2021 Industry Report:
Lobster
Executive Summary

Supply and Export

- Homarus Americanus or American lobster made up 65% of world lobster catch in 2019. This is the most dominant commercial lobster species. It is mainly found in Canada and the US.
- Global trade of lobster can be broadly categorized into:
  - Frozen Homarus lobster, mostly from Canada to the US
  - Live Homarus lobster, mostly from Canada to China
  - Frozen rock lobster, mostly from Brazil to the US
  - Live rock lobster, mostly from Australia to China before 2021
  - Processed lobster, mostly from Canada to the US
- Canada is the world's largest lobster exporter, and had a market share of 40% of both Homarus and rock lobster exports in 2020.

Demand and Imports

- Lobster imports in 2020 were battered by Covid-19 restrictions, but made an astonishing recovery in 2021.
- After a ban on Australian lobster imposed by China from the end of 2020, Australia had to turn to other markets. China's imports of lobster from Canada jumped to make up for less lobster coming from Australia

Recent Developments

- Canada and the US's lobster industries have seen amazing growth in 2021, after it was battered by Covid-19 throughout 2020. Demand from the US, the world's second-largest importer has been much higher throughout the first 3 quarters of 2021. This came after the retail demand for lobster increased while restaurants were under lockdown. Retail demand remained strong when restaurants reopened, resulting in record demand.
- The value of Chinese lobster imports in the first 7 months of 2021 is 22% higher than over the same period last year.
- Concerns that more lockdowns loom over Europe mean the lobster industry will remain jittery.
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Part I

Lobster Product Information

1.1 Lobster Habitat and Fisheries
1.2 Lobster Life Cycles and Protection
1.3 Lobster Fishing
Part. I

Lobster Product Information

Lobster Habitat and Fisheries

- There are more than 149 species of lobster as classified by the FAO. Many of these, however, are not of interest to fisheries. FAO's Globefish holds detailed records for catchments of 40 different species of lobster. Of the species that are caught American lobster (Homarus americanus) makes up more than half.

- A more practical way is to divide lobsters as follows:
  - Homarus or True lobsters, species: Homarus spp.
  - Norway lobster, langoustine or scampi, species: Nephrops norvegicus
  - Rock or Spiny lobsters, species: Palinurus spp., Panulirus spp., Jasus spp.
  - Slipper lobsters, species: Scyllarus spp.

- Of the 4 categories above, Homarus, Norway, and Rock lobsters are of real commercial importance. Homarus and Rock lobsters compete in the same market. Norway lobsters do not compete in the same market. While the word “lobster” refers to a wide range of crustaceans, Norway lobster does not directly compete with Homarus or Rock lobster in the food industry.

- This report will only focus on Homarus and Rock lobsters.

Lobster Life Cycles and Protection

- Lobster habitats are distributed around the globe, but different species live in different habitats. American lobster (Homarus americanus) make up the bulk of commercial catchments and are located in a comparatively small area around the northeast coast of the US and the east coast of Canada.

- Lobsters prefer rocky sea bottoms where they can hide after their annual molt

- The general habitats of nearly all species of lobsters have been identified, but they move around inside these areas. Water temperatures, conditions, and the food they feed on all play a role in where they are at a specific moment

- During summer lobsters are normally found in shallow water and this is
American Lobster (Homarus americanus)

- From egg to legal catchment size of Homarus Americanus takes roughly 6-8 years.
- Lobsters are protected to ensure populations do not decline or wild populations become unsustainable. While each country and even each fishery within each country have its own rules and regulations, the governing guidelines are mainly focused on regulating:
  - The size of lobsters
  - Catchment quotas
  - Lobster fishing seasons
  - Returning egg-carrying females
Lobster Fishing

American Lobster (Homarus americanus)

- Lobsters are caught with lobster traps, which are sunk to the bottom of the fishery. Inside the trap, a bait bag, filled with bait attracts the lobsters. They enter the so-called “kitchen” through entrances in the trap. When trying to find their way out, they will enter the “parlor” where they are trapped. An escape vent makes it possible for smaller lobsters to escape from the trap.

- Lobster traps are hooked up to warp lines which allow for multiple traps to be dropped to the sea bottom at the same time.

- When these traps are winched in and loaded on the boat, the lobsters go into a holding tank on the lobster boat. Seawater is pumped through the holding tank for the duration of the time the lobsters are kept in the tank.
Part II

Global Market Dynamics

2.1 Lobster Landings
2.2 Exports
2.3 Imports
Most lobsters catchments are American Lobsters (Homarus Americanus) and 65% of all lobster catchments in 2019 were Homarus Americanus. Homarus Americanus is exclusively found in the northeast coast of the US, concentrated around the state of Maine, and the east coast of Canada, around Nova Scotia. As a result, Canada and the US are two key players in the lobster industry.

