

Shell Fish Market

Shrimp

So, why the significant spike in shrimp prices? Raw material shortages; due to EMS disease in Thailand, China and Vietnam; caused a shortfall in these producing countries and forced plants to bid against one another at home and abroad to keep the plants running where there now appears to be overcapacity due to the tight supply. Trade flows have changed so that not only is product moving to the consuming areas of the US, Europe, Japan, and more recently China but now also to the producing areas of Thailand, Vietnam, and also China for raw material. This frenzied global demand and constricted supply has caused the spike in shrimp prices.

The current market has seen Latin American white shrimp weak amid a sluggish demand, lower Central American offerings and discounting in order to stimulate demand. The undertone for the market appears steadier as inventories are depleted and current overseas offerings are generally reported firm and disconnected with the spot market.

The Asian HLSO white market has also seen some weakness of late and some limited discounting across all categories has occurred to maintain sales. Some of the weakness in the current market may be attributed to the likely build-up of inventories at the distributor level to guard against the shortages due to EMS and also a build-up of inventory prior to the imposition of the countervailing duties which were eventually nixed. The black tiger market has remained full steady amid a tight and limited supply with little expectation of relief in the short term.

The market outlook in 2014 is mixed; some anticipate a weakening market

at some point as high prices will spur greater production across the globe increasing the supply and pushing prices lower. However, it may be difficult for the supply situation to change in the seasonally low production period of Q1 and Q2. There is also concern that current high prices could lead to carry-over inventory into the 1st quarter of 2014 and beyond. But any outlook for the market is clouded by the specter of disease in addition to developing global demand that may provide a firm bias to the market.

Gulf and Pond Shrimp

Pond white shrimp: has continued to see market relief as demand has been slow in the last month. Despite low inventory levels on the entire shrimp spectrum, the desire to boost sales has played a larger factor as sales have been sluggish. The longer outlook on Latin American farm raised shrimp remains unknown at this time as most reports are only speculation. If other shrimp markets remain strong, there is a chance this market will stabilize once demand is back to previous levels.

White and brown shrimp: remain strong as inventory levels and raw material for processing remain low. With inventory levels remaining low heading towards the holidays and off season, the market hasn't shown any signs of weakening across all species and sizes.

Peeled white shrimp (PUD): has continued to be strong across the board, especially in larger sizes (larger than 90 ct. /lb.). Raw material for peeling is higher priced than earlier in the season, which results in a more expensive finished product. As global supply is limited end users seek alternatives to P&D shrimp, domestic PUD receives high demand and has

driven the market up.

Rock Shrimp: is being caught, but in very small quantities. Until this species is caught in higher numbers, availability will not be consistent and customers should consider alternative products.

Domestic P&D: is steady as production for the season is in full capacity. Inventory levels have been built for holiday usage and prices will remain intact until January. Demand continues to be strong on 31-35 ct. /lb. and this year that particular size is not very abundant. Supply will be tight, but is expected to be enough to remain in stock.

Crab

Snow Crab: Prices for the Canadian Snow crab remain at elevated levels going through the doldrums of the fall months and as expected this has resulted in slower than expected interest by traders. As such, current supply is projected to be more than adequate for the interim of the new 2013-14 season that will commence in January. At the moment, anticipation of lower prices is low as the new season quota was set at 54 million pounds, a reported 19% reduction from the previous year.

King Crab: The Bristol Bay Red King Crab quota has been set at 8.6 million pounds for the 2013-2014 season, which is approximately a 9-10% increase over the previous year limit of 7.8 million lbs.

Current fisheries are underway in Murmansk and Bristol Bay (USA), and it's reported that the fishing has been primarily focused on larger to mid-sized crab (6/9-16/20). Japanese interest is stated to be very strong due to the attractive price points.

New arrivals of Russian crab are not expected to arrive until after the November holiday, however early reports indicate the crab is smaller sized than historically. Current fisheries are underway in Murmansk and Bristol Bay (USA), and the fishing has been primarily focused on larger to mid-sized crab (6/9-16/20).

A combination of holiday demand and overall lack of production is expected to create an upsurge in pricing on small King Crab. It is suggested that those who need small crab buy now before availability gets worse as there is no anticipation for relief until at least May on small sized, and for browns until late March/April.

Right now the outlook on availability is projected to remain tight. Demand to date has been lackluster due to cost and sales which have been marginal at best.

Lobster

Warm Water: Prices remain steady at or above like sized N. Atlantics for now, but are at lower price points compared to the 2012 season. This niche market might adjust with arrivals of other WW tail supply, namely Nicaragua etc.

S. African tails have been slow, as costs have been high compared to other offering and species. H Tails remain the shortest on the market. Currently Oman tails are back in stock. However, costs remain high compared to other species of tails.

Cold Water: N. Atlantic Lobster prices have continued to firm. Shore prices continue to experience increases. Currently the large sized tails are short on the market and will not have adequate supply until Nova Scotia produces later this fall. If the landings pick up to normal anticipated levels there might be some opportunistic buys in the future but there is no guarantee.

Scallops

Prices and demand for large US and Canadian-landed scallops persist at elevated levels. The market continues to be amazed that buyers are not trading down to cheaper product. Inventories

for both Peruvian and Chinese bay scallops are reported as high, however demands remains static.

