decreased to €96 million in 2017. The four largest EU importers of tilapia are the Netherlands (€16 million), Spain (€13 million), Belgium (€13 million) and Germany (€10 million), which account together for the majority of EU imports of tilapia.

Contents of this page

1. Product description
2. Which European markets offer opportunities for exporters of tilapia?
3. What trends offer opportunities on the European market for tilapia?
4. With which requirements should tilapia comply to be allowed on the European market?
5. With which legal requirements must my product comply?
6. Additional requirements
7. Common and niche requirements
8. Which channels can you use to put tilapia on the European market?
9. What are the end-market prices for tilapia?

1. Product description

Tilapia is a generic name of a group of freshwater species, with the most important groups classified under the scientific names of *Oreochromis, Sarotherodon,* and *Tilapia*. The HS codes referred to in this product fact sheet are provided below. Tilapia fillets belong to the broader product group of fish fillets (HS 0304). Since 2012, whole fresh/chilled tilapia (HS 0302) and whole frozen tilapia (HS 0303) have also been reported as separate HS codes. In Europe, tilapia competes with various other white-fish species, ranging from pangasius, Nile perch, and hake in southern Europe (countries such as Spain, France, Portugal, Italy) to cod, haddock, and Alaska pollock in northern Europe (countries such as the Netherlands, Germany, Belgium, the UK). When "tilapia" is referred to in this survey, this concerns the following Harmonised System codes, unless stated otherwise:

- 030271 - Fresh/chilled tilapia
- 030323 - Frozen tilapias
- 030431 - Fresh/chilled fillets tilapia
- 030461 - Frozen fillets tilapia

This section provides you with basic information about specifications for fishery and aquaculture products in the EU. Important legislation is the recently renewed Common Organisation of the Market, which contains the rules of the organisation of the market for fishery and aquaculture products in the EU. Legislation about how to inform EU consumers about fishery and aquaculture products also is relevant to you. Below, you can find more specific information about the labelling, packaging, and processing of tilapia for the European market.

Labelling

The contents of labelling must be provided in the language of the country to which the product is exported. When importing fishery and aquaculture products into the EU, the following information must be provided on the labelling or packaging of the fishery product, or by means of a commercial document accompanying the goods:

- The name of the product: The commercial and scientific name of the species. EU Member States publish a list of the commercial and scientific names accepted in its territory for this purpose;
- Production method: In the case of tilapia, it must be stated that it is a cultured product;
- Origin: In the case of tilapia, there must be a reference to the country in which it is produced;
- Presentation: It must be stated how the product is processed (for frozen whole fish or fillet products; for fresh

products gutted, with or without head, filleted, thawed, other);
- Net weight: The net weight must be stated on pre-packed products;
- Date of minimum durability: Consisting of day, month, and year, in that order and preceded by the words “best before” or “best before end” or the “use by” date;
- EU seller: The name or business name and address of the manufacturer, packager or seller established in the EU;
- The package must contain an EU approval number;
- The packaging must also contain a batch number;
- Nutrition: Ingredients and nutrition must be stated;

Each EU member state has a competent authority that is responsible for the implementation of EU regulation with respect to labelling.

Packaging

Packaging requirements differ widely between customers and market segments. It is therefore crucial for you to conduct discussions with your customers regarding their preferred packaging requirements. Some general characteristics are:

- Frozen tilapia fillets are mostly imported in polybags or bulk. Bulk-packed tilapia is usually for B2B companies, while polybags are distributed directly to customers. In the retail trade, frozen tilapia fillets are usually sold in bags of 250/500 or 1000 grams;
- In retail, fresh or defrosted tilapia is sometimes sold over the counter, but is mostly packed in a tray and plastic filter for self-service;
- Wholesale packing: Frozen pangasius is mostly delivered in 10 x 1 kg bags packed in master cartons. Smaller bags are also sometimes requested for smaller size fillets.

