

The Monthly Magazine for Food and Agricultural Exporters

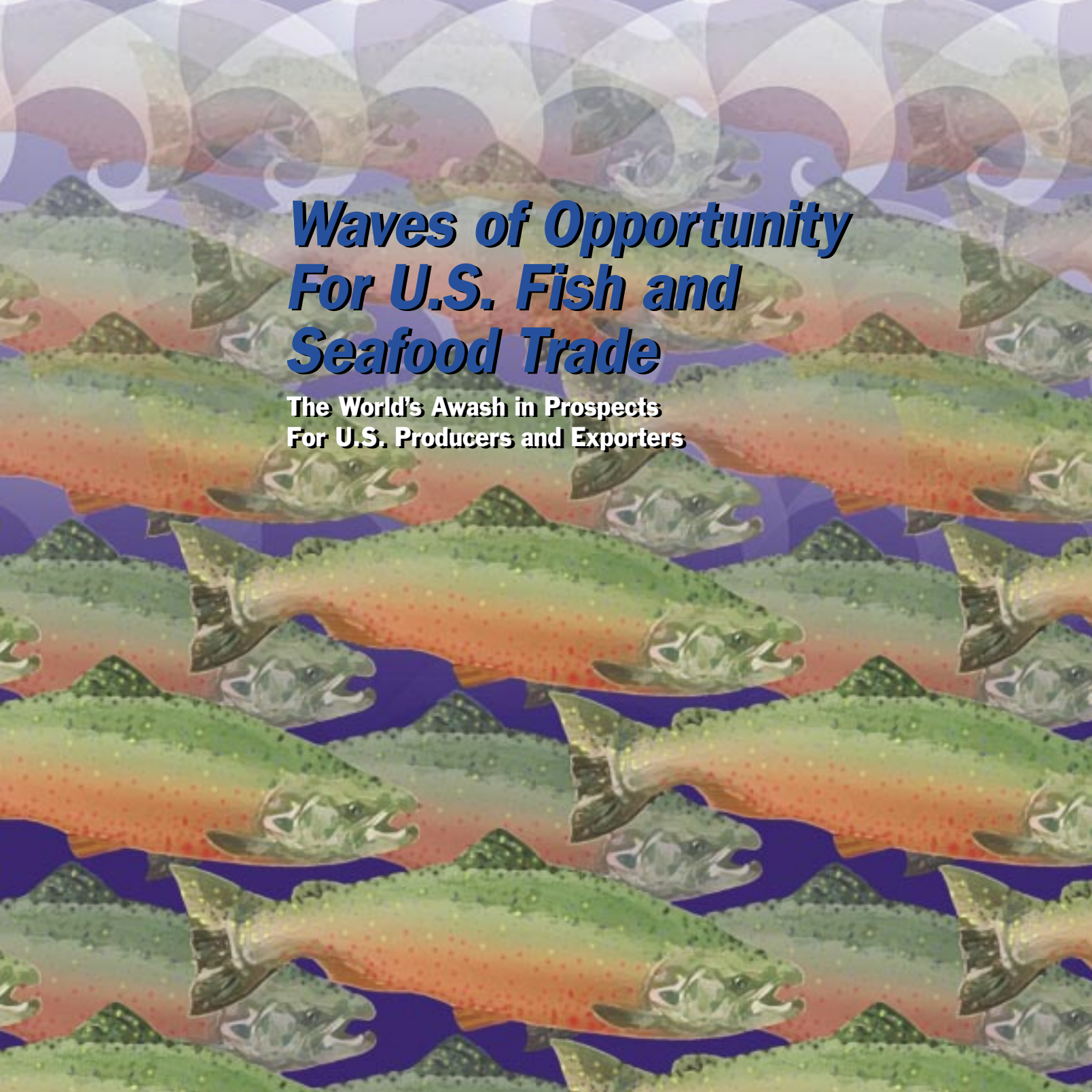
AgExporter

United States Department of Agriculture
Foreign Agricultural Service

January 2003

Waves of Opportunity For U.S. Fish and Seafood Trade

**The World's Awash in Prospects
For U.S. Producers and Exporters**



TRADE SHOW OPPORTUNITY

HOSTEX 2003

SOUTH AFRICA

The Show:

The American Café at Hostex 2003 will help give U.S. food companies substantial exposure to local and international buyers of food products and services. Tourism is South Africa's fourth-largest industry, supporting more than 700 hotels, 2,800 guesthouses and 10,000 restaurants. With an expanding middle class and a relatively stable economy, the country presents growing opportunities for U.S. exports of niche food products. And with its well-developed transportation infrastructure, South Africa is ideally placed to serve as an export hub to regional markets.

U.S. food companies can capitalize on these opportunities by showcasing their food products at the American Café, a pavilion sponsored by the U.S. Department of Agriculture (USDA).

Location:

Gallahger Estate, Midrand, South Africa



Dates:

March 16-19, 2003

Deadline:

Jan. 31, 2003. American Café space cannot be guaranteed after this date.

American Café:

Exporters can save on travel expenses by sending products to USDA's American Café. Instead of sending a representative, companies send products for only \$350.00. USDA arranges to have products displayed, prepared and cooked at the show.

Contact:

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Successes in Conservation and Management of U.S. Fisheries

By *Reed Blauer*

In an era when many fishery stocks around the world are declining, significant improvements are occurring in the United States. Examples of management successes include sea scallops in the Northwest Atlantic and salmon in Alaska.

Rebuilding the Sea Scallop Harvest

Since 1983, the U.S. Northwest Atlantic sea scallop fishery has been regulated to prevent the over-fishing of earlier years.

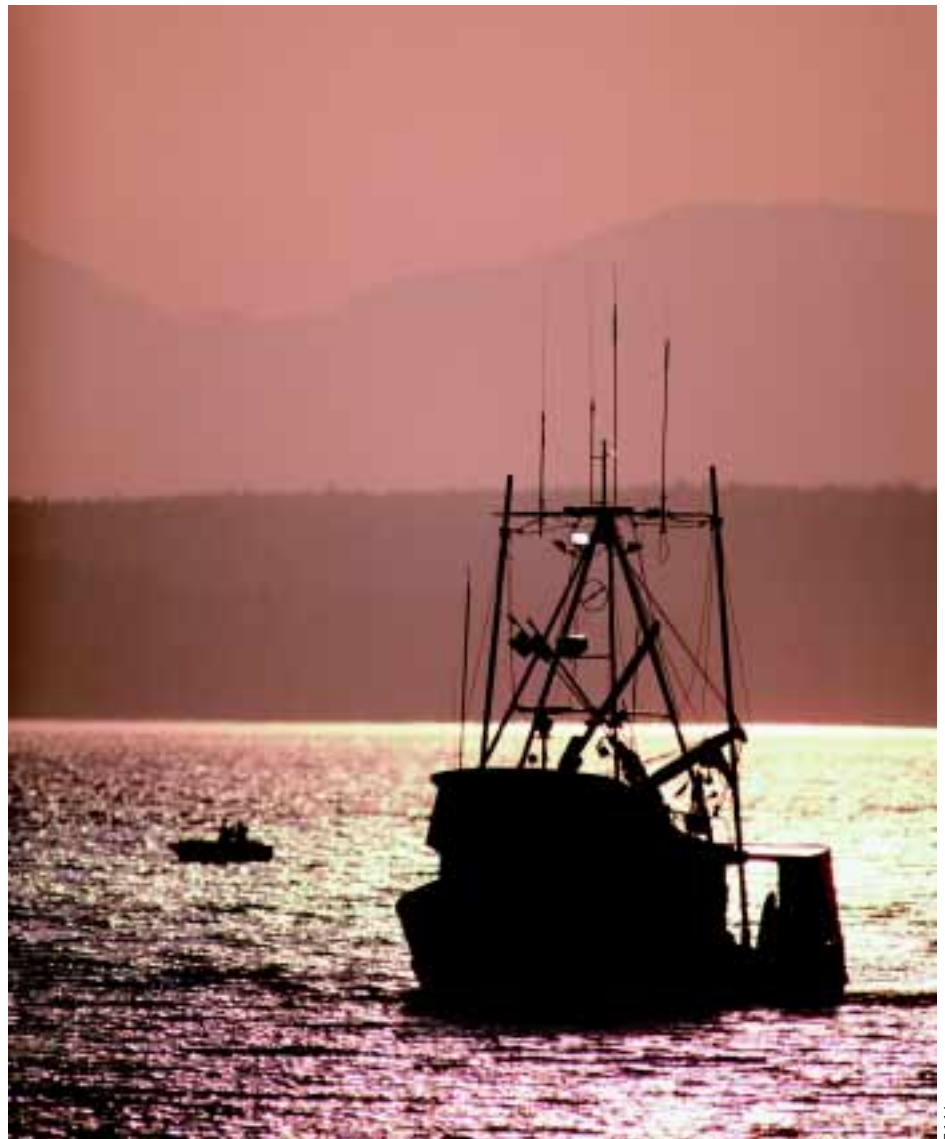
The Northwest Atlantic sea scallop fishery is one of the most valuable in the United States. Prior to regulations restricting the catch from 1994 to 1998, the landed value of sea scallops often ranked in the top six or seven U.S. seafood species.

In 1994, the New England Fishery Management Council began limiting the number of days at sea per year, crew size, gear size and configuration, and imposed reporting requirements. Several fishing areas were also closed to help restore stocks of sea scallops and other fish.

In 1998, U.S. sea scallop landings totaled 5,879 metric tons. In 1999, when the industry was able to reopen one fishing area, the catch rose 75 percent to 10,318 tons. By 2001, landings had increased to 21,300 tons.

Restoring Alaska Salmon Stocks

For decades, Alaskan authorities have been committed to rebuilding healthy salmon stocks. Effective management and a state constitution that mandates sustainable use of renewable resources have helped make this goal a reality.



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When salmon runs are abundant, managers allow increased harvesting. When salmon runs are poor, fisheries are closed to allow populations to recover. Biologists monitor returning salmon using various methods, such as aerial surveys, sonar and fishermen's observations.