The supply of North America Scallops remains tight and prices continue to hold firm to rising. Production will fall noticeably as the fall and winter months get nearer. Most vessels have reportedly completed their allotted days at sea, thus processors do not anticipate any significant amount of inbound raw material until spring. Based on current demand, this may lead to some shortages on select sizes until the new season.

Fin Fish Market

Atlantic Cod

Atlantic cod continues to be a popular choice for consumers, most recently due to rising Haddock prices. Subsequently prices are firming and as imaginable is welcome news to both fishermen and processors alike. As suspected, the 2014 catch quota was set to be just nominally more than 2013. This is expected to lead to slightly higher prices as the excess raw material from the 2013 year has reached equilibrium as a result of increasing demand.

Pacific Cod

As with Atlantic cod, demand and supply continue to keep pace with each other and the result is a balance in supply and firming prices.

Haddock

All industry reports continue to state that there is no relief in sight for Atlantic haddock prices. Prices for headed and gutted (H&G) Barents Sea haddock have hovered at a 7 year high and surprisingly continue to increase. Quota speculation did come to fruition with the 2014 level being set lower than 2013. This reality is not expected to offer price relief anytime in the near future.

Pollock

The prices for headed and gutted (H&G) Russian Pollock are experiencing firming. The prices, along with the reduction in processing capacity as plants shut down en masse, were major talking points of the China Fisheries & Seafood Expo. The

Russian B season catch is reportedly poor and not much of the quota is left. Stocks of Pollock are very low for this time of year and subsequently, prices have bounced back up and continued to rise.

Grouper

Supply of both Mexican and Chinese origins remains ample due to stagnant demand. Over the last few weeks prices have softened but expect these to firm up later this fall as supply starts to dwindle.

Mahi Mahi

Mahi supply remains adequate and prices have been steady. Recent reports have indicated the La Nina weather patterns wreaking havoc for the Peru fishery increasing raw material prices. If this maintains itself has yet to be seen.

Ocean Perch

Despite the increase in quota for 2013, raw material prices have now started to increase. Reports indicate that price increases were inevitable as the lack of profitably from the excess supply situation this past summer was taking its toll on processors. Demand remains lack luster, especially in the prime market of Europe.

Tuna

Coming off a record season for high cost and short supply has many suppliers reportedly struggling with high priced inventory positions of which is anticipated to have a future rippling affect as inventories become aged.

To date, landings have continued to be plentiful overseas and this is resulting in a glut of inventory in the market and softening prices, possibly at the lowest level for the season.

Historically the weather in Indonesia turns adverse from October through March and catches decline. However the last few years out of Indonesia has not seen the season resume until late May.

In Vietnam, most long line fishermen have concluded the current season while hand-line boats will continue to fish slowly and wrap up in late December. Both will resume fishing in January and

positive landings are expected to recommence at this time.

Swai (Vietnamese Pangasius)

The market trended lower in September as record high imports in June and July caused supplies to prove ample. However, some importers have reported a shortage of raw materials overseas. As a result, prices offered to processors have firmed. This is speculated to translate into higher prices, but this remains unseen in the U.S. and the market will need to wait further for developments to unfold. The undertone in the U.S. for this market is generally mixed.

Tilapia

Tilapia prices continue to exceed a five-year-high and traders consequently struggle due to the lack of supply and rising replacement costs. Production shortfalls are being blamed on a number of factors, a glut of supply in 2012, adverse weather in mid-2013, and ever increasing cost of feed.

As a result of this perfect storm, many farmers did choose not to re-plant ponds the latter part of 2013, causing the availability to be strained. Industry reports currently speculate that relief may materialize as soon as Feb 2014, but others indicate perhaps as late as May. The increase in market price is expected to be attractive enough to draw farmers back planting ponds.

Zander

Production in Europe continues to be very poor; some are considering it a bust for this season. Expect prices to firm up over the next several months as we move into new season supply.

Domestic Lake Fish Market

Perch

To date, an astounding 1 million pounds of perch are left to be caught for the 2013 season / quota. There have been some strengthening in prices over the last few weeks compared to the lows recorded over the summer. Despite remaining catch, the supply is currently adequate for demand.

Walleye

Similar to perch, there is 1.2 million pounds of fish to be caught to finish up the quotas for the 2013 season. Current supply remains adequate for fair demand and prices have remained steady. The 2013 season officially wraps up December 31st but most boats will tie up before the Christmas holidays. There will be limited ice fishing over the winter months and the quotas will then be announced at the end for March 2014 spring and summer.

Whitefish

Whitefish continues to be very short on the market since the onset of the season this past spring. Current prices are expected to continue to be firm going through the fall. The overall lack of resources out of Lake Michigan, Lake Superior, and inland Canadian lakes has resulted in significant pressure on the supply. In addition Russia has made heavy pulls on H&G product from an already stressed resource increasing the overall costs of goods to the US.

Specialty

Frog Legs

Supply remains sufficient on frogs 4-6 and 6-8 sizes. Prices are expected to firm up due to a 30% decrease in Chinese production as well as currency appreciation.

Gator

To date, wild gator offerings have been rather limited and pricing firm. Whereas farmed gator has been sporadic, but is expected to be processed at least through January.

