Exporting squid and cuttlefish to Europe

Italy and Spain dominate squid and cuttlefish imports in Europe. Frozen squid and cuttlefish is the most traded type of product, however, imports of fresh and prepared squid and cuttlefish have been showing slightly higher growth in the past few years. Exporters of squid and cuttlefish should target specialised seafood importers who supply to either the food retail channel or food service channel.

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1. Product description

Squid and cuttlefish are both cephalopods. Squid belongs to the order of Teuthoidea and cuttlefish to the order of Sepiida. Octopus also belongs to the family of cephalopods. In Spain, squid is commercially referred to as calamar(es), cuttlefish is referred to as Sepia, and octopus as pulpo (or pota). When ‘squid and cuttlefish’ are referred to in this survey, this concerns the following Harmonised System 6-digit codes, unless stated otherwise:

- 030741 - Cuttlefish and squid, in shell or not, live, fresh or chilled
- 030749 - Cuttlefish and squid, in shell or not, frozen, dried, salted or in brine,
- 160554 - Cuttlefish and squid, prepared and preserved (excluding smoked).

Packaging

Packaging requirements differ widely between customers and market segments. Therefore, it is crucial that you discuss your customers’ preferred packaging requirements. Some general characteristics of squid and cuttlefish are:

Picture 1: Wholesale packaging with polystyrene tray, squid, 1 kilogram, Germany.

Picture 2: Wholesale packaging with polystyrene tray, cuttlefish, 1 kilogram, Germany.
Labelling
There are specific labelling requirements for fish sold in the European Union. In addition, under new rules that went into effect in December 2014 (Directive 1379/2013), labels must provide precise information on the harvesting, used fishing gear, and production of the products. This applies to all unprocessed seafood, as well as to some processed seafood, regardless of whether it is pre-packed. The information must be provided on the labelling or packaging of the fishery product. Or by means of a commercial document accompanying the goods.

Tips
- See our study EU Buyer Requirements for Fish and Seafood for more information about labelling requirements.

2. Which European markets offer opportunities for exporters of squid and cuttlefish?
Between 60-70% of squid and cuttlefish consumed in Europe is imported from countries outside Europe. The balance is left to Spain, France and Italy. European production remains relatively small in comparison with worldwide catches.

Imports
European imports of squid and cuttlefish increased by 0.4% per year on average between 2012-2015. In 2015, European countries imported a total of around € 1.3 billion worth of squid and cuttlefish (343,000 tonnes). This is 13% higher than the € 1.1 billion in 2014, as prices increased in 2015 (volume in 2014 was 344,000 tonnes). Imports of frozen squid and cuttlefish dominate the market with an 82% share (€ 1 billion, 285,000 tonnes). Most of the volume of frozen squid and cuttlefish is imported from outside Europe. Although hardly visible from Figure 1, imports of fresh and prepared squid and cuttlefish are increasing slowly but steadily.
Spain is the largest importer of squid and cuttlefish, followed by Italy. In 2015, Spain imported €401 million worth of squid and cuttlefish, which represented 38% of total European imports. Italy was in second place with €383 million (37%). Other important countries with large (but considerably lower) imports are Portugal (€57 million), Greece (€42 million), France (€38 million) and Germany (€27 million).

Leading suppliers
Spain, Morocco, India and Falkland Islands were the leading suppliers in 2015. Together, they represented 47% of the total European imports of squid and cuttlefish in 2015. Other leading
suppliers are China, France and Thailand. Developing countries dominate the supply of squid and cuttlefish to Europe (51%), followed by intra-European supply (37%) and the rest of the world (12%). Imports from developing countries was dominated by Morocco (€ 131 million), followed by India (€ 123 million), China (€ 94 million) and Thailand (€ 89 million).

Compared to 2014, Thailand and Morocco registered decreases of 15% and 1% respectively, while India’s exports increased by 23%.