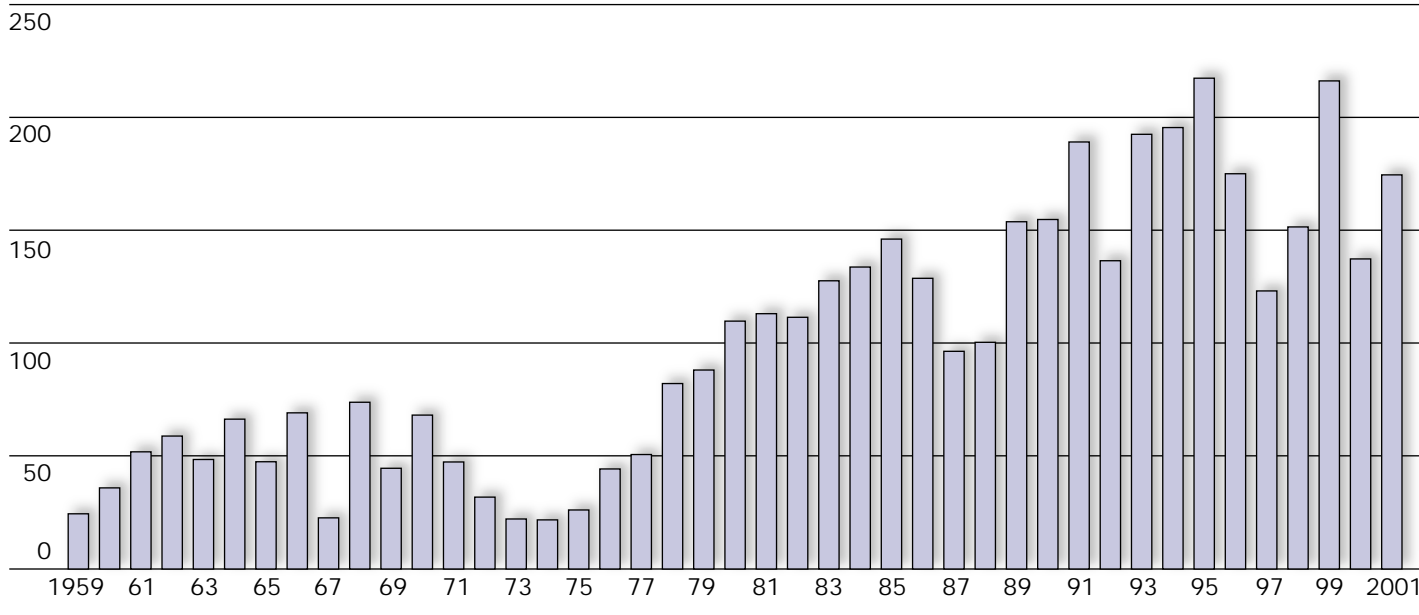
The Alaska salmon harvest was about 25 million fish in 1959 and, despite year-to-year fluctuations, has basically trended

upward in the past four decades. In 1999, Alaska's harvest was 214 million salmon, the second largest in the state's history.

In 2000, Alaska attained Marine Stewardship Council (MSC) certification for its salmon industry. Alaska salmon now bear the MSC label. The label assures consumers that Alaska salmon is sustainably harvested, and has become an important sales tool throughout the world. In 2001, Alaska

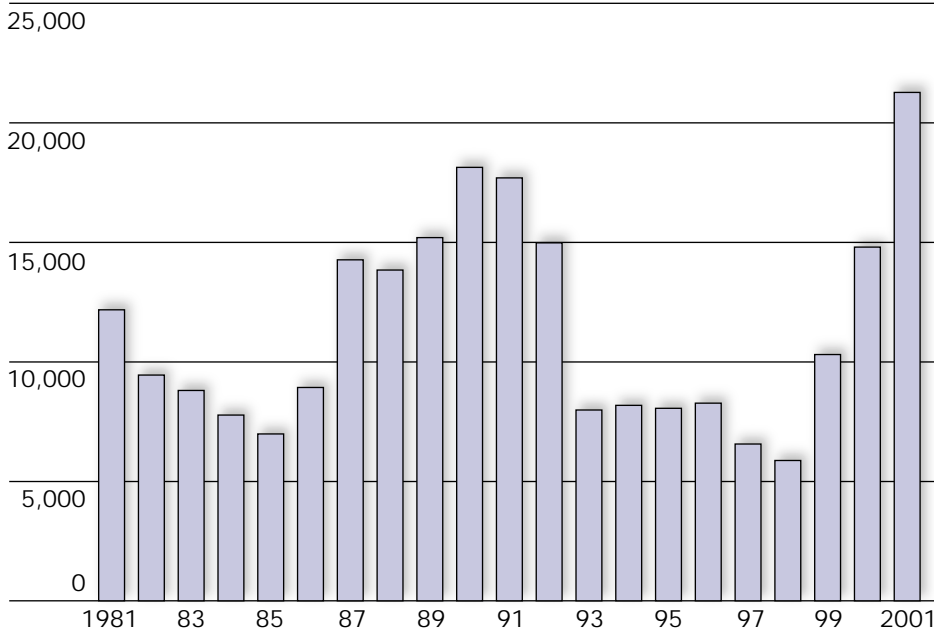
In the Past Four Decades, Alaska Salmon Harvests Have Trended Upward

Million fish



In the Last Few Years, U.S. Sea Scallop Landings Have Shown Marked Recovery

Metric tons



salmon represented 8 percent, by weight, of the total U.S. fishery harvest.

Expanding Well-Managed Fisheries

According to the National Marine Fisheries Service (NMFS), there are 959 federally managed fish species in the United States. The number of stocks with known status is 304, up from 279 stocks in 1997. Of these stocks, 81 are considered over-fished species, compared to 92 species in 2000. Among the over-fished species, 67 are steadily being rebuilt under programs that allow for limited, monitored fishing. Additional programs to restore the size and health of fish stocks are also being developed. ■

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Canada's Upscale Seafood Processing Industry Nets U.S. Catch

Each year, Canada's growing seafood industry is relying more on imports. In 2002, these imports are expected to have reached nearly 600,000 metric tons, according to official Canadian government statistics, with the United States being the single largest supplier of all Canadian imported seafood—38 percent by volume and 45 percent by value.

Canada's seafood industry has evolved as a result of the vast access to cold water fish provided by more than 240,000 kilometers (1 kilometer = 0.6214 mile) of coastline. The country's fishing fleet is harvesting far more than its citizens can consume. So why would Canada still need imports?

Since seafood has to be processed quickly to avoid spoilage, Canada has developed a disproportionately large processing infrastructure that can handle seasonal peaks, as well as perform efficiently enough to export.

With this excess capability, Canada's demand for fish and seafood has become processor-driven, with imports serving to keep the processing plants operating when domestic supply is reduced. Also, with only a limited home market to satisfy, Canada has built export markets for a mix of products skewed toward more expensive fish and seafood species and value-added items.

Canada's Domestic Catch

Canada's domestic seafood harvest is growing about 3 percent annually and in 2002 is expected to have reached nearly 1.25 million tons, worth about \$2 billion. Shellfish, including lobster, dominate the harvest in both tons and dollars. Close to 58 percent of the domestic catch is in shellfish.



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Canada's Atlantic fishing fleet accounts for about 80 percent of the country's seafood harvest, by weight, while Pacific fisheries pull in 16 percent and the landlocked provinces supply 4 percent.

The Pacific catch has been declining about 5.2 percent a year since 1997, primarily because of regulatory actions to prevent over-fishing. The Atlantic catch has been increasing about 5.7 percent a year, reflecting a recovery from previous over-fishing and the development of an aquaculture industry producing salmon, shellfish and freshwater fish.

Shellfish, Fish Meal Top Imports

By weight, here's the breakdown on top categories of Canadian imports:

- Fresh and frozen shellfish—22 percent
- Fish meal, derived from fish that has been cooked, pressed (if oil isn't desired), dried and ground up—22 percent
- Whole fresh or frozen dressed fish—17.3 percent (fresh fish products growing almost 14 percent and frozen declining 12 percent yearly)
- Fish oil and canned fish products—16 percent

The fastest growing imports by weight are pickled and cured fish.

By value, shellfish imports far outweigh other major categories:

- Fresh or frozen shellfish—44 percent of total import value (growing about 10 percent a year)
- Whole fresh or frozen dressed fish—20

percent (fresh growing nearly 18 percent a year, but frozen declining 4.5 percent a year)

- Canned fish products—9 percent of import value (increasing about 6 percent a year)

The fastest growing import categories by value are pickled and cured fish imports (up 245 percent), fish oil (46 percent) and fresh fish filets (42 percent).

Food Service Outsells Retail Stores

Canada's domestic market for seafood products is valued at around \$4.1 billion. Food service accounts for about two-thirds of the market, with retail store sales making up most of the balance.

The average Canadian consumes about 11 kilograms of fish a year (1 kg. = 2.2046 pounds): fresh and frozen ocean fish (46 percent), processed ocean fish (25 percent), shellfish (27 percent) and freshwater fish (2 percent).

Canadian Standards Familiar

Most Canadian standards are simply common sense and resemble those of U.S. processors.

Some useful facts:

- All imports must meet Canadian quality standards and labeling regulations.
- Canadian importers must have fish import licenses.
- Importers must provide the Canadian Food Inspection Agency (CFIA) with written notification of each shipment.
- Fees are levied on each shipment based on weight and type of import license held by importer; shipments may be inspected.
- Importers are invoiced for all inspection fees monthly.
- The CFIA monitors and regulates imports.

Canadian Processors Claim Most U.S. Fish and Seafood

	Further Processing	Domestic Consumption	Industrial Use	Total
<i>Metric tons</i>				
Ocean fish, fresh and frozen	60,283	15,139	0	75,422
Ocean fish, processed	10,660	41,100	0	51,760
Shellfish	30,717	14,286	0	45,003
Fish, fresh water	0	816	0	816
Other	0	0	58,888	58,888
Total	101,660	71,341	58,888	231,889

Source: Canadian estimates of 2002 U.S. supply distribution.

With the exception of lobster, which is more likely to be consumed domestically, 80 percent of U.S. fish exports to Canada are fed straight into the seafood industry hopper. Most processed fish are re-exported.

Favorites From the United States

Whole fish. Most of the fresh or frozen cod that Canada imports comes from the United States. So do fresh or frozen salmon, frozen tuna, fresh herring and fresh halibut. The demand for cod and fresh herring is declining, but there has been a dramatic increase in demand for fresh and frozen salmon and fresh halibut.

