



Seafood Insider

Shell Fish Market

Shrimp

The Latin American HLSO farmed white shrimp market is holding to a weak tone as sellers try to stimulate buying interest in a dull demand period. This situation is especially centered on 41-50 through 61-70 count. Replacement pricing is generally reported firm so the undercurrent is unsettled. Asian white shrimp in all categories remain steady to firm but steadier undertones continue to be noted. Black tiger shrimp also remains steady to firm, however supplies remain tight and slow to be replenished even at the higher replacement prices especially for the larger counts.

Gulf and Pond Shrimp

Pond white shrimp: saw relief in mid September as the CVD rates for Ecuador were reversed and the case was dismissed for all countries. This was some of the first good news for the shrimp market in many months. This recent news has had some buyers watching the market rather than the recent feeding frenzy that was taking place. The market out of Central and South America has leveled off as a result, but the limited supply and strong global demand has to change before any considerable relief can take place.

White and brown shrimp: continue to be strong. As we get further into the season the concern for suppliers to build their inventory for the off season will begin to be a key factor. The market strength has not allowed for this to happen yet which can play a large role in keeping prices heading upward. The gulf white and brown shrimp market continues to be strong with global supply issues on imports and solid demand in the US. The market is not expected to weaken prior to the holidays as inventory levels continue to be lean across the supply

chain.

Peeled white shrimp (PUD): continues to be extremely strong, especially in sizes larger than 90ct/lb. Import markets continue to be strong in this area and as a result the domestic peeled has seen additional demand. Suppliers have needed to peel additional shrimp from more expensive raw material to avoid being out of stock during the off season. Product will remain available; however the market will reflect the additional demand.

Rock shrimp: is being caught, but still in very small quantities. Reports from the fisherman specifically targeting rock shrimp have been extremely poor. Boats fishing Mexican waters normally see more of this species, which would start to trickle in around this time. Unfortunately this species is appearing to be even scarcer than it was last year. It is recommended that customers continue using alternatives until further notice.

Domestic P&D: remains fairly steady for the time being. Peeling is being done at full capacity as inventory is built up for the holidays. Demand continues to be heavier on our smallest size (31-35 ct./lb) which unfortunately hasn't been the primary size harvested. Look for this market to remain steady to firm as we approach the holidays.

Crab

Pasteurized: Thailand landings continue to be lower than expected and what the future will bring is now a waiting game. Philippines production and landings are also down, but this set back is due to a typhoon that swept through the area last week. Reports are optimistic that landings will improve as the recovery

persists. Indonesia is nearing the end of the low season which overall produced very little production. Depending on weather, landings are projected to improve between mid-October or as late as mid-November. All in all, if catches don't get better quickly, certain sizes will continue to be tight going into the holiday season.

Snow Crab: Newfoundland, Gulf, and Nova Scotia have wrapped up for the year. The new season has resulted in low inventories and consequently market prices have firmed up on all sizes. At the moment, prices are expected to remain firm until the new Alaskan season which typically begins in January.

King Crab: At the moment, inventories for larger sized bulk red king crab are ample. Demand is reportedly slower than expected and as such, there is some pending speculation that prices may soften as a result. Subsequently, industry recommendation is to buy only as needed on the 9-12 and 14-17 ct sizes. Conversely, inventories on the smaller sizes, 16-20 and 20-24 ct, remain difficult to secure and prices continue to be a premium level.

Inventories continue to be poor on large brown crab in the 6-9 and 12-14 size range. Whereas inventories for the mid range 14-17 ct and smaller sizes, with the exception of the 16-20 ct is adequate. Overall, expect future prices to firm over the next month on USA Brown Crab.

Lobster

Warm Water: New season for Brazil's began June 1st with first container arrivals in July. There have been some delays due to FDA holds. Prices are steady at or above like sized N. Atlantic

October, 2013

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 over the last few weeks as the landings have been poor and the market remains unsettled. 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

Due to increasing demand, Atlantic cod raw material is reportedly firming and subsequently prices have stabilized for the moment. This is welcome news to both fishermen and processors alike. To date, speculation persists that the 2014

catch quota will only be nominally more than 2013. If this holds true, prices will likely become even firmer, if not rise, due to increasing demand.

Pacific Cod

As with Atlantic cod, due to the demand vs. supply equilibrium being reached, the overall market conditions continue to experience stable to firming prices.

Haddock

All industry reports continue to state that no relief is expected for Atlantic haddock prices before the winter. The summer fishing was very poor and this resulted in secondary processors competing for raw material and driving prices upward. Prices for headed and gutted (H&G) Barents Sea haddock have hit a 7 year high and are continuing to increase; this has buyers scrambling to fill orders. At the moment, speculation is rife as to what the quota level will be set at for 2014. Relief on pricing is not expected until the winter, if it comes at all. Inventories of raw materials and finished products are very strained. Expect strong prices and short supply to remain for the next few months.

