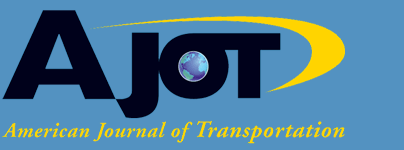
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**Alaska Seafood demand to North Asia**

**By Robert L. Wallack, AJOT**

Bering Sea Opilio snow crab catch reports of January show harvesting season well under way and within Total Allowable Catch of 66 million pounds. Alaska seafood producers are landing vessels at Unalaska, Dutch Harbor with higher value seafood destined for Sendai, Qingdao and Pusan ports. North Asia seafood consumers and processors are recognizing the value of the numerous fresh and frozen species of Pacific salmon, pollock, cod and crab from Alaska fisheries of the Bering Sea, Aleutian chain and the Gulf.

The Last Frontier’s icy waters transform the largest state in the union into a seafood lover’s paradise to produce over fifty percent of the United States’ seafood. The abundant and sustainable annual harvests of salmon, whitefish and shellfish species are renowned for “superior flavor and healthy for low in saturated fats and high in good fats: heart healthy omego-3s,”according to the Alaska Seafood Marketing Institute (ASMI). Alaska is the only state that wrote conservation laws into its Constitution. For any seafood species, once the quota is reached, then the season is closed.

Seafood is the leading export of Alaska. In 2010, total exports amounted to $4.2 billion of which seafood accounted for 44 percent of the total for $1.8 billion followed by mineral ores with 32 percent and energy with 10 percent. Japan, China and South Korea are the top export markets.

Dutch Harbor, Unalaska is situated on the southwestern most of the Aleutian chain between the Bering Sea and the Gulf of Alaska and a main international seafood port. Export services are provided for producers in a very competitive seafood system. Harvested seafood is mostly shipped frozen to Japan, China and South Korea from frozen seafood handling facilities in Dutch Harbor direct to those markets by APL, Maersk or Horizon Lines. Logistics service providers also arrange transshipments from Dutch Harbor vessel landings across the 2,048 nautical miles of the Gulf to Seattle, Washington for further processing, then to Sendai, Qingdao and Pusan ports.

Trawlers, longlines, and shell fish pot vessels are “little fish factories,” stated one transshipment service provider. Crab and salmon are hand stowed onto vessels bound for Seattle because they do not cube out. However, pollock is denser and the fishermen on their boats at sea “cut the pollock, process, place into 15 pound sleeves, package three sleeves into corrugated cases of 52 pounds each and place 60 cases on a pallet for loading into 40 foot refrigerated export containers.

Exports to Japan and Korea are large quantities of frozen Alaska pollock. Alaska pollock surimi exported to Japan from January through November, 2012 amounted to over 60 million kilos and for $141,986,075 in value of a total Alaska seafood export of $425,912,519. South Korea exports of Alaska Pollock surimi was over 43 million kilos for $140,961,425 in value of a total export of $331,058,634, according to the National Oceanic and Atmospheric Administration, Marine Fisheries Service. In Japan, surimi is processed further to make Kamaboko, a paste to be molded into loaves or artistic patterns, but not for sushi. In the U.S.A., Alaska pollock (whitefish) are found in popular branded products such as McDonald’s Fillet-0-Fish and in supermarkets for imitation crab packaged products.

Japan and Korea processing factories import Alaska seafood to China for the low wage labor and market opportunities. However, the processing industry in China is suffering because of lower sales to the European Union (EU), Japan and the U.S., higher labor costs and an appreciating Chinese Yuan, as well as Chinese import restrictions, according to an Alaska seafood freight forwarder. In the first three quarters of 2012, China processed and re-exported 821,800 tons of seafood worth $3.85 billion, a 9 percent drop in value from 2011. Shandong province (Qingdao port), Fujian and Guangdong are the top three in order of volume and value for all of mainland China’s fish and seafood exports, according to the Ministry of Agriculture, China in a December, 2012 report from the United States Department of Agriculture, Foreign Agriculture Service, Global Agriculture Information Network (GAIN).

The domestic consumer market in China is also an opportunity for Alaska seafood exporters. “Growing domestic incomes and changing lifestyles of average consumers is fueling demand for high value seafood species,” the GAIN report stated. These include lobster, crab, geoduck and cod. In fact, the U.S. Customs district, Anchorage, Alaska report through the eleven months of 2012 indicated 6,154, 384 kilos for $63,397,735 of frozen snow crab, over 29 million kilos for $91,338,179 of frozen cod and lobster (live, fresh, dried, salted, brine, frozen) exported to China amounted to 3,619 kilos for $76,213.

China experienced the largest increase of Alaska seafood exports in volume and value from 2007-2011 of 53 percent year over year change compared to 8 percent for Japan and 29 percent for South Korea. Total export values in 2011 were $938,681.2; $690,350.8; and $339,360.1 for China, Japan and South Korea, respectively. By comparison, EU exports changed 26 percent over those years for a total in 2011 of $797,601.8. Exports to all countries from Alaska totaled $3.263 billion, a 27 percent change, 2007-2011, according to the National Marine Fisheries Service.

Also, in China, there are changing eating habits and conveniences offered by more processed and packaged seafood over traditional live seafood purchases from local street vendors. In addition, the safety of local seafood varieties is in question by Chinese consumers after food safety incidences over the past few years in China. “Local consumers perceive imported products as safer and are thus willing to pay a premium for them,” based on the GAIN report. As a result of these market changes, hypermarkets and not just restaurants and hotel chains are export customers for Alaska seafood products.

Even though Alaska seafood exports travel 90 percent frozen by ocean container, there is “still demand for live, and fresh whole fish,” said an Alaska producer in a recent interview with the *American Journal of Transportation*. Air shipments are wheels up from Ted Stevens International Airport in Anchorage and from Seattle airport, yet “Alaska seafood exports face strong competition from Russia for most North Pacific species,” he said. Alaska Dungeness crab, king crab and snow crab can be flown to Guangzhou province, Huangsha wholesale market by importers, wholesalers and re-processors and over 60 percent of the U.S. seafood sold in the market comes from Alaska.

Alaska seafood exports to Japan, China and South Korea have good prospects, yet there is competition and a changing economic and regulatory regime. For decades the reputation of Alaska seafood built up good relationships with the Japan market and “our products are well established with consumers.” In China, there is “considerable potential in the domestic market, rather than simply as a reprocessing sector,” concluded Alexa Tonkovich of ASMI. For the Korea market, the U.S.-Korea Free Trade Agreement impact on fishery products is not evident and these tariffs may “have a few more years to reach the bottom,” Tom Asakawa, NOAA Fisheries Commercial Specialist – Asia, told *AJOT*.