

Export Market Development Guidebook

Abalone - HS Code (030781, 030783, 030787, and 030789)
in the US
June 2021



Australian Government
Australian Trade and Investment Commission



Euromonitor
Consulting



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Introduction

Project Background & Objectives

In December 2020, Austrade was allocated AUD42.9 million in funding to boost its support for Australian agri-food exporters.

Austrade primarily focuses its services on impact and reach. As part of its services, Austrade aims to increase support to an extra 2,000 agri-food exporters each year, as well as work with industry bodies to provide specific advice to exporters about opportunities in existing and new markets.

Euromonitor International is working with Austrade in delivering such services, via the provision of enhanced market intelligence reports, that help Australian exporters make informed decisions.

The key objectives of the research are as follows:

- Understanding market volumes and dynamics
- Evaluating the role played by local production versus trade
- Assessing the different channel/customer preferences and wider implications these have on demand for Australian products
- Understanding the distribution landscape in terms of key players operating within the different channels
- Understanding pricing dynamics across different channels and their impact on demand for Australian products
- Evaluating the competitive environment to assess Australian products' positioning
- Assessing import and trade regulations

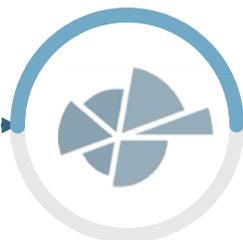
Overview of the research method applied

PROJECT ALIGNMENT & KICK-OFF



- Project alignment discussion on processes, objectives, goals, communication responsibilities/frequency, reporting needs and timeline
- Knowledge transfer

TEMPLATE PRODUCTION AND DATABASE ACCESS



- Development of research templates and an initial draft reporting template
- Central sweep of publicly available sources, including **governmental and quasi-governmental sources**, as well as **trade associations, industry publications and analyst groups** tracking agricultural trade and market conditions

PRIMARY RESEARCH & TRADE DATA COLLECTION



- **Trade data extraction**
- Retail audits to understand distribution landscape (six stores in one key city)
- **Discussions with key players** including, but not limited to importers, distributors, retailers, and industry associations

- N= 5 interviews

ANALYSIS & REPORTING



- **Triangulation of results** to create a consensus output
- Multi-layer **quality control**
- **Delivery of the final report** (including the presentation pack, ie a highly visual executive summary of key findings)
- Austrade review, commentary, and report refinement and finalisation

List of stores audited and companies interviewed in the US

For the purpose of this research, Euromonitor International conducted detailed store audits in May-June 2021 and trade interviews with the following companies:



Stores audited by city

Shop Rite, Supermarket, Brookfield, CT

Whole Foods, Supermarket, Danbury, CT

Amazon.com, Online

Giovanni's Fish Market, Online

Fulton Fish Market, Online

Great Alaska Seafood, Online



In-depth trade interviews conducted

Monterey Abalone Co, Manufacturer

Southern Rock Lobster Ltd, US, Importer/Distributor

OceanPro Industries, Wholesale/Retail

Vince's Shellfish Company, Wholesale/Retail

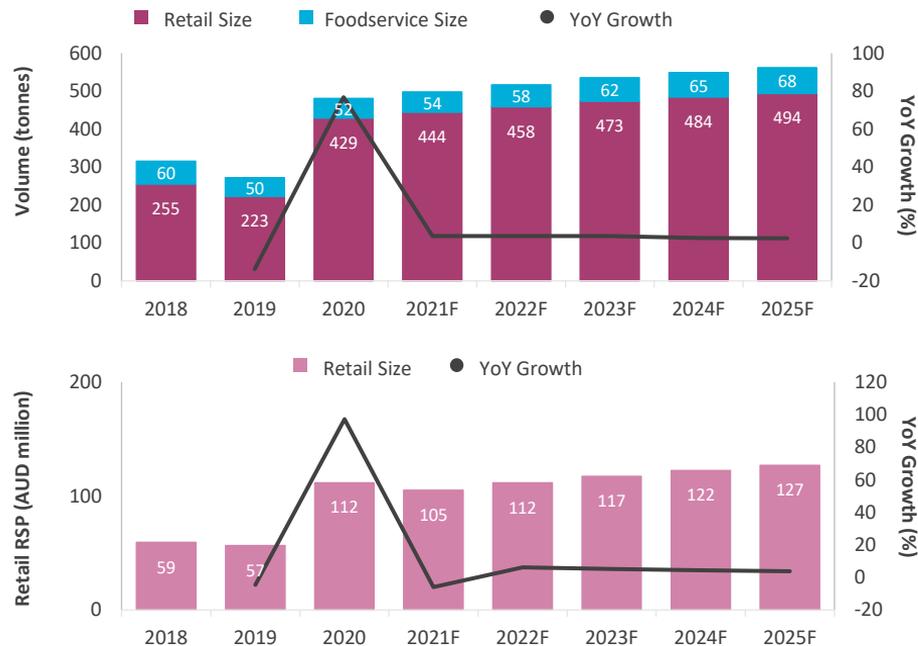
Oceanwave International, Importer/Distributor

Market Volumes and Dynamics

Abalone consumption is small in the US and said by manufacturers to be driven by affluent Asians and those consumers who are nostalgic for times decades ago when abalone was plentiful in the wild.

