

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 12/28/2012

GAIN Report Number: CH12073

China - Peoples Republic of

Post: Beijing

Fishery Products Annual

Report Categories:

Fishery Products

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Report Highlights:

China's aquatic production in 2012 continues its growth trend, rising four percent to 58 million tons on aquaculture production gains fueled by domestic demand.

Total aquatic trade value is expected to increase to an estimated \$27 billion in 2012. US aquatic exports to China increased 1.6 percent to \$945 million in the first ten months of 2012 but still face an aquatic trade deficit exceeding \$1.3 billion. China's high import duties plus value added tax hinders US aquatic product export competitiveness for China's domestic consumption. Best prospects are for frozen fish, including salmon and plaice, and fishmeal. The import duty on four categories of seafood (frozen Greenland halibut, plaice, herrings and cod), will be reduced

Executive Summary:

China's aquatic production in 2012 is forecast at 58 million tons, up four percent from 2011, due to gains in aquaculture growth as wild catch production remains stagnant. Fishery production challenges include: slowing investment, environmental concerns and coastal development limiting resources for aquaculture expansion, scarce resources restrain growth for wild catch numbers, and processing (with imported material) for re-export facing rising production costs and loss of competitiveness. Rising affluence is raising domestic demand for alternative protein sources, including aquatic products, but weak overseas economic conditions challenge export growth.

Total aquatic trade value is expected to rise to an estimated \$27 billion in 2012 from \$25.8 billion last year and produce a \$10 billion surplus. US exports to China of aquatic products increased to \$945 million in the first ten months of 2012, up 1.6 percent over the same period in the previous year. China's aquatic exports to the United States climbed to \$2.3 billion in the first ten months of 2012. Imports for domestic consumption face high import duties and value added tax. Prospects remain strong for US salmon, frozen fish and fish meal.

General Information:

Definition of terms in China: China's definition of aquatic products includes both cultured (farm-raised) and wild caught products; aquatic products include fish, shrimp/prawn/crab, shellfish, algae, and other. Aquatic catch production is total volume of both fresh and seawater wild caught aquatic products; Aquaculture production is the total volume of both fresh and seawater cultured (farmed) aquatic products. This report will use Chinese terminology to maintain consistency between Chinese statistics and product categories. Total aquatic trade statistics in this report do not include fishmeal.

Total Aquatic Products Production

Total 2012 aquatic production is estimated to increase four percent over last year to reach 58 million tons, compared to the 56 million tons in 2011 and 53.7 million tons in 2010. Fish production accounts for 59 percent of the total aquatic production, followed by shellfish and crustaceans at 22.6 and 10 percent, respectively. Fish production is expected to continue its upward growth trend to reach 34.5 million tons in 2012, up from 33 million tons in 2011 and 31.3 million tons in 2010.

Table 1 China's aquatic production (Unit: 1000 tons)

Category/Year	2008	2009	2010	2011	2012
Total Aquatic Production	48,956	51,164	53,729	56,032	58,000*
-Seawater Aquatic Production	25,983	26,816	27,975	29,080	
---Seawater Catch	12,580	12,763	13,152	13,566	
---Seawater Culture	13,403	14,052	14,823	15,513	
-Freshwater Aquatic Production	22,973	24,348	25,754	26,951	
---Freshwater Catch	2,248	2,184	2,289	2,232	
---Freshwater Culture	20,725	22,165	23,465	24,719	

Source: 2011 China Agricultural Statistics Report; *FAS/Beijing estimate

At the National Fishery Conference held in late December 2012, China's Ministry of Agriculture (MOA) estimated total aquatic production at 59 million tons, up 5.4 percent over 2011. Within this total,

aquaculture production was up 7 percent to 43 million tons and wild catch production was 14.8 million tons. An additional 1.2 million tons was attributable to wild catch from other territorial seas.

In 2011, Shandong, Guangdong, Fujian and Zhejiang provinces profited from favorable coastal locations and abundant freshwater resources/facilities to rank as the top four aquatic production areas. In terms of freshwater cultured production, Hubei, Guangdong, and Jiangsu provinces are the largest producers. These rankings are expected to remain unchanged in 2012.

Table 2 China’s Top-8 Aquatic Producing Provinces in 2011 (Unit: 1,000 tons)

Province	Total production	Seawater production (catch and culture)	Freshwater production(catch and culture)
Total	56,032	29,080	26,951
Shandong	8,138	6,647	1,491
Guangdong	7,625	4,282	3,343
Fujian	5,261	5,127	776
Zhejiang	5,158	4,110	1,048
Jiangsu	4,760	1,421	3,339
Liaoning	4,515	3,659	856
Hubei	3,562	0	3,562
Guangxi	2,892	1,593	1,299
Other	13,345	2,241	11,237

Source: 2011 China Agricultural Statistics Report

Aquaculture

China remains the world largest aquaculture producer with total cultured aquatic production accounting for about 70 percent of the world total in recent years, based on industry sources. Total aquaculture water area reached 7.83 million hectares (MHa) in 2011 from 7.65 MHa in the previous year, with the majority (164,000 Ha) expansion in freshwater facilities. While the majority of cultured facilities are fresh water due to available natural resources, growth in seawater facilities has outpaced that of freshwater facilities over the past four years, rising 33 percent between 2008 and 2011, compared to 15 percent for freshwater.

