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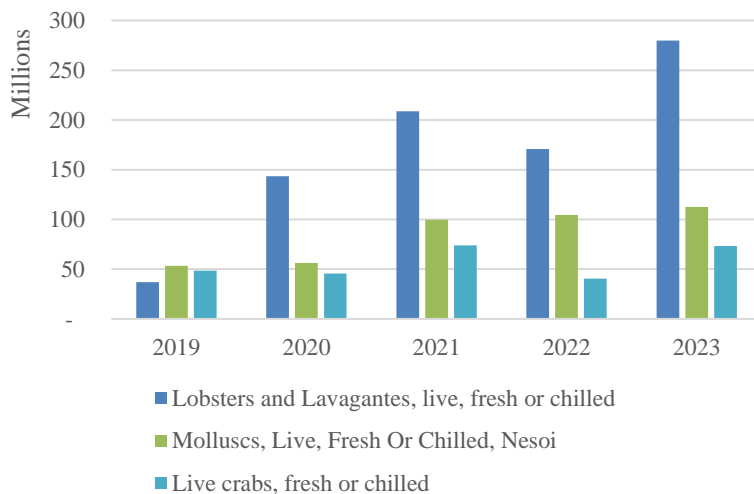
Report Highlights:

The People's Republic of China (PRC) is one of the largest producers and consumers of seafood in the world. In particular, live seafood products represent a significant market opportunity given the United States advanced cold chain facilities and ability to transport live seafood. This report details the distribution channels for live seafood in China, potential market opportunities, and updates for 2024.

Seafood Market Overview

In 2023, the People's Republic of China (PRC) imported \$18.7 billion in seafood products, including fish and crustaceans, mollusks, and other aquatic invertebrates. Within the seafood category, live seafood exports represent roughly 35 percent of U.S. seafood exports to the PRC. The top categories include lobster (and lavagantes), mollusks, and crabs.

Chart 1: U.S. Live Seafood Exports to the PRC 2019-2023



Source: Trade Data Monitor (TDM)

While China is the world's largest seafood producer, most of its production is driven by aquaculture. Estimated wild-caught production is significantly less than demand and continues to decrease due to tighter government regulations and deteriorating fishery resources.

The PRC leads the world in seafood consumption, with an increasing preference for high-quality products. There is a strong preference and demand for live seafood, and many high-end restaurants display live seafood for direct purchase by consumers.