Filets, steaks. Fresh and frozen filets and steaks from the United States, with sales surpassing \$44 million in 2001, took up about 15 percent of the domestic market. In 2002, demand for fresh filets is expected to have increased 18 percent; frozen filets are expected to be up 12.2 percent.

Fish sticks, portions. More than 50 percent of the fish sticks and prepared fish meals eaten in Canada originate in the United States. Imports of U.S. fish sticks, at \$3.8 million in 2001, are expected to be flat or decline while prepared meals, with

sales of \$25 million in 2001, are expected to have increased by 5 percent in 2002.

Fresh, frozen shellfish. Frozen shellfish (excluding lobster) imported from the United States account for 15 percent by weight of domestic consumption. Exporters from the United States have captured more than 80 percent of the import market (with U.S. sales valued at \$42.2 million in 2001) for fresh crab, fresh and frozen oysters, fresh scallops, fresh mussels and live mollusks. Demand for fresh crab and scallops is expected to increase, while demand for oysters and frozen scallops will decline.

Already at 70 percent of the shellfish market, imports of frozen shrimp and prawns are expected to have grown 13 percent in 2002. So far, the United States claims only 5 percent of this lucrative import market, though there is opportunity to capture market share from Thailand and other competitors.

Canned seafood. Nearly 30 percent (\$73.86 million) of the canned seafood products consumed in Canada are sourced from the United States. Salmon, shrimp and prawns represent 90 percent of the volume consumed, with salmon being the dominant product.

Cured seafood. About 30 percent of all cured seafood consumed by Canadians is salt cod from the United States. However, the fastest growing category is dried cod, where U.S. exporters have only about a 5-percent share.

Food Service Has Higher Profits

The structure of Canada's food distribution system is such that, given the explosion of new products, private labels and low profit margins, as much as 25-35 percent of all retailers bypass wholesalers to import directly.

The food service sector is less structured in Canada than in the United States. Canadians eat fewer meals in restaurants and have not gravitated much toward convenience foods at home.

However, food service margins are higher, as much as double those for retail. And with food service outlets outnumbering retail grocery outlets five to one, there are more profitable selling opportunities for processors in this sector. Food service also offers more possibilities for non-traditional arrangements, such as direct contracts with end-users and product trials that do not involve slotting fees.

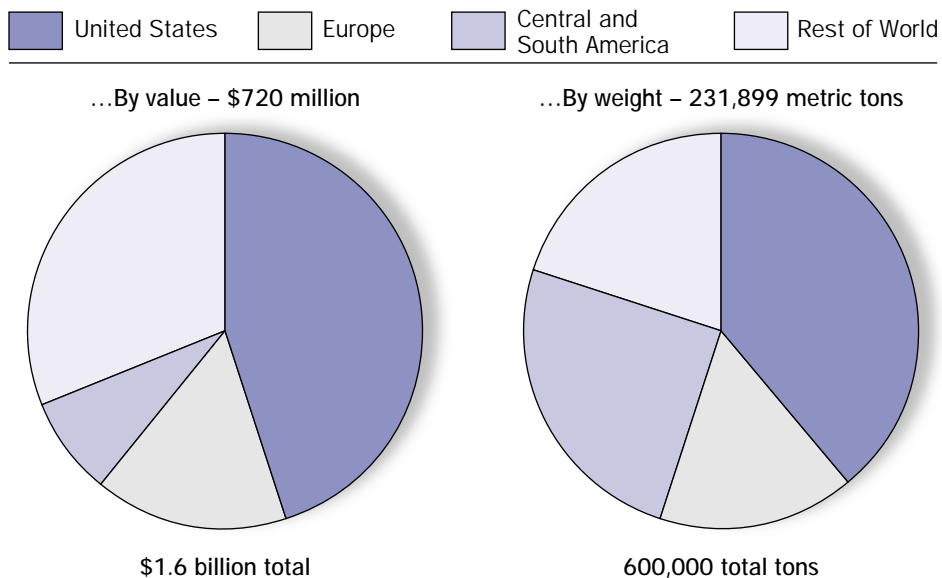
Where To Start

The new-to-market exporter can try market entry at several points. First, suppliers must determine whether to channel to retail or food service, then target selected cities or regions.

If your focus is basic processing, introduce your product into the marketing channel domestic groups use. Have a representative dockside where "clearing house" participants buy products.

Another option is to enter the distribution system at the wholesale level, one step removed from retail. But the better

In 2002, the United States Led in Fish and Seafood Exports to Canada



profit margins gained through eliminating intermediaries might be at the expense of volume sales.

For companies that manufacture processed fish products such as fish sticks or canned seafood, the most successful method might be to establish a subsidiary or an agent in Canada. Often, it is more practical to have a Canadian entity handle packaging from bulk product to make sure that bilingual and disclosure requirements are met.

Whatever the mode of entry, there is homework to be done:

- Research past product history—gather statistical information on past sales volume and pricing.
- Determine new product appeal to ascertain marketability.
- Establish volume, timing and price forecast, considering extra costs for packaging, shipping and marketing.
- Talk with end-users to learn their preferences for intermediaries.

Though U.S. companies are already supplying 45 percent of the value of fish and seafood products to Canada each year, new exporters should be prepared to encounter lower prices and slimmer margins. ■

This report was prepared by L.B.C. International Consulting Services and FAS staff. Further information about this market can be obtained from the FAS Office of Agricultural Affairs at the U.S. Embassy, Ottawa, Canada. Tel.: (1-613) 688-5267; Fax: (1-613) 688-3124; E-mail: usagr@istar.ca

For details, see FAS Report CA2078. To find it on the Web, start at www.fas.usda.gov, select **Attaché Reports** and follow the prompts.



U.S. Lobster Lands a Big Success in the EU

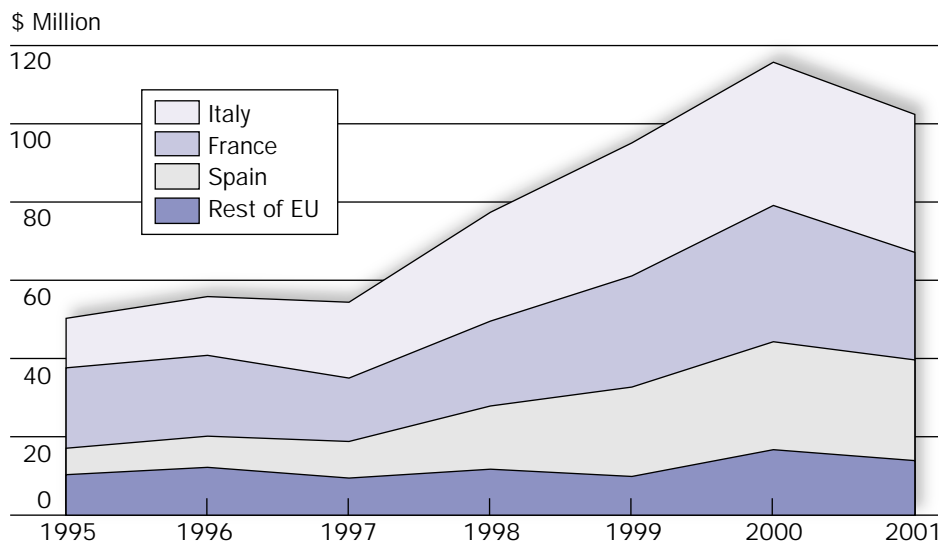
By Joel Chetrick

U.S. lobster exports to the European Union (EU) have been a great success story for the U.S. seafood industry, particularly for fishermen in the Northeast, where the resource is found. Over the past several years, U.S. exporters have registered large gains in the top three European markets for lobster—Italy, France and Spain.

Italy led the way with purchases of \$35.3 million in 2001, up 178 percent from \$12.7 million in 1995. In France, the second largest market, the U.S. industry showed strong sales throughout the period, with exports in 2001 of \$27.5 million. Exports to Spain recorded the largest percentage growth (279 percent) for the period, rising to \$25.8 million in 2001, from \$6.8 million in 1995.

Italy, France and Spain rely heavily on lobster imports to meet retail and food service needs. U.S. export sales are tradition-

Top Three EU Markets for U.S. Lobster Have Shown Strong Growth



ally strongest during the Christmas/New Year holiday season, when lobster consumption peaks. In Spain, consumption has increased for special occasions such as wedding banquets, and lobster is used as an ingredient in high-quality paellas.

Live lobster from the United States has been available on a consistent basis, and it is price competitive compared to locally caught species, or spiny lobster from the

Caribbean and other suppliers. Export sales are vital to the health and profitability of the U.S. lobster industry. Over one-half of the landed volume of U.S. lobster goes to the export market. U.S. exports to the EU were trending upward for the first three quarters of 2001, but tailed off during the fourth quarter as restaurant sales fell.

Despite the slowdown, exports to the EU still reached their second highest level. Importers and U.S. exporters are optimistic that restaurant dining and tourism will continue to rebound in major European cities. The stronger euro also portends increased U.S. sales opportunities as European consumers have more spending power. Exports in 2002 should have equaled or slightly exceeded those of 2001. ■

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Serving Up U.S. Lobster

American lobster is promoted abroad under USDA's Market Access Program (MAP) by the American Seafood Institute (ASI) and the Maine Lobster Promotion Council (MLPC).

Since the early 1990s, ASI, MLPC and exporters of American lobster have exhibited live and frozen lobster at the European Seafood Exposition (ESE) in Brussels, Belgium, where they have made valuable business connections with seafood buyers from Europe and other regions. The strong presence of U.S. suppliers at the show has

helped build awareness of American lobster and boosted exports. For the 2002 ESE (April 23-25, 2002), sales of lobster for the 12 months following the show were projected to reach \$13.7 million, compared to \$6 million the year before.

Under ASI's MAP branded program, several exporters of American lobster also exhibited products at other international seafood trade shows in Europe and Asia, and conducted in-store promotions.



Sizing Up Sub-Saharan Africa's Market Potential for U.S. Fish and Seafood

By *Souleymane Diaby*

Sub-Saharan Africa, a region with nearly 50 countries and 659 million people, has so far had a limited role in global trade. While the world's trade volume has tripled over the last two decades, Sub-Saharan Africa's trade has grown less than 10 percent. Incomes throughout the region are relatively low on average, ranging from \$100 in Ethiopia to \$7,300 in the Seychelles. Not surprisingly, the Seychelles, with 81,000 people, has the highest seafood consumption in the region, 5.75 kilograms (1 kg. = 2.2046 pounds) per person annually. In comparison, Americans consume an average of 21 kg. per person per year.