Since 2013, every year a 45-day (overall) fishing ban on the Indian East Coast has been in place to prevent overfishing in India. As long as this fishing ban continues to be implemented, supplies from India will be structurally lower than the 14% share (by value) India had for many years. Because of the ban, since 2013 India’s share has been about 10% every year. For exporters in other countries, this can present opportunities to increase their supplies of squid and cuttlefish to Europe. Morocco and Spain particularly benefited from the declining supply of Indian squid.

**Tips**

- The TARIC database shows more details about import duties in the European Union, also for Chapter 0307 and 160554.

- If you want to access the Southern European markets, consider participating in European seafood trade fairs, for example CONXEMAR in Vigo (Spain). The European Seafood Exhibition in Brussels (Belgium) is another opportunity to showcase your products and meet potential buyers.

- The World Congress on Cephalopods may also be interesting for you.

- The reports on the global market for squid and cuttlefish of Globefish, which is a reliable source of information on the global fish trade from the Food and Agriculture Organization (FAO) of the United Nations (UN), gives you the opportunity to stay informed about the latest market developments.

**Exports**

Total European exports of squid and cuttlefish increased by 6% per year on average between 2011-2015. In 2015, European countries exported a total of around € 584 million of squid and cuttlefish. Intra-EU trade accounts for almost 95% of this value. Frozen squid and cuttlefish amounted to € 378 million, and mainly comprised re-exports to other European countries of frozen products originally imported from outside Europe. Exports of fresh squid and cuttlefish and prepared products amounted to € 132 and € 74 million, respectively, in 2015.
Spain is the largest European exporter of squid and cuttlefish (€ 307 million in 2015, 53% of total European exports). Other important exporters are France (€ 94 million), the United Kingdom (€ 41 million), Portugal (€ 37 million), Italy (€ 26 million) and the Netherlands (€ 21 million).

### Export destinations

The main destinations for European exports, per type, are the following:

- **Frozen squid and cuttlefish:** Italy (€ 160 million), followed at a large distance by Spain (€ 43 million), Germany (€ 25 million) and Portugal (€ 25 million).
- **Southern Europe, France and the Netherlands** are the main destinations for European exports of fresh squid and cuttlefish. In 2015, € 56 million of fresh products were exported to Italy, € 36 million to Spain, € 17 million to France, € 8 million to Portugal and € 4 million to the Netherlands.
- **Prepared squid and cuttlefish from Europe** were mainly destined for Italy (€ 220 million), Spain (€ 80 million) and France (€ 61 million).

### Tips

- The two dominant markets in Europe are Italy and Spain. If you want to do business with Spanish companies and promote your products, it is a genuine advantage if your sales officers speak Spanish and you have a website in Spanish. For Italy, English is sufficient.

- If you are already doing business in Spain or Italy and are looking for new markets in Europe, it is advisable to find out which importers in Spain and Italy are selling squid to other European countries.
Production
From 2011-2013, EU countries caught approximately between 110,000 and 125,000 tonnes of squid and cuttlefish per year. Spain caught more than 40,000 tonnes, France and Italy about 20,000 tonnes, Portugal about 10,000 tonnes and the UK between 7,000-9,000 tonnes. Between 2000 and 2006, EU catches varied between 140,000 and 160,000 tonnes; since 2006, annual landings have varied between 115,000 and 140,000 tonnes.

European squid catches account for only a small share of worldwide catches. Global squid landings have been relatively stable at around 3 million tonnes in recent years. China is the most important supplier, accounting for about 900,000 tonnes in 2015, followed by Peru (about 500,000 tonnes), South Korea (about 300,000 tonnes) and Japan (200,000 tonnes). Cuttlefish captures worldwide are much smaller, with between 300,000-350,000 tonnes of landings every year.

The lion’s share of locally caught squid and cuttlefish is sold and consumed as fresh product in Europe. Therefore, the impact of changes in squid catches over the years on European imports of (mostly frozen) squid and cuttlefish is negligible.

