SLADE GORTON & CO

SEAFOOD MARKET REPORT

March 2017

Global Supply Conditions

Species	Market Activity
Calamari 	**Loligo Chinensis.** Prices continue to inch up as new containers arrive with higher costs, prices for cleaned products are increasing. Expect slightly higher prices through spring. Volumes so far are steady but mostly smaller sizes. **Todarodes.** Harvests are trickling in and pricing has seened to stablize, processors are starting to get raw material to process, still a good value alternative to Loligo on the larger sizes.
Catfish 	**Domestic Catfish.** All sizes of fish are currently available but increased demand is expected throughout Lent. There continues to be a good supply of Chinese Catfish available, please substitute when possible. **Chinese Catfish.** Prices are stable. All sizes are readily available . Prices expected to remain stable through Lent.
Chilean Sea Bass 	**Chilean Sea Bass.** The market remains strong on all product forms due to higher replacement costs and fewer offerings. We are currently at all time Historic high prices on all forms. All product forms including headed and gutted whole fish, portions, and fillets are strong in price, much of it due to overseas Asian demand. The Ross Sea fishery for Mawsonii Species is currently being shipped to USA. The majority of Ross Sea fishery is Mawsonii and thus tends to cost less than true Eleginoides Species. Look for Mawsonii to sell at $.50 below the price of Eleginoides.
Clam 	**Clam.** Continued strong off shore winds have impacted the ability to harvest domestic clam products on a regular basis. The market will remain short for both fresh and frozen customers.

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Cod/Flounder 	**Atlantic Cod / Pacific Cod.** Once frozen Alaskan cod supply for new season is adequate at a competitive cost. Twice frozen Atlantic cod market prices continue to increase with early 2017 fishing reports of poor landings. Twice frozen Pacific cod market prices continue to increase. Higher cost of Atlantic cod are driving substitutions into Pacific cod increasing demand and price. **Flounder.** The larger sizes are very short and prices are expected to continue to rise.
Crab	**Dungeness crab clusters should be your crab of choice in 2017. Best bang for your buck.**
	**King. Red King Crab.** All sizes are available. Prices may be softening slightly as more Brown crab comes into play.
	Snow Crab. 2016 Snow crab prices were at an all time hime. Alaskan product that is just coming into the market is still high and Canadian Snow crab is expected to follow suit especial if the anticipated quota cuts hold true.
	Dungeness. The season is winding down. Who thought Dungeness would be considered a value compared to Snow Crab? It is just that today. Dungeness is a sweeter crab with a sweeter price. We have both clusters and whole cooks currently in inventory.
	Jonah Crab. The Catch continues to be off. Suppliers are still behind on orders. We have limited stock but we continue to have stock. Prices have stregnthened but if you are only looking at price. This crab is still a value conpared to other crab products. There just isn't enough to go around.
Crawfish 	**Crawfish.** The market continues to advance on large whole cooked. Some major importers are very short on product right now. New Season production is underway and arrivals should hit US in June. New Season production will be BAP Certified product. Meat and smaller whole cooked remain stable.

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Grouper 	**Chinese Grouper.** All sizes available in multiple locations. Prices continue to remain relatively stable. Sales have picked up in the South as there season plays out. **Mexican Grouper.** Supply is scarce coming out of Octopus season and headed into closure come Feb 2017. Prices climbing.
Haddock 	**Haddock** The most competitively priced white fish is getting noticed from buyers. Prices are increasing and forecastedto remain firm. Some sizes will start to tighten up during Lent. Customers may need to be more flexible on sizing.
Lobster, Canadian 	**Canadian./Maine Lobster.** Frozen processing will remain extremely limited until new season in May. The December season was hampered by bad weather and landings were way off compared to prevoius years. Large tails , 5 oz. and larger, are extremely short and most producers either don't have or are not even quoting. There are many new friends looking for tails. Some end users will be forced at some point to switch to using small tails and using 2 tails per plate in order to serve the 5-10 oz portions if they want to keep on their menus. Most meat prices are steady at current prices. Keep in Mind that on Lobster meat, there are always 20 ways to make something $3.00 cheaper or more expensive. There are many differnt specs in the market today. CK Meat is showing signs of tightening up. When the May Season opens up, much of the first production will go to live and whole cooked. Spring season tends to yeild smaller tails and look for 6 oz up tails to reamin short for the Spring Season.

