China Shrimp Industry Current Trends and Expansion Plans

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Since July, 2018, the trade friction between the USA and China affects the global main economics’ growth. It is no doubt that shrimp industry may be affected because it is the largest specie among the seafood international trade. The impact on shrimp is as below:

01 Under the background of economic downturn, more enterprises loss because the shrimp production rise is not accompanied by a rising income.

02 Weak growth on consumptive market and catering, the consumption decrease.

03 It is estimated that the low consumption on shrimp may continue 2-3 years, which will affect each phrase of the industrial chain, from farming to foodservice. We have to pay close attention to the market change.
In 2018, the total amount of shrimp (prawn) production in China reached over 4.07 million tons, among which the freshwater farmed shrimp accounts for 65.8 percent, the seawater farmed and marine capture production accounts for 34.2 percent.
Among the marine catch shrimp species in 2018, the high value *Penaeus spp* was 0.2 million tons, accounting for 16.8 percent in the total shrimp production. The others are the low value species (*Trachypenaeus curvirostris* / *Acetes chinesis* / *Mantis*).
The farmed seawater shrimp were selected high value species which total production reached 0.8 million tons in 2018. *P. Vannamei* took up the dominant position, accounting for 73 percent in the total farmed seawater shrimp production.
Status of China’s Inland Shrimp industry

In 2018, the farmed freshwater shrimp production reached 2.68 million tons. The crayfish was the main farmed species, accounting for 62 percent. *P. vannamei* accounted for 24 percent, followed by *Macrobrachium rosenbergii* and *Macrobrachium nipponense*. 
China’s total shrimp (*Penaeus spp*) production exceeded 1.5 million tons in 2018. Farmed seawater shrimp production reached 0.8 million tons. The farmed freshwater shrimp reached 0.5 million tons. The marine catch shrimp production reached peak 0.2 million tons. The remarkable achievements have been made by China’s resource protection policy, stock propagations and fishing moratorium lasting for four and a half months each year. We can see the current trend that the farmed freshwater shrimp will decrease, the farmed seawater shrimp keep stable, the marine catch has limited growth space.
Position of China’s Shrimp industry


China’s shrimp production declined from the highest 35 percent to 26 percent in the world total production during 2012--2018, but still keeping the largest shrimp producer, while other countries’ percentage are rising.
In 2018, the shrimp import, USA continued the top player globally, China’s shrimp import kept rapid growth. The two big shrimp importers, shrimp import volume was very close.

The increment volume of global farmed shrimp is higher than that of international shrimp import volume, which led to the shrimp price declining.

The low shrimp price is good for expanding consumption market, also could promote the local market consumption.

Near the end of the year, China will be into golden season for shrimp consumption.
Shrimp international trade and consumption in China

In 2018, China’s total amount of shrimp supply, including domestic market and export, exceeded 2.3 million tons; 1.3 million tons (Farmed shrimp) + 0.2 million tons (Marine catch) + 0.65 million tons (Import) - 0.16 million tons (export);

In the past two years, China’s shrimp consumption market is turning slow growth. Especially, the shrimp sales deceased in the inland provinces for the crayfish hot sale replacing shrimp consumption.
The overall tendency of China’s seafood trade in 2018

In 2018, China’s seafood import had a obvious increase and the export was stable.

China became the world’s first country whose total volume of import and export exceeded 10 million tons.

Benefit from the tariff cut, the import will continue to increase in 2019.
Shrimp international trade and consumption in China

Main shrimp importers in 2018:
USA continued to increase and broke through 697 thousand tons;
China exceeded 650 thousand tons;
The EU (28 countries), their imports increased to 760 thousand tons;

The main exporters were India, Ecuador, Vietnam, Indonesia, Thailand. China was no longer the main exporter.
The shrimp export in China

For many years, China’s shrimp mainly exported to the US, Japan and Hong Kong, with high value-added processed shrimp products;

It is expected that the shrimp exports to the USA will decline a lot (reason of trade war) while to the other markets will grow. (because the RMB depreciation is conducive to exports in 2019.)
The shrimp import of China

According to China’s customs statistics, from JAN. to AUG. 2019, China imported shrimp reached 364.5 thousand tons. The imports mainly from are Ecuador, India, Thailand, Vietnam, Indonesia, Argentina and other countries.

Up to August of 2019, China’s shrimp imports by custom declaration is more than 10 times higher than that of in 2017 whole year, but there are still a part through the border trade.
Analysis on shrimp international trade and China’s supply

Compare the first quarter of 2017/2018/2019, the shrimp import by custom declaration had a substantial increase.

Custom statistics showed, in the first quarter, the volume of imported shrimp, was close to 80 percent of total imports in 2018. Import from Ecuador and India had a significant increment.
The future tendency of China’s shrimp industry

China, the USA and the EU will be still the main global shrimp import market.

If the per capita consumption in China reached 4.4 pounds which is the same as in the United States, that means China will need import more than 1 million tons of shrimp to meet the demand. It is expected that China will became the largest shrimp importer in recent years.

The shrimp imports by custom declaration continue to increase. Cracking down on smuggling and lowering tariffs are carried out by china government, exports continue to decline.
The future tendency of China’s shrimp industry

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<th>The production cost of shrimp producing still rising in China.</th>
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<th>The shrimp production diversification in China:</th>
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<td><em>in the South of China, shrimp production mode is the same as in the southeast Asian countries;</em></td>
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<td><em>in East china, North China: with large farming areas and various farming species: Penaeus chinensis, Penaeus japonicus and Penaeus monodon has good benefits in domestic market.</em></td>
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<th>China’s local shrimp producers mainly supply the fresh live market.</th>
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| The import frozen shrimp and processed shrimp has competitive advantage in Chinese market. |
The future tendency of China’s shrimp industry

Share with China huge shrimp consumption market, it is estimated that the shrimp import in 2019 will reach 0.7 million tons.

China’s “One belt and one road” initiative

Expand the import, exclusively hold China International Import Expo (CIIE)

Strengthen the overseas investment
THANKS

CAPPMA