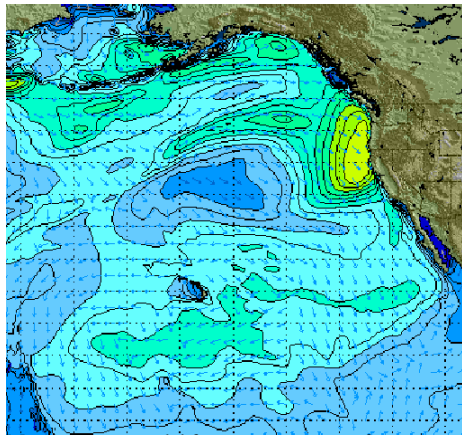




### West Coast Weather



### Season Openers & Holidays

Nov 11<sup>th</sup> – Veteran's Day  
Nov 15<sup>th</sup> – Halibut Season Closes  
Nov 24<sup>th</sup> – Thanksgiving  
Dec 1<sup>st</sup> – West Coast Dungeness Opener

### West Coast Bottom Fish

Canadian Ground fish: Supply remains fairly steady amidst winter weather systems already starting to hit the coast. We're seeing a decent supply of Pacific Rockfish the past few weeks from both directed bottom-fisheries, as well as mid-water Hake fisheries. The Hake boats in Canada are taking observers out on their boats the past couple weeks and bringing in 1 day old Rockfish along with their Hake catches as by-catch. This fish, along with the targeted bottom-fishers are keeping a nice flow of fish in the market until we have a higher concentration of boats focused on Bottom fish in November. Rockfish is a great promotional item right now for the next few weeks until we expect Dover landings to increase in late November, early December subject to weather.



### Wild Salmon

Kings – fresh king salmon is now limited to Troll kings only out of Southeast Alaska,

limited supply, high prices due to poor weather and lack of production.  
Cohos- Small quantities of small Coho coming from Puget Sound, prices are firm and availability is spotty.  
Keta – Canadian production is winding down with Puget Sound production ramping up. Price is stable and supply is good.  
Sockeye – No fresh until 2012 season mid-May, plenty of frozen options available.  
Pinks – No fresh until 2012 season in late June, plenty of frozen options available.



### Halibut

Market remains sluggish with change of seasons and food service moving more to frozen halibut. Alaska landings have been sporadic due to continuing pattern of storm systems and gales....boat prices still are priced similar to summer and have not diminished even though demand has slowed. Canada has about 1.6M yet to be harvested.....24% of their remaining quota as of October 19, season closes on November 18<sup>th</sup>.



### Farmed Atlantic Salmon

Prices have come down again significantly over the last week due to increased harvests in all areas and an influx of European fish from Scotland and Norway. Norway has been banned from selling fish to China and will continue to send fish to the US for the time being. Prices are at a 2 year low, but should remain soft for the next few weeks. Expect pricing to remain steady over the coming weeks. Prices are soft, but not expected to decrease again dramatically over the coming weeks. Supply is good in all areas and there are good opportunities on European fish.



### Live Lobster

We will have mostly local Maine product for the fall. Prices will moderate a little. We expect smaller lobster prices to come down slightly and larger lobster prices to edge up a little. Supply around this time of year will be dependent on the weather. Pacific Seafood sources all #1 hard-shell lobster, so buyer beware as you are being quoted and verify what you are getting.



### Dungeness Crab

With minimal amounts of product available in the market, boat prices will remain high with the live market (primarily Chinese export) being the catalyst behind that. The first opportunity for price relief on fresh whole cooks might have to wait until the October opener in Blaine, WA. This is one of the bigger openers in the Puget Sound fishery. With the continued weakening of the U.S. Dollar and the strength of the Chinese Yuan, expect the live market to keep pressure on that supply.



