



# Seafood Insider

June, 2013

## SHELL FISH MARKET

### Shrimp:

India: over the last several years has moved from black tiger production to white shrimp production with great success. Their exports continue to be centered on larger count shrimp in HLSO, easy peel, and peeled shrimp forms with very limited cooked shrimp production. To date, large white shrimp production in India seems to be on track and supplies are predicted to improve shortly.

Thailand: imports have been down significantly mostly due to EMS disease, however Thailand is confident that solutions can be put in place. But, until solutions can be implemented, the stocking of shrimp has been either intentionally delayed or densities are being lowered and thus, it is expected that Thailand production will not improve until the second half of the year. Thailand's white shrimp exports are mostly value-added with much of the product bound for the retail segment.

Vietnam: shrimp production has suffered from many of the same problems as Thailand. While still a very important black tiger producing country, Vietnam white shrimp are beginning to dominate and supplies of black tiger shrimp may increasingly be limited.

### Gulf and Pond Shrimp:

Pond white shrimp: are expected to show signs of weakening in the near term future. Product availability has somewhat stabilized due to weak demand and has made it difficult for packers to get the premiums they were seeking as of late. In an effort to boost sales, some suppliers have started discounting certain sizes in anticipation of fresh product arriving in the next six weeks.

White and brown shrimp: inventories have reached an all time low for this time of year on white headless ranging from U10 all the way up to 41-50ct. As a result, premiums are being paid by those able to find any product available for sale. The first portion of the new season has come and gone and as predicted, shrimp landings were primarily smaller sizes (40 and up). The major landings for larger shrimp are expected to take place starting in July when the second portion of the season opens to fisherman. Industry reports forecast that market prices will continue in an upward trend on larger sizes.

Peeled white shrimp (PUD): landings were favorable in the early portion of the new season. With healthy inventory levels prior to the new season, processors have room for negotiating prices down at the docks which should in turn soften the market in the coming weeks.

Rock shrimp: US inventories remain non-existent. As a result, premium prices are expected again this summer as suppliers will be looking to fill their freezers once product is available. At the moment, industry reports indicate an uncertain short term future for this species. Therefore, until further notice, consumers should consider using alternative products if possible.

Domestic P&D: continue to exhibit stability with the exception of premiums being asked for 31-35ct. Demand continues to be much heavier in this particular size range which has caused packers to seek out additional raw material for peeling. At the moment, this market is expected to stay moderately stable until mid/late summer when new raw material is processed.

### Crab:

Pasteurized: Market prices continue to exhibit signs of steadiness on all varieties. Offerings continue to be reported with normal supply on certain grades of meat.

Snow Crab: The landings of Snow crab out of Canada still reflect 56% left to be caught as of late May. Some regions have as much as 100% of the catch still in the water where as the prime gulf region is down to 44.61%.

King Crab: The market continues to be anxious and prices remain firm on most sizes. As a result, demand is shaky due to future price uncertainty.

### Lobster:

Warm Water: Prices remain stable on Brazil tails. New season begins June 1<sup>st</sup> with first arrivals of new supply in July. To date there has been no speculation on new season prices so these will remain to be seen. Sales have been marginal for 2013 partly due to the elevated cost of the WW tails compared to the Cold Water N Atl in the same time frame during 2013. Demand for S. African tails continue to falter due to higher costs compared to other offering and species. Popular "H" tails remain in limited to non-existent supply.



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### Lobster:

Cold Water: The N. Atlantic season is finally underway after a brief strike being offered to the fishermen due to low prices. After extensive negotiation many of the anglers have now resumed fishing. Industry reports currently expect the market to settle and new season supply will be determined in the near future.

Large tail production is not expected until the late season out of Nova Scotia, typically around November. Some reports currently speculate that the large sized tails will be short and firm on the market due to increased demand of large whole lobsters out of China.

Maine season is slated to begin in July, but the bulk of this production is typically processed into tails and meat. A large amount of Maine production is also sold live to local tourists and retailers.

### Sea Scallops:

Despite decent landings the past few weeks, the market price levels for U.S. scallops remain elevated; the market is expected to stay stable through the summer months.

### Bay Scallops:

Chinese sea scallops continue to go unquoted due to insufficient quantities entering the U.S. market. Consequently, there is an enthusiastic level of interest in the shape of the upcoming production season in China which generally begins June 15 and runs through July 31.

## FIN FISH MARKET

### Atlantic Cod:

Atlantic Cod prices continue to experience some nominal softening due to an excess in available raw material. Industry reports indicate that the surplus in available inventories is a direct correlation to the decline in European consumption as well as the increase in catch quota for the Barents Sea.

Recent processor anticipation indicates some speculation that prices will soon start to firm if not potentially increase due to low raw material prices and the resulting poor return on investment to fisherman and processors. Reportedly, fishermen are purposely choosing to leave part of the catch quota in the water as costs incurred cannot be recovered.