Processing and colour

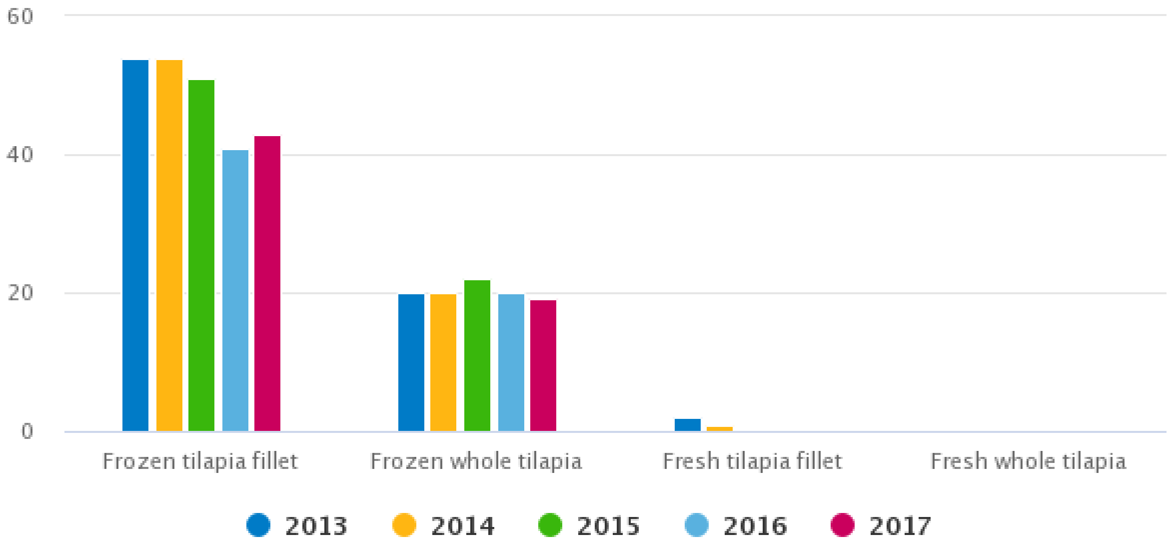
- Colour: White fish; red/brown bloodline (size depends on skinning, i.e. shallow or deep skinned);
- Preferred processing: Mostly natural fillets (skinless, boneless, belly fat off, red meat off, well-trimmed), but sometimes also breaded fillets;
- Glazing: Usually 10-15%.

2. Which European markets offer opportunities for exporters of tilapia?

This section provides you with more detailed statistics of tilapia trade and consumption in Europe.

Figure 1: EU import value of Tilapia from outside the EU 2013-2017

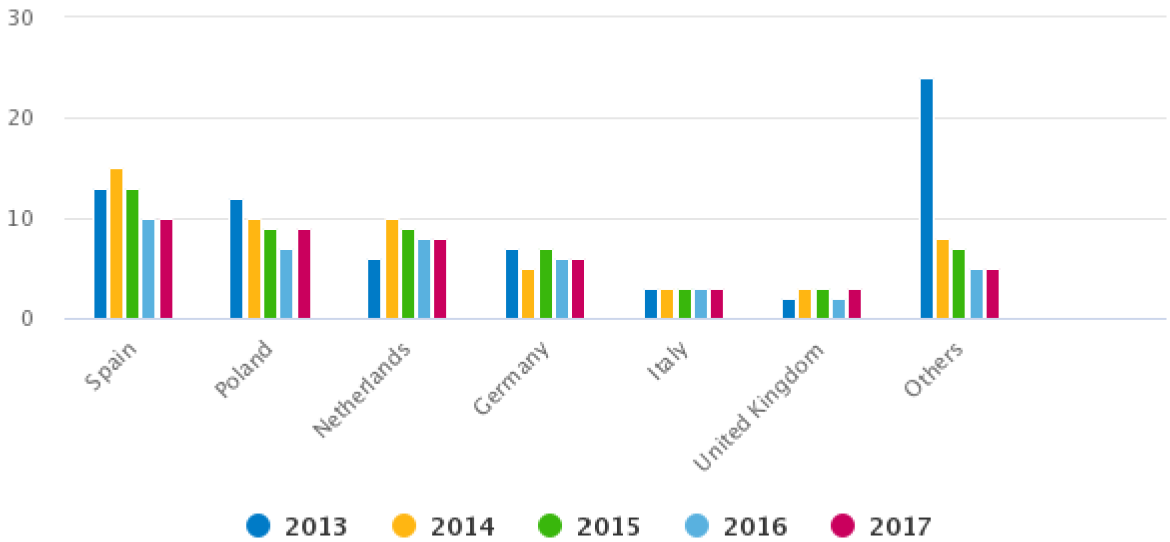
in € million



Source: Trademap 2018

Figure 2: EU import value of frozen Tilapia fillets from outside the EU 2013-2017

in € million



Source: Trademap 2018

Imports

The EU imports for the other white fish type, pangasius, are far greater than for tilapia, which is mainly due to the lower import prices for pangasius. The average import price difference between frozen tilapia fillets and pangasius fillets is however decreasing. In 2013 the average prices were €1.76/kg for pangasius and €2.79/kg for tilapia; in 2017 the prices were €2.20/kg for pangasius and €2.66/kg for tilapia.