--Aquaculture area growth slowing

Overall, investment in facility expansion is slowing, with 2011’s 2.5 percent expansion cooling significantly from 2009’s 14 percent expansion. Government officials relate that environmental concerns and the rapid industrialization/urbanization of China’s coastal region are hampering further aquaculture expansion.

Table 3 China’s Aquaculture Area Resources (Unit: Hectares)

Year	Total	Seawater	Freshwater	Freshwater-Pond	Freshwater-Reservoir	Freshwater-lake	Freshwater-Other
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2011	7,834,950	2,106,382	5,728,568	2,449,911	1,851,877	1,023,009	
2010	7,645,223	2,080,880	5,564,343	2,377,001	1,795,579	1,007,103	1,692,773
2009	7,283,138	1,859,313	5,423,825	2,331,900	1,726,407	998,232	1,707,000
2008	6,549,932	1,578,909	4,971,023	2,144,715	1,549,612	961,335	1,792,862
11/10 Change	2.5%	1.2%	3%				
10/09 Change	5%	12%	3%				
09/08 Change	14%	18%	13%				

Source: 2011 China Agricultural Statistics Report

Aquaculture Production

Aquaculture (cultured) fish production dominates this sector with a total production of 22.8 million tons, accounting for 69 percent of total fish production in 2011. Carp remains the most popular cultured freshwater fish with total production of 15.6 million tons in 2011 (up from 15.1 million tons in 2010), accounting for 72 percent of total freshwater cultured fish production.

Tilapia, another popular cultured product, is estimated to reach 1.5 million tons in 2012, up from 1.4 million tons in 2011. After a decade of rapid development averaging an annual growth rate of 11 percent, cultured tilapia production growth slowed in 2010 following abnormal weather conditions, but rebounded eight percent in 2011. 2012 cultured tilapia production continues to rise in response to increased domestic and foreign market demand, with export volume climbing 12 percent in the first ten months of 2012 over the previous year. Some fairly serious challenges threaten the overall rebound, however (see following paragraph – Challenges). Guangdong, Guangxi, Fujian and Hainan continue to be the top four tilapia producers with combined production of 1.29 million tons in 2011, representing 90 percent of total tilapia production. Yunnan province increased its cultured tilapia production 30 percent this year to 77,000 tons due to expanded facilities.

Total cultured catfish production is estimated at 610,000 tons in 2012, up from 598,000 tons in 2011 in response to dynamic domestic consumption. Cultured catfish production for export remains soft in response to uncertainty regarding pending U.S. import policies. Sichuan, Jiangxi, Hubei, Guangdong and Hunan provinces together accounted for 57 percent of total production.

Shellfish production, primarily seawater cultured, continues to rise with 2011 total production at 11.8 million tons, up from 11.3 million tons in 2010 (See tables 3 and 4). Shandong, Fujian, Guangdong, and Liaoning provinces dominate the cultured shellfish production accounting for 80 percent of total volume in 2011.

Cultured crustacean production in 2012 is expected to reach 3.4 million tons, a slight increase from the 3.3 million tons in 2011, in response to stronger domestic demand; catch production remains almost unchanged in 2011. Cultured *penaeus vannamei* (also known as white shrimp) production exceeded 1.37 million tons in 2012, up from 1.3 million tons in 2011, accounting for 40 percent of total cultured crustacean production.

Cultured freshwater and seawater shrimp and prawn are produced primarily in Guangdong, Jiangsu, Hubei, Zhejiang and Guangxi provinces. In 2011, Guangdong led shrimp production with total cultured production of 609,207 tons, compared to 554,000 tons in 2010. Of this amount, *penaeus vannamei* production reached 502,871 tons, up 12 percent over 449,900 tons in 2010.

Eel production is concentrated in Fujian, Guangdong, and Jiangxi provinces, and much of the production is destined for the Japanese market.

Table 4 China's seawater and freshwater aquatic production by category
(Unit: 1,000 tons)

Category/Year	2009	2010	2011	2012
Cultured products	36,216	38,248	40,232	42,700*
• Fish	20,340	21,450	22,818	
• Shrimp, Prawn, and Crab	2,977	3,199	3,291	
• Shellfish	10,766	11,333	11,796	
• Algae	1,464	1,511	1,609	
• Other	669	755	718	
Catch products	14,947**	15,441**	15,798**	15,300*
• Fish	9,567	9,870	10,222	
• Shrimp, Prawn, and Crab	2,347	2,389	2,415	
• Shellfish	954	909	871	
• Mollusks	643	658	695	
• Algae	28	25	27	
• Other	432	477	421	

*FAS/Beijing estimates;** including marine catch of 1.1 million tons annually from other seas

Production Challenges

--Tilapia faces disease and competition

According to industry sources, streptococcus disease continued to adversely impact tilapia production in 2011. Experts believe deteriorating water environments and high-density farming has led to high bacteria counts. Inadequate quality inputs, including feed and fingerling stocks, and overuse of antibiotics have also contributed to disease conditions. These problems will continue to impact tilapia production and quality in the near future. China's experts have enhanced research on new species with more stress and disease tolerance, and development of more specialized feed for tilapia at different growing stages and environments. The vaccine for streptococcus disease is still in trial stage and not yet

used in production.

