



# Seafood Insider

May, 2013

## SHELL FISH MARKET

### Shrimp:

The market continues to be generally firm as replacement offerings and forward buying continue to indicate higher spot market values going forward. Production in India is ramping up with other areas to follow. The effect of EMS disease on this seasons production continues to be an unknown factor although there have some been positive developments recently reported. However, in many areas stocking densities are reported to be cut back and this will likely translate to the supply of shrimp being tighter at least through the first half of the year. Of course it remains to be seen what effect higher market prices will have on demand.

### Domestic Gulf Shrimp:

Market values continue to strengthen across-the-board on Gulf Shrimp as inventories seasonally deplete. Additionally, it's reported that inquiries from non-traditional buyers are occurring with increased frequency and supplies of all-types of shrimp are in limited supply. Overall, this demand coupled with active trading among processors is resulting in a robust climate.

### Crab:

Pasteurized: Market prices remained steady for most items. Higher offerings have been reported due to importers' tight supply on certain grade or grades of meat.

Snow Crab: The Alaskan Opilio market is seeing new supply enter the market currently. 5-8's are reportedly steady while the 8-up market is fully steady to firm. Supplies of bigger crab out of Alaska are short and demand is stated as active.

The Canadian snow crab market is currently unquoted. Supplies are minimal as the market waits for new season crab to materialize. Fishing will begin soon and the U.S. should see product start to flow into the market in another month or so.

King Crab: The market undertone continues to be unsettled with both higher and lower offerings collected; especially in the golden king crab market. As new season product enters the market from Alaska, a premium for the Alaskan product is noted. The higher end of quotations represents those premiums whereas the lower end of the quotations follows more closely to Russian king crab. Although the market for both the red and golden king crab remains unsettled, quotations are trending more closely with their three-year averages.

### Lobster:

Warm Water: Fourth quarter imports of warm water tails are up 9%. The major importing countries of the Bahamas, Honduras and Nicaragua were all higher. Only Brazil imports were lower. The tail market has been mostly steady. However, as seasons have come to a close in Brazil and now Nicaragua and Honduras, the markets have firmed.

Cold Water: Despite record landings in 2012, Canadian imports of live lobster, tails and meat are all trending higher both on a quarterly and annual basis. The tail and meat market in the final quarter performed at steady to slightly higher pace although large tails have since become tight.

In mid January 2013, market prices for American live lobster began to increase. This uptick in offerings was due to the limited supply held in inventory. Despite the glut of live lobster landings in the fall, the amount of product that was stored in pounds or tubes was limited, with large lobster (2 lbs. and up), being almost non existent. Prices have since increased and have been continuing to escalate since the closures of most fishing areas. Many traders reported that the upward pressure is expected to remain until newly caught product is available.

### Sea Scallops:

The market price for U.S. landed scallops has been relatively stable, though at elevated levels, for the past three months. Unlike the previous quarter, there has been noted upward price movement in processed sea scallops...likely the realization there were few, if any, alternatives. This situation clearly suggests that the bulk of Canada's 2012 harvest was comprised of the largest count sizes, 10/20 and 20/30 counts, and therefore these items saw little price movement. However, the less available 30/40 and 40/50 counts strengthened due to a limited supply situation.



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### Bay Scallops:

Chinese sea scallops continue to go unquoted due to insufficient quantities entering the U.S. market. As a result, Scallop market buyers are keenly interested in the health of the upcoming production season in China which generally runs June 15 through July 31.

## FIN FISH MARKET

### Atlantic Cod:

Atlantic Cod prices continue to exhibit nominal softening due to poor market conditions and an excess in available raw materials. Industry reports indicate that the excess in available inventories is a direct result of consumption declines in Europe. The bump in quota for the Barents Sea (33% to a record 1 million metric tons) is another factor. However, processor hearsay has recently shifted and there is now some speculation that prices will soon become firm if not potentially increase due to low raw material prices. Fishermen are consciously choosing to leave part of the quota in the water as costs incurred cannot be covered at current raw material prices.