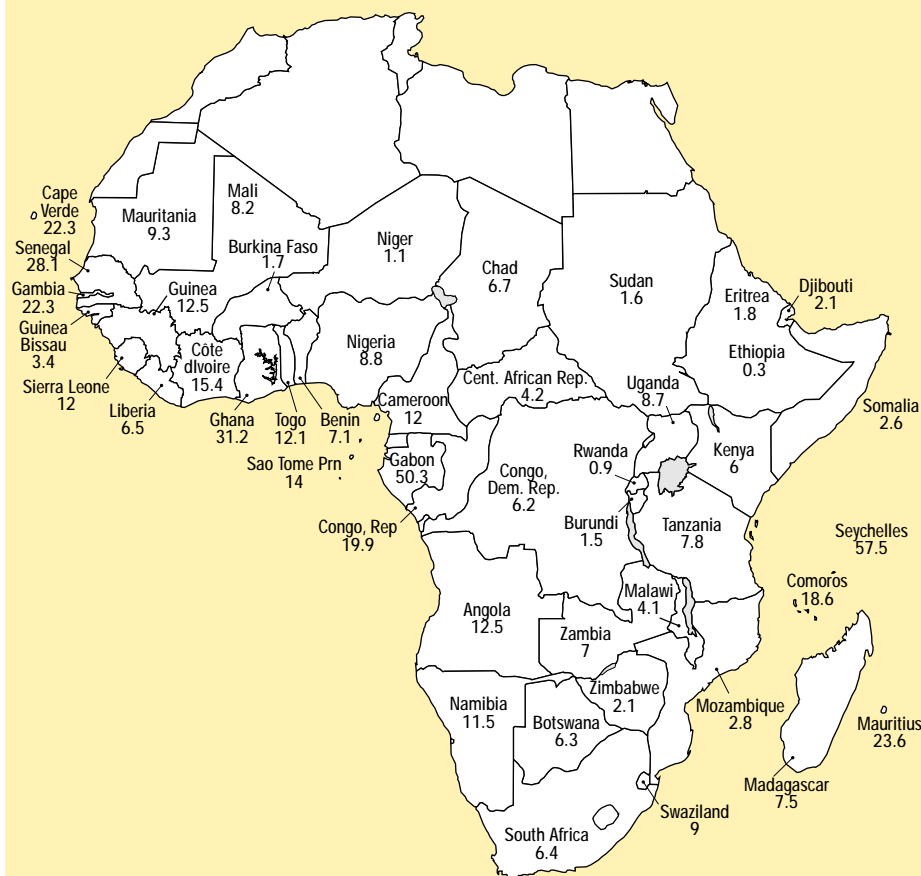
Fish Is on the Menu

Although Sub-Saharan Africa has relatively low per capita seafood consumption, fish is still an important item in the African diet, accounting for an average of 20 percent of the animal protein consumed in the region. In coastal areas, fish may supply as much as 80 percent of animal protein. Partly due to limited home refrigeration, African consumers tend to prefer fresh seafood products over frozen, but smoked, dried and salted products are also popular.

While Sub-Saharan Africa is a net exporter of seafood in terms of value, it imports over \$800 million worth of seafood products annually. Substantial quantities of low-priced fresh and frozen products are imported to supplement domestic production, particularly in Nigeria, Côte d'Ivoire, Ghana, Cameroon and the Democratic Republic of Congo. The subcontinent's



2000 Per Capita Seafood Consumption in Sub-Saharan Africa, in Kilograms



Source: United Nations Food and Agriculture Organization.

largest seafood importers by value are Nigeria, Côte d'Ivoire, Ghana and South Africa. The region's fish import dependency is expected to grow as its population increases (it is projected to reach 915 million by 2010) and wild fishery harvests decline.

In 2001, U.S. seafood exports to Sub-Saharan Africa were valued at \$6 million, greater than U.S. seafood exports to North Africa (\$4.4 million), South Asia (\$3 million) or Eastern Europe (\$2.6 million). Major U.S. markets included Nigeria, South Africa, Gabon and Ghana. Topping the list

of commodity exports were the small pelagic species such as mackerel and herring, while salmon and surimi also scored notable sales.

An Important Niche in Nigeria

Nigeria imports over \$200 million worth of seafood products annually. With the United States holding less than 2 percent of Nigeria's total market, there is potential for substantial market expansion. Between 1995 and 2000, U.S. seafood exports to Nigeria averaged \$283,000 per year.

"THE MARKET IS GREAT FOR ATLANTIC MACKEREL AND HERRING."

— David Ellenton, Vice President/
General Manager of Cape Seafoods, Inc.

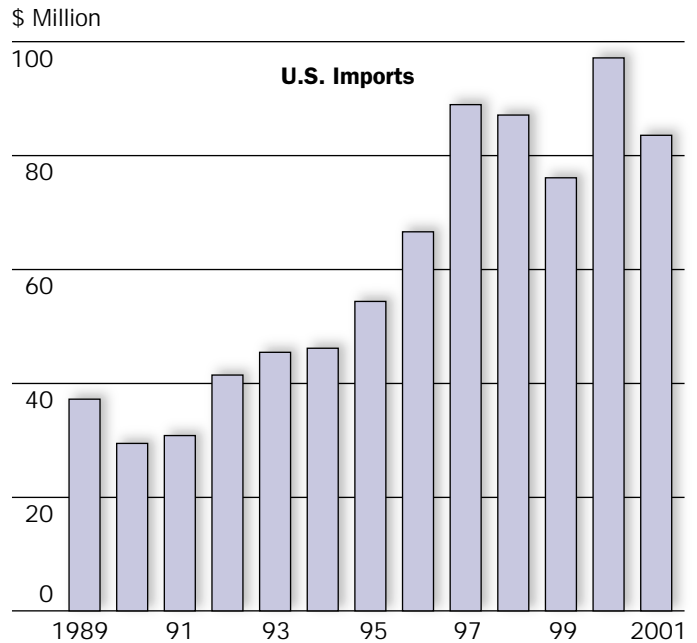
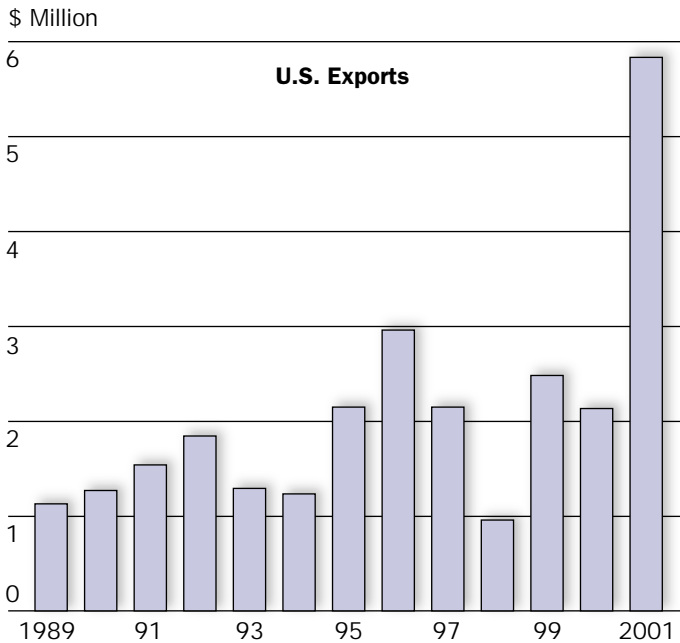
However, Nigerian tariff adjustments in 2001 created market opportunities for U.S. exporters. U.S. sales surged to \$2.9 million that year, due to a reduction in the tariff on all fishery products (finfish and invertebrates such as crustaceans and mollusks) from 25 to 5 percent. As a result, Nigeria has developed into a major export destination for U.S. Atlantic mackerel and herring, ranking as our fourth and fifth largest market, respectively, for these species in 2001.

The market potential is strong as domestic production supplies only 50 percent of Nigeria's seafood needs, estimated at 800,000 metric tons, according to the United Nations' Food and Agriculture Organization. The frozen market is the country's largest outlet for seafood product distribution. Private networks of cold storage facilities in major cities distribute most frozen products. Consumption of dried and smoked products is growing, particularly in more remote areas, because they are easy to preserve and consume.

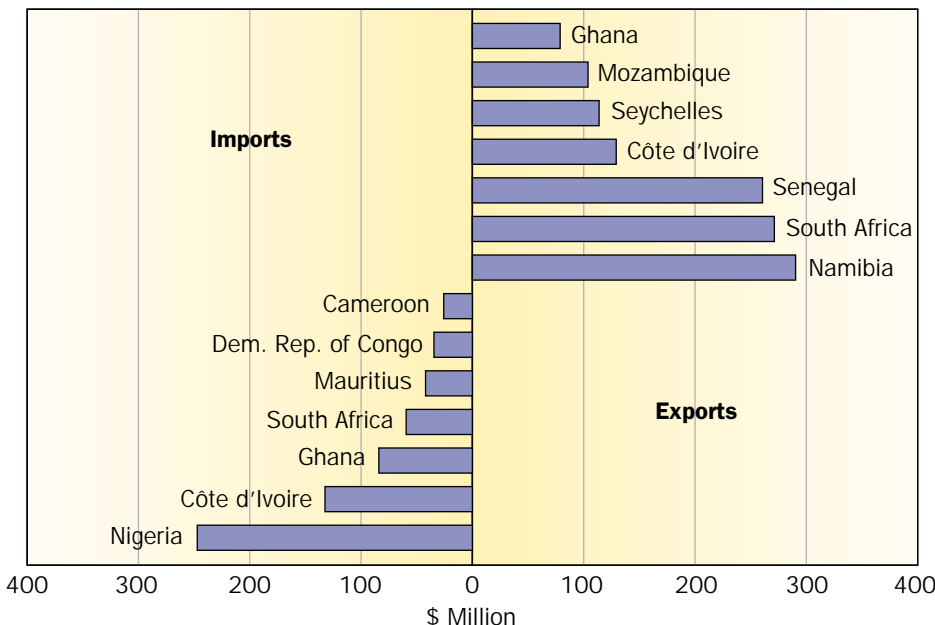
Market Development Harvesting Results

Market development efforts and support by USDA's Market Access Program (MAP) have been helpful. Following a USDA trade mission in 2000, the American Seafood Institute provided U.S. exporters with an improved understanding of the

For Sub-Saharan Seafood Suppliers, the United States Is Also a Good Market



Major Seafood Importers and Exporters Within Sub-Saharan Africa in 2000



Source: United Nations Food and Agriculture Organization.

market and vital introductions to Nigerian importers.