Reduced farm-gate and falling export prices, which have dropped from \$3,298 per ton in 2011 to \$3,181 per ton in the first ten months of 2012, are also expected to reduce profit margins for tilapia producers. In addition, exports by Vietnam of Basa fish have risen to the US because of low price and high quality and have taken significant market share from China's tilapia export sales in the United States. For example, total US imports of Vietnam's Basa fish increased 48 percent in the first eight months of 2011, much higher than the 26 percent growth for China's tilapia exports to the United States during the same period.

The World Wildlife Fund (WWF) continues to promote its international aquaculture certification system, which if widely adopted by major importers, is also likely to impact China's tilapia production and exports in the future.

--Aquatic catch production is shrinking

Total 2012 domestic catch production fell from 15.8 million tons to 15.3 million tons in 2011 due to limited availability of marine resources. Seawater catch production from other territorial seas was 1,147,000 tons in 2011, slightly higher than the 1,116,000 tons in 2010. Industry insiders believe it will be difficult to increase production significantly from domestic or other territorial seas.

--Aquatic product safety concerns

Domestic cultured aquatic product quality/safety remains a big concern for consumers. An MOA aquatic product safety survey indicates some aquaculture farms have been punished for the use of malachite green and the overuse of antibiotics. In August, MOA published administrative measures on the supervision of agriculture product quality and safety, which stipulates regulations on risk monitoring and sampling for all agricultural products.

--Future fishery development plans

In October 2011, the MOA published its 12th Five Year (2011-2015) Development Plan for Fishery. Significant targets under the plan include:

- meeting the rapid growing demand for quality aquatic products by domestic consumers
- emphasizing the balance between aquaculture development and ecological protection
- reconstructing and standardizing 1,333,000 Ha of aquaculture ponds to raise productivity
- achieving safety/quality targets for 98 percent of aquatic products
- maintaining stable of growing marine fishery output in other territorial seas with target production of 1.3 million tons per year, up from 2010's output of 1.1 million tons
- licensing aquaculture production facilities (100 percent) by 2015
- raising production to 60 million tons by 2015, with 75 percent from aquaculture (as compared to estimated 72 percent in 2011)

MOA has established agricultural product quality test stations in 1,200 counties (out of the total more than 2,400 counties) nationwide to supervise quality. To ensure the quality of aquatic products for

export, MOA and the Administration for Quality Supervision, Inspection and Quarantine of China (AQSIQ) adopted a strict licensing regime for all export-oriented farms and processing establishments. MOA and AQSIQ conduct frequent field audits and aquatic products for export are subject to mandatory inspection and must be accompanied by AQSIQ inspection certificates.

--Aquatic processing for domestic consumption continues to grow in 2012

Most Chinese consumers' still prefer live or fresh aquatic goods to processed products. Therefore, domestic consumption of processed aquatic products remains relatively small compared to overall domestic aquatic product consumption. Processed aquatic products using domestic raw material (mostly cultured products) are primarily export focused.

According to MOA, China had 9,611 aquatic processing facilities in 2011 compared to 9,762 in 2010. However, total processing capacity increased to 24.3 million tons from 23.9 million tons in the previous year, indicating a moderate consolidation in the sector. In 2011, 19.8 million tons of aquatic products were processed, significantly higher than the 17.8 million tons in the previous year and 18.2 million tons in 2009. Total processed aquatic product volume stood at 17.8 million tons, of which the frozen processed aquatic product reached 5.6 million tons, up by 1.1 million tons from 2010. This trend is expected to continue in 2012 as more frozen and frozen processed goods are shipped to heartland provinces, and the demand for frozen processed aquatic products by domestic consumers rises.

Aquatic processing bases are located in or near major aquatic production regions. Of the total 9,611 processing facilities, 6,413 (or 67 percent) are concentrated in Zhejiang, Shandong, Fujian, and Guangdong provinces. Shandong ranks first for processing capacity at 7.9 million tons per year followed by Fujian at 3.3 million tons. These provinces are also major aquaculture producers and are equipped with port and cold storage facilities. Many foreign enterprises have processing facilities in these provinces.

Aquatic consumption remains dynamic

As China's processing and distribution systems become more developed and consumers rising affluence increases their interest in a more diversified and nutritious diet, seafood consumption is on the increase.

According to the National Statistics Bureau, the per capita consumption of aquatic products was 14.62 Kg per urban dweller and 5.36 Kg per rural inhabitant in 2011. Per capita consumption is expected to increase steadily, with strong growth potential in the rural sector.

