



Foreign Agricultural Service

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## Portugal

### Fishery Products

### New Trade Opportunities

## 2003

Approved by:

**Lloyd Fleck**

**U.S. Embassy**

Prepared by:

Leonor Ramos

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#### **Report Highlights:**

**The EU's Common Fisheries Policy will likely depress future Portuguese seafood production, but will also generate new opportunities for trade. One of the best prospects is codfish. The U.S. already has a presence in this market: in 2002, it had an estimated ten percent of frozen cod imports and eight percent of wet salted cod. In order to expand sales, however, U.S. cod exporters need to work closely with Portuguese processors to adapt their products to local tastes. 1 USD = 0.97 Euros.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Madrid [SP1], PO

## Executive Summary

The European Union's ongoing debate over the future of its fishing fleet has been protracted and heated. Environmentalists say that fishing must be radically reduced in order to preserve remaining fish stocks. Fishermen say that stocks are still adequate and that they cannot afford a long-term ban of fishing.

Regardless of the outcome of this debate, the EU's fish catch seems likely to continue its long-term decline. One of the species hardest hit is cod, once a popular protein source in many EU countries. The total EU catch in 2000 was only 179,000 tons, one of the lowest levels ever recorded. Recent information for 2001 and 2002 suggest that the catch has sunk even lower during the past two years.

Cod is particularly important to the diet of Portugal. Annual per capita consumption of fish is among the highest in the World – about 40 kilograms – and cod makes up half of this amount. Altogether, Portugal consumes over 200,000 tons of cod annually. However, this once major codfish producer now supplies a mere two-to-three percent of the domestic market, leaving the rest of the market to foreign suppliers. Cod imports consist primarily of three products (CY-2001 imports, fresh weight basis, given in brackets): Wet Salted Cod (131,512 MT), Salted Dry Cod (68,612 MT), and Frozen Cod (28,705 MT). The U.S. is a significant supplier of both wet salted and frozen cod; its market share in 2002 is estimated at 10 percent of frozen and 8 percent of wet salted.

Virtually all imported cod is further processed into dry salted cod by Portuguese industry. There are about 30 companies which process cod, most of which are federated under the *Associação dos Industriais de Bacalhau* (AIB), located in port city of Aveiro. FAS/Lisbon recently visited this group to discuss the market and its prospects for U.S. cod.

Processors say that the Portuguese market is unusually demanding. Since Portuguese eat a great deal of cod, they have very definite demands for texture and taste. In addition, since the price of cod has climbed steeply in the past decade, the fish has gone from being a cheap source of protein to being a near-luxury item. Consequently, the requirements for quality and appearance have gone up with the price. Consumers now demand cod fillets that are "thick and white."

Processors had a number of comments about U.S. cod. They noted, first of all, that nearly all cod imported from the U.S. comes from Alaska, which has a different species (*Gadus macrocephalus*) than the traditional Atlantic cod (*Gadus morhua*). Processors still have a modest preference for Atlantic cod, and thus are willing to pay a bit more for product from Norway or Iceland. They caution that suppliers of frozen product need to avoid dehydrating cod during processing and shipment: once dehydrated, frozen cod has a gummy texture when thawed. They also caution that wet salted product must be selected carefully to avoid development of a brownish tinge, which is not well received by consumers. Because of perceived quality differences, as well as higher transportation costs, U.S. cod is usually competitive only when it is priced US\$1 per kilo below competing European product.

U.S. Exporters interested in the Portuguese cod market may contact the following:

Leonor Ramos, FAS/Lisbon  
Tel: 00351-21-770-2354  
Fax:  
Email: RamosL@fas.usda.gov

*Associação dos Industriais de Bacalhau (AIB) – Cod Processors' Association*  
Tel: 00351 23 436 8002  
Fax: 00351 23 436 8003  
Email: aibacalhau@clix.pt

In addition, FAS/Madrid organizes a U.S. pavilion each year at *Conxemar*, a seafood show held the first week of October in Vigo, Spain. The site of this show is near the Portuguese border and attracts many Portuguese cod processors. For more information on this show, contact:

Madgalena Escudero, FAS/Madrid  
Tel: 003491-564-5275  
Fax: 003491-564-9644  
Email: EscuderoM@fas.usda.gov

For additional information regarding the Portuguese seafood sector, please check FAS GAIN Report # PO2025.