### Shrimp

The 2011 season is coming to an end, last day is October 31, and we have had a terrific season. In fact, it may shape up to be one of the best in recent memory. Markets worldwide have been taking advantage of the great value of this cooked peeled ready to eat shrimp. Make sure to book your needs early. Pacific Seafood now has the only BRC certified shrimp plant on the coast, Pacific Shrimp in Newport Oregon. This position's Pacific Seafood to meet the ever growing demand for food safety so our customers can rest assured they are buying the safest shrimp available.



### King Crab

Availability continues to tighten as quotas remain the same or shrink, as in the case of Alaska, whose Bering Sea Red King quote dropped from 14.8 million pounds live weight in 2010, to just over 7 million pounds in 2011 – a 47% reduction. With the strength of the Japanese Yen, expect prices to continue to move upward on this sought after crab. Russian Far East Blue King Crab fishery in Okhotsk is complete, while the Russian Bering Sea Blue King is presently being fished. The Bering Sea Crab will not deliver until latter part of the year, maybe in time for holidays, but do not count on it and it too, will not be cheap. Russian Gold King Crab fishery is finished. Some weakening in the market of 20+ Gold Crab, while other sizes remain steady in price. No more Gold King crab from Russia until spring of 2012. Barents Sea Fishery has come and gone, quicker than previous years, but with same quota being caught. Crab is beautiful and we expect to see new season in the market sometime in December.

### Snow Crab

Eastern Canada completed their fishery over the summer. There is inventory in Boston of 5/8, 8+ and some 10+ oz sections. Best value on crab available today. Alaska Snow Crab quota was, unlike Bering Sea Red King, increased 64% year over year, and so we expect good things for the beginning of 2012 when this fishery will commence.

### Farmed Steelhead

Our farm is back on line and the product supply is steady. Prices have softened in response to the Atlantic salmon market, making farmed steelhead a great opportunity this winter. Be sure to talk to your sales rep about availability of our delicious and high quality Steelhead. Expect production and availability to increase over the coming months. Market price will remain steady.

### Chilean Sea Bass

There are two different markets for Chilean Sea Bass, H&G and Fillets. Markets dropped for H&G some in the past few months but now have seemed to firm up and no real changes are foreseen in the near future. Inventories for both Pantagonian and Mawsoni are low, which is one reason why markets have stopped dropping. There is Pantagonian in the pipeline, and it also is the specie that is currently being harvested. Mawsoni which origin comes from the Ross Sea will begin as the ice melts. Ross Sea seasons are opposite to ours and boats should begin to fish sometime beginning in November, which is the beginning of summer season down under. Smaller fish up to 10 kg are priced about .30 to .50 more than fish over 10 kg. The Fillet markets are different as frozen is brought to shore and processed, and for the most part are twice frozen. Inventories are very short at this time and costing reflects on what vendors have in inventory, also factored in costs are how the product is trimmed. The spread on fillets between vendors swing as much as \$1 a pound. Going forward, there looks to be fair supplies ahead of both H&G and fillets. As stated before, there is product in the pipeline and will become available this week. Markets at this time look to remain firm at current levels with no large swings either way in the near future.

### Tilapia

Fresh Tilapia suppliers are extremely tight with the 4 primary South American producers all on allocation and are cutting orders back weekly. All are sighting the need to cover upcoming Lent 2012 demand as the reason for these allocations. They are all fearful of over harvesting now and creating bigger supply challenges come Lent 2012. Frozen Chinese tilapia supply is adequate however the market has ticked up a bit from where it bottomed out in August. Still when Chinese tilapia goes up it remains an excellent valued protein. We expect the frozen Chinese tilapia market to stay steady to firm now until next July.

### Domestic Catfish

We anticipate pricing to drop in the near future, however the decrease may be short-lived, as the supply numbers indicate that the industry will be short another 60 million pounds of available fish for 2012. The loss in demand (which is the “wild card”) may create a situation that is not as severe as 2011, when it comes to shortages. That remains to be seen. ALL of this is based upon current information that may likely change in the coming weeks.