Retail volumes through select channels support the US market, with low awareness of abalone in general

Abalone Consumption in the US 2018-2025



Source: Euromonitor International estimates as per information gathered from trade interviews

Note: Abalone covers HS Codes 030781, 030783, 030787, and 030789.



Abalone

Total consumption:
480.8 tonnes, 2020

- With over 80% of domestic consumption supplied by imports, consumption rose in 2020 due to import volume increases, especially from Mexico, Chile and Australia.
- Canned abalone products are mainly consumed as these are more readily available. Frozen, whole, and sliced abalones can also be found within the US; however, they are less common than canned abalones.
- The retail channel provided more than 80% of total consumption in 2020 sales of abalone in the US. Key retail channels include independent ethnic markets and seafood markets along coastal regions.
- Projections for future growth are slow but steady in the US market – considering the growing popularity of ethnic Asian markets and restaurants, key venues for abalone.

Local Production Dynamics

US abalone production was badly affected by the closure of a leading aquaculture farm in California in 2020. Increasing regulatory requirements and high costs impede future expansion, according to local participants, indicating that significant growth is unlikely in the near term.

Recreational abalone fishing ban extended for some species until 2026, resulting in US reliance on aquaculture to help meet consumer demand

- Overfishing significantly depleted the once abundant wild abalone population with significant effects apparent from the late-1980s/1990s.
- Though restrictions have been imposed for decades, the wild population struggles to recover due to challenging environmental factors, disease, low densities affecting reproduction, and illegal harvesting. As a result, domestic production relies heavily on aquaculture, with over 95% of domestic abalone produced by aquaculture farms.
- From a high of 13 aquaculture farms, California's industry has declined to just three active farms with the most recent farm closure occurring in 2020, that of The Abalone Farm Inc.
- The US is home to eight species of abalone (red, pink, pinto, treaded, flat, white, green, and black). Black and white abalone are protected as endangered species due to overfishing and slow recovery.



Abalone
Production CAGR,
2021-2025: 3.1%

Abalone Production in the US 2018-2025



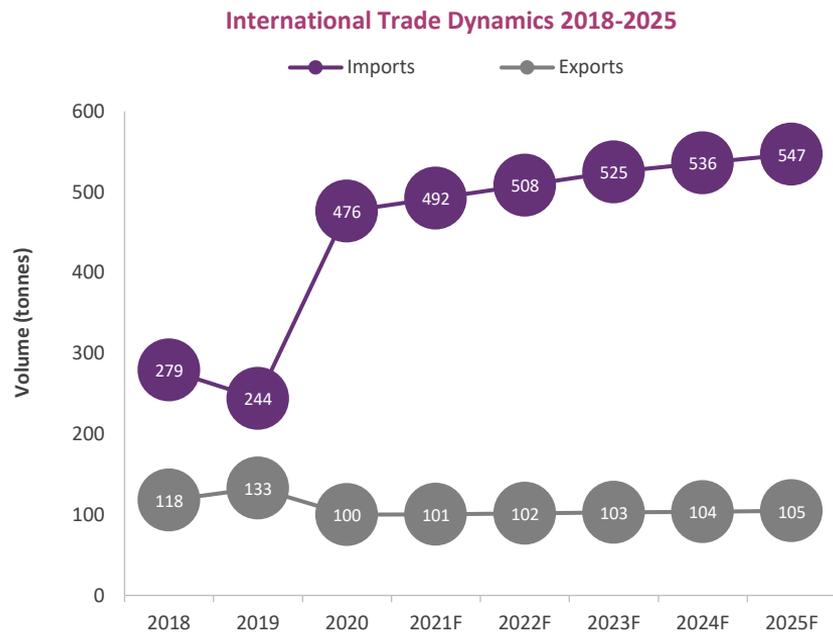
Source: Euromonitor International estimates as per OECD

Note: 2020 decline reflected due to closure of top Abalone Farm in the US

Trade Dynamics

Abalone imports dropped in 2020 due to travel and foodservice restrictions reducing demand. However, the industry is expected to recover in line with growing travel and tourism numbers and a return to normal for the foodservice industry. Growth in demand will be met by imports.

The market is expected to continue increasing imports to accommodate for low local production and growing consumer demand



Source: Euromonitor International estimates as per information gathered from trade interviews.

Note: Abalone covers HS Codes 030781, 030783, 030787, and 030789.

Import and export forecasts are made without extensively analysing trade and non-trade barriers. The forecasts are based on historic performance and prospects for local production as gathered from trade discussion.



Abalone

2.7% CAGR Imports, 2021-2025
1.0% CAGR Exports, 2021-2025

- 2020 witnessed more than a tripling of import volumes from Mexico and Chile, while volumes from Australia more than doubled – helping to meet consumer demand after lacking local production. Continued growth of abalone consumption is anticipated, supported by the growing popularity of Asian markets.
- Canned abalone is the most popular import format with frozen in-shell, processed frozen, and dried abalone also in demand. Live abalone, primarily from Mexico, is imported in small quantities.
- Imports typically occur throughout the year, though peaks associated with holiday consumption are anticipated.
- Leading US abalone-producing states, California and Hawaii, top exporting markets include Australia, Mexico, Chile, and Republic of Korea in both volume and value terms.