Consumption
The total European squid and cuttlefish market is estimated to be around 300,000-330,000 tonnes, of which about 75% is consumed in Spain and Italy. Although Spain has the largest per capita consumption of squid and cuttlefish, Italy is the largest market in absolute terms.

Frozen cuttlefish and squid are mostly sold in the food retail channel. Fishmongers hardly sell frozen products, but focus more on fresh and smoked fish. Part of the food retail sales in Europe is defrosted squid, sold as fresh or chilled product.

Tips
- As retailers are interested in broadening their range of seafood products, this could offer opportunities for squid and cuttlefish. Discuss with your buyers what squid and cuttlefish product innovations could be interesting in terms of entering the retail market.
- Developing country exporters will have the best opportunities by targeting importers that supply large retailers.

3. What trends offer opportunities on the European market for squid and cuttlefish?

Good market for convenience, value-added products
Barriers to consumers purchasing squid are the relatively high cost, lack of knowledge on how to prepare squid and not having enough preparation time. As consumers do not have sufficient knowledge of how to prepare squid (if not breaded) or cuttlefish, this will prevent them from purchasing fresh or frozen squid and cuttlefish products for eating at home. Instead, they have appreciated innovations such as breaded squid and cuttlefish products that only need to be heated in the microwave.

Tips
- Discuss with your buyers the options to offer more convenience to the customer, such as through the addition of recipes to the product package, to make consumers aware of how
to prepare squid and cuttlefish. Another option can be to offer ready-made products that are cooked or spiced.

- Product with high added value can be skin-packed to make the product more appealing for consumers.
- Importers that process the product usually carry out the breading. If you can supply breaded squid and cuttlefish, you can add more value to your product.

Surimi products from jumbo flying squid
In the period under review, an innovative technique has been developed by the Peruvian Institute of Fish Technology (patented in 2012) to produce surimi products from jumbo flying squid, a species that was difficult to market because of its sour taste and strong texture. Because of this technological innovation, demand for this squid species could increase in the short to medium term.

Higher future demand from Asian markets in the long term
Squid and cuttlefish are wild-caught species that are not (yet) farmed. As there is increasing demand for these products from Asian markets, while global supplies are relatively stable squid and cuttlefish is expected to become scarcer and more expensive in the long term.

Bleaching of seafood in Europe
The usage of hydrogen peroxide as a food additive in food products is prohibited in the European Union. However, in Spain and Italy, hydrogen peroxide is used as a processing aid to clean the seafood products. By using hydrogen peroxide, seafood products are bleached, making it look more attractive for consumers to buy. This is considered to be wrong labelling and consumer deception. In September 2016, it is still unclear what actions the European Commission will take.

What requirements should squid and cuttlefish comply with to be allowed on the European market?
Before you can sell to European buyers, you need to fully understand the European Union’s legal requirements that apply to your fish and seafood products. Understanding is the first thing, after which follows the route towards compliance. See our study EU Buyer Requirements for Fish and Seafood to better understand the legal requirements and also additional requirements that European buyers may ask from you.

Sustainability certification
Eco-labelled seafood products (or: sustainability-certified products) have quickly gained market share in several European markets in recent years. Countries in Western and Northern Europe (such as the Netherlands and Germany) are the leading markets for eco-labelled seafood. In the Southern and Eastern European markets, eco-labelling still plays a limited role. This also means that in the two leading European markets, Spain and Italy, most demand is for conventional squid and cuttlefish.

The following sustainability standards for captured seafood products in Europe are most relevant:

- Friend of the Sea (FOS): FOS is an Italy-based fisheries and aquaculture certification scheme. One Vietnamese company has certified handline squid and cuttlefish fisheries. Also, one line fishery in Chile is FOS certified.
- Marine Stewardship Council (MSC): The most important certification organisation for wild-caught fish products. It focuses on sustainable fishing practices with minimum impact on the environment. No squid or cuttlefish fisheries are MSC certified yet in 2016, which is
probably related to the challenge of certification for relatively small fisheries.