Table 5 Per capita consumption trends of aquatic and animal products (Kg)

Per Capita Consumption Trends for Aquatic Products						
	2006	2007	2008	2009	2010	2011
Urban	12.95	14.2	14.3	14.8	15.21	14.62
Rural	5.01	5.36	5.25	5.27	5.15	5.36
Per Capita Consumption Trends for Pork, Beef, Poultry and Mutton						
Urban	32.12	31.8	30.7	34.67	34.72	35.17
Rural	20.54	18.74	18.3	19.58	20	20.86

Note: Urban Population of 690.79 million (51.27%). Rural Population of 656.56 million (48.73%).

Source: 2011 China Statistical Yearbook Table 10-9 and 10-33

Table 6 lists the ten provinces and municipalities with highest expenditures on aquatic products in 2011. The per capita consumption of aquatic products is highest in coastal regions (where aquatic products have been a traditional source of protein) and locations with relatively high disposable income. The rankings are almost unchanged from 2010.

Table 6 Per Capita Cash Consumption Expenditure on Aquatic Products by Urban Resident, by Region, in 2011

Region	Aquatic Product Expenditure RMB Value	Disposable Income Rank	Disposable Income Value (RMB)
Fujian	1,030	7	24,907
Shanghai	912	1	36,230
Zhejiang	812	3	30,970
Guangdong	701	5	26,897
Hainan	771	21	18,368
Tianjin	493	4	26,920
Jiangsu	458	6	26,340
Liaoning	403	9	20,467
Shandong	339	8	22,792
Guangxi	325	12	18,854
Hubei	294	18	18,374
Nationwide Average	354	NA	21,809

Source: 2012 China Statistics Yearbook/Table 10-16

According to MOA survey results (among 80 major aquatic product wholesale markets), the average wholesale price for aquatic products increased by 8.5 percent in the first eight months of 2012 from the previous year. The price increased by 9.7 percent for sea water products, and 6.9 percent for fresh water products. Prices for aquatic products are expected to grow in 2013, reflecting increases in the price of feed and other inputs.

Trade

Overall Aquatic Trade Value Likely to Hit Record \$27 Billion in 2012

Total aquatic trade value in 2012 is estimated at \$27 billion, up four percent over \$25.8 billion in 2011. Total trade volume is expected to fall by two percent. According to MOA statistics, in the first three quarters of 2012, total aquatic trade volume stood at 5.86 million tons, down 2.4 percent, while trade value was \$19.4 billion, up six percent over the previous year, respectively. Total aquatic import volume was 3.1 million tons, down 0.9 percent over the previous year; total aquatic trade surplus reached \$7.5 billion, up \$912 million over the same period from the previous year. Industry sources expect the 2012

total trade value will hit \$27 billion. China's aquatic export trade destinations (with export values over \$100 million) rose from 17 countries/regions in 2009 to 25 in 2011 and will likely increase in 2012. Japan continues to be the largest export destination, followed by the United States and South Korea.

Exports

Export value is expected to rise to \$18.5 billion, up four percent over 2011. This growth is mainly due to increased prices as volume is expected to fall from the previous year. Most Chinese industry insiders believe that a stable recovery of global economies support higher aquatic exports in the near future.

-- Re-export of aquatic exports slowed in 2012

The aquatic processing for re-export slowed in 2012. According to MOA, in the first three quarters of 2012, aquatic products (with imported material) for export were 821,800 tons in volume, down 8.7 percent over the previous year. This export value accounted for 28.6 percent (down 2.3 percentage points over the previous year) of total aquatic exports. Weak demand by major overseas markets and the re-location of aquatic processing facilities from China to more competitive countries due to rising input costs in China, lowered domestic processing output in 2012.

--Aquatic exports with domestic material increased in value in 2012

According to MOA, total aquatic exports (with domestic material) in the first three quarters of 2012 stood at 1,775,100 tons by volume and \$9.4 billion in value, down 1.3 percent and up 12 percent, respectively, over the previous year. Decreased export volume reflects an overall weak rebound in demand for aquatic products by major importing countries. The increase in export value is attributable to increased production costs. China's industry leaders remain confident that total aquatic export value will continue growing though export volume will likely stabilize or decline in 2012.

--Value added product export increases in 2012

Fish fillet (HS Code 0304) continues to be the largest export category with export value at \$4.4 billion, accounting for 27 percent of total aquatic exports in 2011. Based on the Global Trade Atlas figures, in the first ten months of 2012, fish fillet exports accounted for 25 percent of total aquatic exports by value. The combined export value of prepared or packaged fish and caviar (1604) and prepared crustaceans and mollusks (HS Code 1605) has grown rapidly in value to \$5.4 billion, accounting for 39 percent of total exports.

--Tilapia exports continued to grow

According to the Global Trade Atlas statistics, in the first ten months of 2012, total tilapia exports reached \$913 million, up 8 percent over the \$845 million in the previous year, although the export volume increased by 12 percent. In the first ten months of 2012, the United States remained the largest destination for China's tilapia products, accounting for 48 percent of volume; however, net export volume also climbed to 137,427 tons, 24 percent higher than the previous year on low prices. If prices remain competitive, industry insiders believe the US will continue to be a strong export market for tilapia products.