Canned and frozen abalone are the most popular types imported, while fresh and live products are available from suppliers with advanced supply-chain capabilities

Australia

153 tonnes (32.1%), 62.5% CAGR 2018-2020

AUD8.3 million (41.2%), 50.1% CAGR 2018-2020

- **Australia is the world's third largest supplier of wild and harvested abalone** and Australian abalone is positioned as premium in the already premium category, with a reputation for high-quality tasty flesh. **Canned and frozen are the most popular abalone imports to the US.**
- Australia exported to the US at an average price of **AUD54.2 per kg** in 2020.

Mexico

130 tonnes (27.4%), 73.9% CAGR 2018-2020

AUD4.2 million (20.7%), 26.9% CAGR 2018-2020

- **Close proximity to local US demand allows for import of fresh products.** Highest demand is seen in California and west coast regions. **Canned and frozen are most popular, while fresh and live abalone (also known as "Loco") are also available.**
- Mexico exported to the US at an average price of **AUD32.3 per kg** in 2020.

Chile

90 tonnes (18.9%), 70.5% CAGR 2018-2020

AUD3.0 million (14.9%), 34.8% CAGR 2018-2020

- Close proximity to local demand allows for easier import of fresh products, especially to California – **the US is Chile's top export market for abalone.** Chilean coasts and nearby regions are the only home to the smaller abalone species, Locos. **Canned and frozen are the most popular, with fresh abalone available.**
- Chile exported to the US at an average price of **AUD33.3 per kg** in 2020.

Republic of Korea

69 tonnes (14.4%), 28.6% CAGR 2018-2020

AUD2.6 million (13.1%), 26.8% CAGR 2018-2020

- **Favoured by some retailers that cater to Asian customers,** especially on the West Coast. The most popular imports of abalone from the Republic of Korea are **canned and frozen products.**
- The Republic of Korea exported to the US at an average price of **AUD37.7 per kg** in 2020.



“Australian products are well regarded by our customers. We sell some Australian wines, but I’ve never heard about their shellfish. I’d be happy to hear more about them.”

- Owner, import/export wholesale company

“We carry head on prawns from Australia, I have one customer who regularly orders them. I’d like to consider others, but I don’t have any demand.”

- Manager, wholesale/retail fish market



As a leading country of abalone imports to the US, it follows that Australian abalone is well regarded by abalone consumers. Like other Australian food products such as beef, lamb, and wine, abalone may be able to use this benefit to increase awareness and grow preference.

Channel and Consumer Preferences

Canned and sliced abalone are typically sold in Asian markets, supermarkets, and online. While live abalone is not as readily available, it can be sold within select Asian supermarkets, fish markets, and online. Consumption peaks during Lunar New Year celebrations observed by Asian populations. In-store stocks commonly decline at other times to prevent waste of stock, with some only available by ordering ahead.

Abalone consumption in the US is led by affluent Asian families and nostalgic American families for special occasions, and by those seeking new experiences

Increased demand during Chinese/Lunar New Year as an ethnic delicacy



Abalone features as a Chinese New Year favourite in family celebrations

Appreciated as a special food by ethnic Asians, especially those from Japan, Korea and China, abalone is featured in locations that cater to this demographic during special occasions with a boost during New Year family gatherings.

Though live abalone are preferred, imported canned and frozen versions are much more common with Asian shops and markets especially eager to meet demand, and a range of brands are available for purchase online.

Nostalgia creates demand in the ageing population

As an iconic Californian food, families used to be able to pick abalone up off their local beach for themselves and take it home to enjoy together. As a cherished family memory, some seek to recreate those feelings today.

Now difficult to get and expensive, abalone has become a luxury item. Those nostalgic for lost family traditions seek to recreate their experience.



Abalone was abundant through the 1970s on the West Coast of America; processing plant in Santa Barbara, CA (c.1950)

Growing confidence in the kitchen is expanding consumers' repertoire



An ethnic delicacy

Recent studies find that an unexpected benefit of COVID-19 is that, with more consumers cooking at home, US consumers are becoming more confident when it comes to preparing seafood themselves.

Coupled with the well-documented desire, especially among millennials, to gain new experiences, new consumers may be enticed by the traditional appeal of premium abalone to broaden their palate and share with friends.

Australian origin of abalone is prominently featured as a sign of quality throughout product types and channels

E-Commerce

Independent Ethnic Markets

Supermarkets and Seafood Markets

Product Offer

- Canned abalone, especially 425g net weight, is most common from a variety of countries, especially China, Australia, and New Zealand
- Individually vacuum-packed 56g and 113g sliced abalone from the US are available from online fish markets.
- Live and frozen abalone from US farms can also be ordered online.
- Country of origin is typically featured in product descriptions.

- Canned abalone is most common, typically in 220g sizes, especially with multilingual Asian labelling. Frozen, in-shell (1kg), and sliced abalone (2oz, 3oz, 4oz) is also available in larger Asian markets.
- Live abalone is available in limited specialist markets, both domestic and imported.
- Asian products, especially from China, Korea, and Japan, are favoured, predominantly during peak periods like Chinese/Lunar New Year.