CHINA'S LIVE SEAFOOD MARKET SNAPSHOT

China Global Imports of Seafood

- \$18.7 billion in 2023

Top U.S. Live Seafood Exports to the PRC

- Lobster and lavagantes
- Mollusks
- Crabs
- Shrimp

Live Seafood Products with Prospects

- Dungeness Crab
- King Crab
- Lobster
- Oyster
- Geoduck

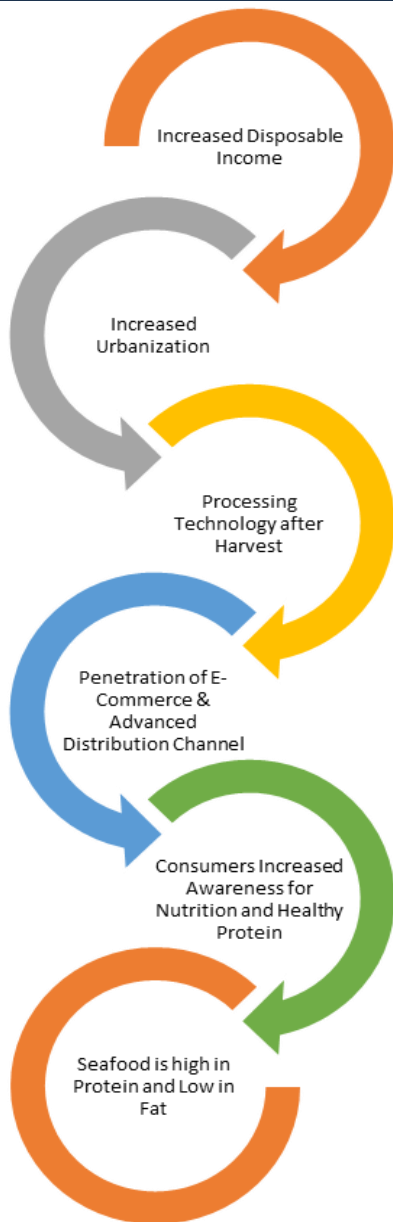
Major Ports for Live Seafood

- Beijing
- Shanghai
- Guangzhou
- Qingdao
- Zhengzhou
- Kunming

Source: China Statistic Yearbook, industry contacts, TDM

Live Seafood Demand

Factors Affecting Consumers' Increased Consumption on Seafood



Due to storage requirements, most live seafood consumption occurs in the hospitality, restaurant, and institutional (HRI) sectors. Restaurants in star-rated hotels, seafood specialty restaurants, and Cantonese restaurants are the most common places consumers indulge in imported live seafood. In restaurants, live seafood tanks are displayed as you walk in, and customers can select the product they want to consume. Prices typically fluctuate daily.

Consumers in China's coastal cities prefer live seafood more strongly than consumers in inland cities. With China's e-commerce channels increasingly equipped with advanced cold chain facilities and supply chains, the retail sector is increasingly selling more live seafood products.

The PRC is also the world's largest seafood producer; however, much of its production comes from aquaculture. Local seafood varieties are limited, and consumers continue to look for food products that are labeled as high quality and internationally recognized.

Official government resources cite China's per capita seafood consumption as 16.2kg in 2022, with some other industry sources indicating China's per capita seafood consumption is 40.33kg. For comparison, U.S. per capita seafood consumption is 22.45kg.

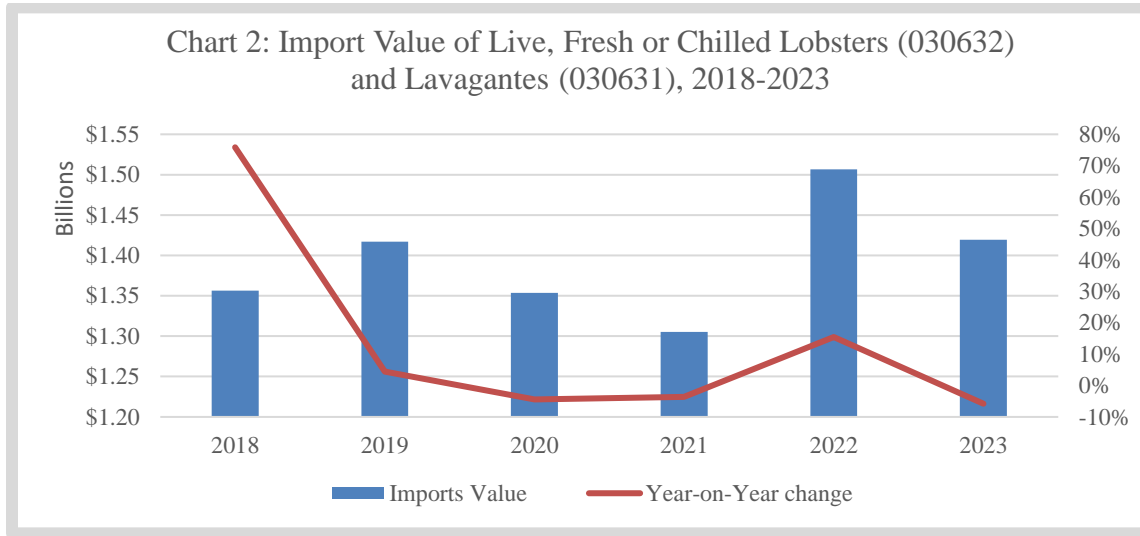
Imports of Live Seafood

King crabs, snow crabs, Dungeness crabs, Boston lobster, oysters, geoduck, and clams are major varieties of seafood products that maintain a good reputation for quality and are commonly imported from the United States. Imports of live seafood require advanced cold chain capabilities, especially at ports of entry. In most cases, the importer or wholesaler must

establish a holding tank facility to keep products living and active for six to eight months.

This report looks at live crabs, lobsters and lavagantes as these imports comprise a large swath of more than three-quarters of the PRC's live seafood imports.