As a result, **Cape Seafoods, Inc.** of Gloucester, Mass., made its first sales to Nigeria by shipping 4,000 tons of herring and mackerel in 2001. "The market is great for Atlantic mackerel and herring," said David Ellenton, Cape Seafoods' vice president and general manager. "Although a recent devaluation of the Nigerian naira will make things difficult, we have established a relationship with a reputable importer to expand our sales." ■

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Contacts for U.S. Fish And Seafood Exporters . . .

Government

USDA's Foreign Agricultural Service, Forest and Fishery Products Division, provides U.S. fishery producers, processors and distributors with international market intelligence, export assistance and promotion networks to compete effectively in the growing global market.

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USDA's Animal and Plant Health Inspection Service assists the U.S. aquaculture industry in coordination and certification, and in controlling pests and diseases of economic importance.

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Web site: www.aphis.usda.gov

National Marine Fisheries Service, part of the U.S. Department of Commerce's National Oceanic and Atmospheric Administration (NOAA), supports domestic and international conservation and management of living marine resources.

NOAA Fisheries
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Fax: (301) 713-0596
Web sites: www.nmfs.noaa.gov
www.lib.noaa.gov/docaqu

U.S. Commercial Service, part of the U.S. Department of Commerce's International Trade Administration, offers assistance to help you export goods and services.

Web site: www.usatrade.gov

Trade Information Center, part of the U.S. Commercial Service, can help with questions about exporting.

Tel.: (800) USA-TRAD(E)
E-mail: TIC@ita.doc.gov

U.S. Export Assistance Centers in the United States provide access to the latest information from U.S. embassies and consulates for international trade and finance. Here's a list of regional offices.

Eastern Regional Office

World Trade Center
401 E. Pratt St., Suite 2450
Baltimore, MD 21202
Tel.: (410) 962-2799

Mid-East Regional Office

36 E. 7th St., Suite 2025
Tel.: (513) 684-2947
Fax: (513) 684-3200

Mid-West Regional Office

8182 Maryland Ave., Suite 1011
St. Louis, MO 63105
Tel.: (314) 425-3300
Fax: (314) 425-3375

Western Regional Office

250 Montgomery St., 14th Floor
San Francisco, CA 94104
Tel.: (415) 705-2310
Fax: (415) 705-2299

Regional Fishery Management Councils

The Magnuson Fishery Conservation and Management Act of 1976 (amended as the Magnuson-Stevens Fishery Conservation and Management Act in 1996) established an exclusive U.S. economic zone, which ranges between 3 and 200 miles offshore. The Act addresses foreign fishing, promotes a domestic fleet and links the fishing community more directly to the management process. Regional fishery councils manage living marine resources within the zone. For more information, contact a council.

New England: Maine, New Hampshire, Massachusetts, Rhode Island and Connecticut

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300 South New St., Federal Building,
Rm. 2115
Dover, DE 19904
Tel.: (302) 674-2331
Fax: (302) 674-5399
Web site: www.mafmc.org

South Atlantic: North Carolina, South Carolina, Georgia and Florida

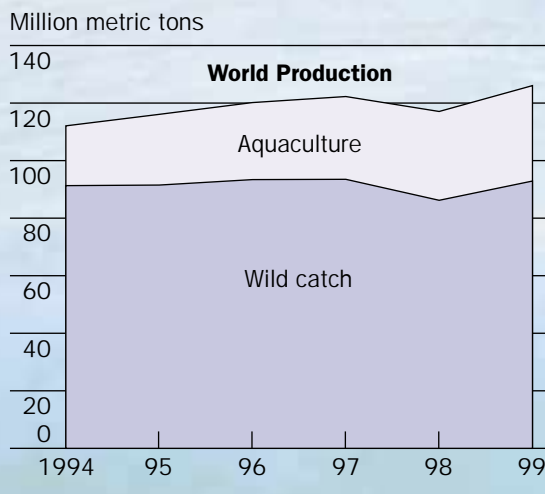
1 Southpark Circle
Southpark Building, Rm. 306
Charleston, SC 29407
Tel.: (843) 571-4366
Fax: (843) 769-4520
Web site: www.safmc.net

Waves of Opportunity for World and

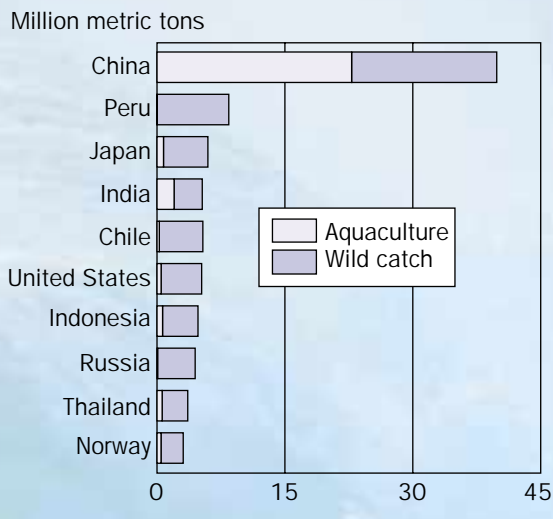
Commercial capture fisheries still dominate world production. However, aquaculture accounts for a growing share of world fisheries production, because many countries are faced with growing demand and over-fishing of oceans.

The most commonly raised fishery products worldwide are carp, oysters, clams, mussels, salmon, shrimp and tilapia. The United States primarily raises catfish, trout, crawfish, salmon, oysters and tilapia.

In World Fisheries Production, the Tide Is Turning From Wild Catch to Aquaculture



Top 10 Countries in Fisheries Production, 1999



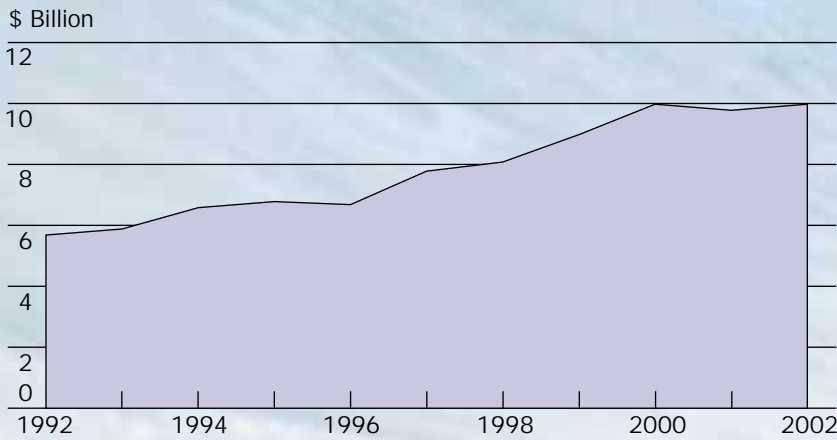
U.S. imports of fishery products are close to \$10 billion a year. The U.S. trade balance for fish and seafood products is just over \$3 in imports to every \$1 in exports.

Increased demand for shrimp has led to tremendous growth in imports. Domestic producers will face increased competition from products such as farmed salmon from Chile, shrimp from South Asia,

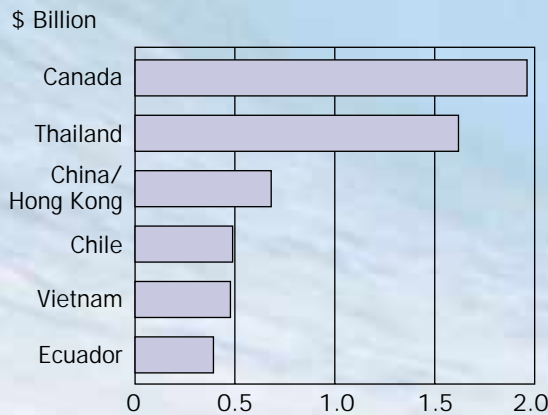
tilapia from Ecuador and new species still under commercial aquaculture development. Ask any producer in any country, and they'll likely reply that the competition for getting a product onto your plate is intense and coming from all directions.

We import products from all over the world; Canada and Thailand are our two largest suppliers.

U.S. Fish and Seafood Imports



Top Foreign Suppliers of U.S. Fish and Seafood Products in 2001



U.S. Fish and Seafood Trade

While commercial capture fishing continues to provide the bulk of U.S. fish and seafood production, aquaculture production has risen rapidly as scientific advances and investments in technology continue to fuel growth.

To remain competitive, the United States needs a growing and diversified aquaculture sector. U.S. aquaculture production has been increasing steadily for more than a decade.

Prospects for commercial landing growth, on the other hand, are limited. U.S. commercial landings have good and bad years, but in many other countries, you'd see a sharp overall decline in landings as past over-fishing has left fisheries managers no option but to limit harvests to rebuild stocks.

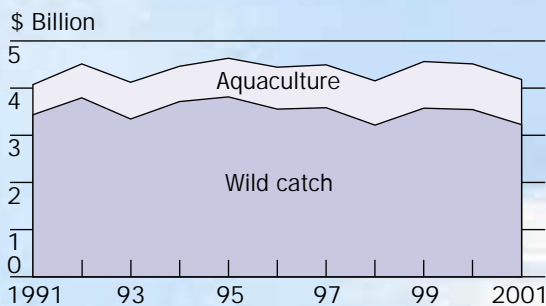
Compared with many other countries, U.S. fisheries management has been excellent, offering us greater export opportunities.

U.S. fish and seafood production extends to all four corners of the map, although Alaska is by far the largest producer and processor. California also has major processing operations, and Mississippi has a large catfish aquaculture industry.