- Canned abalone is available in select markets on the West Coast, in Texas and in New York areas where Asian populations are more prominent.
- 220g canned, 1kg frozen in-shell, or vacuum-packed 2oz, 4oz sliced abalone is available in limited locations.
- Seafood markets in key areas supply abalone to order.
- Country of origin tends to be of lesser interest and low stocks of abalone are typically held on site.

Australian Brands Positioning

- Australian abalone is presented as a premium, high-end product that is delicate and subtle, superior in taste, providing high quality and consistent results.

- Australian abalone is said to be a top preference among affluent Asian families, with some brands including multilingual packaging labels to further appeal to the consumer base.

- Australian abalone is positioned as premium, high-end and a preference among affluent Asian families for the broadest appeal.

Imported and domestic products are displayed similarly and featured across retail channels while ethnic markets may favour ethnic brands

E-Commerce

Independent Ethnic Markets

Supermarkets and Seafood Markets

Shelf spacing/Marketing

- Sponsored products are listed first in response to target search terms with others then listed according to the site's search algorithm considering ratings and reviews
- Product images, descriptions, and prices encourage click-through for more information
- Country of origin is typically identified on the product or in the description

- Canned abalone is typically displayed in a pantry aisle, near other canned seafood items such as tuna, salmon, or clams
- Though limited, live abalone are displayed in tanks in staffed fresh fish areas to provide purchase support
- Product promotions are infrequent, if offered at all, but commonly linked to holidays or special occasions

- Canned abalone is displayed with other canned seafood in aisle displays
- Frozen products are displayed in the frozen aisles or behind the butcher bar for purchase only on request
- Often low stock of abalone is kept on due to infrequent and low demand

Procurement

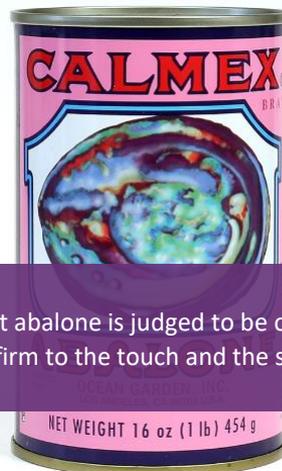
- Direct procurement from manufacturers/importers or wholesalers is typical with fulfilment through regional warehouses or direct from the manufacturer or distributor organisation

- Some source directly from manufacturers/importers supported by established business relationships while others source from local or regional wholesale suppliers and distributors.
- Specialist seafood suppliers also service the needs of the channel and may act as importers as well

- Local outlets are often part of a larger company organisation that coordinates sourcing direct from manufacturers/importers, wholesalers, or distributors that service their supply area
- Seafood markets may source directly from manufacturers/importers, or from specialist seafood wholesalers who supply their area. Such wholesalers may also act as importers for seafood products.



Premium Australian Abalone leads the category with quality and consistency



Wild-caught abalone is judged to be of superior quality, being firm to the touch and the softest to bite



Chilean loco abalone is also available and may confuse the consumer



Imported frozen abalone is generic with country of origin less apparent



Striped, trimmed, pounded, and tenderised, sliced abalone, known as "steaks", are super-premium priced but typically unbranded



Live abalone is available for next-day door-step delivery anywhere in the US; frozen is substituted in California

Increasingly popular Asian cuisine drives awareness and consumption of abalone as a versatile upmarket ingredient

Premium restaurant luxury item



A feature in luxury restaurants appealing to high-end dining and special occasions

Rich, flavourful, and typically highly prized, abalone is among the most expensive seafood items and is considered a culinary delicacy. As imports into the US increase, abalone is increasingly available – leading some premium restaurants to add abalone to their menus.

Featured in upscale Southeast Asian restaurant dishes, it is often served raw as sashimi or tartare, part of a baked seafood medley platter, or as a topping for soup or porridge. Live abalone, preferred for quality and freshness, drives demand for local supply where available.

Asian full-service restaurants on the rise in the US



Shanghai Terrace, a popular boutique Chinese restaurant and cocktail bar in Chicago, Illinois, US

As abalone is most popular in the Asian American community, abalone dishes are also featured within full-service Asian restaurants.

Prepared in soups and salads, braised, sauteed, stewed, steamed, or fried, abalone is an increasingly popular upmarket ingredient, especially for special occasions and holiday celebrations.

While live abalone is said to be preferred by chefs generally, canned abalone is also suitable for a variety of menu items

Premium Restaurants

Product Preferences

- Live abalone is said to be preferred by chefs to ensure quality and freshness, and is obtained in accordance with local requirements.
- Live domestic abalone is principally directed to the foodservice channel, while some chefs tend to prefer live pink abalone, which is commonly imported from Mexico.
- Canned abalone is said by some to be suitable for braised dishes, soups, and stir fry, and may also be chosen by some chefs.

Australian Brands Positioning

- Australian abalone is often positioned as more tender and flavourful and worth paying more for. However, as it is only available frozen or canned due to distance, interviews suggest that live alternatives are preferred, when available.

Asian Full-Service Restaurants

- Live abalone is said to be preferred to ensure quality and freshness, and the option to display live abalone in fish tanks to increase patrons' interest and engagement with the category is appealing to some.
- Live domestic abalone is principally directed to the foodservice channel for this demand, as are live abalones imported from Mexico.
- Canned and frozen abalone is also claimed to be suitable for a variety of menu items, to accommodate local tastes and preferences.
- In some locations, canned and frozen abalone may be the only available option.