Imports

Import value is estimated at \$5.7 billion in 2012, almost unchanged from the previous year; however, total import volume is likely to be 2.6 million tons, down four percent over the previous year. Russia is expected to remain China's largest supplier of aquatic products in 2012, followed distantly by the United States and Japan. Qingdao and Dalian continue to be the two largest arrival ports for aquatic products, accounting for 80 percent of the total import volume in first ten months of 2012. Well-established facilities, including processing factories in Qingdao and Dalian, solidify their status as the largest seafood import hubs in China.

Global Trade Atlas numbers reflect 1.6 million tons of fish/frozen (HS Code 0303) imports in the first ten months of 2012, a nine percent drop from the previous year. Although the import volume of flatfish was unchanged from the previous year, salmon imports during this time period dropped sharply to 117,000 tons from 192,000 tons in 2011, due to lower processing demands. In 2011, US salmon imports rose to 83,000 million tons, up 40 percent over the previous year, capturing sales left by a gap in lower Norwegian salmon exports. Import prices for salmon in the first ten months of 2012 averaged \$3,487 per ton, up seven percent from the previous year.

--Fishmeal imports are estimated at 1.2 million tons in 2012

China's domestic fishmeal production remains low. Growing feed industry demand creates an ever widening supply gap which must be filled by imports. Many contacts believe domestic demand by the feed industry will continue to grow, which will require higher year on year imports.

Peru remains China's largest fishmeal supplier at 636,283 tons and accounted for 59 percent of China's total imports in the first ten months of 2012. During the same period, imports from the United States hit a record 116,776 tons from 104,993 tons in the previous year, most likely due to more diversified products at relatively lower price. At the end of October 2012, the Peruvian government announced a reduction in its fishing quota (from average 2 million tons to 810,000 tons) for resource management, which triggered a price spike of RMB2,000 to 2,500 per ton (\$317 to \$398 per ton). A smaller, more expensive Peruvian fishmeal production potentially creates opportunity for US fishmeal exports in 2013.

Fishmeal imports fell to slightly more than one million tons in 2010 from 1.3 million tons in 2009, mainly due to fishmeal prices which spiked at over \$1,600 per ton. Imports prices averaged \$1,335 per ton in the first ten months of 2012, down nine percent over the previous year.

--US aquatic trade imbalance with China

Although the United States remains the second largest importer and exporter of aquatic products to China, there is still a large trade deficit. In the first ten months of 2012, US aquatic product exports increased to \$945 million, up two percent over the previous year, while China's exports to the United States climbed to \$2.3 billion, resulting in an aquatic trade deficit exceeding \$1.3 billion. Industry insiders believe the trade deficit will grow as China increases value-added processed aquatic product exports.

Policy

China's policy favors smooth growth for aquatic production and exports

China's fishery production policy remains generally unchanged. In the 12th Five Year Fishery Development Plan, the MOA plans to continue to promote a more sustainable development model with resource utilization, environmental protection, production of safe products, and increases in farmer income as major priorities. In November 2012, MOA published a notice promoting a sustainable and healthy development of marine fishing in other territorial seas. The notice stressed the need to upgrade fishing facilities to maintain a stable catch volume which reached 1.15 million tons in 2011.

Domestic wild aquatic catch will continue to be restricted by the "Zero Growth" policy which placed a threshold or upper limit on annual catch. The two to three month summer fishing moratorium in China's seawater continued in 2012, and the three-month spring fishing ban in the Yangtze River entered its eighth year. Additionally, for the second year, MOA instituted a two-month fishing ban in the Pearl River region. In an effort to protect and restore an ecological balance, the state and provincial fishery departments conduct frequent releases of aquatic fingerlings in national waters to increase wild stock.

--Implementation of aquaculture licensing system continues

The MOA will continue to implement a nationwide aquaculture licensing system during the 12th Five Year Fishery Development Plan period. Licensing thousands of small-scale aquaculture facilities, however, has proven to be a challenge for the government. As of the end of 2011, 79 percent of aquaculture facilities had obtained production licenses.

--The policy on aquatic processing trade remains unchanged

China's government reportedly positive view of the aquatic processing trade may be due to its role in generating new employment and producing rendered feed ingredients that are in demand by the growing feed industry. If imports are exported as processed products, they will not be subject to a tariff or value-added tax (VAT). Imports sold in China are subject to tariff and VAT (see GAIN CH5089).

According to MOA, the share of processing trade has declined, accounting for 28.6 percent of aquatic export value in 2012 (compared to 33 percent in 2010). Nevertheless, both Chinese industry and official sources claim that China is becoming the world's processing center for mackerel, salmon, cod, and herring. Industry sources note that the number of enterprises involved in the "Processing Trade" is on the rise, especially in Shandong and Liaoning.

