



Markets, opportunities

The Abalone Farm, Inc. or AFI is a big player in the abalone market, very much like Shemberg's preeminent position in the seaweeds industry in the Philippines. AFI entered the abalone market in 1982, and has since successfully marketed at least six abalone products (see tables next page). In 1993, AFI distributed cultured abalone worth US\$2 million into the US, Canadian, Japanese, Hong Kong, and New Zealand markets. This value is roughly equivalent to what the whole of the Philippines exported in 1991.

The fishery statistics for abalone export-import worldwide are not well-organized into a format coherent to the industry, reports AFI's Frank Oakes. Below are the major consuming markets based on AFI's experience.

-MTC/APS



CHINA

Canned abalone

Mainland China is the largest consumer nation for abalone. Its consumption is almost entirely in the canned form which is not considered premium product in the Japanese and US markets.

The Chinese consider canned abalone as a item of prestige, often presented as a show of affluence or demonstration of respect. It is customary in banquets and feasts.

The strong traditions surrounding abalone consumption have created a stratified market," notes Frank Oakes, "and this is based on perception of the quality of brands and originating countries." At the top of the market is Mexico's CalMex brand (*H. fulgens*) and the South African abalone (*H. midae*). At the low end is the New Zealand Black Foot (*H. iris*). Prices of off-brands depend on the market's top brands.

The Chinese market is very compressed," reports Oakes, "with the premium canned prices limited by the buying power of the elite."

China has a commercial fishery, importing 800-1,200 tons annually to the US.



JAPAN

Premium-quality

Japan is the largest consumer of premium-quality abalone (live, fresh and frozen). But annual consumption has declined from 12,000 tons (1980-1990) to about 6,000 tons (1992). Still, interested abalone farmers can still learn about the premium abalone market from Japanese consumers.



US, Europe

*Abalone
steak*

To these consumers, appearance is as important as taste and texture. The most prized is the black abalone, ezo awabi or *Haliotis discus hannai*, which is one of the eight species native to Japan and is harvested from the Ezo Prefecture. (The native fishery is historically significant and highly valued as a cultural resource.) The cultural preference is so strong that smaller abalones, like *H. diversicolor supertexta* or tokobushi, carry a connotation of inferiority and sell at a large discount into weak and erratic markets.

But abalone farmers shouldn't despair. Abalone species that compare favorably in appearance and taste with ezo awabi can command premium prices, too. "AFI (was able to) provide a live abalone for the premium market at US\$32 per kg," reports Frank Oakes. The abalone are of more uniform size and cost lower per piece. It had reached the high-margin niches such as resort hotels and competed well with ezo awabi.

The traditional market is California where a commercial fishery exists until the early 1970s. It is primarily expensive, white tablecloth restaurants. Abalone meat is removed from the shell and sliced into steaks which are quite popular.

"AFI entered the market in the 1980s with abalone fillets prepared from 7.5 cm cultured abalone (*H. rufescens*)," Frank Oakes reports. "With the growing number of (Asian-Americans), demand has increased." This includes fresh abalone meat for sushi. Live cultured abalone also have a brisk market.

Europe is not yet a major market. Present demand arises from the traditional fishery for *H. tuberculata*. "The market is concentrated in France," notes Oakes, "but there is demand in the United Kingdom and the rest of Europe." The market is undersupplied and could be developed. The European abalone species are small (100 g) and aquaculturists can easily produce small abalones. Europe is a good region for future market expansion.

SOUTHEAST ASIA

Small abalone

The Hong Kong market is the largest and most established. (Hong Kong acts as a gateway to the mainland Chinese market.) Lucrative markets also exist in Taiwan, Singapore, Thailand, and other metropolitan centers.

"As Asian affluence increases, these markets will become more important," Frank Oakes notes. "The influence of China and southeast Asia will be significant in determining the location and product concepts best suited for future production sites."

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REFERENCE

FR Oakes and RD Ponte. 1996. *The abalone market: opportunities for cultured abalone.* **Aquaculture** 140: 187-195.

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Supply and price structure of major abalone-producing countries [estimated by F Oakes, Aquaculture 140 (1996): 187-195]. Roughly 80% of these abalone products are consumed by Japan, China, and some southeast Asian countries. The rest go to the US, Mexico, Europe, and Korea.

	Species	Yearly supply(tons) ¹	1993 price (US\$ per ton) ²
Japan	<i>Haliotis discus</i> <i>H. discus hannai</i>	4,000	66,000
Hong Kong	<i>H. diversicolor diversicolor</i> <i>H. diversicolor supertexta</i>	567	22,200
USA	<i>H. rufescens</i> <i>H. carcharoides</i> <i>H. sorenseni</i> <i>H. fulgens</i>	350	25,000
Mexico	<i>H. fulgens</i> <i>H. rufescens</i> <i>H. cracherodii</i>	2,000	24,000
South Africa	<i>H. midae</i>	600	25,000
Australia	<i>H. laevigata</i> <i>H. ruber</i> <i>H. roei</i>	6,300	21,850

¹Whole body including shell. ²Calculated as: Live weight (LW_i) × 0.38, meat weight; LW_i × 0.28, steak weight; LW_i × 0.34, canned weight; 1 can = 750 g LW_i. US\$1 = Mex ₱3.1 = AUS\$7.7 = HK\$7.7 = ¥135

Products derived from *Haliotis rufescens* cultured at The Abalone Farm, Inc. and their target markets [by F Oakes, Aquaculture 140 (1996): 187-195]

Product	Size ¹ (grams)	Market	Product use	Customers
Live (ezo quality)	100-110	Japan	sushi, sashimi	hotels, resorts, restaurant
Live (tokobushi)	85-100	US, Hong Kong	grilled, steamed	distributors, restaurants
Live petite	75-85	US, Hong Kong	traditional Asian cuisine	specialty seafood, distributors
Premium fillet (fresh/frozen)	85-100	US, France	traditional US restaurant cuisine	restaurants, specialty seafood distributors, retail sales
Petite fillet (fresh/frozen)	75	US, France	restaurants, traditional European cuisine	restaurants, institutional food service, retail sales
Processed whole foot (canned)	65-95	China, Hong Kong SE Asia		restaurants, institutional food service, supermarkets, retail sales

¹Whole body weight including shell.