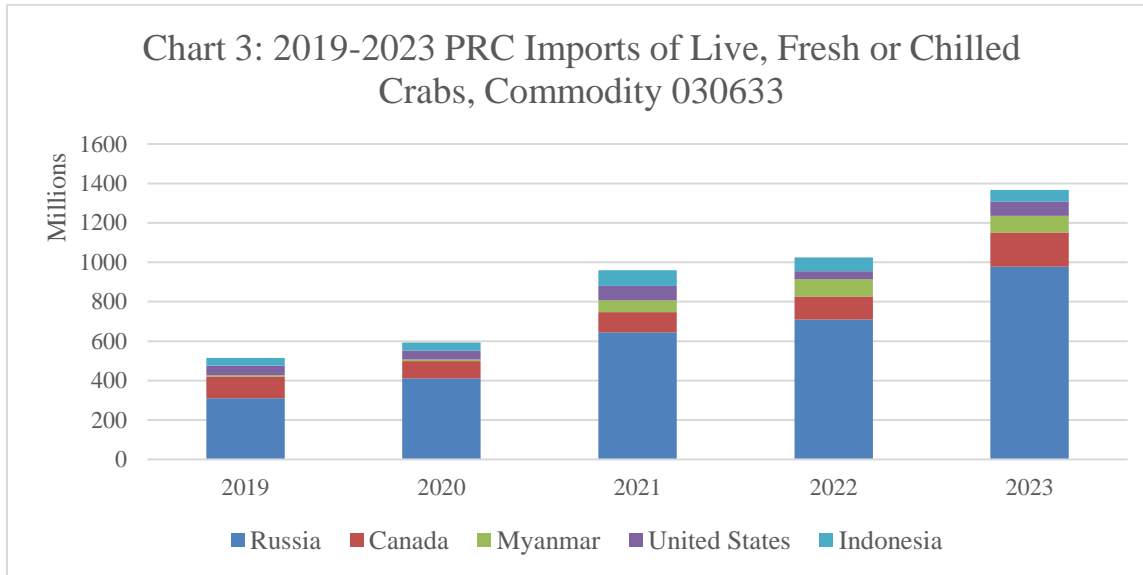
The PRC's live lobster (HS030632) imports showed a robust 29 percent year-on-year increase to \$790 million in 2023. Imports from the United States increased 86 percent to \$182 million, taking nearly 25 percent of the market, a historical high in the past five years. The United States is the second largest exporter of live lobster to the PRC, behind Canada which has 76 percent of the market. In 2023, however, the United States increased its share by 7 percent, largely due to decreased exports from Canada.



Data Source: TDM

Total imports of live crab increased 26 percent year-on-year in 2023, totaling \$1.63 billion. Significant year-end increases in imports are linked to the major holiday season. In 2023, U.S. exports of live crab to China reached \$73 million, recovering to 2021 levels after a sharp decline in 2022.

The United States is the fourth largest exporter of live crab to the PRC with 4.5 percent of the market, behind Russia (60 percent), Canada (10.5 percent), and Burma (5 percent), respectively. Due mainly to proximity and stable trade relations, Russia remains the largest exporter of live crabs; in 2023 alone, exports increased over 138 percent from \$411 million in 2020 to \$978 million in 2023. Canada's larger share is reportedly related to more price flexibility, hard-shelled products, and a stable supply. For Burma, since the Regional Comprehensive Economic Partnership Agreement (RCEP) took effect in 2020, which granted preferred tariff rates for specific products such as lobster, and after the COVID restrictions, exports from Burma have continued to increase. Exports of crabs from Burma to China have increased 104 percent from \$7.5 million in 2020 to \$84.5 million in 2023.



Data Source: TDM

Distribution Channels

Depending on the products and origin source, there are several distribution methods for live seafood imports entering China. Local traders and importers generally tend to keep seafood in their holding facilities for the shortest time possible to avoid product loss. Therefore, they work diligently with their customer base to ensure the sale of their inventories.