--Aquatic exports for domestic consumption faces barriers

High import costs, which include a duty plus value-added tax (VAT) approaching 25%, make imports for domestic consumption expensive. Some industry experts are calling for reduced import duties and VAT for seafood species that are not produced in China to encourage more imports for domestic consumption. As reported in GAIN CH11098, effective January 1 2012, the import duty on four categories of seafood (frozen Greenland halibut, plaice, herrings and cod), will be reduced (see table)

which should facilitate their import and sale in the domestic market. However, traders have not been granted the reduced duty due to a misunderstanding of the definition of these products. Exporters are encouraged to consult with Chinese importers and Customs for clarification on specifics. Additionally, China may require a “risk assessment” for some fish species entering China for the first time.

--Import certificate for live edible aquatic products

Through bilateral consultation, a NOAA amended version of the Health Certificate for live edible aquatic products was approved by AQSIQ. Obtaining the certificate for live edible aquatic product may remain an issue for exporters.

--New hygiene certificate for US imported fishmeal

In late July 2011, the Department of Commerce, NOAA, Seafood Inspection Program and AQSIQ reached agreement on a new health certificate for fish meal and fish oil exports to China, which took effect on July 1, 2012. In addition, AQSIQ approved registration of 26 US fish meal and fish oil exporters (http://dzwjyjgs.aqsiq.gov.cn/zwgk/slaq/jjsljtjj/zcqymd/201105/t20110526_185441.htm).

--New health certificate for fish and fishery products effective on January 1, 2013

On April 10, 2012, AQSIQ requested an amendment to the US Health Certificate for Fish and Fishery Products destined to China, effective Jan 1, 2013. In late December, the Department of Commerce, NOAA, Seafood Inspection Program and AQSIQ agreed on a new certificate which will be implemented January 1, 2013. The current certificate will be accepted for entry into China for fish and fishery products exported prior to January 1, 2013. Any fish and fishery products exported from the US after January 1, 2013 to China must be accompanied by the new health certificate.

Marketing (ATO/Beijing)

Due to market development efforts, domestic demand has increased for imported frozen aquatic products. Salmon, snow crab legs, and cod are all products commonly available in supermarkets. Product identification, such as brand names, logo and country of origin are important tools to attract consumer interest. The education of retailers and distributors is critical to promoting brand recognition and loyalty.

Scallops, salmon, Alaskan snow crab legs, king crabs, black cod, and oysters are popular items in many upscale hotels which commonly feature these products in buffets. With the proper display, high-value imported items can be promoted to customers. Chef demonstrations or themed promotions during major Chinese holidays, such as Spring Festival and Mid-Autumn Festival, are effective for the Hotel Restaurant Institution Food Service sector. Fish roe is another popular product, particularly with Japanese style restaurants.

Importers claim high value U.S. seafood products are easy to sell in both first and second tier cities, even in coastal cities such as Qingdao. Popular products are king crab kegs, scallops and oysters. Major obstacles include inconsistent availability due to insufficient supply and counterfeit products. Trade shows in China help promote new products and increase sales. At the recent China Fisheries &

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	Total	2,223,844	3,638	2,223,844	3,638	2,720,371	5,737	2,059,082	4,572
0302	Fish, Fresh	9,789	61	9,789	61	12,056	94	17,274	122
0303	Fish, Frozen	1,782,948	2,711	1,782,948	2,711	2,166,123	3,823	1,600,684	2,777
0304	Fish, Fillet	30,374	66	30,374	66	24,334	66	27,010	71
0305	Fish, Dried, Salted, Brined	7,810	19	7,810	19	3,183	15	3,198	14
0306	Crustaceans	88,428	337	88,428	337	117,306	823	103,579	903
0307	Mollusks & Other	274,980	394	274,980	394	336,326	743	252,757	557
1604	Prepared and Packaged Fish and Caviar	3,226	16	3,226	16	5,199	23	4,107	21
1605	Prepared and Packaged Crustaceans and Mollusks	26,291	36	26,291	36	55,775	150	50,473	108

Source: Global Trade Atlas

Exports by Category

HS Code		Jan-Dec 2009		Jan-Dec 2010		Jan-Dec 2011		Jan-Oct 2012	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
	Total	2,735,668	9,849	2,735,668	9,849	3,687,984	16,480	2,872,902	13,789
0302	Fish, Fresh	38,043	142	38,043	142	35,354	159	26,387	128
0303	Fish, Frozen	507,836	849	507,836	849	964,198	2,122	781,378	1,773
0304	Fish, Fillet	908,085	3,108	908,085	3,108	1,084,648	4,398	817,994	3,397

0305	Fish, Dried, Salted, Brined	56,239	285	56,239	285	74,602	395	62,808	361
0306	Crustaceans	189,468	1,042	189,468	1,042	215,503	1,380	149,723	1,125
0307	Mollusks and Other	303,555	1,000	303,555	1,000	424,772	2,038	319,866	1,613
1604	Prepared or Packaged Fish and Caviar	440,852	1,643	440,852	1,643	510,783	2,634	402,193	2,460
1605	Prepared or Packaged Crustaceans and Molluscs	291,589	1,781	291,589	1,781	338,872	2,362	312,552	2,931

