



THE TIDE OF CHINESE TARIFFS

How Canada's seafood sector is navigating the market shortfall — BY TREENA HEIN —

In March 2025, China placed tariffs on some Canadian seafood products in response to Canada's tariffs on Chinese-made electric vehicles (EVs). This has had the expected — large and terrible — effect on fisheries on both coasts of Canada.

In addition to placing tariffs on Canadian fisheries products, canola, canola oil/meal, peas and certain pork products, China filed a complaint with the World Trade Organization against Canada's EV tariffs. However, the Chinese have offered to lift their measures if Canada does the same. University of British Columbia political science lecturer Dr. Stewart Prest has been following the developments and says it's hard to predict how these situations will play out.

"The Chinese government uses tariffs and the threat of tariffs against countries like Canada with products that are mainly dependent on sales to China," he notes. "It's a strategic move. There's a possibility of a negotiated solution, and hopefully it will happen soon. We have seen China and Canada work through the really serious 'Two Michaels' situation in the recent past and we saw some steps towards more renewed trade connection after that, but now we're in this trade war."

Industry impact

According to Megan Eadie, executive director of the B.C. Crab

Annual lobster sales diminished to approx. \$500 million this year for Nova Scotia due to the tariffs imposed by China.

Fishermen's Association, Canadian Dungeness crab is primarily sold as a live product and up to 90 per cent of the B.C. catch is normally exported to China. However, since March, Chinese orders sharply dropped off, crashing the price of crab.

"Over the summer, which is peak harvesting season, harvesters reported prices of roughly half what they were last year," Eadie explains. "In some areas, vessels are choosing not to fish instead of operating at a loss. Many of our small commercial fishing businesses are facing immediate financial distress, without sufficient buffers or alternative markets."

Overall, using monthly export data, Eadie reports that the value of Dungeness crab exports to China are down by nearly 60 per cent compared to the previous year. It was \$11.89 million in June 2024 and \$4.96 million in June 2025.

In addition to contacting the federal government to urge a deal that removes the tariffs, B.C.'s crab industry has also been working to pivot its markets. However, building up a new market for any product is, of course, a very slow process.

"We don't know if there is a market that could absorb anywhere near the amount of product that China does," adds Eadie.

As a nonprofit, her organization supports crab harvesters in fisheries management and keeping the fishery sustainable but has minimal resources for market development.

"We were previously doing some local marketing work, run-

ning the False Creek Crab Festival and collaborating on the B.C. Crab Festival, which we have continued. But we've also started on some international marketing," Eadie shares. "We've attended some international seafood expos to meet with buyers from other markets, and to understand market demand and our competition. We need to continue learning about other markets, building relationships and advertising Dungeness crab, but this work is expensive, so we need government support."

Lobster situation similar

Like Dungeness crab from Canada's West Coast, a large amount of the lobster harvested by Nova Scotia fishers is exported live to China.

"It's about 40 per cent," explains Kris Vascotto, executive director of the Nova Scotia Seafood Alliance. "Another 40 per cent goes to the U.S., and the rest to other Asian countries and Europe. Looking at live sales to China, during the months of April to August this year, we were down \$100 million. We were hoping for sales to the U.S. to pick up some of the slack, but that hasn't happened. There was a bit of demand recovery for China's autumn festival that takes place in October, but it's not much in the big picture at this point, and we are becoming concerned about replacement of lobster as a meal for special occasions in China, at home and at restaurants."

Vascotto explains that his industry has already worked hard to diversify its markets. About 12 years ago, approx. 80 per cent of Canada's lobster harvest was shipped live to the U.S. Prices at the wharf were low because American buyers knew they held the cards.

"So we started building the Chinese market for live lobster," says Vascotto, "but it's a broad impact across several other species. About 70 per cent of Nova Scotia's total catch sent to China is lobster, and the other 30 per cent shipped to China is surf clam, cold water shrimp, whelk, sea cucumber and cod. Due to the tariffs, sales of all of it are down. Yearly lobster sales alone are about \$500 million for Nova Scotia, so it's been very impactful to our local communities."

After the tariffs were announced, the lobster fishery sector looked immediately at other markets, but again, building up any market generally takes years. Vascotto notes that even if sales to the U.S., Europe and Asia-Pacific Rim countries increased by 10-20 per cent each, that makes little overall impact.

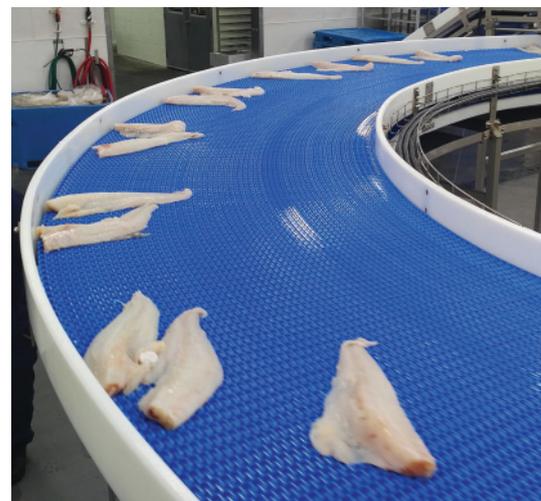
"We've tried to also build the processed lobster market here in Canada," says Vascotto. "Our lobster fishery gets going in October, mainly November, and we'll try to find markets interested in the product. We're hopeful that relations with China can be worked out. But if you look at its history of tariffs, it took four years for the Australian rock lobster situation to be sorted out."

Bob Creed, executive director of the P.E.I. Seafood Processors Association, notes that many regional exporters are still doing business in China, but "at the same time, our members are working hard to continue market development initiatives all around the world."



Nearly 20 per cent of Canadian seafood exports go to China. Plus, some categories like prawns and geoduck are almost fully exported to China.

Canada is forced to find new markets for seafoods due to tariffs imposed by one of our largest trading partners, China.



Innovating for new markets

The Canadian Centre for Fisheries Innovation (CCFI) in Newfoundland, owned by Memorial University, supports lab research and new product development for both farmed/aquaculture and wild-caught marine species.

Managing director Keith Hutchings explains CCFI initiates projects with industry players along the supply chain that can help meet consumer needs in new markets. This would include meeting food production and preparation standards for the seafood while aligning consumer cultural cooking norms as well as ensuring quality during transportation.

"As an example, we have had some preliminary discussions since the tariffs in March about product development project for lobster and have already worked with industry in exporting a high-end ready-to-cook cod, shrimp and scallop product," he says. "Europeans consume a significant amount of seafood so that's an important market to continue to examine and grow. Continued industry engagement and discussion on seafood product development will no doubt result in new company projects in current and new markets. CCFI will continue meeting industry requirements in processing, transportation, and packaging needs to grow export capacity." ●