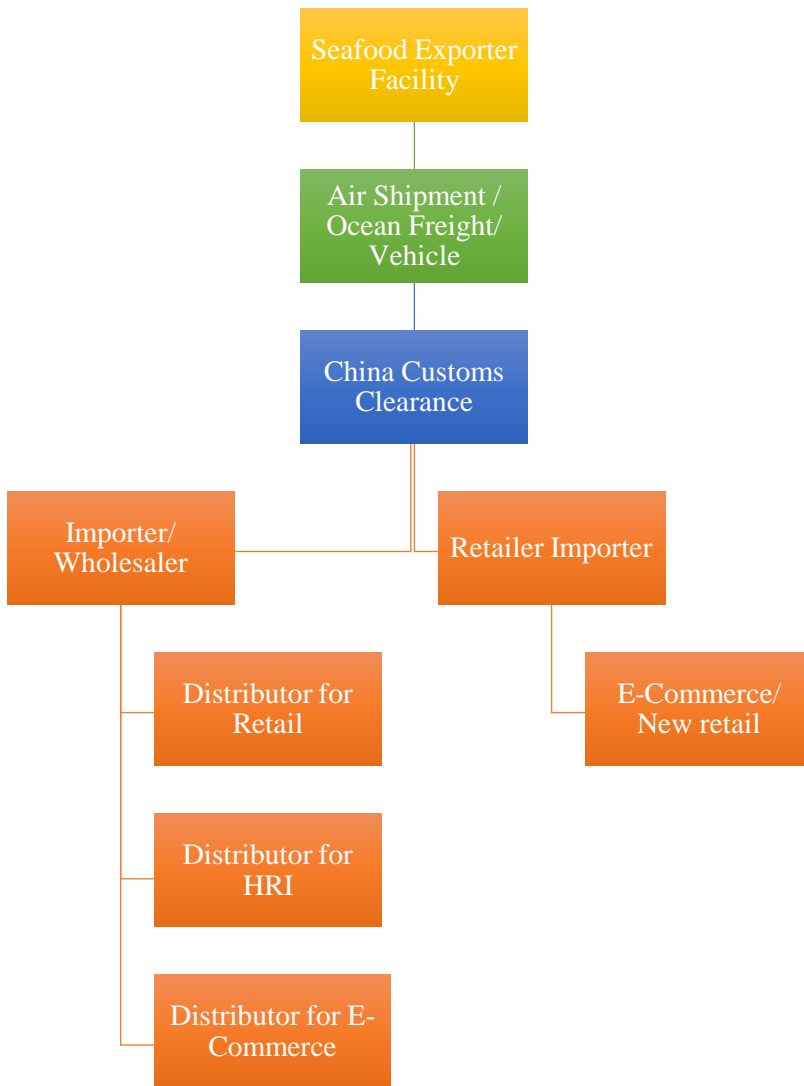
China's imported live seafood trade mainly occurs at the wholesale market level. There are also importers utilizing charter flights that directly purchase large quantities of live seafood with a well-established distributor or retail outlets.

Via Air Shipment

Live seafood is mostly shipped by air, with commercial planes commonly used for small volumes and chartered planes used for larger quantities or when several importers place bulk purchase orders. Airports utilized include Qingdao and Zhengzhou, both of which offer some freight subsidies. U.S. seafood, such as Boston Lobster, has the highest import frequency by chartered plane.

Shanghai Pudong International Airport is the largest cargo airport in the country, with an inbound cargo terminal dealing with live seafood, including lobsters, Dungeness crabs, blue crabs, grass shrimps, oysters, and other fresh products from overseas, including France, New Zealand, United States, India, Pakistan, and Thailand. According to May 2023 statistics, Shanghai Pudong Airport Customs supervised the import of more than 6,100 batches and more than 10,000 tons of fresh seafood, a significant increase of 30 and 40 percent, respectively, year-on-year. Pudong Airport Customs operates 24 hours a day, seven days a week, to ensure that live seafood is inspected upon arrival.

Imported Seafood Distribution Flow Chart



Source: ATO Beijing

Via Wholesale Market

For importers and distributors, wholesale markets in China remain the top platform for most live seafood trade. For example, Beijing JingShen Seafood Market is the largest seafood market in north China. It supplies 80 percent of high-end seafood products in Beijing, including imported seafood for the HRI and retail sectors. Live and frozen imported seafood are featured and sold in this market. Major seafood importers provide services to buyers and distributors in Beijing, Hebei, Shanghai, Guangzhou, Heilongjiang, Jilin, and Liaoning provinces. In Shanghai, the Yangtze River Delta customer base accounts for most sales from the five major seafood wholesale markets.