The total EU import value for tilapia has decreased from €118 million in 2013 to €96 million in 2017. However, the EU imports of pangasius decreased way more drastically, which could be due to the decrease in price difference between tilapia and pangasius. In 2011 the EU import value for pangasius was almost nine times higher than tilapia, but in 2017 the import value was less than three times higher, with €245 million for pangasius and €96 million for tilapia.

The four largest EU importers of tilapia are the Netherlands (€16 million), Spain (€13 million), Belgium (€13 million) and Germany (€10 million), which account together for the majority of EU imports for tilapia. Frozen tilapia fillet is the most imported tilapia product into Europe, followed by whole frozen tilapia. Spain is the largest importer in terms of frozen tilapia fillets (€11 million in 2017), while France (€6 million in 2017) is the largest importer of whole frozen tilapia.

The three most important tilapia suppliers to Europe in 2017 were China (€44.7 million), Indonesia (€7.6 million) and Vietnam (€6.7 million). Although China is the largest exporting country, Chinese exports decreased between 2013 and 2017, which is partly due to the quality image.

Tips:

- Consider participating in the Seafood Expo Global in Brussels or Conxemar in Vigo (Spain), the largest seafood trade shows in Europe, if you want to access the European market. These trade shows give you the opportunity to showcase your products and meet with potential buyers from European countries.
- Find recent market reports for tilapia that highlights the latest developments here.

Re-exports

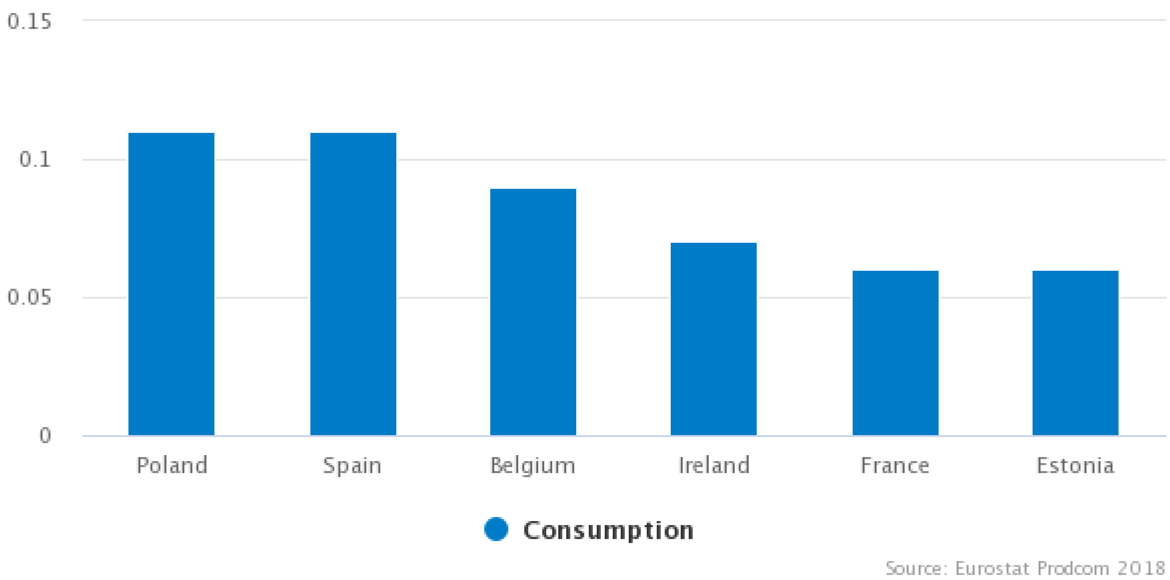
Exports in Europe of tilapia are virtually all re-exports of tilapia originally imported from China, Indonesia and Vietnam. Several countries re-export tilapia to other countries in Europe. In 2017, the Netherlands (€15 million), Germany (€3 million) and Belgium (€3 million) were the largest re-exporters of tilapia. By far the biggest re-exporter, the Netherlands, re-exported frozen tilapia fillets mainly to Germany and Austria and fresh tilapia fillets to Italy, Germany and Romania.

Consumption

The average consumption of tilapia per capita in 2017 in Europe is shown in Figure 3.

Figure 3: Apparent consumption of Tilapia per capita in Europe 2017

kilogram, by country



Poland leads in terms of tilapia consumption per capita, with an average consumption of 0.11 kg in 2017. Second is Spain with almost the same consumption per capita yearly, followed by Belgium.

Data for the Netherlands is unavailable for 2017, but from 2013 to 2016 the consumption per capita experienced a downward trend from 0.18 kg in 2013 to 0.05 kg in 2016.

