

Lobster: markets and trade

Supplies are likely to tighten a bit in the near future, which would bring prices back up from the very low levels in July 2024. The long-term outlook for the lobster market is very optimistic, but again, supplies may become a big problem if demand is to be satisfied.



Supplies

Over the years, lobster landings have increased relatively steadily, but they seemed to stagnate after 2010 at a level of around 300 000 tonnes. Of this total, Canada accounts for no less than 100 000 tonnes (32.2 percent) and the United States of America for 57 540 tonnes (18.9 percent). The United Kingdom of Great Britain and Northern Ireland is the third largest producer with just over 10 percent of the total (32 217 tonnes).

The lobster resource along the coast of Norway is apparently in danger, leading the authorities to announce that controls during the lobster season, which started on 1 October 2024, will be intensified, and violations of the regulations will be severely punished with fines.

Markets

A recent study on the global lobster market gives a very optimistic view of the future. Estimating its value in 2023 at USD 7.6 billion, the research predicts that this figure will grow to USD 16.0 billion in 2032.

The study, which was undertaken by the IMARC Group in the United States, points out that a major driving force in the global market is an increasing consumer preference for seafood delicacies. There is also rising demand for processed lobster products like frozen tails and pre-cooked meat, a trend that seems inspired by convenience and global culinary preferences. While North America is the largest segment in the lobster

market, rapid growth is seen in the Asia-Pacific region, where factors like rapid urbanization and increasing middle-class populations play an important role.

The study also points out that the industry is facing challenges such as environmental sustainability issues; for example, overfishing and habitat degradation. Economic instability on some markets impact demand and pricing, too. Even so, the research is very optimistic about market developments over the next decade.

However, an analysis of capture statistics in the study for the past few years indicates that global lobster landings have fluctuated from about 326 000 tonnes (2019) to about 285 000 tonnes (2020). In fact, global landings seem to have stagnated since 2010. Therefore, unless the price of lobster is going to increase exponentially during the years until 2032, it is uncertain that the market will experience such dramatic value growth.

Furthermore, the global economy cannot be expected to grow considerably, and any decline will affect the market for luxury items like lobster. There are already signs of reduced consumption of seafood, which is probably caused by weakening economies and reduced purchasing power on the part of consumers, as well as rising prices for seafood in general.

The lobster market on the north Atlantic coast of the United States and Canada is heating up, and prices are climbing. About two-thirds of Canada's catches are landed during the spring season. In Maine, the season runs year-round, but most of the landings occur from July and

into the winter months with about 80 percent being caught between July and November. In 2023, total Maine landings amounted to just over 42 500 tonnes; in 2024, Maine landings appear to be about 25 percent below the low volume in 2023, pushing up prices.



Credit: FAO Globefish

Lobster is sold in global markets live, chilled or processed

International trade

Global lobster trade did not change much during the first half of 2024 compared to the first half of 2023. According to statistics, global imports increased by 5.3 percent to 78 491 tonnes, while global exports fell by 10 percent to 78 800 tonnes. All the major markets (United States, China and Hong Kong SAR) registered increases in their imports, while the major exporters (Canada, the United States and Egypt) all reported declines in their exports.

Imports from North America into the European Union fell by an average of 15 percent during this period. Supplies from Canada fell by 15.7 percent while imports from the second largest supplier, the United States, increased slightly.

In China, lobster imports during the first half of 2024 increased by 14.3 percent; Canadian supplies grew by a modest 5.7 percent while imports from the United States declined by almost 17 percent.

An increase was also noted for US imports of lobster during this period, up by 11.6 percent to 24 423 tonnes. As much as 86 percent of this volume came from Canada; in fact, the United States was the largest market for lobster from Canada, accounting for 55 percent of total Canadian exports during this period.

US exports, on the other hand, dropped by six percent to just 6 424 tonnes. Similarly, Canadian lobster exports during the first half of the year also dropped by as much as 17 percent, to 38 099 tonnes. This was caused mainly by a massive decline in exports to China, the volume of which dropped by 41.6 percent to 9 963 tonnes.

As of mid-September 2024, the Chinese import ban on live Australian rock lobsters remains in force in spite of statements by the authorities of both countries that it would soon be lifted, frustrating Australian lobstermen and exporters alike. In July, the Australian Prime Minister had stated that a solution was imminent, after his meetings with the Chinese Premier. The ban was imposed in late 2020.

Wholesale prices for live European (*Homarus gammarus*) and Canadian (*Homarus americanus*) lobsters shot up around Christmas 2023, when they hit an all-time high of USD 52 per kg. But since then, prices have dropped like a stone; in July 2024, the price for live Canadian 400-600 gramme lobsters dropped to just USD 23 per kg. This was 18 percent lower than the same month a year earlier and 56 percent below the highs noted at the end of December 2023. The reasons quoted include the high volumes of lobsters hitting the market, as supplies from both Canada and Europe have been good. However, there are signs that these supplies will tighten, which should push prices up again.

Outlook

Demand is strong in the leading markets (North America and China), but the present uncertain geopolitical situation may have a negative influence. The escalating war in the Middle East as well as the conflict in Ukraine will have an impact on consumption of luxury seafood.

Meanwhile, it is expected that lobster supplies will tighten slightly, which could probably drive prices back up, although not to the levels experienced at the end of 2023.

In the longer term, strongly increasing demand is expected, but supplies will most likely hover at around present levels. This could make the lobster market extremely lucrative.

Source: FAO. 2024. *International markets for fisheries and aquaculture products – Fourth issue 2024, with January–June 2024 statistics*. GLOBEFISH Highlights, No. 4-2024. Rome. <https://doi.org/10.4060/cd2936en>