Hotel and restaurant operations often have a fixed supplier who purchases live seafood from the local wholesale market. Except for those who directly purchase specific items, retailers also purchase from wholesale markets.

Before COVID-19, some e-commerce platforms and new retail operators began purchasing directly from exporters.

However, after COVID-19, fewer retailers

conduct direct purchases, and the wholesale market is still the primary distribution platform for high-quality seafood. Social media commerce platforms such as Douyin (TikTok) and online grocery services from retailers have played a crucial role in driving growth and providing door-to-door customer service.

Via Land Shipments from Russia:

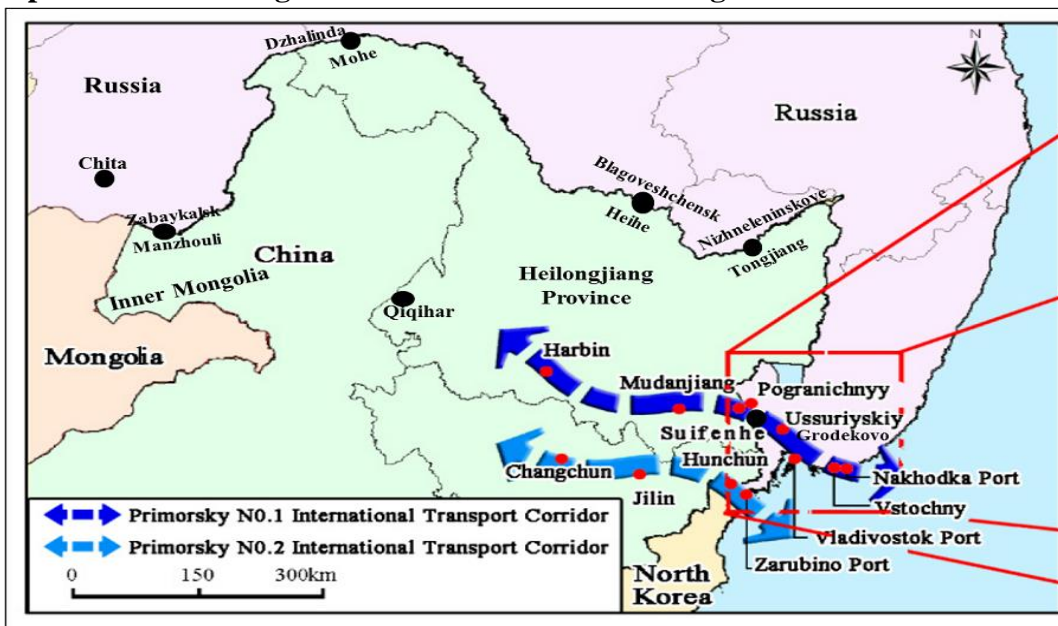
Currently, three land ports in Northeast China import Russian live king and snow crabs. With the opening of a freight route Kamchatka-Zarubino-Hunchun, Hunchun's land port has become the number one port destination for Russian king crabs and snow crabs in Northeast China. The new port significantly decreases transport time. Russian king crabs and snow crabs are transported to Russia's Zarubio Port by vessels and then immediately unloaded to refrigerated tank trucks and shipped to

Hunchun, which has grown into a regional logistics hub for live crabs. From January to November 2023, Hunchun imported 15,525 metric tons of Russian live crabs, accounting for almost 50 percent of China's total imports from Russia.

CASE STUDY: LIVE SEAFOOD FROM RUSSIA

At the China-Russia Hunchun land port, many trucks loaded with Russian live king crabs and snow crabs line up at the waiting area for inspection every day. Hunchun is located at the junction of China, Russia, and the Democratic People's Republic of Korea, and is surrounded by several Russian seaports. The closest seaport, Zarubio, is only sixty kilometers away, making it the most important destination for Russian live king and snow crabs. The Russian crabs are shipped by vessels the same day after being harvested in the deep sea to the seaport of Zarubio. Russian trucks equipped with technicians and equipment for seawater circulation, temperature control, and increasing oxygen content stand by at the Zarubio seaport. After they are fully loaded with king crabs and snow crabs, merchants will transport the crabs immediately to Hunchun Port through the land route. It is reported that the Hunchun Port provides appointment-based customs clearance 24-hours, 7 days a week. After inspection and customs clearance, all the crabs are transported to the local distribution center for weighing, sorting, and labeling. Almost 90 percent of the crabs will be distributed to various regions across China on the same day. The live crabs arrive in Shanghai's wholesale markets within two days, while the rest of the crabs are kept in temporary water ponds around Hunchun city for future sale.