.Whole tilapia is mainly consumed by African ethnic minorities as these consumers prefer to purchase whole fish. Whole Tilapia is also imported frozen.

Tips:

- Focus on European countries such as the Netherlands, Germany, and the UK, for ethnic food products such as Chinese, Indian or North African food products. These markets have potential for farmed tropical (mainly: whole) fish products such as tilapia.
- Be able to be price competitive if you want to sell tilapia to the European market. It may also help to present your product based on quality aspects in order to differentiate it from Chinese tilapia, which is criticised by many insiders because of the quality.

3. What trends offer opportunities on the European market for tilapia?

CBI Trends for frozen white fish provides you with general trends in the European frozen white-fish market. This section provides more details about specific trends in the tilapia and broader European Union seafood market.

Importance of sustainability certification is increasing

Sustainability certification for tilapia is becoming increasingly important, as consumers are more and more conscious of sustainability issues related to fisheries and aquaculture. As a result, sustainability certification is expected to become a market access requirement throughout northern and western Europe.

ASC certification has become the main sustainability certification scheme for tilapia. Currently about 50 tilapia producers, including the major companies, are ASC certified. In countries such as the Netherlands and Germany, where ASC has been introduced, the certification scheme has already become a buyer requirement for large retail and food service companies. Although sustainability certification in general is more important in Northern Europe, also some retailers in southern Europe see ASC certification as an opportunity to promote good practices and to improve the image of the product. If you want to gain or maintain access to large retailers and food service companies in Northern Europe, supplying ASC has become a necessity. According to ASC, more ASC-certified farms are needed to meet the demand for ASC-certified tilapia.

Tips:

- Read the ASC pre-audit checklist for tilapia to assess the potential of this certificate for your company.
- Focus on southern and eastern Europe if you are not yet able to supply certified products. Buyers there have not yet made sustainability a common market access requirement.

Organic production of tilapia

Apart from the need for ASC certification of tilapia in northern and western Europe, organically produced tilapia has also been available since 2012. As there is a significant market niche for organic products in Europe, it can be interesting for you to investigate the market potential of organic tilapia in Europe. Consumers are more willing to pay a price premium for organic products than for sustainable products.

Tips:

- Visit the ASC website for useful information about the certification process of tilapia and possibilities to obtain support.
- Find the ASC pre-audit checklist on the ASC-website.
- Contact ASC or Naturland to learn more about sustainability and organic (under “main office” select aquaculture).

Value-added for tilapia

Although most of the tilapia in Europe is consumed in the form of frozen fillet, there is a trend towards more ready-to-eat products, which means increasing demand for e.g. prepared, pre-cooked or marinated tilapia. This growing trend towards convenience food is due to consumers’ busy lifestyles and time pressure. Consumers prefer meals that are easy to prepare and easy to cook.

Tip:

- Discuss with your clients the potential of value-added products on the European market.

Competition with pangasius and other white fish

Pangasius is the main competitor of tilapia in Europe. The EU market for white fish traditionally has a strong focus on pangasius and Alaska pollock. Competition is mainly based on price.

Increasing emphasis on fish production in the European Union

There is an increasing emphasis on fish production in the European Union, which might pose a competitive (including price) threat. The European Commission underlines that the European Union should be less dependent on the import of fish from outside Europe. Examples of fish species produced in Europe are sea bass and sea bream. In 2017 the European Commission launched two further initiatives of €14 million to enhance Europe's aquaculture industry, PerformFISH and MedAID.

In the short term, these initiatives are not likely to increase production significantly. But in the long run they may be successful and reduce the demand for certain spices from outside Europe, particularly tilapia. For more information, see our study about competition on the European frozen white fish market.

Tip:

> Communicate with your business support organisation and make sure they work together with the appropriate government department. They must keep track of the European regulations and develop a public-private strategy for compliance with European regulations. Public-private cooperation is a key factor for success in developing a strong position in the European Union.

4. With which requirements should tilapia comply to be allowed on the European market?

Requirements can be divided into: (1) musts, which are legal requirements you must meet in order to enter the market and (2) common and additional requirements that buyers may request.

You can find a general overview of the EU buyer requirements for fish and seafood on the Market Intelligence Platform of CBI including many tips for how to get more details or how to meet these requirements. A summary of the requirements follows below, including some specific details for tilapia.

