

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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China - Peoples Republic of

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Squid Exports Ink Out Big Numbers

Report Categories:

Competitor

Fishery Products

Market Promotion/ Competition

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Report Highlights:

U.S. exports of squid to China grew by over 70% from 2009 to 2010 to pass \$100 million. The Chinese National Fisheries Corporation foresees continued rapid growth in this market, as squid continues to grow in popularity in China.

General Information:

Squid is Good For You

Although not as favored as other types of seafood, squid is becoming increasingly popular as a relatively low-cost alternative to more expensive seafood products. Squid is widely available in the frozen seafood section of retailers across China. While fresh or frozen squid is cooked in stir fry, much of the squid entering China is processed. Dried squid is widely used in preparing soups. It remains somewhat less popular than other types of seafood mainly because of its reputation for being high in cholesterol (this point is disputed by China's squid importers, who claim that the cholesterol in squid is, in fact, the 'good' type of cholesterol). Certain specific types of squid, especially jumbo flying squid, are processed into dried, shredded squid snacks, which are popular in China, but are also exported from China to the EU, Russia and Japan. The larger dried squid are also exported whole to Japan.

Inking Out Big Numbers

U.S. exports of squid to China boomed in 2010, jumping from \$35 million in 2005 to \$107 million in 2010, growing by 75% in 2010 alone. Demand for squid is expected to continue growing. Roughly half of the squid exported from the U.S. to China is frozen loligo squid from California (*Loligo opalescens*). Total exports of loligo squid to China have increased from \$13.6 million in 2005 to \$93 million in 2010. Most of the balance are other types of frozen squid, as fresh squid exports have dropped to nothing in recent years.

U.S. Exports of Squid to China, 2005-2010 (Value in 1,000 dollars)						
	2005	2006	2007	2008	2009	2010
Frozen <i>Loligo opalescens</i>	10,913	11,835	21,968	22,682	38,138	81,060
Other whole frozen squid	6,292	10,609	9,171	16,448	33,438	20,725
Frozen squid fillets	4,729	7,603	2,193	2,904	2,777	4,238
Fresh/chilled squid	9,501	9,998	1,244	711	4	0
Prepared/preserved squid	3,864	343	657	367	713	1,175
TOTAL	35,299	40,388	35,233	43,112	75,070	107,198
Source: U.S. Customs Data						

Argentina is traditionally the major supplier of squid to China, supplying over 66 thousand metric tons in 2008. The Chinese National Fisheries Corporation (which manages both fishing fleets and imports of aquatic products) estimated imports from Argentina at 30% of the Chinese squid market, and total processing capacity in China at 200,000 metric tons/year. However, prices for Argentine squid have skyrocketed recently as catches have fallen, with CNFC citing prices at \$400-500/MT just a few years ago for the lowest grades, but now reaching as high as \$3,600/MT for the same grades. (CNFC claims this decline is a reflection of the cyclical nature of squid populations, with Argentina currently at a low point, however, there is substantial concern in Argentina over the long-term health of the fishery). CNFC believes that demand will continue to grow, and is very interested in the United States as a potential source. While U.S. loligo squid is somewhat smaller than the Argentine variety,

CNFC regards it as similar in quality.

Apart from loligo squid, Chinese importers have expressed interest in jumbo flying squid (Humboldt squid or *Dosidicus gigas*). Traditionally sourced from Peru, China has been importing more of these from Mexico recently. This particular variety is widely used in the manufacture of dried squid snacks (see below). U.S. exports of squid other than loligo to China have varied widely, peaking at a record \$13.6 million in 2009, but falling to \$7.4 million in 2010.