



SLADE GORTON & CO SEAFOOD MARKET REPORT

January 2015






Global Supply Conditions

As we approach the annual Chinese New Year period most US Buyers have shored up their contracts through CNY and US Lenten period.

We continue to see unrest in the global shrimp market as global supply recovers but uncertainty remains.

As the sector recovers slowly from EMS a spotlight is being put in aquacultural farming methods and there have been traces of FDA oversight of antibiotics as noted on social media feeds capturing questions from US Buyers of the recent interest by the FDA on substances that have not been looked at in the past.

2015 will have the world's eyes on power players Russia as they continue to consume internally and restrict their supply chains, Latin America will be a growing presence for Chinese processors of specific species, and the US buyers will remain bullish in their demands as seafood continues to grow.






Species	Market Activity
<p data-bbox="256 821 375 848">Calamari</p> 	<p data-bbox="492 821 1425 888">Loligo chinensis prices and supplies are stable. Any predicted interruptions in supply due to a lower catch have not affected the available supply of material.</p> <p data-bbox="492 898 932 926">TODARODES Price and supply stable.</p> <p data-bbox="492 936 1468 1041">Worldwide efforts are being made to develop a Fisheries Improvement Project for <i>Loligo chinensis</i>. Members of the supply and customer community have been meeting to evaluate the fishery and create a work plan to manage the resource.</p> <p data-bbox="492 1052 873 1079">So far the group has completed:</p> <ol data-bbox="492 1089 1136 1213" style="list-style-type: none"> 1) Sustainability Evaluation 2) Supplier Fishery Evaluation 3) Supplier Organization Profile 4) Annual Fisheries Improvement Work Plan along with Milestones <p data-bbox="492 1224 1468 1291">The next major steps are to involve government and regulatory agencies to create a resource management plan.</p>
<p data-bbox="269 1346 362 1373">Catfish</p> 	<p data-bbox="492 1346 1442 1413">Domestic Catfish Supplies are adequate. Prices are stable and are expected to remain stable. No change.</p> <p data-bbox="492 1434 1414 1501">Chinese Catfish: Prices have stabled on the smaller sizes. Larger sizes are still short and remain high.</p>
<p data-bbox="207 1575 428 1602">Chilean Sea Bass</p> 	<p data-bbox="492 1575 1463 1642">The market for headed and gutted fish is short as demand outstrips supply. The market awaits new season Ross Sea production which will arrive in late April.</p> <p data-bbox="492 1652 1084 1680">Chilean fillets and portions remain strong in price.</p>



SLADE GORTON & CO SEAFOOD MARKET REPORT



January 2015







<p>Cod</p> 	<p>Atlantic and Pacific cod prices continue their price advance. Modest quota reductions in Atlantic cod stocks for 2015 are in place. Prices to replace especially Atlantic cod loins have been increasing in the last few months and those higher costs have already been felt in the market. Expect prices for both Atlantic and Pacific cod products to continue their slow rise.</p>
<p>Crab</p> 	<p>Dungeness. Season coming up short. Prices are high and are expected to remain there. If you need Dungeness for the year it is time to take some sort of position or you may not get it.</p> <p>Snow Crab. Large Canadians are tight and high. 5/8oz remain stable. Alaskan Opilio season just starting up so there should be larger sizes in the market soon.</p> <p>Jonah Crab. One of the least expensive crab options - Good Value. Good supply. Programs continue to be available for Lent.</p> <p>Red Crab. Slade Gorton continues to have a good supply of meat products (combo and leg meat) at very good prices.</p> <p>Pasteurized Crab. Supply will be steady although pricing will remain high through the end of the year.</p>
<p>Grouper</p> 	<p>There continues to be a good supply of smaller sized Natural Chinese Grouper Fillets. 4/6 oz is in the most abundance and can be seen as a value compared to the higher priced Larger size natural fillets. Because of the high demand on the larger sizes they remain short and costly.</p>
<p>Haddock</p> 	<p>The haddock market remains firm with some modest easing of prices on 12-16 oz. fillets. The Barents sea quota for 2015 is higher than in 2014 but this fact should not significantly change the market picture.</p>
<p>Lobster, Canadian</p> 	<p>Both catch & processing season coming to a close, although slower than expected as the weather conditions have been favorable most of the catch is heading to the live fresh market as most processors don't have the appetite to take product in house. East coast warehouses are filling up, tails are bountiful in certain size runs and meat demand remains strong holding prices firm. A wind down to an interesting year, all eyes will be on the new season in May 2015 as China will remain on the watchful eye of US buyers, and the unknown impact of the Canadian government as it imposes continued labor constraints on the Canadian processors. Tail prices split between sizes, and meat prices holding firm.</p>