- Maintaining a premium positioning in the canned and frozen abalone space is thought to benefit Australian abalone.

Live and canned abalones are procured through a network of importers/ wholesalers, dealers, and specialist seafood distributors across the US

Premium Restaurants

Procurement

- While **wild-caught abalone is seasonal**, **farmed abalone, which is the majority of supply**, is available year-round
- **Procurement is typically handled through specialist seafood suppliers**, though those able to access domestic farms will approach them directly
- Growing foodservice demand for domestic live abalone is **causing some buyers to be turned away due to inadequate supply capacity**. This is concerning to farmers who worry that chefs will switch to alternative products that are more readily available.

Asian Full-Service Restaurants

- Though a preference for Asian imports is suggested for Asian restaurants, country of origin is not seen as a major factor in the selection of supply, as compared to availability, freshness, and price
- Live farmed abalone from domestic and Mexican growers is available to the supply chain from manufacturers year-round, as are canned and frozen products from other sources
- Procurement direct from manufacturers is preferred and pursued by those with sufficient volumes to qualify
- Importers/wholesalers, dealers and specialist seafood suppliers provide supply services for the majority of foodservice restaurants

Distribution

Abalone has limited retail presence – focused in select areas of California, Texas, and New York



Costco Wholesale Corp

Membership-only big-box retailer with national operations responsive to regional requirements

Contact:

999 Lake Drive
Issaquah, WA 98027
USA

Tel: + 1 425-313-8100

Walmart Inc

Retail chain operating hypermarkets, department stores, and grocery stores with national operations responsive to regional requirements

Contact:

702 SW 8th Street
Bentonville, AR 72712
USA

Tel: +1 800-925-6278

The Kroger Company

America's largest supermarket chain, with national operations responsive to regional requirements, operates regionally under Kroger, Ralphs, Smiths, others

Contact:

1014 Vine Street
Cincinnati, OH 45202
USA

Tel: +1 513-762-4000

Albertsons Companies Inc

America's second largest supermarket chain, operating nationally and responding to regional requirements, operates regionally as Albertsons, Safeway, Vons, others

Contact:

250 East Parkcenter Blvd
Boise, ID 83706
USA

Tel: +1 208-395-4722

Year-round national distribution of canned, fresh frozen, and live abalone is enabled through e-commerce and overnight distribution solutions



Amazon.com Inc

E-commerce generalist handling the widest range of consumer products – www.amazon.com

Contact:

410 Terry Ave N
Seattle, WA 98109
USA

Tel: +1 206-266-1000

Fulton Fish Market

Online seafood wholesaler/retailer – www.fultonfishmarket.com

Contact:

800 Food Center Drive
Bronx, NY 10474
USA

Tel: +1 718-378-2356

Giovanni's Fish Market

Online seafood retailer – www.giosfish.com

Contact:

1001 Front Street
Morro Bay, CA 93442
USA

Tel: +1 805-772-1276

American Abalone Farms

Direct to consumer abalone aquaculture farm – www.americanabalone.com

Contact:

245 Davenport Landing Road
Davenport, CA 95017
USA

Tel: +1 831-457-2700

Highlighted as a seasonal feature or luxury holiday item, select Asian markets provide canned, fresh, frozen and live abalone to customers



Tawa Supermarket Inc

Korean retail grocery chain

Contact:

6281 Regio Avenue
Buena Park, CA 90620
USA

Tel: +1 714-521-8899

Hong Kong Supermarket Inc

Chinese retail grocery chain

Contact:

3711 Main Street
Flushing, NY 11354
USA

Tel: +1 718-539-6868

Lion Market Inc

Asian supermarket chain

Contact:

1838 N Milpitas Blvd
Milpitas, CA 95035
USA

Tel: +1 408-946-0888

z.Tao Supermarket

Asian supermarket chain

Contact:

1170 Corporate Drive W
Ste 204
Arlington, TX 76006

Tel: +1 972-517-8858

Forecast Asian restaurant growth in the US creates a strong opportunity for more restaurants to incorporate abalone in their menus



PF Chang's Restaurant Company

Asian-themed casual dining restaurant chain

Contact:

7676 E Pinnacle Peak Road
Scottsdale, AZ 85255
USA

Tel: +1 480-888-3000

Benihana Restaurant Company

Japanese cuisine restaurant chain

Contact:

21500 Biscayne Blvd
Suite 900
Aventura, FL 33180

Tel: +1 305-593-0770

Bonefish Grill Restaurant Company

Casual dining seafood restaurant chain

Contact:

2202 N West Shore Blvd
Tampa, FL 33607
USA

Tel: +1 813-282-1225

Nobu Restaurants

Fine Japanese restaurants and hotels chain, abalone is a standard menu item

Contact:

40 West 57th Street
Suite 320
New York, NY
USA

Tel: +1 212-757-3000

Importers act as wholesalers and distributors for a range of seafood products including live, fresh, frozen and canned abalone