5. With which legal requirements must my product comply?

These are the legal requirements for the import of tilapia into the EU:

- Approved country and establishment: Your country must be on the list of EU-approved countries in order for you to export fish to the EU market.
- Traceability rules: It means that the label has to offer precise information on its harvesting and production. It applies to all unprocessed and some processed seafood, whether it is pre-packed or not. Find out here which processed seafood this applies for.
- Catch certificate to combat illegal fishing: To combat illegal fishing, (wild caught) fish imported or transhipped in the EU must be accompanied by a catch certificate.
- Health certificate: The fishery products you export to the EU must be accompanied by a health certificate.
- Hygiene above all: There is a list of requirements that fishery products must meet, but to sum up many of these are related to hygiene. The implementation of HACCP is one of the measures you need to take, but the general hygiene of your establishment must also be good and is of key importance to potential buyers.
- Contaminants – restricted and tested: Contaminants that may end up in the food product as a result of various stages in the process or environmental contamination, are restricted by EU legislation. Fish destined

for the EU market is generally tested before shipped, sometimes in the buyer’s own lab, sometimes in recognised (independent) labs, in order to prevent costly border rejections.

- Microbiological contamination: just like contaminants, microbiological contamination has restrictions and is therefore examined in the fish destined for the EU market.

Tip:

Consult the EU Export Helpdesk for a full list of requirements, including the ones mentioned above but also specific labelling requirements for fish.

6. Additional requirements

For tilapia, additional requirements are mainly requirements with respect to food safety. The most commonly requested food safety certification schemes for seafood products are IFS and (or) BRC, and sometimes also GLOBAL GAP.

Tips:

Visit websites such as those of IFS or BRC for fact sheets on the several certification schemes the International Trade Center (ITC) offers.

Convince your buyer that you deliver high-quality products. For buyers, it is important that laboratory results are available for your fish (microbiological but also about potential contamination by antibiotics). These should not just be from your own laboratory, but also from an ISO 17025 accredited lab.

7. Common and niche requirements

Despite the fact that in the EU sustainability or organic certification is, in general, still seen as a niche market requirement, the introduction and growth of ASC tilapia is considered as the main development in the past decade. Sustainability certification has become a buyer requirement for several large retail and food service companies in a growing number of European countries (e.g. Germany). ASC is the most important certification scheme for aquaculture and has a separate standard for tilapia, which is in use since 2012.

8. Which channels can you use to put tilapia on the European market?

This section provides detailed information about the various marketing channels through which tilapia is marketed in Europe.

Large tilapia importers have their own quality agents at origin to check the quality of the tilapia products. These checks can be a final inspection at the end of the production chain or monitoring throughout the process.

The general trend in Europe is to shorten the supply chain. Retailers and foodservice companies are starting to buy directly from the source to an increasing extent. If you want to supply retailers or foodservice companies directly, supply volumes and consistency of supply are crucial.

Tilapia fillets are mainly transported by ship. The important ports in Europe are Rotterdam (the Netherlands), Antwerp (Belgium), Hamburg and Bremen (Germany), and Marseille (France).

EU importers re-export tilapia to other countries in Europe. In 2017, the Netherlands (€15 million), Germany (€3 million) and Belgium (€3 million) were the largest re-exporters of tilapia.

Retail groups in Europe often have different formulas, ranging from premium supermarkets to discount stores. In most cases each formula has its own purchasing and distribution system. Large retail groups source from a small number of large import and wholesale companies. However, some retail groups also source directly from exporters from developing countries.

Although the food-service segment represents considerable shares of food and also seafood consumption in Europe (note that shares differ a lot from country to country), the food-service segment in Europe is rather fragmented. Only a few food-service players operate on a multinational level and the food-service market segmentation differs a lot from country to country.

Tips:

Note the differences between the retail segment and food-service segment in Europe. Discuss with your clients what the differences are between the retail segment and the food-service segment to better understand their specific needs.

Be transparent, as it is an advantage to give your buyer the possibility to monitor the total production process.

Note the different characteristics and needs in the retail and food-service markets in Europe. Discuss with your buyers what the specific needs and requirements of their clients are and how to meet these needs and requirements.

Find out which large import and wholesale companies trade with European retailers if you are aiming to supply your products to the European retail segment. In Germany, Deutsche See is one of the main companies that supply to the retail segment. In the Netherlands, Queens is the main retail supplier.

9. What are the end-market prices for tilapia?

Consumer prices of tilapia products in the different European countries are presented below to give you an impression of the price levels in Europe.

Table 1: Consumer prices for tilapia in 2018

Product	Price (€/kg)	Country
Defrosted tilapia fillet with ASC label	22.22	The Netherlands
Coated defrosted tilapia fillet with ASC label	14.98	The Netherlands

Frozen tilapia fillet	9.02/8.03	Hungary/United Kingdom

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