Source: Global Trade Atlas

Aquatic Products Trade by Country of Origin (Value: \$ million)

Imports by Country of Origin

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Russia	1,186	1,262	1,592	1,136
United States	549	726	1,130	945
Norway	274	401	409	303
Japan	203	303	155	139
Canada	162	217	310	300
India	124	156	149	78
Korea South	117	153	228	119
Thailand	99	136	141	130
Netherlands	92	117	66	52
New Zealand	75	97	176	199
Peru	65	77	158	122
Indonesia	54	64	84	107
Other	638	731	1,141	942
Total	3,638	4,438	5,737	4,572

Source: Global Trade Atlas

Exports by Country of Destination (Value: \$ million)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Japan	2,470	2,979	3,725	3,141
United States	2,004	2,525	2,817	2,276
Korea South	869	1,174	1,437	1,037
Taiwan	346	590	769	705
Hong Kong	404	586	1,112	1,063
Germany	490	508	554	414
Russia	283	375	472	495
Spain	259	364	413	252
Malaysia	253	354	521	522
Canada	273	338	355	289
United Kingdom	230	266	315	237
Mexico	168	255	293	206
Indonesia	87	186	283	164
Australia	114	166	231	193
France	124	144	208	146
Philippines	150	137	180	234
Brazil	26	136	234	159
Netherlands	140	133	173	124
Thailand	93	129	295	379
Belgium	98	124	133	120
Italy	76	117	136	97
Portugal	76	107	108	75
Poland	76	103	135	90
Other	739	969	1,582	1,370
Total	9,849	12,764	16,480	13,789

Source: Global Trade Atlas

Imports of Fish, Frozen by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Russia	702,909	850,452	979,412	747,574
United States	237,743	269,473	374,525	301,970
Norway	136,054	170,059	175,499	113,561
Japan	104,783	124,853	63,126	55,961
India	88,316	106,395	84,757	29,552
Netherlands	67,379	74,399	40,748	36,928
Korea South	37,326	54,704	45,805	30,058
New Zealand	54,015	52,473	55,980	37,550
Thailand	59,103	50,109	48,752	29,219
Canada	34,602	29,820	33,287	21,921
Indonesia	27,332	21,494	28,298	17,013
Other	233,386	201,514	235,934	179,377

World	1,782,948	2,005,745	2,166,123	1,600,684
Price (\$/Ton)	1,520	1,565	1,765	1,735

Source: Global Trade Atlas

Imports of Flatfish by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
United States	92,447	108,860	134,644	118,394
Russia	14,505	18,535	15,177	13,771
Canada	8,697	8,486	6,626	6,253
Greenland	6,243	7,116	8,429	4,278
India	3,994	3,820	2,568	610
Spain	2,731	3,066	2,456	1,733
Korea South	1,572	2,928	1,166	1,238
Iceland	2,462	2,271	3,138	1,871
Germany	2,335	2,231	2,503	2,188
Norway	2,389	2,018	3,719	1,662
Pakistan	2,208	1,775	1,063	465
Other	6,411	7,211	8,328	6,543
Total	145,994	168,317	189,817	159,006
Price (\$/Ton)	1,488	1,613	1,998	1,982

Source: Global Trade Atlas

Imports of Plaice by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
United States	90,695	107,846	131,742	59,101
Russia	9,862	13,469	10,145	7,043
Canada	2,881	4,503	2,796	2,604
Korea South	1,026	2,499	726	1,036
Spain	1,112	640	840	54
Portugal	266	459	366	130
Germany	534	458	1,000	594
Other	3,447	2,547	4,440	1,826
World	109,823	132,421	152,055	72,388
Price (\$/Ton)	1,367	1,463	1,723	1,826

Source: Global Trade Atlas

Imports of Salmon by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec 10	Jan-Dec/11	Jan-Oct/12
United States	58,693	65,311	84,300	51,663
Japan	44,236	56,075	12,472	6,648
Russia	86,567	38,105	98,453	25,201
Norway	8,733	14,783	1,660	12,117

Chile	13,815	5,863	6,721	10,751
Other	5,135	4,629	6,814	11,037
Total	217,179	184,766	210,420	117,417
Price (\$/Ton)	2,345	3,301	3,042	3,487

Source: Global Trade Atlas

Imports of Herrings by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Russia	40,270	84,490	134,048	111,128
United States	5,699	8,221	11,889	9,658
Netherlands	7,841	5,503	4,940	4,723
Germany	1,603	2,024	998	1,309
Other	7,128	5,835	4,279	3,195
World	62,541	106,073	156,154	130,013
Price (\$/Ton)	528	560	532	638

Source: Global Trade Atlas

Imports of Crustaceans by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Canada	23,221	33,486	32,061	30,995
Thailand	5,894	14,366	8,926	8,868
Myanmar	7,789	9,176	8,446	5,070
United States	5,043	5,446	8,055	13,288
Greenland	8,282	9,904	6,352	3,953
Ecuador	324	1,191	5,574	4,326
Bangladesh	1,954	3,656	5,424	4,442
Indonesia	2,266	3,586	5,201	6,835
Russia	6,460	3,564	3,719	2,815
India	2,316	2,871	3,340	3,182
Pakistan	1,796	1,943	3,289	2,413
Vietnam	1,697	3,404	2,961	1,496
Malaysia	2,212	4,259	2,715	1,770
Other	19,174	18,214	21,243	14,126
Total	88,428	115,066	117,306	103,579
Price (\$/Ton)	3,813	4,460	7,018	8,722