Company	Type	Contact Details	Website
Southern Rocklobster Ltd USA	Importer and distributor of abalone	2308 Mountain View Rd El Monte, CA 91733 Tel: +1 310-344-4707	www.southernrocklobsterusa.com
OM Seafood Co Inc	Importer and distributor of live, fresh and frozen abalone	3514 SE 76 th Street Portland, OR 97206 Tel: +1 503-788-1984	www.omseafood.com
Seafood Express LLC	Importer and distributor of frozen abalone	8043 N Lawndale Ave Skokie, IL 60076 Tel: +1 847-677-2008	www.seafoodexpressllc.com
Seafarers Inc	Importer and distributor of frozen abalone	5900 NW 97 th Avenue Unit #18 Miami, FL 33178 Tel: +1 305-592-1633	www.seafarersinc.com

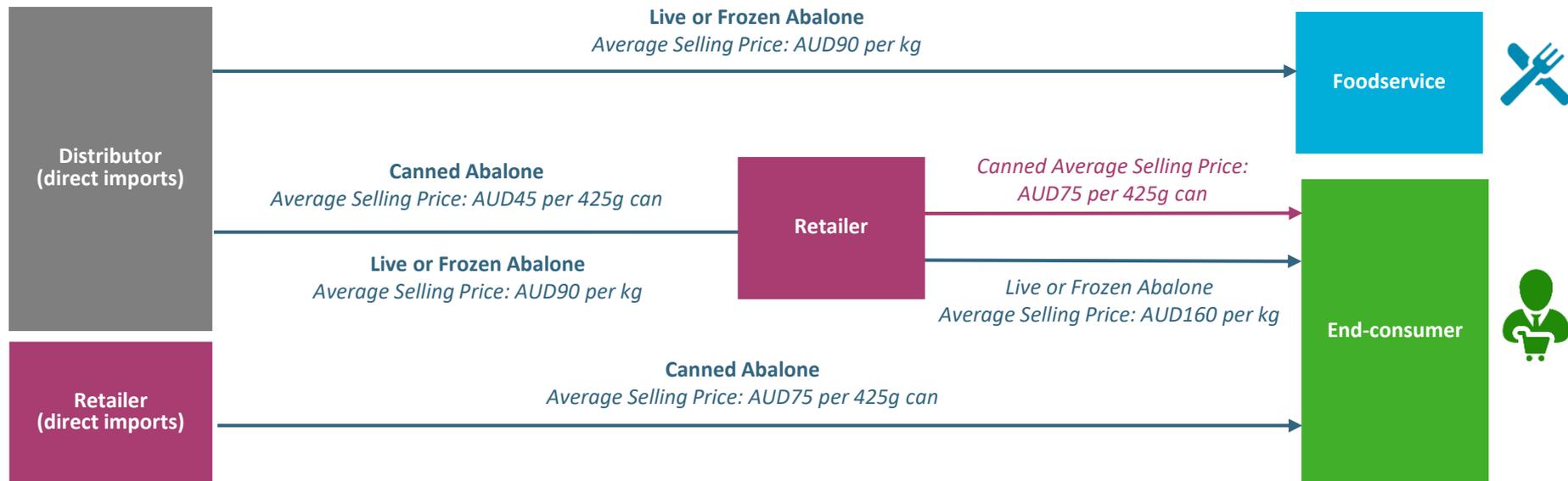
Pricing

In 2020, the overall average retail price for all abalone, excluding live abalone, in the US was about AUD110 per kg, while canned was about AUD75 per 425g can.

Seafood markets, where more fresh and frozen abalone appears, were 10-30% more expensive than Asian markets, while online prices were seen to be 30-50% higher, often with overnight shipping included.

Abalone can be imported directly by retailers or bought through wholesale/distributor supply chains; some distributors also sell direct to consumers via e-commerce

Imported Products Supply Chain



Source: Euromonitor International estimates as per trade interviews

Note: Average selling prices include tariffs and local taxes, eg retail taxes

Removing live abalone from this positioning, Australian compares to the overall average retail price of all others (AUD110 per kg) at AUD105 per kg

Canned

Fresh/Frozen

Live

Price Competition

- The market **price of canned abalone depends on country of origin** and stands between AUD51 and AUD182 per 425g can while the overall average is about AUD75.
- **Chinese and Chilean brands are at the low end, price-wise**, at about AUD51 per 425g can while wild-caught Mexican abalone, available seasonally, is the most premium at AUD182 per 425g can.
- The US abalone price compares at AUD68 per 425g can.

- The market price of fresh or frozen **sliced abalone** ranges from AUD16 to AUD41 per 56g slice, with an overall average of AUD25.
- Chinese abalone at AUD16 per 56g slice was at the low end while Mexican abalone was priced at the high end at AUD41.
- US abalone is the most common sliced abalone priced at about AUD25 per 56g slice.

- Subject to seasonal availability and market pricing, live abalone from US supply was seen to range from AUD74 per kg to AUD247 per kg, with an average of AUD160 per kg.
- Live abalone is available from online retailers and select ethnic or fish markets. Prices can vary depending on the proximity of shipments and seasonal demand.

Australian Brands Price Positioning

- Australian brands averaged AUD69 per 425g can, premium to Chinese and Chilean products and comparable to US products.

- Comparable Australian abalone is about AUD26 per 56g slice, premium to Chinese and comparable to US products.

- Live Australian abalone is not available in the US due to time and distance limitations.

