



Seafood Insider

January, 2013

SHELL FISH MARKET

White Shrimp:

Prices remain in stable mode for White shrimp. Industry reports continue to point to an increase in white supply next year. A main contributor is the increasing number of shrimp farmers transitioning to white production due to better yields. An increase in volume could be instrumental in equalizing prices between tiger and white shrimp.

Tiger Shrimp:

Tiger shrimp season has concluded and prices are anticipated to experience increases. Large shrimp, such as 13/15, 16/20 and 21/25 sizes, are reporting as plentiful in supply due to a low volume of orders. Smaller to medium sized (21/25, 26/30, 31/40, & 41 ct up) shrimp continue to experience firm and rising prices as well.

Domestic Gulf Shrimp:

Pond white shrimp supply out of Central & South America remains mostly steady, with some smaller sizes such as 51/60 & 61/70 having limited production. With sales lacking strength through the holidays, high inventory levels may draw markets lower.

Large brown shrimp catches have almost completely ceased; with U10 product accounting for less than 1/10th of 1% being caught today and U12's only making up 1%. Larger size headless white (10/15 & 16/20) is also very hard to come by and supply will be tight through to next season. With suppliers unable to build up their inventory, prices should react accordingly. Smaller sizes such as 21/25's, 26/30's and even 31/40's are also aiming upward as catch rates continue to be poor with the season end drawing near.

Peeled white shrimp (PUD) remain firm, however this market tends to have more volatility as we get closer to the Lenten season and supply is not abundant.

Rock shrimp continues to experience very short supply and prices remain firm as a result. The market for rock shrimp is far outselling what is being caught and supply is very difficult to come by.

Supply of domestic Peeled and Deveined (P&D) shrimp remains steady for the time being, but raw material prices are expected to increase in the coming months due to high demand for headless shell on product.

Crab:

Pasteurized: Industry reports continue to project that prices will remain firm and supply is to be satisfactory for the remainder of 2012. This equilibrium is expected to keep the market stable for at least the first few months of 2013. Typically demand is at its highest during the summer season due to operator seasonality.

Snow Crab: 8 and 10 ups remain tight to non existent at this time. Prices have increased on market to the levels at or above the previous year. Lack of supply (8 and 10 ups) continues to put added pressure on the next smallest size (5-8ct), as a result expect prices to firm. The Alaskan season quota for snow crab has decreased by approx 25% for 2013. Thus, relief is not expected on costs going into the spring months. This outcome has resulted in both supply and market prices firming for this size.

King Crab: Prices have been high for the large sizes of the legs and claws for most of this season. The quota for next year is unchanged at 7.834 million pounds. The holiday demand is expected to keep pricing firm to the new year.

Lobster:

N. Atlantic: Currently the market supply on N. Atlantic Lobster has settled in balance with demand and prices are showing signs of weakening. Overall, lobster demand continues to be in a slump due to its luxurious nature.

Brazils: With the exception of a recent short supply situation on prime size 6 oz, there is new delivered stability in terms of supply and stable prices. The future sales outlook remains positive heading into the New Year.

W. Aussies: W. Aussies continue to experience limited availability and prices remain high. S. African tails are recommended as a temporary substitution.



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Lobster:

S. African: Both supply and prices for S. African tails continue to struggle. The most desired H size tails remain highest in demand but the shortest in supply. This has added pressure to both supply and price on the next larger sized G tails.

Sea Scallops:

Domestic: Domestically, recent prices have started to rise. As of late, supply concerns are producing firm trading on domestic IQF Scallops. The supply anticipated from the fall/winter landings remains unsettled and this has contributed to the elevation in prices. Adverse weather is a considering factor to market pricing and current anticipation is that prices will rise slightly over the coming months.

Canada: The market for Canadian origin scallops remains steady heading into the winter months. However, similar to Domestic Scallops, the impending winter months do draw suspicion of rising prices. Overall landings continue to be reported as sufficient for demand. 30/40 ct scallops are projected to possibly experience limited availability.

Peru: Market reports continue to point toward limited supplies in the south and this is supporting the upward heaviness on prices. Adverse weather in northern Peru, (the primary for scallop handling), is attributed to be a contributing factor in the limited supply situation. Industry forecasts still point to elevated prices with limited availability.

Bay Scallops:

China origin bay scallop prices have been holding firm as inventories remain thin. New season is slated to commence in late November with first arrivals late Feb or early March 2013.

FIN FISH MARKET

Atlantic Cod:

Atlantic Cod prices have dropped \$0.05-\$0.10 lb over the past 4 weeks due to poor market conditions and a raw material surplus. There are confirmed offers in the market place of Atlantic Cod Loins that are at parity with Pacific Cod Loins. Prices for Atlantic Cod have been on a downward trend for the past 3-4 months. With a pending quota increase for Russian/Norwegian Atlantic Cod, processors are expecting prices to soften even more after Chinese New Year.

Pacific Cod:

Pacific Cod prices have remained stable to date, despite Atlantic Cod prices falling. Limited production capacity leading into the Chinese New Year is creating short term supply shortages that are helping maintain prices. However, with Atlantic Cod reaching parity in price, it is expected to result in pressure on future Pacific Cod prices and relief is anticipated for post Chinese New Year.