### In Shell Oysters

- Shigoku – Willapa Bay, WA
- Fanny Bay Petite – Vancouver Is.
- Naked Roys X-Small-Samish Bay
- Samish Bay – Samish Bay, WA
- Pacific Oyster 3-4” Hood Canal, WA
- Maple Point – Hood Canal, WA
- Kumamoto-Humbolt Bay, CA
- Penn Cove Select-Samish Bay, WA
- Kussli-Stellar Bay- B.C. Canada
- BBQ’s – 4-8” – Hood Canal, WA
- Baynes Sound 2-3” – BC Canada
- Dabob Bay – Hood Canal, WA
- Pacific 2-3” Clean- HC, WA
- Virginica – Totten Inlet, WA
- Pressure Shucked-Willapa Bay, WA



### Mussels

We currently have 3 varieties of mussels: **Penn Cove Mussels** - Plenty of product, readily available, these have the majority of the beard removed.

**Taylor Mediterranean Mussels** - Meat fill has been excellent. Both medium and large sizes available.

**Whales Cove Mediterranean** - Our favorite mussels from Mexico. A little larger than local mussels but they are an excellent morsel of meat.







## Clams

**Manila Clams** – Great time of year to feature these northwest morsels.

**Venus Clams** – Venus continue to be both excellent quality and value.

**Savory Clams** – Availability is consistent and will continue to be a great choice through the fall. As winter temperatures hit, the clams tend to dig deep making it hard to harvest and typically starts affecting the fishery in late-December.



## Scallops

With 5 months remaining in the scallop season is approximately 80% caught. Most of the remaining 20% is expected to be caught by the end of December with a handful of trips to be fished in January and February. Global economics have played a large role in pushing scallop prices to record highs. A lack of worldwide supply and a weak dollar has made the U.S. scallop more appealing on world markets and imports more expensive and less appealing. The high prices are having slowing domestic demand for scallops, and with the EU economy weakening, there is an expectation for prices to fall back some. However, the boats are not currently catching enough 10/20's to fill current demand keeping prices high. It is possible that we will see another inverted market where 10/20's are priced more than U/10's. Barring another Hurricane or storms on the Atlantic Seaboard, prices should stabilize in October and/or November but should firm again in December. Imported scallops prices from Canada, Japan and Peru are up 20-35% from a year ago.



## Prawns

### Thailand

Flooding in Thailand has caused prices to jump up. Many packers have enough orders in hand to get through the end of 2011 into

2012. We may see a bit of a softening as we get into December. That product would not be arriving into the states until January and February.

**India** - Supplies have dropped and farm prices have gone up. Packers are full with back orders and there is no pressure on packers to sell at lower levels. After October more raw materials should be available on larger sizes, 16/20 – 26/30s.



## Sushi

Yellowfin tuna (frozen) items continue to be in short supply. Loins (large and small) are most plentiful with nakauchi (minced) and cubes most difficult to consistently source. Saku supplies are loosening up slightly. Prices are up sharply in the past 30 days on saku; loin prices have been relatively stable. The Yellowfin tuna (frozen) market supply situation will moderate but prices will continue to be firm. Yellowfin tuna (frozen) saku customers have discovered the value of using loins when saku are difficult to source.

## Swai

Recent raw material price increases have caused some Vietnamese processors to “break” their supply contract price agreements. Strong worldwide demand is pushing prices on Swai. Despite this, Swai remains an excellent value! Growing from fry to harvest size in 6 months, Swai has tremendous ability to recover quickly thus providing over all relative stability to pricing. Increases referenced here are penny amounts, but with the large contracts referenced earlier, a few pennies are significant.

## Lobster Frozen

**North Atlantic Lobster** - The market remains sloppy, with several low offerings reported on Maine production. The majority of the inventory appears to be in the smaller sizes (less than 5 oz). Buyers seem to be

cautious. The South West Nova Scotia season opens at the end of November, but will produce very few small tails (mostly above 6 oz). There is the potential to take advantage of the current inventory of small tails being sold at low numbers, as there will be very few produced between now and next Spring (May). The price of lobster meat remains steady as inventory levels appear to be average.