Competitive Environment

A diverse array of seafood importers, wholesalers and distributors supply the niche US abalone market to foodservice and retail customers where consumption is focused.

A mix of broadline and focused distributors address market with low product awareness, but with favourable disposition towards Australian products

Supplier	Importance*	Unique Value Proposition
Giovanni's Fish Market	1	<ul style="list-style-type: none"> National distributor of fresh California abalone and imported wild-caught fresh Mexican abalone under own label. Ships nationally via overnight carrier.
Southern Rock Lobster USA	2	<ul style="list-style-type: none"> Exclusive importer and distributor of Australian Yumbah Abalone. Distributes to retailers, wholesalers and downstream distributors servicing local market demands.
Wing Fung Hong Ltd	3	<ul style="list-style-type: none"> Regional distributor of dried and canned abalone (Best Gift, Calmex, Mandarin Royal, Precious brands)
Ocean Floor Inc	4	<ul style="list-style-type: none"> National distributor of wild-caught Mexican abalone, whole fresh frozen without shell; stripped, trimmed, pounded and tenderised vacuum-packed steaks. Works closely with fishing industry cooperatives to ensure quality and sustainability.
Catalina Offshore	5	<ul style="list-style-type: none"> National wholesale and retail distributor of wild-caught and farm-raised Californian abalone: live; whole without shell; stripped, trimmed, pounded and tenderised.

Source: Euromonitor International estimates

Note: *Importance/ranking based on observations made during store audits and product offering at location. It is not viable to derive market share as retail supply of abalone is highly fragmented

Premium products meet niche market requirements for fresh, premium and ethnic solutions; increasing awareness will expand their appeal

Abalone Steaks “Wild” from Giovanni’s Fish Market



Premium tenderised abalone steaks

Wild abalone from Baja California with most of the preparation work already done.

Shipped nationally by overnight carrier, the product is offered as 2oz steaks standard, or 4oz as an upgrade. Storage, preparation, and handling recommendations are provided for worry-free purchasing.

Yumbah Australian Abalone from Southern Rock Lobster USA



Premium Australian

As the exclusive supplier of premium Yumbah abalone from Australia, the supplier is a leading advocate of the premium perception of Australian abalone. Acting as a wholesale supplier to downstream distributors and retailers, the supplier provides open communication to solve distribution challenges and opportunities.

Mandarin Royal Abalone from Wing Fung Hong Ltd



Authentic Chinese

Wholesale distributor and retailer supplier of traditional Chinese foods especially in the New York City area. Maintaining links to Hong Kong the supplier uses its 30 years of trading experience to ensure supply of premium products to satisfy varied local requirements across the famous China Town area.

Import and Trade Regulatory Landscape

Abalone's new positioning on the Seafood Import Monitoring Program (SIMP) has increased import regulations to the US. Western coast ports control the majority share of abalone imports as they provide close proximity to foreign importers and popular consumer base.

Recent increase in abalone packaging and labelling requirements provides importers clear rules to follow when importing to the US



Packaging Requirements

Quality of product and transportation hygiene is needed to ensure customs clearance of product

- The Food and Drug Administration and the National Marine Fisheries Service (NMFS) have put into place **the Seafood Inspection Program** to help further ensure that imported seafood is as safe as domestic seafood.
- Since price is often dependent on product quality, **it is critical to ensure that the product arrives in the best possible condition at its destination.** Live abalone require oxygen for their transport, while canned or frozen abalone may require dry ice to ensure frozen quality.
- These products must be prepared and handled in accordance with the appropriate sections of the General Principles of Food Hygiene, the Code of Practice for Fish and Fishery Products and other relevant Codex Codes of Hygienic Practice and Codes of Practice.



Labelling Requirements

Clear labelling requirements are needed to allow consumers full transparency of products when purchasing

- As per the US Customs requirements, abalone imports must be labelled with the following information in English:
 - **the specific species of abalone**, in a way that does not mislead the consumer
 - country of origin
 - labelled by weight, count, volume per package or count per unit weight
 - storage instructions and temperature that will maintain the product quality
 - durability or shelf life, indicating the date of minimum durability
- The Australia New Zealand Food Standards Code also requires all packaged food to be labelled with nutritional information on how much fat, protein, energy, carbohydrates, and salt is in the product. Labels must also show the percentage of key ingredients and all the main ingredients that may cause allergies.

Source: Euromonitor International as per US Customs and the International Trade Data System (ITDS)

Increased endangered species concern and further illegal commerce of seafood have led to abalone regulations increasing on foreign imports



Transportation Requirements

Type of abalone and distance of import require different modes of transportation for shipments

- Lead time from Australia to the US is dependent on the mode of transportation – **air freight being the quickest, but typically the more expensive option**. For live or chilled abalone shipments, as time is a major factor, air cargo tends to be preferred. Air cargo typically takes 2-8 days to reach Australia from the US. The average lead time for sea transport from a West Coast port to Australia can range from 36 to 44 days.
- Customs clearance is mandatory for every commercial freight. **Many companies choose to engage a freight forwarder to negate the chance of unnecessary delays affecting the shipment** and will ensure the consignment is compliant with shipping rules and regulations in the US and Australia.
- **Abalone may be transported state to state only when accompanied by a US customhouse entry certificate** – showing the place of origin and a certificate or clearance from the responsible government agency. This is to ensure that such shipment is made in compliance with the laws and regulations of the place of origin.