Haddock:

Prices for Haddock have been on an upward trend for the past few weeks. The price increase is partially due to production space being booked for orders to ship prior to the Chinese New Year break. The second part of the price increase is likely a result of the Joint Norwegian-Russian Fisheries Commission quota reduction. The 2013 quota for Haddock is set at 200,000 tonnes, which is 118,000 tonnes lower (37% reduction) than the 2012 quota. According to the press release from the Norwegian Ministry of Fisheries and Coastal Affairs, the Haddock quota has been reduced to prevent decline of stocks.

Secondary processors are reporting limited inventory of smaller raw material, which is predicted to create a shortage of smaller fillets and loins between the 3-6 oz ranges. American secondary processors are reporting increases in longline frozen at sea (FAS) Haddock raw material over the past 2 months. Chinese secondary processors are also reporting increases in raw material prices in the past two weeks.

Whether the price increases will persist into 2013 remains yet to be seen. Industry experts point out there are market pressures that may prevent further price increases and possibly could result in a downward pressure instead.



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Haddock:

Specifically, the increase in Atlantic Cod quota and the weak market for value added and H&G Cod raw materials. Asian processors will begin production in March 2013 and will be actively replenishing raw material stocks. Any significant market shift will occur soon after the market conditions and raw material supply conditions become clearer. It is reported that buyers should be cautious going into 2013.

Pollock:

Raw material prices remain stable. There are reported production shortages for Pollock and it is noted there are shortages of fillets in North America, especially 4-6 oz fillets. Processors are reporting strong sales in South America, North America, and European markets which will be instrumental in keeping prices stable until after Chinese New Year. Price will likely be less of a factor than availability from now until early March.

Grouper:

The demand for Grouper has been lack luster at best. Mexican and Chinese origin Grouper remain the primary sourcing areas as of late, but the Chinese origin has been highly unreliable in terms of consistent availability and this has been successful in keeping prices slightly elevated.

Mahi Mahi:

New season Mahi is around the corner. Sales have been slower than anticipated, which is likely due to increased costs. Industry experts do expect some softening on market prices as current stocks remain in sufficient supply.

Ocean Perch:

Raw material prices for China 2X frozen continue to experience very high levels. Consequently, higher prices have resulted in negatively impacting exports for processors as buyers seek lower price alternatives. Sales outlook is uncertain – it is likely that prices will remain high making Chinese origin Ocean Perch a less attractive protein.

New season inventories for Canadian origin Ocean Perch brought slightly lower pricing for the fall months. Recent industry speculation is now pointing to higher prices going into the first quarter of 2013.

Tuna:

Supplies have finally reached a better balance with demand and subsequently, prices are beginning to decline.

Salmon:

Both Norwegian and Chilean salmon continue to exhibit stability in terms of supply and prices. Demand for this popular species remains static and industry anticipation points to a quiet entrance into the New Year.

Swai: (Vietnamese Pangasius)

Vietnam pangasius raw material prices have risen slightly over the past week. Despite supply conditions that should be driving prices up, poor market conditions are preventing price strengthening on finished products. The biggest supply factor is reported to be the lack of capital for the farmers. Farmers continue to rely on short term loans to operate and thus creating a hardship for the industry. Another significant factor is the increase feed costs. Feed costs have risen 15-20 percent as a result of poor soy harvests, which have driven up soy prices. Feed accounts for 80% of the cost of a market ready fish. Further shortages are coming as fewer fish are being farmed and an increasing number of farmers are going bankrupt. Overall output is down in the first 10 months of 2012 by 2.2% vs. 2011 production during the same period.

Tilapia:

Market conditions and product availability are quickly changing as the Asian Lunar New Year break approaches. Tilapia raw material supply is becoming short as is production space for orders that are to ship pre-New Year break. Consequently, prices have risen slightly and fillet prices have resulted in increases between \$0.05-\$0.10 lb. Prices are expected to continue climbing until the end of January 2013.



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Zander:

Supply is reportedly satisfactory for current demand. Prices for the larger size pike perch have softened going into the winter months. Euro perch is expected to be very short on supply potentially through the spring season while the smaller zander in the 20-40 and 40-60 g sizes remain short on supply and firm in price.

DOMESTIC LAKE FISH MARKET

Perch:

Overall demand for Lake Fish remains fairly stagnate. High costs and severe lack of supply over the last 2-3 years are noted to be the primary causes for the significant decline in popularity. Yellow Lake Perch however is plentiful this season.

Walleye:

No news is good news for Walleye in terms of supply and/or price, of which both remain very stable. With the exception of limited availability on smaller sizes, namely the 4-6 and 6-8 oz, processors expect both prices and supply to remain status quo through the spring.

Whitefish:

Industry reports strongly feel that prices on Whitefish will remain elevated until the spring season. The lack of supply from the latter part of the summer season is attributed to be the primary factor. New season is expected to commence in May...although there will be some sporadic fishing in Lake Michigan and Lake Erie over the winter months if weather permits.

SPECIALTY

Frogs:

Currently there is good supply of 4-6 and 6-8 ct sizes, whereas the 8-12 ct size is awaiting FDA clearance. The new season arrivals are expected to become even more plentiful, however demand has yet to rebound due to the long term shortages. Industry reports indicate that delays are still a factor due to FDA sampling.

Gator:

Overall, farmed Gator supply continues to struggle and as a result prices are higher than normal. Processors are projecting better replenishment opportunities in December and January. Wild Gator supply has equalized, however prices remain elevated, but stable. Hurricane Isaac was a contributing factor on the harvest and ultimately the impact on supply.



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