Spiny or Rock lobsters have a wider habitat range, but have a much smaller market share than Homarus lobsters.

Chart 1. Lobster catchments according to species.

Lobsters are mostly sold cooked and frozen, cooked and chilled, live, and prepared and preserved lobster meat. The HS Codes and the values at which they are traded are as below.

Table 1. Lobster export.

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Description</th>
<th>Value of Exports 2020 (USD’000)</th>
<th>Unit Value In 2020 (USD/MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>030611</td>
<td>Frozen rock lobster and other sea crawfish “Palinurus spp.”, “Panulirus spp.” and “Jasus spp.”, even smoked, whether in shell or not, incl. rock lobster and other sea crawfish in shell, cooked by steaming or by boiling in water</td>
<td>$488,264</td>
<td>$23,892</td>
</tr>
<tr>
<td>030612</td>
<td>Frozen lobsters “Homarus spp.”, even smoked, whether in shell or not, incl. lobsters in shell, cooked by steaming or by boiling in water</td>
<td>$685,782</td>
<td>$23,864</td>
</tr>
<tr>
<td>030631</td>
<td>Rock lobster and other sea crawfish “Palinurus spp.”, “Panulirus spp.” and “Jasus spp.”, whether in shell or not, live, fresh or chilled</td>
<td>$770,306</td>
<td>$46,008</td>
</tr>
</tbody>
</table>
20,436 MT of frozen rock lobster was exported in 2020, at a value of USD 488 million. A large proportion of global frozen rock lobster exports comes from the Caribbean, however, there are many different suppliers, with 12 countries exporting more than 500 MT of frozen rock lobster.

19,254 MT of live rock lobster was exported in 2020, at a value of USD 770 million. Australia is the largest exporter at 42% of the global total on a value basis.

28,737 MT of frozen Homarus lobster was exported in 2020, with Canada making up 86% of global exports on a value basis.

94,789 MT of live Homarus lobster was exported in 2020, with Canada making up 54% and the US 31% of global exports on a value basis.

**Chart 2. Value of frozen rock lobster exports (USD ’000).**

**Table 1.** Source: ITC Trademap
Part. II

Global Market Dynamics

Chart 3. Value of live, fresh, or chilled rock lobster exports (USD '000).

Chart 3. Source: Tridge

Chart 4. Value of frozen homarus lobster exports (USD '000).

Chart 4. Source: Tridge

Chart 5. Value of live, fresh, or chilled homarus lobster exports. (USD '000).

Chart 5. Source: Tridge
Over the 5 years ending 2020, with the exception of live rock lobster, the value of all commercial lobster imports went down. On a value basis, for the 5 years ending 2020:

- Frozen rock lobster imports were up by 1% to USD 532 million
- Frozen Homarus lobster imports were down by 7% to USD 695 million
- Live rock lobster imports were up by 105% to USD 985 million
- Live Homarus imports were down by 3% to USD 1.398 billion
- Prepared lobster imports were down by 28% to USD 256 million

This is mostly due to the restaurant industries suffering under Covid-19 restrictions. Lobster is typically consumed in high-end restaurants, and as these restaurants were either closed or operating at limited capacity for nearly the whole of 2020, demand drop. The exception was demand from China, which remained solid. China’s market share of live rock lobster imports is more than 90%.
Part III

Developments in major producing and importing countries

3.1 Canada
3.2 The US
3.3 Australia
3.4 China
Canada dominates the global trade of lobster. In 2020, 40% of the total Canadian lobster export value is from the Rock and Homarus lobster variety alone. Canada exported 86% of the world’s frozen Homarus lobsters and 53% of live Homarus lobsters. Canada also exports around 90% of global prepared or preserved lobster, nearly all of it going to the US.

Canada exports only Homarus Americanus, commonly known as American Lobster. Most frozen lobsters go to the neighboring US, while live lobsters go to China.

Although the Covid-19 restrictions of 2020 pummeled the lobster industry, the recovery in 2021 was extraordinary, especially for frozen and processed lobster to the US. As restaurants closed in 2020, it was obvious that the demand for lobster would drop. However, retail sales of lobster increased and most of the supply was absorbed by the retail industry, especially in the US, Canada’s largest export market. When the restaurant industry reopened in 2021, the retail demand for lobster remained strong, and returning demand from restaurants came on top of that. In the first 3 quarters of 2021, the value of frozen lobster exports was an incredible USD 825 million, nearly double the USD 421 million for the same period in 2020. The same goes for processed lobster exports at USD 416 million in the first three quarters of 2021, compared to only USD 168 million over the same period in 2020. Canadian lobster exports were further helped by the ongoing political tensions between China and Australia.