Pollock

There has been a lot of chatter in the market following the recent Marine Stewardship Council (MSC) certification of the Russian Pollock fishery. Sources are keenly looking for an impact on prices. At the moment, the short term focus is expected to shift from whether a product is certified as sustainable or not, to its quality and whether or not buyers want double frozen, or single frozen? In the longer term, the situation with prices will become more predictable; however expectations are that the prices will likely raise as a result of higher quality certification requirements. Additionally, there is expectancy that the Russian Pollock fisheries may see further consolidation leaving more quota in the hands of the larger fisheries and reducing competition.

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 and prices remain ample. New season will commence in late fall from Guatemala and will move down the coast to Ecuador and Peru in the latter part of 2013.

Ocean Perch

Despite the increase in quota for 2013, raw material prices have begun to settle now that the core fishing season is winding down. Processors continue to report that demand remains lack luster, especially in the prime market of Europe, and this is expected to keep prices stable for the foreseeable future.

Tuna

Landings have also been plentiful overseas. As a result, there is currently a glut on supply in the market and this is leading to some price softening as of late. However, the current equilibrium will likely become challenged as supply origins such as Indonesia and Vietnam are either wrapping up their current season or entering the low catch period due to impending adverse weather conditions. Overall, the expectation is that tuna supply and market prices will begin to tighten up the latter part of the calendar year.

Salmon

To date, the salmon market continues to experience unstable times due to numerous factors driven by mixed growth signals and this is causing recent industry reports to flip flop greatly on the issue. Some sources are indicating disappointing growth and excess supply, while others are indicating that Norway plant capacities are being stretched by increased production of both portion and value added products. Additionally, reports on Chile are pointing to debt & cash flow issues as well as increases in export demand on fresh salmon as being the cause for short supply and increased prices. All in all, the near term future for Salmon is expected to be in flux.

Swai (Vietnamese pangasius)

The pangasius fillet market remains steady with imports for May registering a record high for that month. May's figure showed an increase for the first time since March 2012. Despite the correction of duties released in May, the market in the U.S. has remained steady since the jump in prices seen in March.

Tilapia

Frozen tilapia prices ticked up to near five-year-highs as US importers wrestled with lack of supplies and rising overseas replacement costs. China's production woes are in part the result of massive 2012 buying when US importers jumped on a glut of cheap tilapia last summer that drove US imports up 65% compared with 2011. However, at the same time higher replacement costs have also been met with increased production costs namely with feed prices.

Zander

Production in Europe continues to be very poor. Most fishing is now stopped due to warm water temps. In particular, short supply situations are being reported on all smaller sizes: 20-40 gm, 40-60 gm, 2-4 oz and 4-6 oz. Although supply is reportedly stable at the moment, expect prices for European Lake Perch to firm up over the next several months as the new season commences in October.

Domestic Lake Fish Market

Perch

To date, industry updates confirm that well over half of the quota on perch has been caught for 2013. The predominate catch size this season has been the medium or Michigan size vs. the larger Ohio size (an estimate of 70/30). Additional supply is expected in October due to the heavy push for processing to prep for winter supplies to last till the spring. Expect prices to firm as we enter into the fall processing season.

Walleye

Similar to perch, the walleye quota is also reported trending at 50% caught. Typically, walleye fishing during the summer months lags as the warmer

water temps drive the fish to deeper waters. However, the moderate summer temps this year have contributed to higher than normal catch rates. To date, most of the catch is reported as 90% jumbos and 10% mediums. However, the fall fishing is expected to bring a higher yield of smaller prime sized fish and processors are hopeful that this class of fish will yield 50% jumbos and 50% mediums.

Whitefish

Whitefish continues to be very short in the market and remains especially tight on the highly desired 8-10 oz size. Consequently, prices are expected to stay firm going into the fall. The overall lack of resources out of Lake Michigan, Lake Superior and inland Canadian lakes is resulting in excessive pressure on the supply and heavy Russian exports of H&G are increasing pressure on the already stressed resource.

Specialty

Frog Legs

Supply remains sufficient on all sizes of frogs 4-6, 6-8, and 8-12 ct sizes. New season arrivals can be expected Sept/Oct; to date there is no indicator of new season prices.

Gator

Current inventories of wild gator are reportedly adequate as the new September season approaches. New season arrivals are expected around late Sept/early Oct. To date, there is no indication on supply or price expectation. Conversely, farmed gator supply is short and experiencing allocations. As with wild, expect new seasons arrival soon, however there remains no indication of supply or market price expectation.