**Warm Water Lobster** - High end items like lobster tails are remaining at steady levels. Warm water lobsters are harvested through Central and South America with dozens of countries harvesting and processing warm water species. There are TREMENDOUS variations in quality from country to country so be aware of where you are sourcing. Our group focuses on Brazil and Honduras.

## Import/Domestic Squid

The primary producer of Import squid is China. There is a China fishery that lands the squid in China and processes it. The fall Chinese squid fishery is just getting completed and landings are off slightly from last year. Overall market pricing are stable, as with so many seafood items there are significant variations in quality from packer to packer.

As it is now, we are half way through the quota of 118,000 ton this season and there are some decent numbers being landed in southern California. Monterey Bay does not look so promising though. Squid sizes have been mixed as well; it looks like the season will be shut down the 1<sup>st</sup> week of December, so we are hoping to land as much product as we can before that time. Final landings will dictate pricing moving forward.

## Beef

Boxed beef cutout values finished this session higher on moderate demand and light to moderate offerings. In spite of declining live cattle futures this week, packers were able to trade most product at appreciated price levels, which may be due to the lingering effects of high prices in the direct cattle market during last week's close



and continuing into this trading period. The largest gains were seen in the rib and loin complexes; however end meats appreciated as well to a lesser extent. Beef trimmings advanced again this week; fed cattle grinds had a turn-around week, ending this week higher and blended cattle grinds remain generally steady.

### Pork

Trading levels for retail cuts continued the downward trend this week. Ample supplies plagued sellers and limited demand from retailers combined to put pressure on the markets. Processing cuts experienced mostly moderate to heavy offerings for the domestic market this week, which pressured price levels lower. Additional offerings from our neighbors to the north for hams and bellies further pressured prices in the U.S. Most buyers stepped in and procured product at these lower levels in an effort to replenish frozen inventories. Lean trim offerings were more than ample to meet demand as these prices also deteriorated throughout the week with most trading occurring mid-week.

### Poultry

The poultry market overall is steady as we move toward the holiday season. Egg set reductions has helped to ease the sharp reductions in chicken pricing that we typically see after the Labor Day holiday. Expect prices to stay steady with intermittent deals offered by processors to help generate interest during turkey time.

### Import Food Safety and Quality Assurance Program:

Pacific Seafood Group is committed to providing safe, wholesome, nutritious, and high quality seafood products to our customers. More than 80% of seafood consumed by Americans are from import. To meet the increasing demand from consumers for food safety and quality, Pacific Seafood's Quality Assurance team has implemented an Import Food Safety and Quality Assurance Program to provide further protection and values to our customers. Pacific Seafood will only source products from pre-approved vendors and co-packers that meet the highest food safety and quality standards in the industry.

### Vendors and Co-Packer Screening and Pre-Approval

- Pre-screening with FDA, CFIA, EU violation records
- HACCP Program
- HACCP Certificate
- Food Safety Specifications
- Recall information
- Traceability and Date Coding. Plant code to be assigned by Pacific
- Farmed: ACC/BAP, Species (catfish) Certification
- Packaging: Label review and approval
- Product Specifications
- Third Party Audits (GFSI and BRC) and Corrective Actions
- USDC QMP for private label program

### Ongoing Verifications

- Daily QA Report from Co-Packers
- Farmed Species: Antibiotic Testing Report per Shipment
- Ready-to-Eat Products: Microbial Testing Report per Shipment
- Portside QC Inspections
- Yearly On-Site Audit

Check out:  
[www.pacseafood.com](http://www.pacseafood.com)

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*Pacific Seafood*

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*For more information regarding the Pacific Advantage Commitment go to:*

[www.pacseafood.com](http://www.pacseafood.com)