Tips

- See the [MSC Supplier Directory](https://www.msc.org) for a list of certified suppliers. The MSC website also offers detailed information on the process of certification and the potential advantages of MSC certification.

- Find out more about squid and cuttlefish fisheries that are already certified by [FOS](https://www.fos.org/) (go to ‘Fisheries’)

- See our [10 tips for doing business with European buyers of fish](https://www.fos.org/) and seafood and our [10 tips for finding buyers in the fish and seafood sector](https://www.fos.org/). These tips also offer more information on which topics are decisive for European buyers when searching for (new) suppliers.

- Relevant sources that may be helpful for you in gaining access to the European market are: the [EU Export Helpdesk](https://ec.europa.eu/growth/tools-databases/export-helpdesk/) to find information related to European requirements, tariffs, statistics and preferential arrangements and the [ITC Standards Map](https://www.itc.org/standards-map/) for standards.

4. Through what channels can you get squid and cuttlefish onto the European market?

Developing country exporters of squid and cuttlefish have two main options for entering the European market: 1) importers that supply food retailers and 2) importers that deliver to the food service channel. See our study [Market Channels and Segments for Frozen Fish and Seafood](https://www.fos.org/) for a general overview of channels.

The importers that supply to food service are usually different from the importers that supply to food retailers (but this is not necessarily always the case). Compared to food retail, the food service segment in Europe is rather fragmented. Only a few food service players operate on a multinational level and the food service market segmentation differs a lot from country to country.

This is less the case for food retail, where multinationals like Ahold, Carrefour, Metro, Tesco, Lidl and Aldi have operations across large parts of Europe. Still, the food retail landscape includes about 600 different supermarket chains. This indicates the large number of business opportunities in Europe. For food service, the number of chains is even (much) higher, indicative of the amount of business opportunities. Both channels in Europe sell fresh and frozen squid and cuttlefish.

Although the European market is no longer limited by internal boundaries, it is most obvious that if an exporter plans to target the largest markets in Europe, which are Spain and Italy, the focus should be on importers in these countries. Italian and Spanish importers know the local channels, food retailers and food service companies best. This direct orientation should be the same for France. But if you focus on the United Kingdom, Belgium, the Netherlands, Germany, Scandinavia and Central and Eastern Europe, it is better to target importers from Italy, Spain and France that supply these countries.

Traditional large consumers of cuttlefish and squid are ethnic communities that can be found in the large cities in Europe. These communities can be African, Asian or South and Latin American in origin. Developing-country exporters that want to avoid large accounts can also find opportunities in these markets. Although this trade involves smaller volumes, it also offers several benefits, such
as fewer cultural differences and less stringent food safety requirements (of course within the boundaries of European legislation in place).

Tips

- If you want to supply directly to the large food retailers and food service companies, you should try to get in touch with the larger importers that supply to these companies. If you can comply with their buyer requirements, including a competitive price, they will be able to market your products.

- Consumers’ preferences differ between the food retail and service segment, and the requirements of the segments are also different (think of, for instance, packaging type and size, portion size, appearance, et cetera). Cooperate with your buyers in order to fulfil the needs and requirements of their clients.

- A focus on importers that supply to ethnic food retail and food service channels can offer an interesting alternative.

5 . What are the end-market prices for squid and cuttlefish?

Consumer prices for squid and cuttlefish products in different European countries are presented below to give you an impression of the price level in Europe.

Table 1: Examples of consumer prices for squid products in 2016.

