

Slade Gorton Monthly Market Report

May 2018



SLADE GORTON

America's Original Seafood Family™

Global Market Conditions

May 2018



Catfish

Chinese Catfish: The market remains stable and supplies are available. However, there are some expectations for demand to increase for Chinese catfish as a whitefish substitute to higher priced Pangasius.

Domestic Catfish: Supplies for all sizes have come into balance. Raw material costs are down but the decrease was offset by higher transportation costs.



Clams

Domestic Meat: There is minor relief in supply as the weather has started to improve in April. Expectations are for inventories to recover as long as the weather holds out and boats can resume fishing.

NEW! Whole Hard Shell Clams: Vietnamese hard shell clams are in stock.

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Cod

Atlantic Cod: Overall, US operators are jockeying for position as whitefish prices increase across the board. Prices for single and twice frozen Atlantic cod items continued to move higher in April. Producers are reporting tight raw material availability out of Norway and Russia. Large fish are reportedly short. The Atlantic cod market is also under major pressure as operators seek alternatives to Pacific cod.

Fresh Icelandic Cod: Poor fishing conditions and limited airspace restricted supply and contributed to higher than expected prices. Supply conditions are expected to improve into the spring and summer, offering some relief.

Pacific Cod: Raw material shortages are in full swing. Pacific cod prices have caught up to Atlantic cod, forcing traditional Pacific cod users to shop around for alternative species including Atlantic cod.



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Crab

King Crab: Prices continue to soften for a slow call and demand continues to struggle from once record high prices.

Dungeness Crab: Supplies are light but the market has stabilized since the end of meaningful commercial production out of the Pacific Northwest. Dungeness crab represents a better value compared to other crab items.

Snow Crab: New season production is starting to come into the market and crabs are running larger than anticipated. However, quotas in the Southern Gulf of St. Lawrence were slashed 38% from 2017. Japanese and Chinese buyers are aggressively purchasing product. These factors continue to keep upwards pressure on the market. Offers are at record highs as a result.

Southern Gulf of St. Lawrence Snow Crab Quotas 2018

	Quota 2018 (t)
Zone 12	20 722,93
Zone 12E	266,11
Zone 12F	1 158,09
Zone 19	2 007,10
Allocation - Relevé scientifique	459,39
Total	24 613,62

Canada's snow crab quota was slashed another 38% from the 2017 season.

Source: Department of Fisheries and Oceans

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Haddock

Haddock: Haddock prices continue to rise from an overall competition for whitefish at a good value. Haddock still represents a value compared to cod.



Lobster

Coldwater Tails: The North American lobster tail market climbed steadily in April. This is in line with seasonal expectations since most packers and importers were already out of 3-10 oz sizes going into the month. Lackluster production out of Maine and a seasonal increase in lobster demand ahead of Mother's Day contributed to higher prices. Inventories are closely held, and in many cases, offers are on allocation. Market relief is expected once the Prince Edward Island season opens the first week of May. There are handfuls of 6-7 and 7-8 oz tails available.

Meat: Meat prices on the street softened in April. Meat demand seems to have slowed down this spring but should start to pick up into Mother's Day. Demand should carry into the summer. Inventories are expected to improve as production from the Prince Edward Island season reaches the market.

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Mahi

Frozen: Demand is slow and we detect a lack of interest due to high prices. Operators have removed mahi from menus in place of value priced options. Inventory is available at good prices. Frozen mahi will be the only available mahi in the market until new season production reaches the market late in Q4.

Fresh: Inventories will continue to tighten. Availability is seasonally spotty. There is some product from Costa Rica and Ecuador in the market at high prices.

Mussels



New Zealand: Prices are up seasonally with production limited for this time of the year.

Chilean: Market is stable and inventories are plentiful.