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Lobster, Warm Water 	**Warm Water Lobster.** Season ends in February. Catch is only 30% of what was seen last year. Large tails are strengthening in demand. Prices are strengthening. December and 2016 Lobster Imports of warm water lobster tails are down 22.2 percent for the month of December, resulting in a 12-month decline of 32.8 percent or 5.1 million pounds. Individually, the largest suppliers all shipped fewer tails to the U.S. in 2016; Bahamas (-19.1%), Brazil (-37.0%), Honduras (-17.4%), and Nicaragua (-56.7%).
Mahi-Mahi 	Mahi Season officially began October 2016. So far little to no raw material is available for frozen containers. Talks about extending season to March. Fresh prices are running in the $6.00/LB range for H&G. Peru and Brazil seem to be the only countries even seeing the fish. Prices remain strong. Will likely see no relief until next season. So far only natural fillets and fletches being offered.
Mussels 	**New Zealand Mussels.** A lot of rainy days and a few earthquakes have disrupted some production. Conditions have been excellent for mussel growth this year resulting in quicker growth and larger mussels achieving good meat to shell yield of 52%. **Chilean Mussels.** Year round production but best meat fill August - January due to more food from sunlight that generates more seaweed.
Octopus 	**Octopus.** Demand for octopus in the US is high. Philippine prices have gone up 10 cents on 1/2 and 2/4 due to strong demand of the of the small sizes from Asian countries like Korea and Japan. Slade Gorton carries a dry, non-processed Philippine octopus with a high cooking yield.
Oysters 	Supply is spotty, more oysters from the Gulf are being harvested but sizing for the Frozen market is an issue. Expect a shortage of 144ct the trays. Frozen bulk will be available.

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Pollock 	**Pollock.** Atlantic Pollock sizes for the start of the A season out of Alaska are yielding a 2-4oz fillet. Large sizes in the 4/6 and 6/8 range are minimal.
Salmon 	**Farmed Atlantic Salmon.** Prices continue to climb in the midst of Q1. Supply is trending lower than initial forecasts for Q1 due to some forward harvesting in Q4, 2016. The threat of possible algae blooms and disease were cause for some expedited harvests in Chile. US demand has been steady through January, but is poised to slow down as retail prices have moved up. Lenten ads may be limited. Producers continue actively selling other markets, optimizing their return on limited production. Frozen prices have increased once again and capacities are booked into April. Norway has slowed harvests as fish weights are lower than normal. Prices have softened but are still very strong. The outlook for the first half of 2017 is limited supply, but lower demand could
	Wild Salmon. Overall the total wild salmon catch was lower this year. The largest shortfalls were pinks, with some decline in both chum and sockeye though there is a good supply of pinks currently in the market.

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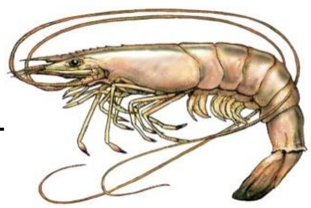
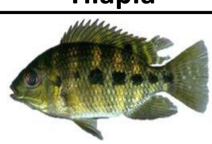
Scallops 	**Scallops.** U/10, U/12 & 10/20's are scarce with bulk of landings in 20/30 & 30/40 range. Larger China bays remain hard to find with high prices, smaller sizes are stable. Japanese prices are still high and may start to come down as inventories rise.
Shrimp 	**Asian Shrimp.** Replacement prices remain steady with limited availability and higher prices on select sizes, such as 8/12 Black Tigers, 13/15 P+D whites & cooked 71/90's. Other sizes and forms are all available.
	Ocean Caught Mexican Shrimp. Boats stopped fishing brown's in November, 21/25's on down will be in short supply. Pink's will be available this month and fished until May- June with volume mostly 21/25's.
	Cold Water Shrimp. P. borealis and P. jordani dominate the world market for coldwater shrimp. Split between New England and the Pacific Northwest, U.S. catches of coldwater shrimp fluctuate greatly. In recent years, Pacific catches have averaged 55 million pounds. Frozen cooked and peeled coldwater shrimpmeat is available year-round.
Sole/Flounder 	**Sole/Flounder.** Large fillets are very short and smaller fillets, 4 oz. and smaller, are in ample supply. The market remains steady on smaller fillets and very strong for larger sizes especially 6-8 oz.
Swai 	**Swai.** This item remains steady in price as the market. Supply is ample to meet current demand.
Tilapia 	**Tilapia.** As predicted prices are inching up slightly. Supplies currently seem to be in good standing in the US.

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Tuna 	Frozen CO-treated Yellowfin Tuna prices continue to remain stable. All sizes and forms are available.
Whiting 	**Whiting.** Supply is getting tight while demand is increasing. Prices have actually risen about .15/lb and are expected to hold steady through Lent. Skin-on product has been a little tougher to find because of low quality. Some of this was caused by the higher ocean temperatures due to the effects of El Nino. We do not expect any interruptions in supply.