Chart 7. Canada’s live lobster exports.

![Chart 7](source: StatsCanada, ITC Trade Map)
Part. III  
Developments in major producing and importing countries

Chart 8. Canada's frozen lobster exports.

Chart 9. Canada's processed lobster exports.

The US

The US lobster industry was hammered over recent years by the US-China trade war, environmental issues surrounding lobster fishing, Covid-19 restrictions and the subsequent drop in demand for lobster. This resulted in lower lobster landings for the three years ending 2020. 2021 has shown a remarkable recovery as retail and restaurant demand has been strong.
Developments in major producing and importing countries

The US is both the world's second-largest exporter and second-largest importer of rock and Homarus lobster. In 2020, the value of lobster exports from the US was USD 476 million, while imports were USD 1,026 million.

The US and Canada's Homarus lobster industries are intertwined, due to the geographical range of Homarus Americanus. In 2020, the US exported 18,569 MT of live Homarus lobster to Canada, and imported 22,191 MT of live lobster from Canada.

Live Homarus Lobster exports are by far the largest export category, and value from exports in 2020 was USD 427 million. The other categories (Frozen Homarus, Live Rock, and Frozen Rock Lobster) combined totalled only USD 52 million in 2020. Exports for the first three quarters of live Homarus lobster 2021 is already USD 428 million.

Chart 10. US lobster landings.

Chart 10. Source: NOAA


Chart 11. Source: ITC Trade Map
Developments in major producing and importing countries

The US imports nearly all its lobster from Canada, which means their imports are mostly Homarus Americanus and it is imported mostly frozen. For the first 3 quarters of 2021, the value of frozen Homarus lobster imports is a record USD 659 million, compared to only USD 304 million over the same period last year.


Global processed lobster trade is centered around Canada and the US. In 2020, Canada’s market share in global processed lobster exports was 91%, the US’s share in global processed lobster imports was 86%. Imports of processed lobster also smashed all records this year. The value of imports for the first 3 quarters of 2021 was USD 408 million, much higher than last year’s USD 165 million over the same period.


Australia, the world’s third-largest exporter of lobsters, has recently seen politics becoming part of its lobster industry. China ordered stricter inspections of lobsters from October 2020, which comes after a political
spat between the two countries. This led to a dramatic fall in prices. There was a workaround, however, as Australia diverted lobster exports to Hong Kong, from where it entered into mainland China. Prices, however, remained under pressure due to Australia losing its largest export market. There has also been a shift to exporting frozen lobster, as that is the preferred way for markets other than China.


The dynamics in China’s lobster industry were slightly different than the rest of the world. Their imports were less affected by Covid-19. In 2020, China imports mostly live lobster, and live lobster imports (Homarus and Rock lobster), was USD 1.35 billion. Frozen lobster imports were comparatively irrelevant at USD 5.33 million.

In 2020, live rock lobster imports made up 66% of live lobster imports. Australia made up 34% of live rock lobster imports and 23% of total live lobster imports. Canada made up 76% of live Homarus imports, and 25% of total live lobster imports.

Chart 15. Value of China’s live homarus and rock lobster imports.
In the first 7 months of 2021 the composition of imports changed dramatically. From month 1 to 7 of 2021, live rock lobster imports were only 46% of live lobster imports. There have been no imports from Australia. Canada made up 43% of Chinese imports over this time period. The ban on Australian lobster pushed prices of rock lobster down in other countries, while the prices of rock lobster increased in China. Demand switched to Homarus lobsters from Canada which were cheaper.


![Chart 16](chart16.png)

**Chart 16.** Source: ITC Trade Map

Chart 17. Value of China’s live homarus lobster imports.

![Chart 17](chart17.png)

**Chart 17.** Source: ITC Trade Map
Sources

Pressherald, At 'Lobster Hack,' crowd takes in-depth look at building a better lobster trap

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FAO, GLOBEFISH - Information and Analysis on World Fish Trade

NOAA Fisheries, American Lobster

FAO, GLOBEFISH - Information and Analysis on World Fish Trade
Tridge is a Global Trade Ecosystem in the food and agriculture industry that combines professional network and data intelligence and makes trustworthy and sustainable cross-border trades possible. We create and provide a very unique and powerful global-scale platform for buyers and suppliers to be connected and do business with each other more confidently and seamlessly.

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For more information visit: tridge.com

For more information call: +82 2 6674 5500

Sales:
enterprise-sales@tridge.com

Intelligence:
intelligence-solutions@tridge.com