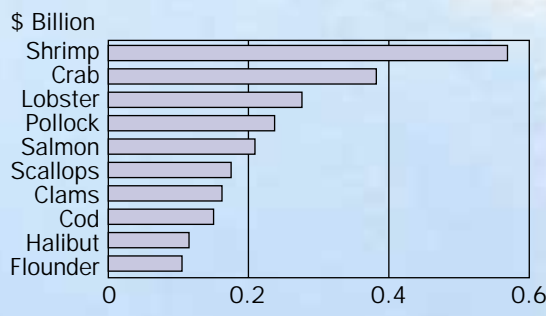
Total Value of U.S. Seafood Industry

Commercial:	\$3.1 Billion
Aquaculture:	\$1.0 Billion
Processing:	\$8.3 Billion
Total:	\$12.4 Billion

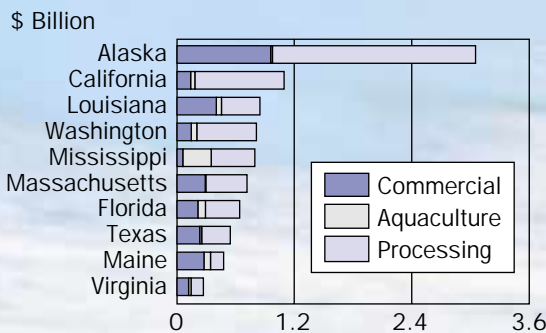
In U.S. Fisheries Production, the Tide Is Also Turning From Wild Catch to Aquaculture



U.S. Top 10 Varieties by Value of Commercial Landings in 2000



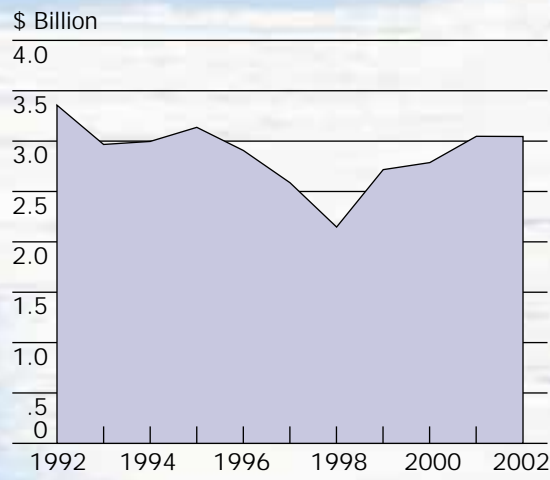
U.S. Top 10 States in Seafood Production Value in 2000



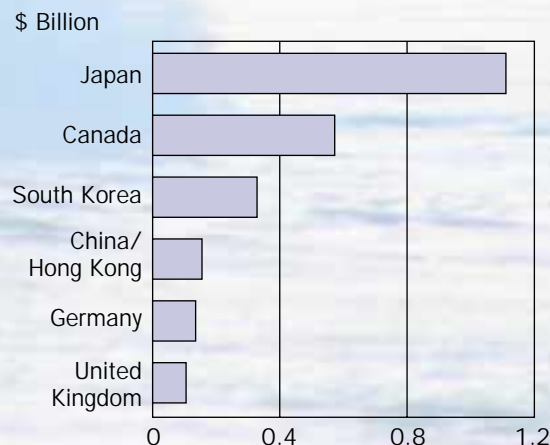
U.S. fish and seafood exports and market share have been climbing since 1998. U.S. exports reached \$3.1 billion in 2001, and U.S. market share that year was boosted by increased shipments of pollock roe to Japan and South Korea and pollock filets to Germany. In 2002, U.S. exports are estimated to have remained at \$3.1 billion.

U.S. sales opportunities abroad are limited by tariffs and fierce competition. In Japan, our largest market, we face stiff competition from farm-raised salmon. Previously, we held a 75-percent share of the salmon market; now we have just 40 percent.

U.S. Fish and Seafood Exports



Top Foreign Customers for U.S. Fish and Seafood Products in 2001



...Contacts

Gulf of Mexico: Texas, Louisiana, Mississippi, Alabama and Florida

3018 U.S. Highway 301 North
Suite 1000
Tampa, FL 33619
Tel.: (813) 228-2815
Fax: (813) 225-7015
Web site: www.gulfcouncil.org

Caribbean: U.S. Virgin Islands and Puerto Rico

268 Ave., Munoz Rivera, Suite 1108
San Juan, Puerto Rico 00918
Tel.: (787) 766-5926
Fax: (787) 766-6239
Web site: www.caribbeanfmc.com

Pacific: California, Oregon, Washington and Idaho

7700 NE Ambassador Place, Suite 200
Portland, OR 97220
Tel.: (503) 820-2280
Fax: (503) 820-2299
Web site: www.pcouncil.org

North Pacific: Alaska

605 W. 4th Ave., Suite 306
Anchorage, AK 99501
Tel.: (907) 271-2809
Fax: (907) 271-2817
Web site: www.fakr.noaa.gov/npfmc

Western Pacific: Hawaii, American Samoa, Guam and Northern Mariana Islands

1164 Bishop St., Suite 1400
Honolulu, HI 96813
Tel.: (808) 522-8220
Fax: (808) 522-8226
Web site: www.wpcouncil.org

Industry

Alaska Seafood Marketing Institute

promotes all Alaska-caught fishery products, focusing on salmon, crab and surimi.
311 N. Franklin St., Suite 200
Juneau, AK 99801
Tel.: (800) 478-2903/(907) 465-5560
Fax: (907) 465-5572
Web site: www.alaskaseafood.org

American Seafood Institute promotes all U.S.-caught fish and shellfish, excluding Alaska and catfish products.

212 Main St., Suite 3
Wakefield, RI 02879
Tel.: (401) 491-9017
Fax: (401) 491-9024

Maine Lobster Promotion Council promotes Maine lobster at home and abroad.

382 Harlow St.
Bangor, ME 04401
Tel.: (207) 947-2966
Fax: (207) 947-3191
Web site: www.maine lobster promo.com

The Catfish Institute promotes U.S. farm-raised catfish products.

1100 Highway 82 East
P.O. Box 924
Indianola, MS 38751
Tel: (662) 887-2988
Web site: www.thecatfishinstitute.com

Other Resources

Western United States Agricultural Trade Association promotes Pacific Ocean fish and seafood.

2500 Main St., Suite 110
Vancouver, WA 98660-2697
Tel.: 360-693-3373

Fax: 360-693-3464

Web site: www.wusata.org

Southern United States Agricultural Trade Association promotes fish and seafood from the Atlantic Ocean and Gulf of Mexico.

2 Canal St., Suite 2515
New Orleans, LA 70130
Tel.: (504) 568-5986
Fax: (504) 568-6010
Web site: www.susta.org

Mid-America International Agri-Trade Council also promotes fish products.

400 West Erie St., Suite 100
Chicago, IL 60610
Tel.: (312) 944-3030
Fax: (312) 944-1144
Web site: www.miatco.org

Aquaculture Network Information Center is a comprehensive site of aquaculture information, based at Purdue University.

Web site: www.aquanic.org

Seafood Network Information Center is a useful, comprehensive site of seafood information, based at the University of California at Davis.

Sea Grant Extension Program
Food Science and Technology
University of California
One Shields Ave.
Davis, CA 95616
Web site: www-seafood.ucdavis.edu

Thad Cochran National Warmwater Aquaculture Center is another source of links to many sites.

Web site: www.msstate.edu/dept/tcnwac/links ■

In China, Fish Means Prosperity

By *Ralph Bean*

In China, where life often revolves around food, seafood is king. No celebration is complete without fish, and in a country where business deals are cemented over banquets, nothing commands prestige like a table piled high with fresh crabs, oysters and fish. This obsession is even reflected in the language: the character meaning fish, *yu*, is closely associated with prosperity, because the sound for that

character is identical to the sound for the character for surplus or plenty.

Even simple restaurants in rural areas often keep a tank of live fish for their customers to choose from. In the big cities, top-quality restaurants boast row upon row of tanks stocked with an almost unimaginable variety of aquatic creatures, many of them imported.

Future prospects for imports are very bright. As their incomes continue to grow, China's consumers are demanding more and more fish and seafood. Average per capita consumption rose from 5.2 kilograms (1 kg. = 2.2046 pounds) in 1998 to 5.8 kg. in 1999, then again to 6.7 kg. in 2000. Ur-

ban consumption—11.7 kg. per person in 2000 and growing—is almost three times that of rural areas. At the same time, domestic seafood production is limited by new limits on fishing. China's entry into the World Trade Organization should provide further support for imports, with tariffs scheduled to fall to 14 percent or less by the end of 2005 and most nontariff measures to be eliminated completely by 2007.

The Right Bait . . .

Although demand is strong, there are distinct tastes and trends in the Chinese fish and seafood market that exporters must take into account.



Chinese consumers prefer live to fresh and fresh to frozen. In the case of seafood, limited supplies and high prices have made consumers more willing to buy frozen products. For freshwater products, however, widespread availability and low prices mean that consumers are reluctant to accept anything other than live or fresh.

By the same token, consumers tend to prefer fish caught in the wild to aquaculture products, feeling that wild-caught products are better tasting and more nutritious. This feeling has been reinforced by recent scandals over the use of banned antibiotics in China's aquaculture industry.

The traditional seafood varieties favored by Chinese consumers include croaker, squid and ribbonfish (any of various elongate, greatly compressed marine fishes). Government restrictions on ocean harvest levels have led to increased imports to meet demand, so these traditional favorites are often imported from India and Southeast Asia.

Rapid growth in incomes in major cities such as Beijing, Shanghai and



USDA/FAS

Guangzhou, however, has led to a boom in imports of other products, including lobster, oysters, cod, salmon, geoducks (a type of clam) and crabs. These products come primarily from Russia, the United States, Canada, New Zealand, Australia, Japan and Europe. At the extreme high-end are products designed to impress business clients or to be given as gifts, such as live salmon from Norway, or expensive, exquisitely packaged Alaska King Crab from the United States, and sold for \$20 apiece.

... To Net the Retail Customers

At the retail level, several trends are worth watching. One is the rapid rise of hypermarkets in the major cities. Carrefour and Wal-Mart have established a strong presence in the larger, more prosperous cities and are rapidly moving into smaller cities throughout China. Catering to middle-class consumers with increasingly limited time, hypermarkets offer a wide variety of processed products, ranging from filets to fully processed fishballs and crabsticks to ready-to-eat meals. Japanese-style sushi and sashimi are also becoming more popular.

For supermarkets, the emphasis remains on live sales, and these outlets routinely maintain a large number of bubbling tanks full of freshwater fish, crabs, eels and shellfish.