SLADE GORTON & CO SEAFOOD MARKET REPORT



January 2015



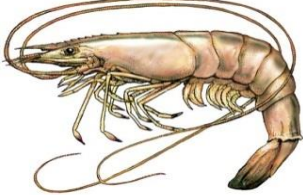

<p>Lobster, Warm Water</p> 	<p>Currently, prices are steady from all sizes. We expect prices to increase as we approach the holiday season.</p>
<p>Mahi-Mahi</p> 	<p>Season will be coming to a close. Price increase on raw material keeps the market at the same high level. There is inventory to be had in the US right now.</p>
<p>Mussels</p> 	<p>New Zealand Mussels: Supplies are ample for New Zealand product. Prices remain stable. Chinese demand remains steady but producers remain focused on the USA market which may give rise to a softening in prices in Q1 , 2015.</p> <p>Chilean Mussels: Production is underway for both species and earlier raw material issues for Chilean product appear to be abating.</p>
<p>Octopus</p> 	<p>The Philippine Octopus began their slow season from September to April. Currently short of 6/8 ct. Indonesia's heavy season is from November to January and slow's down from February to October. Prices are up to do the European demand.</p>
<p>Oysters</p> 	<p>Supply on frozen oysters is still expected to be tight but steady through the spring. The Texas season has provided some relief but supply in LA is still below the norm. Fresh supply from Maryland seems to be keeping up with demand, prices are steady on meats.</p>
<p>Pollock</p> 	<p>Supplies are adequate for pollock fillets in a somewhat firm market. Indications are that some Chinese producers will cease pollock production in 2015 due to high costs and persistent losses. This bears watching. The market remains steady with a firmer undertone.</p>



SLADE GORTON & CO SEAFOOD MARKET REPORT



January 2015




<p>Salmon</p> 	<p>Farmed Atlantic Salmon. Supply is plentiful and producers are eager to sell inventory as year-end approaches. Demand is anticipated to ramp up for the holidays. The outlook for Q1 is less aggressive volume and pricing to strengthen.</p> <p>Wild Salmon. Sockeye and Coho supply is adequate. The 2013 limited catch of keta and pink salmon has left the US & Chinese market short. There is a focused demand for good quality H&G raw material in China to support portion programs to the US.</p> <p>Wild Chum Salmon. Shortness of raw material to produce portions in China has caused major price increases. Expect this market to continue to climb.</p>
<p>Scallops</p> 	<p>Domestic catch is slowing down which creates more demand and prices remain high. Prices are rising in China on new product due to poor harvest and increased demand in China expect those prices to inch up too.</p>
<p>Shrimp</p> 	<p>Asian Shrimp. Prices will drop more to the demand for the incoming holidays. Good supplies of shrimp in USA for the coming weeks. India has a good production. We expect Thailand recovers from the EMS around next year. Vietnam ends the year with an unexpected good production. Indonesia has a good production and predominant sizes are from 16/20 to 31/35.</p> <p>Latin American Shrimp. Prices dropped due to slow demand from Europe and a good record production from Ecuador & Honduras. We expect prices to continue to drop until Jan/2015.</p> <p>Ocean Caught Mexican Shrimp (Blue Shrimp; White Shrimp; Brown Shrimp). Bay shrimp prices are up. Short supplies of U/10, U/12 and U/15. Predominant sizes are: 16/20, 21/25 and 26/30. Most of this product will be consumed in the domestic market</p> <p>Gulf Domestic Shrimp. Prices are steady</p> <p>Cold Water Shrimp: Worldwide quotas have been cut by 15-30%. Supply forecast is not good for 2015. Prices are rising in the face of increasing demand by Europe.</p>
<p>Sole/Flounder</p> 	<p>Production of flounder/sole from China is ample to meet the current needs of the market. Small sizes represent the best value in the market. Large fillets, 7 and 8 oz. size are short.</p>



SLADE GORTON & CO SEAFOOD MARKET REPORT

January 2015



<p>Swai</p>	<p>The US buyers held their ground on the timing of Decree no. 36/2014/ND-CP . The Vietnamese government's intent to regulate glazing & moisture to protect the quality of the farmed species and ensure a fair economic return throughout the value chain was managed through a 5% VAT reduction on fish feed. Decree no. 36/2014/ND-CP has been delayed by the Vietnamese government until 12-31-15. All eyes will watch over the coming months as Chinese New Year and the US Lenten season will guide market demand as any lower moisture contracts are either postponed or fulfilled based on the new information.</p>
	
<p>Tilapia</p>	<p>As the harvest season comes to an end, supplies 5-7 & 7-9 oz. fillets are improving slightly. Replacement cost on all sizes have stabilized but prices should continue to strengthen through Q1 2015. Recent regulatory developments have slowed the supply even further. FDA continues their surveillance of tilapia imports for Sulfonamides.</p>
	
<p>Tuna</p>	<p>Frozen CO-treated Yellowfin Tuna prices continue to remain stable with rumors of the market starting to climb . All sizes and forms continue to be available. Good quality frozen fish available for the Lenten Season</p>
	
<p>Whiting</p>	<p>Whiting production remains steady. Lenten demand should keep prices stable for Q1. Argentine producers remain challenged by the high costs of production and an exchange rate which serves to keep production costs high.</p>
