

Slade Gorton Monthly Market Report

February 2018



*Valentine's Day is a major foodservice holiday during a mostly slow month for the seafood industry.
Shrimp, lobster and oysters are frequently featured.*



SLADE GORTON

America's Original Seafood Family™

Global Market Conditions

February 2018



Catfish

Chinese Catfish: Despite plants being effectively shut down for Chinese New Year Slade is well supplied on Chinese catfish. Expect minimal supplies to come out of the country with plants shut down for the next several weeks. Issues with the USDA's catfish inspection program appear to have been alleviated.

Domestic Catfish: Larger sized fillets are more plentiful in the market versus 3-5 oz and 5-7 oz.



Clams

The supply situation remains in poor condition for super surfer sized clams. Rough seas have kept Atlantic trawlers tied up for months. Domestic clam packers have recently raised their prices due to high demand, low volume of raw material, increased boat and plant costs, difficulty finding employees to work in the plant and increased minimum wages. Prices have also moved higher.

Global Market Conditions

February 2018



Cod

Atlantic Cod - Twice frozen whitefish production out of China is essentially shutdown because of the Chinese New Year. Prices are higher and expected to climb as we move into the Lenten season. Those placing orders now are subject to availability and prior sales.

Icelandic Cod –Fresh and frozen Icelandic cod readily available. Icelandic cod quotas were adjusted higher for the 2017/18 fishing season. Expect no interruption to supply.

Pacific Cod –Like all other whitefish produced in China, production for twice frozen Pacific cod is essentially non-existent because of the Chinese New Year. Prices are expected to adjust higher well into the Lenten season. There is little relief expected on both supply and price because of a large quota cut to the 2018 Alaskan fishing season.



Crab

King Crab – The market for Russian king crab is in decline from record high prices. Imports are also down, which is a sign of slow demand. Prices for Alaskan king crab legs are flat. The overall theme for crab in the US is demand destruction from record high prices.

Dungeness Crab –The West Coast Dungeness crab season officially opened on January. Prices between fishermen and processors were negotiated in late January. We have received some bids offers within market range. Expect to see new season inventories in the coming weeks.

Global Market Conditions

February 2018



Crab (cont.)

Snow Crab – Alaskan snow crab fishing in the Bering Sea is underway. Roughly 5.5 million pounds of snow crab reportedly hit Alaskan docks in the first week. There is about 13.5 million pounds left in the quota. Prices remain at record highs and as a result demand is reportedly lackluster.



Haddock

Expect supplies to tighten and prices to rise as we head into Lent. Chinese production is essentially shut down for the next several weeks.



Lobster

Coldwater Tails: The Nova Scotia season has shaped up to be similar to last year's lackluster catch. All sizes of tails continue to be in very short supply. No one is offering tails without forcing meat and we expect those sizes to command premiums in the market well into next summer and early Fall. It is going to take a while for the larger Canadian Tails to normalize. There are also shortages of smaller 2-5 oz. sizes being reported. Expectations are for inventories of these sizes to remain short until May.

Global Market Conditions

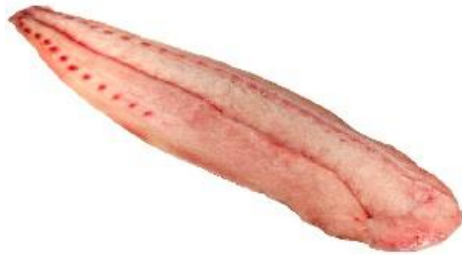
February 2018



Lobster (cont.)

Warm Water Tails: The warm water lobster fishing season will run until February. However, EU and Asian buyers locked up the production for inventories at high prices. There is no inventory on tails for US buyers. All sizes are short. Limited availability of cold water lobster tails is putting additional pressure on warm water prices.

Meat: Prices are still generally weak and product available but the market has stabilized. Imports were down 21.4% through November 2017. Meat could potentially strengthen in the coming months. Keep in mind that on lobster meat, there are always 20 ways to make something \$4.00 per lb cheaper or more expensive.



Mahi

New season production from Central and South America is starting to hit the market. Fresh and frozen prices are steady since landings from South American producers are not as robust as was once expected.

Global Market Conditions

February 2018



Mussels

New Zealand: Prices are steady and there are no no issues with production.

Chilean: Prices on Chilean mussels are stable and producers have increased their offerings.



Oysters

Gulf Oysters –Supplies for fresh and frozen oysters are adequate and prices are steady.



Pollock

Once again twice frozen whitefish production out of China is temporarily on hold for the Chinese New Year. Expect tight supplies and higher prices as we move through the Lenten season.

Global Market Conditions

February 2018



Salmon

Fresh Atlantic Salmon The fresh farmed Atlantic salmon market is generally flat as we look ahead to what is normally the busy Lenten season. It appears supplies are well aligned with current demand. There was some uptick in prices in the third week of January. Reports suggest the market is still recovering from extremely cold weather that killed demand in the market. Chilean fresh fillet imports are down slightly. Algae blooms are reportedly forcing producers in Southern regions to pull fish from the ponds ahead of schedule. There are expectations for the fresh salmon market to strengthen as we near Valentine's Day and Ash Wednesday.

Frozen Atlantic Salmon – There are little changes to report in the frozen salmon market. Most orders for 2018 programs are booked. There is not a lot of frozen inventory on hand in the US market. It does appear frozen production is in line with demand. Prices are steady.



Scallops

Domestic The market continues to inch up. Seasonally, Q1 represents the low point for domestic scallop production. The new fishing season will commence on April 1, one month later than last year. Expectations are for harvest limits to increase over the next two years.

Global Market Conditions

February 2018



Scallops (cont.)

Japanese –Production is forecast to rebound in 2018 after a successful 2017 harvesting campaign.

China – Supplies of 80-120 bays out of China are available. However, the US market generally demands a larger sized item, which are non-existent.

Peru – There is not a lot of supply in the market. Demand is low.



Shrimp

Warmwater Shrimp - Prices in the shrimp market are steady. It appears supply is in balance with demand. We are well supplied on larger sized Indonesian 16-20s to 25-30s. Indonesia's April harvest is expected to produce an abundance of larger sized shrimp, which could influence purchasing behaviors in the market.

Coldwater Shrimp – West Coast production in Oregon ended. New season production will begins April 2018.

Breaded Shrimp – No issues to report on availability and pricing.

Global Market Conditions

February 2018



Squid

Loligo – Prices are firming on 5-8's as inventories appear to be short in the market. Packers are trying to force 3-5s. Overall landing volumes are poor, no relief in sight from now until May 1st.

Todarodes – Prices about the same as Loligo. Some market participants have noted even higher offers on product but nothing to warrant an increase in pricing.



Swai

Spot market prices are at or near record highs. Supplies are tight as importers continue to struggle with clearing shipments through the USDA inspection program. Importers are told to place orders now in order for shipments to clear by June.



Tilapia

Expect higher prices as we move through Lent. We are well supplied on tilapia at great prices.

Global Market Conditions

February 2018



Tuna

Raw material has been low and sizes are not accommodating what most of the market requires. Market is up \$.40- \$.50 cents and climbing and hasn't really hit its peak. Demand is strong, driven by interest in poke. Expect the market to rise and product to be short soon.



Whiting

Prices are higher for both Chilean and Argentinian Whiting. Supplies are tight since production in both major producing areas is out of season.

