

Market Report

March 2020

News of the day is the Corona-virus and Joe Biden, not sure which is the more important one, either way people have strong opinion for both. We wish all of our readers a safe and healthy present and future, and hopefully all will be well by summer.

There are some other developing news about our business, China is finally going back to work, and of all the countries affected by the virus, we believe Chinese are the best equipped to handle their supply chain. Chinese government is being very careful about making sure that all factories are following a safety protocol and workers are slowly returning to work. We don't know yet the full scope of the effect on the supply chain, but we do know that shipping lines schedules have been disrupted and may not be working on full capacity. Other producing countries are not as affected in Asia or South America so in our humble opinion, supply chain effect may not be as drastic as we had anticipated, but as the demands has come down in the consuming countries, prices on commodities will be soft for the foreseeable future, and shipping may delay the scheduled shipping times.

Good news is that tariffs on certain products from China are down or eliminated and that will help with the cost on those items.



Tilapia :



Workers are coming back to factories, and farmers are being incentivized to harvest the fish, so we don't see a shortage of tilapia, if anything there should be plenty of fish around at reasonable prices even with the 25% tariff still imposed. We expect some hiccough in the supply chain, but most factories will start shipping by the end of March, and prices are not going up.

Swaii:



Inventories in the US are now at manageable levels, but the corresponding price increases have not happened. We have to wait and see how Vietnam deals with its supply chain in the next few months, but we don't see much change in either availability or prices in the short run. Our advice: start talking to your suppliers for booking products, but don't rush into booking big quantities or worry about huge price hikes next few months. All indications are towards a stable supply, perhaps a little delay in the time line for shipping, but there is product to be had

in the country

Catfish (Chinese):



Last year there was not much quantity and is still a Tariff on this product, but we have not seen pricing go up too much, and in the south of China factories are coming back and will start shipping soon. In the previous years, there was a season for it, but last couple of years, product has been produced for an extended season. Reminding our customers again that there are but only a few importers of this product, and prices went up due to the Tariff, but not the product itself, so prices remain stable.

Crawfish tails:



Crawfish was a wild card last year, too much product and too little demand, prices came down a lot even with the Tariff, product is selling 25% less than a year ago. We were screaming with big horns about the crawfish all last season, and market pretty much went on a predictable path downward. There are still plenty of inventories in China that will need to be moved before the new seasons start. We are going to see a delay in the season opening this year, so we may not know the extent of production for another two months or so if not

later. NO RUSH to book containers or buy in large quantities, if the season is short or product supply becomes tight, we will pass along that information.

Whole cooked crawfish:



This season in Egypt will start in a couple of weeks, and all predictions are for a decent production and prices that are lower than last year. We can see some inventories late April, early May. There are inventories around from last year, but we suggest you check the source, as the quality may not be up to par. There are packers who mix in dead crawfish with live, and the result is a mixed bag ☺ Chinese production will be

delayed probably by a few weeks, but we see it coming back to the last year levels, but prices from China still has 25% duty so this will remain a factor.

Frog legs:



Prices on frog legs have been stabilized and almost back to where they were a couple of years ago, and if the Tariff was down, prices will still be lower. There are still inventories in China and also in Vietnam now, but next year, we may see prices rise again as the Farmers may not raise frog legs in China next year. There are good inventories in the US as well, so if you use frog legs, you are in company.

Ecuadorian Head on shrimp:



This market has been flat for a while, but due to the Corona virus, Chinese quit buying the head on shrimp, which is the largest market for this product, and it caused a crash in the larger sizes. Currently we can buy 30/40 head on for almost the same price as the 51/60 about a year ago. This will not stabilize for at least another month or two. IF you are a retailer and looking to run specials, this is the opportunity to promote the head on LARGE size shrimp. Smaller sizes have not come down in prices that much and still a stable supply. Ecuadorian are looking for other markets and aggressively looking to make deals, but don't expect give away, they will stop farming for a while and we may a reverse cycle a few months down the road

Snow crabs:



Snow crab has been short, and that story has not changed. Season in Alaska is almost 60% finished but landings but product is not yet coming into Seattle. Normal years, 8 UP are almost 20% of the catch, but this year, it is less than 10% so far, and almost 70% is 5/8. Fishing is spotty due to Ice, and so the season may be delayed, but boats and plants are working to get the product produced as soon as they can. Prices remain high, and unless something drastic changes with the Canadian season, we are not seeing a drop. In the North Atlantic also there is plenty of Ice, so Canadian season may start in two weeks or a month, we don't know. Not many people have inventory, so if you do have some, consider yourself Lucky. There is Russian or Greenland product around, but some customers just simply don't like that product.