Source: Euromonitor International as per US Customs and the International Trade Data System (ITDS)



Documentation and Customs Processes

Endangerment of species has increased regulations for local and foreign import products

- **In 2018, exports of abalone to the US were added to the Seafood Import Monitoring Program (SIMP)** which establishes reporting and record-keeping requirements to combat illegal, unreported, and unregulated caught seafood from entering US commerce.
- **Under the SIMP, an International Fisheries Trade Permit (IFTP)** is needed. To get an IFTP, you must be a US resident – meaning foreign importers are required to have a company or individual in the US to get a permit on their behalf and act as their permittee. The Permittee must be listed as such on the US Customs invoice and, under the SIMP, will be the Importer of Record (IOR).
- Under the SIMP, extra information must be provided on imported shipments to the US. This includes evidence of authorisation to fish, vessel identifier, product form, quality and weight at time of landing, along with others. This is required for live, chilled, frozen, and prepared/preserved types of abalone.

West Coast ports provide the majority of imports for the entire market due to the proximity of trade partners

US Ports of Entry



America's Port - Los Angeles, California

The largest in the US and the busiest in the Western Hemisphere. A leading international gateway and key to trade between the US and Asia Pacific. The Port encompasses 7,500 acres of land and water along 43 miles of waterfront. As live and frozen abalone are most popular along the West Coast, this location is favoured among importers.

Port of Long Beach, California

Second biggest port in the US, with a stated goal of being the most environmentally-friendly port in the country. A gateway for trans-Pacific trade with Asia. The Port handles trade valued at USD170 billion annually and serves 175 shipping lines with connections to 217 seaports around the world.

Port of New York and New Jersey, Newark

The third busiest port in the US and the largest serving the eastern coast. The port runs along 650 miles of shoreline in the vicinity of New York City and north-eastern New Jersey, as well as the region's airports and supporting rail and roadway distribution networks. Canned abalone is commonly imported through this port, due to the distance from top importing countries.

In December 2018, abalone was added to the Seafood Import Monitoring Program for the US. This established reporting and record-keeping requirements to combat illegal, unreported, and unregulated caught seafood from entering US commerce.

50%

of abalone imports to the US accounted for by these ports combined in 2020

Strong US-Australia relationship allows for duty-free shipment of abalone

USA Tariffs & Quotas



HS 030781: Abalone - Live, fresh or chilled, even in-shell

0%

Standard Tariff Rate

0%

Preferential Rate (FTAs) for Australia and Others

HS 030783: Abalone - Frozen, even in-shell

0%

Standard Tariff Rate

0%

Preferential Rate (FTAs) for Australia and Others

HS 030787: Abalone – Smoked, dried, salted or in brine

0%

Standard Tariff Rate

0%

Preferential Rate (FTAs) for Australia and Others

HS 030789: Abalone – Smoked, frozen, dried, salted or in brine

0%

Standard Tariff Rate

0%

Preferential Rate (FTAs) for Australia and Others



Australia-US Free Trade Agreement

In May 2004, the US and Australia signed **the Australia-US Free Trade Agreement (AUSFTA)**. Under this, 99% of Australian-origin goods, including abalone, are allowed to enter the US at preferential rates of duty.

Under the agreement, both parties agree to share information to combat illegal trans-shipment of goods. In addition, the agreement contains language designed to facilitate the rapid clearance through customs of express delivery shipments.

Source: Euromonitor International as per US International Trade Commission and WTO

Opportunities and Challenges

Market development efforts to raise awareness of abalone should be a priority for suppliers to grow consumer familiarity and increase retailer engagement with the category. Growing ethnic foodservice diversity and increasing confidence with seafood at household level provide complementary platforms to legitimise such efforts and should help to secure the cooperation of thought leaders, influencers and chefs.



OPPORTUNITIES

Consumers are eager for something new

- Abalone has minimal presence in the US. However, **US consumers are increasingly interested in international cuisines** that provide new and unique experiences.
- An explosion of choice and strong interaction with social media and enabling platforms like YouTube have **increased Americans' engagement and confidence with seafood.**
- **Growing ethnic foodservice activity continues to raise awareness** and broaden the scope of foods that Americans will consider. Abalone's position as a premium regional delicacy legitimises its potential for further development.
- **Affluent consumers, due to abalone's high price, are the most apparent market entry point.** Access to premium foodservice, where abalone would be effectively used and presented by skilled restaurant chefs, provides a vehicle to reach key influencers to help build awareness. Engagement through social media to educate and boost abalone as a premium new experience would accelerate such initiatives.
- Australian products, with high levels of consumer recognition, have a competitive advantage in developing this market.



CHALLENGES

Low awareness and a variety of alternatives present headwinds

- **Consumer awareness of abalone is low and generally limited** to either ageing Americans who can recall the robust fisheries from decades ago, or those affluent Asian households that have a tradition of abalone consumption.
- **Abalone is expensive in comparison to other fish types,** making experimentation by new users more risky.
- The availability of live abalone from the US and Mexican sources is an extra **challenge for Australian growers, as they may be unable to provide equivalent products** due to the time and distance to engage premium foodservice.

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Thank you

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