**1 USD = 0.97 Euro**

## ANNEX: TRADE STATISTICAL TABLES

Source: National Statistics Office (I.N.E.). Uncorrected data. All data converted to fresh weight basis.

## Portugal: Frozen Cod Imports (Units: Metric Tons)

	CY-00	CY-01	Jan-Aug 01	Jan-Aug 02
<b><i>Gadus morhua</i></b>				
USA	20	0	0	0
U.K.	1159	2275	1523	1531
Denmark	455	1266	531	3429
Spain	400	735	500	617
Germany	20	42	0	79
Netherlands	4	32	24	281
Other EU	0	43	0	138
Russia	9847	21486	13145	15745
Norway	2680	1810	1776	1541
S.Tome&Prince	993	359	359	0
Iceland	448	338	316	19
Canada	24	18	18	0
Togo		301	0	212
All Other	0	0	0	33
	<b>16050</b>	<b>28705</b>	<b>18192</b>	<b>23625</b>

***Gadus ogac.***

Spain	<b>24</b>	<b>3</b>	<b>3</b>	<b>1</b>
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***Gadus macrocephalus***

USA	5332	5984	5209	2652
EU	319	256	200	228
Russia	2604	1369	705	824
Norway	30	0	0	0
	<b>8285</b>	<b>7609</b>	<b>6114</b>	<b>3704</b>

<b>Total Frozen Cod</b>	<b>24359</b>	<b>36317</b>	<b>24309</b>	<b>27330</b>
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<b>Portugal: Frozen Cod Exports (Units: Metric Tons)</b>				
	<b>CY-00</b>	<b>CY-01</b>	<b>Jan-Aug 01</b>	<b>Jan-Aug 02</b>
<b><i>Gadus morhua</i></b>				
Spain	1620	2008	1093	991
Other EU	819	840	724	719
All other	31	40	40	30
	<b>2470</b>	<b>2888</b>	<b>1857</b>	<b>1740</b>
<b><i>Gadus macrocephalus</i></b>				
U.K.	538	0	0	0
Spain	96	74	69	1
All other	0	1	0	76
	<b>634</b>	<b>75</b>	<b>69</b>	<b>77</b>
<b>Total Frozen Cod</b>	<b>3104</b>	<b>2963</b>	<b>1926</b>	<b>1817</b>

**Portugal: Salted Cod Imports (Units: Metric Tons)**

	<b>CY-00</b>	<b>CY-01</b>	<b>Jan-Aug 01</b>	<b>Jan-Aug 02</b>
<b>Salted Dry Cod</b>				
USA	0	0	0	0
Spain	11949	11280	6868	4029
Denmark	5216	13282	6222	14272
Germany	3647	3637	2932	2283
France	1603	1792	399	1222
Sweden	674	2860	1551	1652
Other EU	413	2575	2575	686
Norway	46328	32765	19773	20533
All other	85	421	420	306
	<b>69915</b>	<b>68612</b>	<b>40740</b>	<b>44983</b>
<b>Wet Salted Cod</b>				
USA	11099	10413	8902	6300
Denmark	8699	7020	3837	5268
Other EU	3860	6476	2065	4776
Iceland	67568	59193	40784	33624
Norway	27308	35626	24798	18841
Russia	14412	6254	5313	3496
Canada	6437	6125	3454	3035
All Other	670	405	166	111
	<b>140053</b>	<b>131512</b>	<b>89319</b>	<b>75451</b>

**Portugal: Salted Cod Exports (Units: Metric Tons)**

	<b>CY-00</b>	<b>CY-01</b>	<b>Jan-Aug 01</b>	<b>Jan-Aug 02</b>
<b>Salted Dry Cod</b>				
USA	258	0	0	0
France	2197	2781	1611	2286
Spain	1058	2758	1494	1560
Other EU	884	1128	321	1084
Brazil	2996	3864	2225	1658
Angola	1672	1550	285	455
All Other	600	423	156	281
	<b>9665</b>	<b>12504</b>	<b>6092</b>	<b>7324</b>
<b>Wet Salted Cod</b>				
Spain	2111	5499	3034	3279
France	704	736	488	323
Other EU	1203	1589	1063	776
All Other	35	28	12	169
	<b>4053</b>	<b>7852</b>	<b>4597</b>	<b>4547</b>