Multiple border crossings between China's northeast region and the Russian Far East



Source: Modified from a map on the [Exploring New Silk Road](#)

Prospects and Opportunities for Live U.S. Seafood Products

Chinese consumers have continued interest in imported live seafood, particularly lobsters, king crabs, and Dungeness crabs, which are all reputable delicacies suitable for business banquets, weddings, family gatherings, and other special events. On a consumer level, demand is driven by the perception of seafood as high in protein and low in fat, consumers' increasing health awareness, and improved e-commerce supply chains, which allow for quick, even on-demand delivery of live seafood products. The opportunity for U.S. live seafood predominantly consists of those product categories where domestic products cannot compete, such as lobster, crabs, oysters, etc.

Major holidays are the peak season for live seafood sales in China, particularly the Lunar New Year (generally in February), the Mid-Autumn Festival (typically in September), and the Dragon Boat Festival in June. During these periods, live and fresh seafood consumption rose for gifting and use in large banquets. Around these festivals, traders tend to order more products, and prices can increase by about 20 to 25 percent.

Products	Market Opportunities for U.S. Exporters
Lobsters	Lobster is considered a high-value product, often used for weddings and banquets. With an almost year-round supply, different product sizes and price points meet different occasions and customer demands. In South China, it is trendy.
Dungeness Crabs	Dungeness crabs were introduced to the China market more than 20 years ago. Due to their moderate price and nearly year-round supply, they are a popular live seafood choice. Canada is the United States's most significant competitor.
Geoduck	Geoduck is high in value and considered a special delicacy, particularly in coastal cities in China. It is predominantly offered in Cantonese-style or high-end hot pot restaurants. Canada is a strong competitor on geoduck with similar quality of products.
King Crabs	King Crabs are a delicacy amongst all imported live seafood in China. It is best for gifting, business banquets, and family gatherings. Russia and Canada offer similar products and, at times, are more price-competitive than U.S. king crabs.
Oyster	U.S. oysters have a limited supply for exports, but Chinese importers would welcome new varieties. France is the top exporter of oysters to China, taking over 76 percent of the market with different varieties. New Zealand and Japan also have other varieties that export to China. Chinese importers and consumers want to purchase high-quality oyster varieties from the United States.

Trade Shows

For new-to-market exporters, we recommend some key seafood industry trade shows in China as an excellent method to obtain buyers' immediate feedback and better understand the market.

- [The China Fisheries & Seafood Expo](#), October 30- November 1, 2024, is the largest seafood show in Asia and is a USDA-endorsed show.
- [The World Seafood Shanghai](#), August 28-30, 2024, is an evolving show for live seafood.
- [SIAL Shanghai](#), May 28-30, 2024, is a huge general food and beverage show that has grown into one of the largest food shows in China. More and more seafood exporters and distributors are participating and visiting this show to get market insights.

Import Regulations and Requirements

VAT and Import Duties for Domestically Consumed Seafood Imports: Imported seafood processed and sold in China for domestic consumption is subject to a 7 to 14 percent tariff. In recent years, the PRC has enacted a provisional lower tariff rate of between 2 and 5 percent for some products. Tariff rates, MFN rates, and provisional special tariff rates are listed on the Ministry of Finance website at [2023 Customs Import and Export Tariff](#). For information on the additional Chinese tariffs on U.S. fishery products, see the February 2020 USDA GAIN [report China Announces Reductions in Certain Additional Tariffs](#).

Tariff Exclusion. U.S. seafood exporters are advised to consult with their importers regarding the tariff and VAT rates for specific seafood species. Chinese importers may apply for exclusions from the additional tariffs on U.S. products. For more information about the tariff exclusion process, see GAIN report [CH2020-0017](#).

2023 China FAIRS Export Certificate Report Annual: [FAIRS Export Certificate Report Annual](#)

2022 China Fishery Products Annual [CH2023-0027](#)

Attachments:

No Attachments.