... To Hook Restaurants

Traditional Chinese restaurants continue to stock large quantities of live fish, as consumers typically want to select their fish. The growing community of Western restaurants, however, tends to buy partially processed products. Chinese restaurants typically buy both live and fresh stock at wet markets, while Western-style restaurants sometimes purchase directly from processors.

In rural areas, restaurants often buy directly from fish farmers. Due to low consumer incomes and limited refrigerated transport and storage in areas farther inland, seafood is not widely available in rural areas beyond the coast.

... Or To Land a Big One

As a major consumer of fish and seafood imports, China's processing sector merits special mention. This industry swallows up over 10 million metric tons of raw material every year, and had a total processing output of 6.5 million tons in 2000. Although processing continues to outstrip domestic production, a recent price slump



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has reduced profitability: the volume of processed products increased by 4.4 percent in 2000, but their total value fell by 7.1 percent.

The industry also suffers from limited product varieties and inconsistent quality. Frozen products dominate the production mix, accounting for over half of the total, followed at quite a distance by dried products and those used for animal feed. Over the past three years, surimi production has seen the fastest growth of any sector.

Estimates of the number of processing plants vary wildly, ranging from as low as 443 to as high as 7,000. Most are located in



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The 43.8-Million-Ton Gorilla

While processing dominates China's fish and seafood trade, it is dwarfed by the sheer size of the domestic market. At 43.8 million tons, China was the world's largest producer of fish and seafood in 2001, a scant 15 percent of which was processed.

Most of the growth has been in aquaculture, which accounts for 40 percent of Chinese domestic production. China now accounts for over half of the world's freshwater aquaculture production.

Despite its success, China's aquaculture industry is beset with problems. Traditional aquaculture concentrates on low-value species and can cause serious environmental problems. The transition to less polluting, higher value soy-based aquaculture is underway, but is being undermined by soybean import barriers. Exports have also suffered in the wake of revelations about China's use of antibiotics that are banned in many countries.

ARE THEY BITING?

coastal provinces, particularly Zhejiang, Jiangsu, Fujian, Shandong, Jilin and Guangdong. Fujian and Shandong are the primary dried product processors, and Shandong accounts for 41 percent of China's fishmeal output. Shandong, Guangdong, Fujian and Zhejiang are the main centers for surimi production, although Guangxi province has experienced rapid growth too.

Fish Out of Water

China's booming consumer market for fish and seafood is easily lost in the trade statistics. The vast majority of trade goes into and comes out of China's gargantuan fish processing sector. Of the \$1.3 billion worth of products China imported in 2001, the majority was processed for re-export. Imports of raw materials for processing and re-export are further supported by a 100-percent tariff rebate, paid at the time of export. Chinese exports, largely in the form of reprocessed imports, amounted to \$4 billion in 2001. Imports were dominated by frozen fish (63.8 percent), while exports

were dominated by processed fish (21.3 percent) and filets (19.6 percent).

These rough statistics tend to overwhelm the smaller—but higher value—consumer trade and conceal important details. For example, while China is a net exporter of live fish, the unit value of live fish exports is a mere fraction of that of live fish imports, indicating that China is exporting low-value products while bringing in higher value products for its own use. ■

The author is the deputy director of FAS' Agricultural Trade Office in Shanghai, China. Tel.: (011-86-21)6279-8622; Fax: (011-86-21)6279-8335; E-mail: atos@public.sta.net.cn



USDA/FAS

South Korea Offers Net Opportunities for U.S. Seafood

By Susan B. Phillips

South Korean consumers will tell you that they prefer to buy domestic seafood products rather than imports; however, the numbers tell a different story. In the five years from 1997 to 2001, the percentage of imported products consumed domestically doubled from 16 to 32 percent—and this trend will likely continue.

The strong recovery of the South Korean economy and the complete liberalization of fish imports in 1997 have provided good opportunities for U.S. products. Currently, tariffs for most fish and seafood products range from 10 to 20 percent, although for about a dozen products, higher adjustment tariffs are applied. In 2002, imports of fish and seafood products are expected to have increased due to local production declines. At the same time, Korean consumers are increasingly turning to seafood as a low-fat, affordable alternative to more traditional sources of protein.

All of these factors make South Korea an excellent market for fish and seafood. The country's total imports of fish and seafood products increased 17 percent, from \$1.4 billion in 2000 to \$1.6 billion in 2001. And if the first six months of 2002 are any indication, they were on track to have climbed by at least that amount again that year.

Imports from the United States have also been increasing. In 2002, South Korea imported \$324 million worth of U.S. fish and seafood.

Major Korean imports in 2001 from all sources were:



- yellow corvina, frozen (\$147 million)
- Alaska pollock roe, frozen (\$95 million)
- hair tail, frozen (\$67 million)
- Alaska pollock surimi, frozen (\$57 million)
- shrimp, frozen (\$50 million)
- mackerel, frozen (\$45 million)

U.S. Quality Is "Top of the Line"

Imports from both the world and the United States are likely to have reached record numbers in 2002, and for U.S. suppliers, there is a lot of room to grow.

However, competition is strong: as many as 70 countries already export fish and seafood products to Korea. China was the largest supplier, with sales of \$634 million (a 38-percent market share) in 2001, mostly yellow corvina, frozen squid and frozen hair tail. The United States' \$159 million put it in second place. Russia ranked as the third largest supplier, exporting \$154 million worth in 2001.

Both China and Russia have the advantage of proximity. Moreover, the prices of some species from these countries are reportedly half those of U.S. counterparts. However, the quality of Chinese and Russian products does not compare to U.S. products.

U.S. seafood exporters therefore have an opportunity to provide this market with a wide variety of products attractive to the Korean consumer, although it may take some research to find a good fit.

In the past, because of its superior quality, most U.S. fish and seafood has been sold to the upper end market. But today over 50 percent of all seafood is purchased at conventional markets and supermarkets. U.S. exporters need to focus on meeting the needs of these consumers to increase overall market share.

THE CATCH OF THE DAY COULD BE AN IMPORTED PRODUCT.

Domestic Production Is Coming Up With Empty Nets

Imports are expected to take off this year and next, due largely to domestic product shortfalls. Korea traditionally has caught fish in foreign waters through several country-to-country agreements. Fish caught under these agreements were considered part of domestic production, and no tariff was applied. Most of the fish caught in foreign waters are deep-sea varieties, such as Alaska pollock, tuna and squid.

However, Korea recently had to renegotiate treaties with Japan, China and Russia and revise catches at lower levels. For example, in 2001, Korea's quota in Russian waters was 219,552 metric tons; in 2002, it dropped to only 25,000 tons. Russia is expected to reduce its quota even further in 2003, and will likely keep foreign fishing boats out of its waters entirely in 2004.

Over-fishing has severely depleted

Korea's own fishery resources. As a result, the government has downsized Korea's fishing fleet and plans to reduce it even further over the next several years. The Korean government is trying to purchase additional fish quotas from other countries— but in the end, Korea will have to import more just to meet current demand.

Guess Who's *Not* Cleaning the Fish

Historically, Koreans preferred to buy fresh whole fish at wet markets which they cleaned at home. But these days, most people don't have the time or the space for cleaning fish. At the supermarket, you can select a whole fish and have it cleaned there.

In the future, consumers will increasingly purchase filleted, processed products. U.S. exporters will have opportunities to introduce more processed, convenience-oriented seafood items, such as halibut, cod, pollock, monkfish and salmon.

Where To Go From Here

Many U.S. exporters lack experience in the Korean market. That is where the Agricultural Trade Office can help. Our office will set up meetings with important contacts, introduce your products to the market and work with you on finding your niche.

Agricultural Trade Office

U.S. Embassy
Seoul, South Korea
Tel.: (011 82-2) 397-4188
Fax: (011 82-2) 720-7921
E-mail: ATOSeoul@fas.usda.gov

Imports for Further Processing

Korea also exports a large volume of fish products, some of which are imported, processed and re-exported. Korean importers operate about 20 processing plants in China which produce fish filets and imitation crab meat.

In 2001, Korea exported \$1.3 billion worth of tuna, oysters, conger eels, squid, imitation crab meat and flat fish. Most Korean fishery exports in 2001 went to Japan (\$925 million), followed by the United States (\$82 million), the European Union (\$75 million), China (\$57 million), Thailand (\$33 million) and Taiwan (\$17 million). Nevertheless, in that same year Korea registered its first fish and seafood trade deficit—\$375 million. These figures indicate that Korea's fish and seafood market still has room to grow. ■

In 2001, South Korean Imports of Many Major Fish and Seafood Products From the United States Were Valued at \$1 Million or More

	Imports From The United States	Total Imports
\$ Million		
Alaska pollock surimi, frozen	53.9	55.7
Monkfish, frozen	31.2	58.6
Other surimi, frozen	8.8	54.1
Alaska pollack roe, frozen	7.6	78.1
Atka mackerel, frozen	4.7	18.9
Lobster, non-frozen	4.6	11.5
Hagfish, frozen	4.3	5.2
Other roe, frozen	4.2	10.8
Other flat fish, frozen	4.1	15.7
Cod, frozen	3.7	13.3
Monkfish, fresh	3.3	3.9
Alaska pollock, frozen	2.5	27.7
Skate, frozen	2.1	12.3
Rockfish, frozen	2.1	12.3
Sea cucumber, prepared/preserved	1.1	4.3
Pacific salmon, frozen	1.0	4.4
Sardines, frozen	1.0	8.6

Source: Statistical Year Book of Foreign Trade 2001.

The author is the deputy director of FAS' Agricultural Trade Office in Seoul, South Korea.

Singapore Has a Big Appetite For Fish and Seafood

In 2001, U.S. exporters sold \$5.2 million worth of fish and seafood products to Singapore, up slightly from 2000, but just a fraction of the \$335 million Singapore spends on fish and seafood imports every year.

Fish is one of the most popular food products in Singapore, despite increasing prices. Per capita consumption of seafood fell from 20 kilograms (1 kg. = 2.2046 pounds) in 1996 to 16 kg. in 2000, but it is still an important food source for the country's 4 million residents.

Demand may continue to decline, however, unless local businesses address the chal-

lenges of price, quality and convenience and introduce new products to pique interest.

Re-exporting a Big Industry

Singapore is Southeast Asia's main distribution hub, with economic growth routinely exceeding 8 percent a year until the global economic slowdown in 2001.