### Pacific Cod:

The Alaska cod catch is reported to be at near record levels this year, however as with Atlantic Cod, catches may be intentionally off slightly due to low raw material prices. Post Chinese New Year prices did experience some softening as supply is reportedly abundant due to the increase in Atlantic Cod quota (33% increase). Overall, market conditions are cautious as prices could potentially see additional softening.

### Haddock:

Haddock imports have been rising steadily due to the increase in supplies of frozen product. Frozen haddock continues to be a good value due to yet another bump in the big Barents Sea quota, which is shared by Norway and Russia. This year's quota is up another 5 percent to 318,000 metric tons (as recently as 2002, the quota was just 85,000 metric tons).

Fresh haddock fillet prices, which have been averaging about \$7/lb. this winter, should drop steeply when the Canadian fishery opens June 1 and a glut of fish hits the market.

### Pollock:

The Pollock market continues to be steady following the opening of the fishing season in Alaska in January. However, there are noted shortages on small size fillets, specifically 2-4 oz. fillets and this could lead to elevated prices and short supply in the near term. Processors are reporting strong sales in all global markets. This is expected to keep prices firm through the first quarter of 2013.

### Grouper:

The demand for Grouper remains challenged due to the previous interruption in supply. Grouper supplies, of both Mexican and Chinese origin, continue to be sufficient and prices are expected to remain firm.

### Mahi Mahi:

Demand remains steady on Mahi, however the market is experiencing price declines due to the amount of available supply.

### 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.



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### Tuna:

Supply and demand continue to experience stable conditions and subsequently prices remain unmoved. Market updates indicate that steadiness is expected to persist for at least the near future.

### Salmon:

Both the Chilean frozen fillet and portion markets have trended higher as the fresh market moved higher during Lent. The frozen markets remain unsettled due to the volatility in the fresh fillet market and as a result buyers have not been overly active. However, sales look to be slowly increasing and frozen fillet and portion pricing continue to trend lower than the three-year average.

### Swai (Vietnamese Pangasius):

Although imports of pangasius ended 2012 on a record high, a downward trend in imports during the last quarter of 2012 could signal a change. To start, January 2013 imports were notoriously lower when compared to January 2012, falling over 30%. However, imports in February were the highest recorded for that month. Yet combined figures for January and February show a 20 percent decrease when compared to those registered a year ago.

In addition, recent developments regarding duties, in which several packers have been subject to substantial increases, could potentially affect volume imported. In December 2012, combined imports between the U.S. and Europe of pangasius from Vietnam reached the lowest level since 2010. In terms of pricing for the immediate future, market expectation indicates the new duties will trigger significant increases on new shipments.

### Tilapia:

Following a clear seasonal pattern, imports in February 2013 declined from the previous month. However, similar to the pangasius market, imports in February were down when compared to the same month a year ago.

Pricing in the U.S. has moved modestly higher over the course of the last three months amid rising replacement costs. April has averaged the highest pricing level over the last 52 weeks. At the moment, the market is full steady with traders testing the market with higher asking prices.

### Zander:

Both supply and demand for Zander continue to operate in harmony and this translates to stable prices. Industry reports continue to indicate that Euro Perch will likely experience firm to tight supply during the spring while the smaller zander, notably 20-40 and 40-60 gm. sizes, are expected to remain limited on supply and firm in price.

## DOMESTIC LAKE FISH MARKET

### Perch:

Overall demand for Lake Fish remains sluggish. High costs that resulted from the lack of supply over the last 2-3 years are reported to blame for the decline in popularity. Yellow Lake Perch inventories are reportedly abundant and the new season is slated to begin in late May/early June.

### Walleye:

Walleye supply and prices continue to be sufficient for demand. Processors report that both prices and supply are expected to remain constant through the spring and early summer months. With the exception of some limited availability on smaller sizes, primarily 4-6 and 6-8 oz.

### 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.



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