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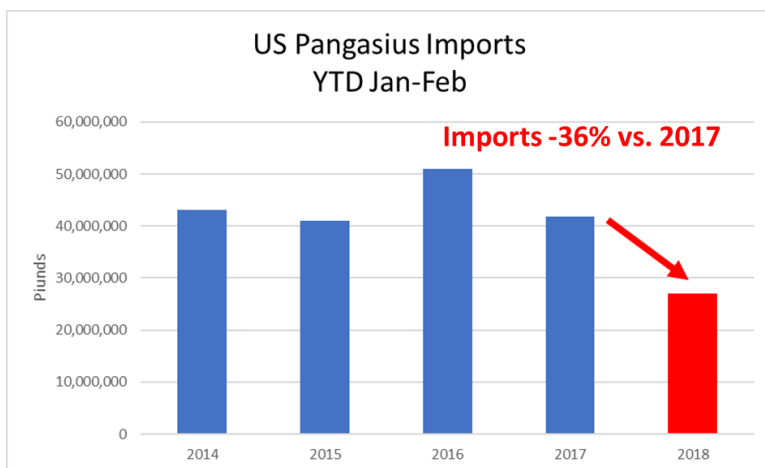
Oysters

Gulf Oysters: Supplies for fresh and frozen oysters are adequate and prices are steady. Half shells are available at competitive prices.



Pangasius

Pangasius: The market is at record high levels and supply is extremely limited. Early indications are we will not see supply or price relief until 2019. Alternative whitefish options including chem-free and twice frozen pollock, hake, Atlantic cod and farm raised sea bass are available in the market.



Pangasius shipments to the US market are down over 35% YTD vs. 2017 figures.

Source: Urner Barry/US Census

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Pollock

Pollock: Chemical free twice frozen pollock is in stock at competitive prices. Pollock has emerged as a suitable replacement for high priced Pangasius.



Atlantic Salmon

Fresh Fillet prices increased steadily in April. Average spot market prices for 2-3 lb fillets were up 4% or about \$0.15/lb. Supplies are short since Chilean producers harvested fish earlier than normal in Q1 to mitigate mortalities from an algae bloom in February. European fish availability is also short. Norwegian and Scottish producers are fetching higher prices from EU buyers. Fresh salmon prices tend to decline after Memorial Day. However, flat production forecasts, high demand and more limited wild production from Alaska could impact the markets into the summer.

Frozen: Prices for 2-3 lb frozen Atlantic salmon fillets increased in April. This was the first notable increase in the frozen market since January. The increase coincides with raw material shortages in the fresh market. Most operators have frozen programs booked through the summer.

Wild Alaska : Alaska's wild salmon harvest is expected to decline 37% from 2017. A majority of the decline is from an off-year to the pink salmon haul. In addition, sockeye, chum and chinook quotas are all expected to decline compared to last year's levels.

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Scallops

Domestic: Prices continue to drop on Atlantic scallops, particularly larger sized items. Record production is expected to hit the market this summer, which should place additional downward pressure on the market. Production generally peaks in July.

Peru: Half-shell, farm raised, chemical free Peruvian scallops are in stock at great prices.



Shrimp

Vannamei Shrimp: The market for 21-25s through 31-40s continues to drop from oversupply. Indian and Indonesian production is strong but there is a slow call for new product in the US market at this time. We have inventory on hand at competitive prices.

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Squid



Loligo: The China fishery ban will be in place from May 1st through August 15th and no squid will be caught. Supplies seem to be adequate at present, but shortages on larges sizes may be seen late this summer until the new season begins in August. 5-8's are available at competitive prices. Expectations are for production to restart mid August.

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

Peruvian Steaks: Prices are higher on Peruvian squid steaks because of raw material shortages.

Chinese Steaks: Chinese squid steaks will be on inventory by mid-May. Production was delayed because of Chinese New Year. The market for Chinese steaks will be competitively priced.

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Tilapia

Tilapia: Pricing has been inching down since the Seafood Expo North America. Chemical-free, shallow-skinned fillets are available at good prices. It appears market prices and supply are in balance with demand.



Tuna

Frozen Tuna: We note stability in this market.

NEW! Frozen Yellowfin Poke: ICYBAY Yellowfin Tuna Poke is in stock. Available in 1 pound bags featuring 2 cm x 2 cm x 2 cm cubes. Great for appetizers and small plates.

Fresh Tuna: Available and abundant; we are sourcing from around the world.

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Whiting

Whiting: This is the off season for Argentinean fishing; demand for whiting remains high due to limited inventories in the US.