Canadian Lobster and lobster products:



Lobster prices predictably have come down as the shipment to China have virtually stopped, and we are seeing processors offer some values to get rid of last season product and to make room for the new season next month. We are still not seeing very low prices, but there has been a drop. Buy judiciously and work with good supplier to keep you posted on the market and supply conditions.

Shrimp:



Mexican shrimp: Wild Mexican shrimp season was not the same as last year, last of the boats will be coming in soon and we will know how the market will react. Prices opened up below last season, but now the prices have crept up and we are seeing some holes in the inventory. We will keep you advised on the incoming product and sizes in the next couple of weeks. Our advice is to start talking to your supplier and securing some product just in case there is a shortage.

Prices are still reasonable, but may creep up due to shortage in supply and people who have to have Mexican wild will pay the price. Good time to buy if you are in the market for large Mexican shrimp. Whites are still available, but browns are not as abundance as last year, but we still have a couple of weeks till all the boats are back.

Domestic shrimp: Last year was not very exciting, but it did not put the prices in stratosphere and we are not seeing softening of prices as much either as the new season starts. No shortages, but for customers who must have domestic, there may be limited supply on certain sizes. New season for all indication will see prices coming down a bit.

Farm Raised Asian shrimp: We don't know the effect of the virus on the Asian shrimp yet, but we are going to see a softer market, no matter how hard the Indians or Indonesians try, demand is going to take a while to pick back up and it will cause downward pressure on the price. Inventories are still stable in the US; larger sizes have come down in prices, and now a good value for both food service and retail. Good time to sell shrimp on AD or special in a seafood platter. Look to see some clarity in a month, when we get close to harvest season in India, but we advise NOT to book large quantities now, and wait till there is more information available.

Mahi :



Last Season for the Mahi in Latin America was not very good, and we are going to be seeing some price adjustment very soon. Fresh Mahi that was selling for under \$ 2 a few months ago now has crept back up to over \$ 4/ lb. And there was not much frozen packed. There is Indonesian and Taiwanese Mahi around at reasonable prices, so we are really not going to see a shortage in the market, just a different country of origin. Main production areas, Vietnam, Indonesia, Taiwan and Latin American can differ in both pricing and quality. Most Asian Mahi is frozen on board, and cut by large band saw, but Latin American Mahi is processed fresh and cut by hand. So verify before you buy what your customers like.

Gumbo Or Dressed Crabs:



Last year season was not very good due to conservation efforts on Mexican's government part, but it could also mean that fishery can get more stable in the future. Prices are historically higher, but customers are buying and we have not seen a drop in demand. This is a limited fishery, and limited demand product mostly concentrated in the South, and we don't see much of a drop in prices or supply. Season will start in August, and we will simply have to do with existing inventories. Buy what you need to hold for next couple of months.

Redfish:



Red drum from China is a limited fishery and not available all the time. Tariff put a further damper on the supply as it is still under 25% Tariff. We are pleased to announce that some product is now available and should be shipping shortly as the workers return. Expect prices to be higher than normal, but supply should be coming back.

Other ITEMS:

Warm water Lobster tails: Prices never dropped on warm water tails, and supply remained limited throughout the holidays and still climbed higher. Good news, product quality coming out of countries other than Brazil has improved, and now you can actually buy product of Nicaragua or Honduras without much concern. You may still see some soft tails or dark shell, but mostly both countries are now producing good tails and about a \$ 1 cheaper. Supplies are still limited, but slightly increasing simply due to more fishing.



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Conch meat: *Prices have come down now and supplies are fairly reasonable.*

Tuna: *is fairly stable, and depending upon the origin, quality and supply is reflected in the price. Popularity of sashimi and POKE places have put pressure on the market, but we think that the market now where it is going to be for a while.*

Octopus: *Octopus now has entered mainstream and you can see it on most menus, Prices have been soft for a while, and we don't see go much higher next few months. If you have demand for this item, stock up, and if you don't use it much, give it another look and introduce it to your customers.*

Please contact us if you need data on any specific item, we may be able to provide.