Source: Global Trade Atlas

Imports of Mollusks and Other by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
United States	42,231	77,702	86,547	43,917
Korea North	12,650	48,536	51,227	52,160
Peru	57,112	26,485	30,346	26,398
Korea South	37,187	25,189	37,395	16,461
Japan	9,171	20,014	18,075	20,850
Mexico	2,478	8,030	14,181	2,403
New Zealand	9,977	7,903	11,713	10,790
Other	104,174	69,666	86,842	79,778
Total	274,980	283,525	336,326	252,757
Price (\$/Ton)	1,434	1,807	2,210	2,203

Source: Global Trade Atlas

Imports of Fishmeal by Country of Origin (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Peru	730,369	611,776	729,460	636,283
Chile	339,922	130,709	136,391	116,776
United States	88,708	66,578	155,165	136,778
Thailand	6,710	49,408	16,053	10,018
Russia	40,168	46,373	38,463	41,108
South Africa	8,567	25,866	14,174	16,205
Pakistan	17,896	21,131	15,490	11,166
Vietnam	4,696	18,459	21,636	40,172
New Zealand	16,986	15,685	7,452	6,469
Argentina	18,770	13,907	17,769	1,652
Other	35,273	38,358	58,010	68,130
World	1,308,065	1,038,250	1,210,063	1,084,757
Price (\$/Ton)	995	1,602	1,446	1,335

Source: Global Trade Atlas

Exports of Fish Fillet by Destination (Value: \$ million)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
United States	945	1170	1259	960
Japan	479	589	740	683
Germany	464	479	500	376
United Kingdom	175	178	216	153
Canada	117	131	150	119
France	105	116	173	117
Brazil	13	104	180	106

Poland	69	95	131	88
Netherlands	90	90	112	76
Mexico	53	88	99	64
Russia	93	85	93	89
Spain	68	84	116	77
Korea South	74	80	77	55
Belgium	53	64	70	64
Other	308	338	482	371
Total	3,108	3,692	4,398	3,397
Price (\$/Ton)	3,422	3,666	4,055	4,153

Source: Global Trade Atlas

Exports of Prepared and Preserved Crustacean and Mollusks by Destination (Value: \$ million)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Japan	746	953	1,117	967
United States	271	292	399	390
Russia	93	137	195	255
Hong Kong	68	101	169	147
Korea South	85	85	82	45
Taiwan	34	70	54	75
Mexico	47	35	45	36
Malaysia	34	30	37	46
Thailand	27	29	59	77
Spain	18	28	35	21
Ukraine	15	25	36	44
Australia	12	18	23	20
Other	193	243	383	337
Total	1,643	2,045	2,634	2,460
Price (\$/Ton)	3,726	4,462	5,157	6,117

Source: Global Trade Atlas

Exports of Shrimps and Prawns by Destination (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
Japan	34,705	35,342	58,596	34,314
United States	47,409	45,331	43,974	30,480
Malaysia	18,372	25,722	35,695	26,008
Korea South	27,040	25,278	35,426	25,705
Spain	23,619	23,179	20,054	13,451
Hong Kong	15,003	20,444	18,616	14,761

Taiwan	8,729	11,851	13,517	10,124
Russia	10,086	15,694	12,080	9,811
Canada	11,745	15,229	11,029	10,312
Australia	7,918	8,993	10,894	9,463
Mexico	8,139	12,273	10,364	6,264
United Kingdom	2,542	4,017	4,114	3,765
Portugal	3,788	5,416	4,106	3,172
Other	27,274	26,176	26,771	22,026
World	246,369	274,945	305,236	219,656
Price (\$/Ton)	6,021	6,549	7,171	8,085

Source: Global Trade Atlas

Exports of All Tilapia Products by Destination (Volume: Tons)

Country/Year	Jan-Dec/09	Jan-Dec/10	Jan-Dec/11	Jan-Oct/12
United States	137,372	168,818	150,595	137,427
Mexico	36,185	43,211	46,838	29,863
Russia	21,861	20,273	15,338	15,017
Poland	3,750	7,497	4,841	3,251
Israel	6,643	7,000	9,764	6,882
Cote d Ivoire	4,372	6,922	9,830	13,274
Cameroon	4,156	6,817	14,804	5,594
Angola	2,606	4,953	6,499	5,595
France	2,929	4,258	6,096	4,540
Spain	1,979	3,816	4,437	2,973
Netherlands	3,112	3,035	3,633	1,753
Other	33,983	46,234	57,606	59,956
Total	258,948	322,834	330,281	286,125
Price (\$/Ton)	2,743	3,116	3,357	3,191

Source: Global Trade Atlas