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The biggest challenge is identifying and qualifying prospective importers.

DESPITE TRADE WAR OBSTACLES, SEAFOOD PRODUCERS FIND GROWING OPPORTUNITY IN ASIA

By Jeffrey Spear

Seafood producers that have achieved meaningful sales volumes in domestic markets have been enhancing revenues and sparking enterprise growth through exports and brand penetration in foreign markets, especially Southeast Asia.

In this regard, there are numerous opportunities to broaden sales of already popular products, satisfy demand for products that may not have a thriving market at home, and introduce new species and value-added products to offshore audiences eager to try new seafood options.

Of course, identifying export opportunities and establishing a sustainable presence demands considerable effort on the part of the exporter. Belle Cove, a producer of Maine lobster, has found that North American shellfish, including lobster and snow crab, are very popular in Asian markets.

"The biggest challenge is identifying and qualifying prospective importers," said Grace Phillips, the sales director for Belle Cove. "Those companies may not have a website or much information on the internet, so it can be difficult to do any meaningful research. We participate in trade missions and exhibit at trade events to meet pre-screened buyers."



The Alaska Seafood Marketing Institute ASMI has taken a more proactive and informative approach. By positioning ASMI-backed products – including salmon, pollock, crab, and cod – as sustainably managed and wild-harvested, and subsequently promoting these attributes to different market sectors (consumer, foodservice, retail), the organization has successfully maintained a presence in Asian markets, primarily Japan and China, for more than 20 years.

According to Ashley Heimbigner, the international marketing coordinator for ASMI, "Alaska seafood continues to grow in export volume and value to Asia markets by providing buyers confidence in a consistent and quality product from well-established, reliable, and safe seafood



"While Asian markets are price sensitive to commodity products, consumers are pursuing increasingly healthier lifestyles."

processing methods. Consumers and buyers in Asia are now more aware of the origin and sustainability of their purchases and products, with many retail and hotel chains instituting procurement policies requiring sustainably-certified seafood."

In Asian markets with higher per capita seafood consumption, consumers are better informed and expect product quality, integrity, sustainability, and traceability, explained Allen Kimball, vice president of global species management for U.S. supplier Trident Seafoods.

"When you consider the appeal that foodservice brands such as KFC and McDonald's have in Asian markets, and demand for added-value seafood on the rise, it's not surprising to see these operators offering more numerous and better quality seafood options," Kimball said.

"Even convenience stores, especially in Japan, are offering higher quality seafood options. We are seeing growing interest in added-value products including a revival of fish sticks. Of course, the configurations today must be made from better-quality fish and have a higher percentage of fish overall," he added.

While Asian markets are price sensitive to commodity products, consumers are pursuing

increasingly healthier lifestyles. In response, buyers have been seeking out higher-quality, ready-to-eat, ready-to-cook, and other similar value-added options that offer both nutritional benefits and convenience.

In today's political climate, maintaining exports to Asia, especially China, represents challenges far beyond logistics, border controls, food safety, and compliance. As a result, savvy producers have developed exports to more than just one or two primary markets.

After 45 years of operation, Trident Seafoods has learned this lesson well. Today, the company maintains offices in Thailand, Vietnam, and South Korea – even though China and Japan are its most productive markets – and is able to meet the needs of buyers throughout Southeast Asia as a result.

For York, Maine-based company Maine Coast, a live lobster wholesaler maintaining exports to Asia since 2013, revenues from sales in China dropped significantly in 2018 as a result of new Chinese tariffs. However, "there is still tremendous growth potential in China," Maine Coast president and CEO Tom Adams said. "That being said, there are lots of other Asian markets, as well as opportunities right here in the U.S., that currently represent safer and more reliable business engagements."

Kurt Grinnell, president of Jamestown Seafood, a geoduck and oyster farm operating in Sequim

Bay, Washington, has not been happy about the trade war with China.

"Our primary source of revenue for years has been the sale of geoduck to China," said Grinnell. "With a dramatic decline in sales, and lack of interest from buyers in other Asian markets, it's been pretty devastating. Of course, we're the guys with the geoduck, so we'll survive."

Grinnell is also recognized as a leading advocate for sustainable aquaculture in the Pacific Northwest. In partnership with environmental protection and preservation organizations throughout the region, Grinnell and Jamestown Seafood are working to develop sustainable, environmentally-responsible, and commercially-viable fisheries that safely source native species including sablefish (black cod), steelhead trout, and Olympia oysters. "With the development of commercial fisheries offering these newly revived species, we will not be as dependent on exports of geoduck alone for our survival," Grinnell said.

Overall, despite recent trade woes, Asia still holds promise and opportunity for U.S. seafood producers, Kimball said. "Buyers throughout Asia recognize and demand value. Political conflicts notwithstanding, they are looking for quality oriented, traceable, and sustainable fish. These elements, coupled with consistency, flexibility, and reliability have allowed us, and will help others, to be successful." 🌊