



# FAS WORLDWIDE

United States Department of Agriculture  
Foreign Agricultural Service

March 2007

An online review of Foreign Agricultural Service initiatives and services

## Market and Trade Data

### Riding the Waves of the Russian Fish Market

**By Kimberly Svec and Marina Muran**

The Russian market for fish and seafood products is booming. Based on Russian customs data, imports in calendar 2006 reached \$1.2 billion, up a remarkable 27 percent from 2005. This trend will likely continue in the near future.

#### Experts Plumb Factors Swelling Fish Market

Market analysts attribute Russians' swelling fish product consumption to the following factors:

- Consumer disposable incomes, particularly in major metropolitan areas, continue to rise. It is estimated that income grew more than 20 percent in 2005, reaching an average monthly wage of \$1,031 in Moscow and \$370 in other regions.
- Consumer preferences are shifting toward healthy, nutritious, and low-fat foods.
- Consumers are concerned about the risk of avian influenza from poultry products.
- Other animal proteins tend to have higher prices.
- Increased investment in new processing facilities is leading to greater availability of products.
- Marketing channels have improved.

The variety of fish and seafood products in the Moscow and St. Petersburg markets today is equivalent to European Union markets. There is a full range of items found in local markets, from low- or no-added value products (whole frozen or headed and gutted fish) to value-added selections (breaded fish, fish sticks, and surimi). Market analysts indicate an annual increase of 17 percent in general consumption of fish and fish products.

Increasing demand for high-quality, more expensive products has prompted retailers to launch new premium-priced products, including imported fish. Consumers are becoming accustomed to the regular flow of novelties and are developing more upscale tastes.

Consumption has soared in Russia's ready-to-eat market segment, with sales of shrimp, crabs, scallops, squid, and mussels growing an average of 30 percent annually. Fish and

***Consumption has soared in Russia's ready-to-eat market segment, with sales of shrimp, crabs, scallops, squid, and mussels, averaging 30% annual growth.***

seafood delicatessen market volume is almost 4,000 metric tons annually, but is still far from saturation.

#### U.S. Position and the Competition

Given Russia's limited domestic production, its reliance on imports is expected to continue, or even increase, in the near term.

In 2006, Russia's trade deficit in fish and fish products reached \$680 million,

#### World Food Moscow: A Major Venue for U.S. Products

World Food Moscow, one of Russia's largest trade shows, gives companies the opportunity to introduce their products to the food processing industry. USDA has pavilions at the show that feature U.S. fish and seafood, meats and poultry, retail products, and fruits and vegetables. U.S. companies interested in exhibiting in the next World Food Moscow, scheduled for Sept. 18-21, 2007, should contact the FAS Agricultural Trade Office in Moscow, Russia. E-mail: [atomoscow@usda.gov](mailto:atomoscow@usda.gov)

### Fish Snacks Catching a Wave In the Russian Market

Dried, smoked, or salted, fin or shell, liver or roe -- fish snacks are growing steadily more popular in Russia and spawning some opportunities for U.S. companies. All kinds of salted snacks, including fish and seafood snacks, are available in street or other outdoor markets, hypermarkets, and other retail outlets. However, the fact that some fish products (e.g., ground or noneviscerated) are cheaper than other animal proteins is spurring production of fish snacks. Products like fish snacks are becoming more popular with the average Russian customer, and include items such as dried squid, dried squid rings, Caspian roach, dried shrimp, and anchovies. Dried and cured fish snacks are packaged in plastic bags ranging from 20 to 80 grams.

#### Experts Assess Snack Market Growth Prospects

ACNielsen estimates the total snack segment in Russia in 2006 at in 907,000 metric tons worth \$800 million. Some important market players expect the salty snack segment to have grown significantly in 2006, and that this trend will continue for the near term.

For example, the marketing director of Bridgetown Foods Co. expects the volume of the Russian market for salty snacks grew by 8-10 percent in calendar 2006. The general director of Siberian Bereg Co. has a similar estimate of 10 percent.

According to the general director of Zolotoy Terem Company, a well-known manufacturer of fish snacks, the fish segment could be reaching its ceiling because it has developed along with the snack market in general, expanding by 20-25 percent annually.

However, the marketing and sales director of Naturproduct Co. believes that although there are some good prospects for snack segment growth, the market is limited. He feels that sales for all snack categories increased by no more than 5 percent in 2006, and the same growth rate is likely to continue in the near future. He expects market saturation by 2009-2010, with average per capita annual consumption of salty snacks of 3.5 kg (1 kilogram = 2.046 pounds).

***U.S. exporters can compete in high-quality fish and fish products, particularly in upscale retail outlets, hotels, and restaurants.***

an increase of 38 percent over the previous year. Norway remains the most important supplier of fish and fish products to Russia, with 2006 sales of \$437 million, followed by Vietnam and China with sales of \$106 million and \$89 million, respectively. Other countries — notably Mauritania, Iceland, and Estonia — have registered double- or triple-digit sales increases.

According to Russian customs data, in 2006 imports of U.S. fish and seafood continued to increase, although at a slower pace of 4 percent over 2005, reaching \$43.1 million.

Opportunities for U.S. fish product exports to Russia will continue to grow. U.S. exporters can compete in high-quality fish and fish products, particularly in upscale retail outlets and in hotels and restaurants. Demand in these sectors remains strong, and Russia's domestic production and international catch cannot keep up with growing demand, presenting significant export opportunities for U.S. suppliers who can catch the tide. ■

*Kimberly Svec is the senior attaché and Marina Muran is an agricultural assistant in the FAS Office of Agricultural Affairs in the U.S. Embassy in Moscow, Russia. E-mail: [agmoscow@usda.gov](mailto:agmoscow@usda.gov)*

FAS Worldwide is an online magazine from USDA's Foreign Agricultural Service. Text of this magazine is in the public domain and may be reprinted freely. Photographs may not be reprinted without permission.

Use of commercial and trade names does not imply approval or constitute endorsement by USDA or by FAS.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.