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Report Name: Can US Crawfish Make a Splash in China

Country: China - Peoples Republic of

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Report Highlights:

Crawfish in China have become popular in restaurants as a late-night snack and a fun meal item to share among friends. Major online delivery companies have also tapped into this trend by delivering live and prepared crawfish directly to consumers. In 2018, domestic production increased 45 percent in volume due to growing demand. Many Chinese industry contacts consider U.S. crawfish to be raised in a more natural environment, and thus are perceived to be healthier, compared to domestically produced crawfish. Even though Chinese tariffs on U.S. crawfish are currently at 42 percent, importers have expressed interest in sourcing U.S. supplies to meet soaring demand. Due to the specialized nature of this product, U.S. exporters are encouraged to contact USDA Agricultural Trade Offices in China for more information about how to link up with Chinese importers.

Background

While consumers have traditionally treated crawfish as a lower-value street food, they have recently become a popular restaurant dish and even a distinct dining category. In 2018, China's domestic production reached a high of 1.64 million metric tons (Table 1). The harvest season in China is from March to September, which is similar to the U.S. harvest season. Opportunities for U.S. crawfish exports exists in live and frozen products. Using modern blast freezing technologies, crawfish can be processed immediately after harvest to maintain the highest quality. Chinese importers are interested in establishing processing facilities in the United States to facilitate this process. Chinese import tariffs on U.S. frozen freshwater shelled crawfish (HS code 03061911) and frozen freshwater crawfish (HS code 03061919) increased from 10 percent to 42 percent as of December 15, 2019, according to the USDA FAS GAIN report "[China Announces Increases to Additional Tariffs on U.S. Agricultural Products.](#)"

Table 1. Production and Trade

	2017 metric tons (MT)	2017 Value (US\$)	2018 (MT)	2018 Value (US\$)	% Change 2017/2018
Production	1,129,708		1,638,662		↑45% in volume
Imports	1,436	\$6,826,395	2,394	8,009,580	↑17% in value
Exports	19,116	\$215,028,200	10,801	188,800,000	↓13% in value

Data source: China Crawfish Industry Development Report 2019. Report covers data up to 2018; issued by the Ministry of Agriculture and Rural Affairs and the China Society of Fisheries.

Imports

In 2018, China imported 2,394 MT of crawfish valued at \$8 million, a 17 percent increase from 2017. Egypt accounts for 2,162 MT, representing over 90 percent of the total import volume. According to contacts, imports are shipped live by air, and arrive at major airports such as Beijing and Shanghai. The imports can reach consumers in 36 hours or less. Between 2014 to 2018, on average, 80 percent of China's imported crawfish came from Egypt. Another major source of imports is Taiwan. China imported 222 MT, with a value of \$1.6 million in 2018. Since 2012, import prices have decreased. In 2018, the average import price was \$3.30 per kilogram, compared with \$9.20 per kilogram in 2013.

Production

Domestic production has increased significantly to meet demand. Between 2017 and 2018, production increased 45 percent, or by approximately 509,000 MT. Five central and eastern provinces account for most crawfish production, with Hubei Province producing about 60 percent (Table 2).

Table 2. Production from China and Five Leading Provinces

Province	2017 (MT)	2018 (MT)	Increase (MT)	Percent Change (2017-2018)
Hubei Province	631,621	812,435	180,814	29%
Hunan Province	135,719	237,591	101,872	75%
Anhui Province	137,686	217,546	79,860	58%
Jiangsu Province	115,354	166,777	51,423	45%
Jiangxi Province	74,387	110,214	35,827	48%
Five Leading Province Total	1,094,767	1,544,563	449,796	41%
All China	1,129,708	1,638,662	508,954	45%

Data source: China Crawfish Industry Development Report 2019. Report covers data up to 2018; issued by the Ministry of Agriculture and Rural Affairs and the China Society of Fisheries.

Consumption

China's competitive and innovative restaurant industry has been very successful marketing crawfish as an exciting trendy new menu choice. According to a report issued by the Ministry of Agriculture and Rural Affairs and the China Society of Fisheries, restaurants serving crawfish increased 70 percent between 2017 to 2018, reaching approximately 140,000 outlets. Traditionally, crawfish was consumed in low-priced street market stalls, but over the past few years, it is now being served in many of the trendiest restaurants in Shanghai and Beijing. Crawfish are consumed in the following ways:

- In a traditional crawfish restaurant. These establishments typically become busy at night and serve middle class consumers and commuters outside of city centers.



Crawfish exhibited at the China Seafood Expo 2018



Live crawfish stock in one of Jinan's crawfish restaurants



Garlic spicy crawfish



Crawfish cooked in traditional Chinese "thirteen spice"

- Crawfish are offered as a specialty item in mid- to high-range restaurants in city centers. They are sold by the piece, with large crawfish commanding higher prices.
- Online ordering and home delivery through e-commerce mobile applications. According to meituan.com, crawfish orders increased by 260 percent in 2018, leading to an increase in restaurant revenue by over 400 percent.

- Crawfish are served in restaurants as a temporary menu choice to draw crowds at festivals and major sport events. The 2018 World Cup was viewed by many in China, leading to a significant increase in crawfish consumption during matches.

Where are the Main Markets?

According to major online food ordering platforms, Beijing, Shanghai, Guangzhou, Shenzhen, and Chengdu are the five largest cities with consumers ordering crawfish through catering and home delivery. Hebei, Hainan, Shanghai, Sichuan and Henan provinces are the fastest growing provinces for consuming crawfish as midnight snacks, according to eleme.com and koubei.com.

According to industry contacts, the ideal crawfish for the Chinese market should have the following criteria:

- 40 grams or more
- Live is preferred over frozen
- Clean gills, white in color; clean abdomen area
- Raised in clear unpolluted waters
- Unflavored if shipped frozen

According to a Chinese seafood trade group who visited Louisiana in 2018, the visitors were impressed by the quality of crawfish, and of the natural farm-raised aspect of U.S. crawfish in particular. Industry contacts noted that Chinese aquaculture is intended to produce in high volumes, however quality can sometimes not be the main focus for producers. According to crawfish traders, U.S. crawfish has the perceived advantages of being raised natural and wild, which meets Chinese consumer growing demand for healthy food products. Due to U.S. and Chinese harvest seasons overlapping, shipping live U.S. crawfish may have trouble competing with Chinese production.

Recommendations

As the demand for crawfish rises, domestic production may not be able to meet the supply needs of restaurants and online delivery services. While domestic production has increased in step with consumption so far, restaurateurs continue to search for higher quality naturally raised crawfish. According to sources, consumers and restaurant purchasing managers hesitate purchasing crawfish from domestic aquaculture sources. While Chinese import tariffs on U.S. crawfish are high, buyers are still interested in meeting with U.S. suppliers. Chinese buyers are mainly interested in purchasing larger sized crawfish. If the crawfish are not in season, they should be exported frozen. Chinese consumers are paying more attention to product quality and are willing to pay premium for crawfish that are perceived to be natural. Due to the specialized nature of this product, U.S. exporters interested in exporting to China should contact one or more of the [USDA Agricultural Trade Offices in China](#).

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Attachments:

No Attachments.