### Pacific Cod:

Although the Alaska Cod catch is described to be at near record levels this year, catch numbers are suspected to be intentionally off due to low raw material prices. Overall, market conditions remain guarded as market prices are uncertain and could potentially see additional softening.

### Haddock:

Despite rising prices, Haddock imports have been increasing steadily. Imports of twice-frozen fillets from China are up 16 percent year to date and subsequently, the extra supplies have been putting pressure on prices. However, raw material H & G prices continue to be reported as volatile, with noted increases continuing. Thus, increased instability of Haddock pricing is influencing many users to consider Cod as an alternative option.

### Pollock:

The Pollock market remains steady, however small size fillets, specifically 2-4 oz, are tight in supply. This is expected to result in elevated prices in the near term. Processors are reporting strong sales in all global markets.

### Grouper:

Grouper supply of both Mexican and Chinese origin continue to be sufficient, however prices are expected to remain firm.



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## FIN FISH MARKET

### Mahi Mahi:

The Mahi season is well underway with new supply and prices for 2013. To date prices have remained steady with good supply anticipated for the summer grilling season.

### Ocean Perch:

Raw material prices for Ocean Perch have been on a steady decline in recent weeks. Supply and market conditions are the two factors for the recent decline. On the supply side, the quota for 2013 has been increased by 22% over 2012.

The primary market for Ocean Perch is Europe with 48% of production being consumed. Processors are reporting weak demand and overall decreased sales in this major market and this is resulting in oversupply and high inventory holdings at the present time.

### Tuna:

Industry reports continue to anticipate good balance between supply and demand. As a result, prices have experienced some softening. This is very welcome news going into grilling season as higher prices did cause an insurgence drop in Tuna as a menu item.

### Salmon:

At the moment, the salmon market is experiencing significant flux, especially out of Chile. Industry reports point to several relevant factors as the cause of Chile's unrest. First, there is concern of a possible reemergence of ISA and sea lice problems. While the low prices in 2012 and the high debt in the Chilean salmon industry contributed to several consolidations of salmon producers, Brazil continues to import large amounts at premium prices. Consequently, this perfect storm is contributing to the major instability being experienced on both supply and prices from this region.

Spot prices of farmed Atlantic salmon out of Norway have gone up a further notch, reaching another peak so far this year. Industry reports indicate that cooler than normal water temps in that region have resulted in slow growth rates of the farm stock. Currently, processors do not expect much relief for the next 2 quarters. Considering the Chilean issues, this has put added pressure on supply out of this region.

### Swai (Vietnamese Pangasius):

The downward trend in imports continues for Swai due to several packers being subjected to tariff increases. The action by the US is expected to have a dampening affect on the popularity that Swai has gained in the last few years. As a result, future supply remains somewhat uncertain.

### Tilapia:

Pricing in the U.S. has moved modestly higher over the course of the last three months amid rising replacement costs. The Tilapia raw material situation is not optimistic as a big shortage of raw material supply is noted in Guangdong, Guangxi and Hainan due to the bad weather.

Since the outbreak of H7N9 bird flu at the end of March in China, the domestic consumption of seafood has risen sharply. As a result, Tilapia raw material price is continuing an upward trend due to poor supply and strong demand. Current expectation is prices will stay at this high level until at least August because farming quantities are reduced compared to last year.

### Zander:

Supply is adequate for a fair demand. Euro perch is expected to be very short on supply at least through the early summer, while the smaller zander in the 20-40 and 40-60 g sizes are firm and short as well. To date, supply remains steady and this should continue until new season in the fall.



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## DOMESTIC LAKE FISH MARKET

### Perch:

To date catches have been good. However, the 15%-20% reduction in quota along with lackluster demand from the fall of 2012 has prices righting themselves and this should help influence this popular item back on menus. For now, steady supply is anticipated.

### Walleye:

As with Perch, processors report that Walleye prices are expected to remain stable while supply will be adequate for demand through the summer months. The catch quota was minimally impacted with a nominal reduction of 8%.

### Whitefish:

Market reports indicate that Whitefish prices should remain firm to slightly elevated through the spring season and early summer months. Processors point out that limited supply is the primary factor for current market conditions. New season is expected to commence in early summer depending on weather conditions.

## SPECIALTY

### Frog Legs:

Currently supply of frogs of 4-6 and 6-8 ct sizes are ample, whereas 8-12 ct is experiencing some limited availability. New season arrivals are anticipated for this fall in Sept / Oct. There are still some delays due to FDA sampling, however this is common for frog legs.

### Gator:

At this time, supply is adequate for both wild and farmed gator. New season supplies are not anticipated to arrive until the middle to end of September. Higher prices from the start of 2012 -13 caused many to move this specialty off the menu, but costs have decreased as of late and this is helping spark renewed interest.



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