The regional recession in 1997 did have some impact on Singapore's re-exports and external trade, but the 2001 slowdown was more pervasive for Singapore. Its manufacturing sector (mostly electronics) experienced a significant reduction in exports to the United States, its largest trading partner.

Buying and selling facilities offered by Singapore have encouraged the fish and seafood industry to build a significant re-

export business that depends heavily on imports. In 2000, total imports exceeded 120,000 metric tons; local catch and farmed fish and seafood were only 5,300 tons. Re-exports amounted to 58,000 tons, leaving 67,300 tons for Singapore consumers.

It is true that Singapore's exporters are finding increasing competition from other, less expensive export locations in Southeast Asia. Except for tuna, exports have declined over 7 percent a year since the mid-1990s. But this extensive market will be in place for the foreseeable future.

Tips for Market Entry

U.S. exporters interested in this market should concentrate on high-end customers for exotic cold water fish and seafood such as salmon, abalone, lobster, oysters, scal-



lops, Dungeness crab and geoducks (a type of clam).

And keep in mind that demand for premium products increases over the peak wedding season in September and festive holidays such as the Chinese New Year period.

The factors below should be considered by prospective suppliers:

- Price competitiveness of their products
- Level of promotion and education necessary for successful long-term presence
- Potential for “exotic” products
- Direct exports to major supermarket chains
- Products that fit easily into local food culture and offer convenience
- Ability to meet importers’ purchasing requirements and specifications

Distribution Channels

Live, fresh, chilled and frozen fish and seafood products are obtained by local importers for distribution to retail and food service outlets throughout Singapore. Except for frozen products, most are air-

Who Supplies What

Warm water fish, which make up 80 percent of the demand in Singapore, come mainly from Malaysia, Indonesia, Thailand and Vietnam. Popular local fish and seafood products include salar, batang (Spanish mackerel), sea bream, song fish, tilapia, shrimp and mud crab.

Cold water fish, the remaining 20 percent, come mainly from U.S. competitors: Australia, New Zealand, Taiwan, Norway and Japan. Imported popular cold water species include: salmon, tuna, swordfish, mackerel, trout, dover sole, cod, halibut, lobster, abalone, oysters, scallops and geoducks.

Import Markups

Major Singapore supermarkets impose listing fees that can range from \$2,000 to \$6,000, and have the option to de-list a product if sales lag. Here are some details:

Type of Service/Fee	Expected Charges	Comments
Import duty	0%	None
Goods and services tax	3%	Based on cost, insurance and freight value
Importer's handling charge	Variable	Generally negotiable; lower for products with faster turnover
Importer's margin	20-30%	Importers usually distribute, too; harder to negotiate than handling charge
Retailer's margin	10-20%	Markups to 50% on high-end specialty items

freighted into the country. Some large supermarket chains and restaurants import directly.

Following is a list of the major distribution channels and their products:

- Supermarkets—local products, some imported cold water fish and seafood
- Wet markets—local products
- Food service outlets—with high-end restaurants the main channel for cold water products
- Fish and seafood processing companies—mostly surimi and value-added activities that target local and export markets

Import Regulations

Importers of fish and seafood products must be licensed. Upon product entry, documentation is submitted electronically by the registered importer to the Controller of Imports and Exports via the Trade Net computer system.

Singapore's Agri-food Veterinary Authority (AVA) regulates fish and seafood imports. All products are subject to inspection and sampling by this agency.

Prior permission must be obtained from the Fisheries Division of AVA for consignments of frozen high-risk seafood (raw oysters, fresh cockles, cooked shrimp and

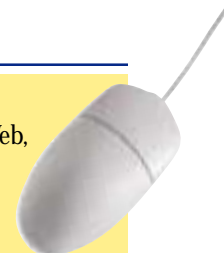
crab meat). Chilled imports of these products are not allowed.

Frozen high-risk products require a health certificate issued by the federal or state government health authorities from the country of origin and will be detained for inspection and possible testing. The certificate must include:

- Description of the product and packaging (including brand or trademark)
- Quantity by weight
- Name and address of the processing establishment, consignor and consignee
- Harvesting area
- Date of harvesting or freezing ■

For more information on Singapore's fish and seafood market, contact the U.S. Embassy in Singapore. Tel.: (011-65) 6737;1233; Fax: (011-65) 6732-8307; E-mail: ato_sing@pacific.net.sg

For details, see FAS Report SN2002. To find it on the Web, start at www.fas.usda.gov, select **Attaché Reports** and follow the prompts.





TRADE SHOW OPPORTUNITY



SIAL MONTREAL 2003

MONTREAL, CANADA
APRIL 2-4, 2003



The Show:

SIAL Montreal is a world-class gathering of food and beverage professionals in North America. By exhibiting at SIAL Montreal 2003, you can promote your products to buyers from Canada and 50 other countries. Over 850 exhibitors and 15,000 trade visitors are expected to attend.

The Market:

Canada is our top export market! Being our neighbor and the world's biggest buyer of U.S. consumer food products, Canada is the ideal market for developing your export sales.

In 2002, U.S. agricultural, fish and forest exports to Canada reached a record \$10.8 billion, and two-way trade between Canada and the United States totaled \$33.17 billion, more than \$2 billion per month.

Best Product Prospects:

Fresh and processed fruits and vegetables, fish and seafood products, bakery products, mixes and dough, processed beef and pork products, wines and beer, sauces and condiments, bottled water and soft drinks, snack foods and breakfast cereals. Excellent opportunities exist for organic, kosher and Asian foods.

Contacts:

Kelly Wheatley	Marilyn Bailey	Teresina Chin
IMEX Management	U.S. Embassy, Ottawa	FAS Trade Show Office, Washington, DC
Tel.: (704) 365-0041	Tel.: (613) 688-5267	Tel.: (202) 720-9423
Fax: (704) 365-8426	Fax: (613) 688-3124	Fax: (202) 690-4374



Exhibitors at SIAL shows can register to participate in Food Show PLUS! This service provides you with the information and in-market support you need to be more prepared to do business at the show. For more information, contact the Mid-America International Agri-Trade Council (MIATCO) at: (312) 944-3030.



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We've gathered more than 25 tips, trends and opportunities to help make your MW journey a highly profitable experience.
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Agricultural Outlook Forum 2003



Arlington, Virginia
February 20-21, 2003

Sharpener your strategy for 2003 by attending the U.S. Department of Agriculture's 79th Agricultural Outlook Forum.

Noted experts, top industry and government officials and producers will share their insight on the challenges of staying competitive in the 21st

century. The program will feature a close look growing competition from Central and Eastern Europe, Brazil and Asia, and the latest on WTO agricultural negotiations. Under Secretary of Treasury John Taylor has been invited to brief attendees on global economic and financial conditions.

Focus sessions also will highlight the competitive forces producers face at home, ranging from the growing complexity and cost of regulations, to access to markets and information, to assuring food safety and changing eating habits.

The Forum will provide an early look the 2003 agricultural outlook as leading analysts debate planting, trade, and price prospects for farm commodities. You'll also receive a set of new USDA long-term commodity projections to 2012.

Following a year of weather-reduced crops in many countries, meteorologists will discuss the El Niño phenomenon and its impact on agriculture.

Networking opportunities abound at the Forum, which attracted 1,400 attendees last February. Register now for the best value. For full program and registration details, access www.usda.gov/occe, e-mail agforum@occe.usda.gov; or call toll-free 877-891-2208.

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Soybean and Rice Farmers Ink Deals With Taiwan Buyers

According to the Missouri Department of Agriculture, soybeans and Jasmine rice from that state are making their way to Taiwan. During a trade trip coordinated by the Department, NeCo Seeds and Martin Rice Company signed deals to ship their specialty products to Taiwan. NeCo and its producer-owned and -controlled organizations will ship more than 500 metric tons of food-grade soybeans to two Taiwanese companies that will use the identity-preserved beans to make tofu and soy milk. Martin Rice will supply Seedz House International Co., Ltd. of Taipei with 20 metric tons of Jasmine rice. Jasmine rice has a unique aroma and flavor that set it apart from the white rice commonly grown in Asia. The Missouri Department of Agriculture has a trade office in Taiwan, the sixth largest market for U.S. agricultural products since 1990.

U.S. Companies Ring Up Results At World Food Moscow

Twenty-one U.S. companies participated in Russia's World Food Moscow Show, which resulted in sales of \$4.5 million in U.S. processed foods. There were 141 products introduced in the Russian market. Russian importers and distributors sampled an array of products, including almonds, raisins, prunes, wines, apples, pork rinds, egg powder, sausages, poultry and meat products.

Vietnam Emerging as New Market for U.S. Wood

Between January and July 2002, U.S. wood exports to Vietnam jumped to \$13.8 million. During the same period the previous year, exports were valued at just \$4 million. Hardwood lumber, logs and veneer, used primarily by Vietnam's furniture industry, accounted for over 90 percent of the trade. There are approximately 1,200 furniture manufacturers in Vietnam, and the short-term outlook is that their production will continue to grow 10 percent each year. Because neighboring countries such as Laos, Indonesia, Malaysia and China have implemented export controls for timber, Vietnam has turned to New Zealand, Russia and the United States as sources of raw materials.

United States and Peru Establish Committee on Agriculture

The United States and Peru have signed a Memorandum of Understanding establishing a bilateral Consultative Committee on Agriculture (CCA). The CCA will provide a high-level forum to strengthen bilateral relationships in agriculture, resolve trade issues and increase cooperation in a number of areas, including trade, biotechnology, food safety, research and technical assistance. The CCA will meet annually, and is co-chaired by senior officials of USDA and Peru's Ministry of Agriculture. The CCA will also facilitate contacts and cooperation between universities, research centers and other institutions of the two countries. Last year, the United States exported \$225 million in agricultural products to Peru.

U.S. Products Do Well in Major Japanese Supermarket

In September, as a follow-up to a successful promotion of Washington State cherries, the U.S. Agricultural Trade Office (ATO) in Osaka convinced Mycal Supermarket, a major supermarket chain in Japan, to conduct a promotion of Alaska salmon and U.S. beef and pork. Strong initial sales results in 116 outlets indicate that Mycal will achieve its sales target for these products of nearly \$3 million.



Also in This Issue:

- Trade show opportunities in South Africa and Canada

And Next Time, Turn to AgExporter for:

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