<table>
<thead>
<tr>
<th>Product</th>
<th>Price (€/kg)</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Squid in plastic container</td>
<td>13.79</td>
<td>Germany</td>
</tr>
<tr>
<td>Frozen whole squid</td>
<td>6.99</td>
<td>Portugal</td>
</tr>
<tr>
<td>Frozen squid in pieces</td>
<td>7.00</td>
<td>Spain</td>
</tr>
<tr>
<td>Defrosted squid</td>
<td>16.80</td>
<td>Italy</td>
</tr>
<tr>
<td>Cleaned squid in plastic container</td>
<td>9.95</td>
<td>Spain</td>
</tr>
<tr>
<td>Cleaned squid in vacuumed packaging</td>
<td>11.98</td>
<td>Italy</td>
</tr>
<tr>
<td>Cut squid strips in plastic bag</td>
<td>4.61 - 5.63</td>
<td>Portugal, Spain</td>
</tr>
<tr>
<td>Frozen squid rings without batter</td>
<td>6.60 - 9.58</td>
<td>Germany, Spain, Portugal, Italy</td>
</tr>
<tr>
<td>Frozen squid rings with batter</td>
<td>5.74 - 6.98</td>
<td>Germany, Portugal</td>
</tr>
<tr>
<td>Product</td>
<td>Price (€/kg)</td>
<td>Country</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>--------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Frozen squid tubes</td>
<td>8.88</td>
<td>Germany</td>
</tr>
<tr>
<td>Squid rings with batter in plastic container</td>
<td>26.61</td>
<td>France</td>
</tr>
<tr>
<td>Frozen whole and cleaned squid</td>
<td>7.49</td>
<td>Portugal</td>
</tr>
<tr>
<td>Frozen stuffed squid in plastic bag</td>
<td>13.50</td>
<td>Portugal</td>
</tr>
<tr>
<td>Grilled squid in plastic container</td>
<td>34.95</td>
<td>France</td>
</tr>
</tbody>
</table>

*Source: Globally Cool, 2016*

Table 2: Examples of consumer prices for cuttlefish products in 2016.

<table>
<thead>
<tr>
<th>Product</th>
<th>Price (€/kg)</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuttlefish</td>
<td>12.79</td>
<td>Germany</td>
</tr>
<tr>
<td>Defrosted cuttlefish</td>
<td>16.40</td>
<td>Italy</td>
</tr>
<tr>
<td>Cleaned cuttlefish</td>
<td>8.63</td>
<td>Spain</td>
</tr>
<tr>
<td>Cleaned cuttlefish in vacuumed packaging</td>
<td>13.85</td>
<td>Italy</td>
</tr>
<tr>
<td>Frozen whole and cleaned cuttlefish</td>
<td>10.00</td>
<td>Spain</td>
</tr>
<tr>
<td>Grilled cuttlefish in plastic container</td>
<td>34.95</td>
<td>France</td>
</tr>
</tbody>
</table>

*Source: Globally Cool, 2016*

Prices of squid and cuttlefish depend a lot on the variety: whether they are fresh, frozen, processed, whole, blocks with 20% glaze, strips, rings et cetera. An analysis of average annual European import prices gives a rough idea of prices paid by importers. It is shown in Figure 4. The squid and cuttlefish are divided into type, varying from fresh or frozen to dried or salted. The price level generally varies between € 2.8-4.8 per kilogram. Note that end-market prices (as shown in Table 1) are higher, as these have to cover many additional costs.

Fresh squid imported from outside Europe is most expensive, due to the high costs involved with this type of conditioned (refrigerated) transport. In addition, these imports are so expensive because the squid is imported in whole pieces, for example from Morocco or South Africa. Intra-EU traded fresh squid has a lower price level, because this primarily concerns European catches. Dried or salted squid has the lowest price, as this product is mostly of inferior quality. In addition it has some extra (low-cost) ingredients like salt and sugar, and can be transported without cooling.

The margins in the value chain vary a lot from low-end to high-end products. For low-end products, margins can be as low as 5% for each company, with a retail margin as low as 10%. For high-end products, these margins can be as high as 20-25% for fishermen and processors, and 100% for
importers and retailers.

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