May 2011 Fresh Market Report

West Coast Weather

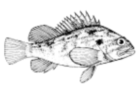
Weather systems off the west coast could affect availability by end of week, although Alaska weather looks good all week.

Season Openers & Holidays

May 5th Cinco de Mayo
May 8th Mother's Day
May 16th Potential Copper River opener
May 30th Memorial Day
June 19th Father's Day

West Coast Bottom Fish

Good week for ground fish. Supply should be consistent. Petrale is the exception, as harvest is normally short this time of year.



Wild Salmon

COPPER RIVER – The latest estimate is that the season will open Monday May 16th. We expect King runs to be very short but expect more of a "normal" Sockeye run this year. If the projections are accurate this could be a big Sockeye year on the Copper River harvesting over 1 million Sockeyes!

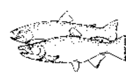
COLUMBIA RIVER KINGS – The lower Columbia River terminal fisheries or "safe areas" have been temporarily suspended because the last opener Monday night resulted in too many upriver Kings harvested. These fish should not have been in these safe areas but indeed were mixed in with the terminal hatchery kings. We expect another opener to be set for Thursday night, 4/28.
The Native Americans are currently fishing, but are not allowed to sell their catch yet as these first fish are a ceremonial and subsistence harvest. We expect the commercial sale of these hook and line and scaffold Springer's to begin around May 15th.

OREGON TROLL KINGS – Oregon's Troll King fishery opened April 15th south of Cape Falcon, but the catch has been light, partially due to the weather and cold water temperatures. Cash buyers will continue to drive prices up on the dock until there are enough fish to fill the pipeline. In reality that may not happen until the California troll season begins to produce good numbers, which should happen around May 7th or so.

WASHINGTON/ CALIFORNIA TROLL KINGS - Washington's troll season opens May 1st from the Canadian border south to Cape Falcon near Manzanita, OR. This fishery is a quota fishery and changes could occur during the season changes once the 13,700 fish limit is met. California's troll season from Pt. Arena to Pigeon Pt. (San Francisco) also opens on May 1st. Early reports are that sport fishermen are catching plenty of fish.

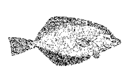
ALASKAN TROLL KINGS – The winter troll king season is now closed. Although the spring troll king season will be on going, the areas that are allowed to be fished typically do not provide many fish. The next opportunity, which will be HUGE, will be the summer troll fishery which commences July 1st.

CANADIAN TROLL KINGS – Canada's Troll King fishery kicked off this past week with approximately 60 vessels fishing the north coast of Vancouver Island. No reports yet as to how the boats are doing.



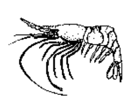
Halibut

We are barely over 15% of the way through the season and Canada reports as of April 22nd that over 20% of the quota has been harvested. Alaska isn't much different at 22% for areas 2C & 3A. It could be a tight summer on fresh halibut once the main salmon fisheries get under way.



Shrimpmeat

Another shrimp season in the books for the West Coast. Frozen products are available to meet your winter needs. Looking for another banner year in 2011 as the biomass continues to build.

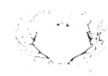


Live Lobster

We are starting to see catch increase for the spring with most Lobsters coming from Canada. By the first of the week most of their areas will be open. Mother's Day demands will keep prices strong. Prices should hold fairly stable due to fuel and bait costs. We should see plenty of supply into July, with prices creeping up around Memorial Day. To sum up, we should see plenty of supply by the end of next week, with stable pricing through May and then increasing into July.

Dungeness Crab

The live market continues to drive up boat prices which drive up all Dungeness products. Speculation is that the Canadian and Alaska season might not offer much relief.



Blue Crab

Prices have been steadily escalating in the Asian crab market. Supply is still low as well due to a variety of issues in Asia (mostly weather and oil price related).
Thailand: Crab landings dropped last month by over 50% due to hot weather. Some plants had to shut down due to floods and poor production.
Indonesia: The lack of rain and high temperatures is still a major factor resulting in poor crab landings. Crab migrates to deeper waters when this occurs. Competition among packers for raw material has also contributed to higher costs of goods.

Farmed Atlantic Salmon

Market prices increased at the end of April due to Easter demand and tight supplies. Canadian farms have limited supply. One farm is increasing production while the others are decreasing production. Chile has started to export fish, though a slow start, harvest should improve May and June. We anticipate fairly stable prices with a possible decrease by the end of May as the wild salmon seasons get underway. The weakening dollar is the unknown and has played havoc with many imports.

Exotics

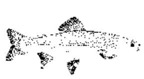
Mahi Mahi – South America production is improving, although not as strong as historical averages. Primary producing countries currently are Costa Rica, Ecuador, and Guatemala. Mexico is producing some production but is inconsistent.
Tunas – Market will continue to strengthen as the holidays approach. Tunas will be coming primarily out of Vietnam, Fiji, the Philippines and to a limited extent, Hawaii. Top dollar will be paid for high quality fish over the next few weeks.
Sword and Bi-catch – Sword season is underway out of Mexico, production has

been strong and will continue into January. Ono, Opah, and Spearfish availability is good, primarily out of Fiji, Hawaii and Australia.

Chilean Sea Bass
The Chilean Sea Bass market is steady as there is not much inventory in the freezers. Large Sea Bass, 30 KG up, is still in short supply. Prices are fairly stable. Production from the Southern Hemisphere should be good come June and July, particularly from Chilean and Argentinean waters. Great substitutes for H&G Chilean Sea Bass are frozen IQF skin on fillets 6/10 lbs.

Farmed Steelhead
Premium farmed Steelhead from the ‘Pacific Aquaculture’ farm on the Columbia River is available and harvest is on the increase to help meet the demand for our USA grown fish. The recent improvements to the farm site will result in increased capacity over the next several months. Our Pacific Northwest Steelhead is free of any and all hormones, pesticides, herbicides or growth promoting antibiotics. The feed is made from all natural ingredients to provide high quality and healthy product.
Chile is ramping up production and we will see a few coming out of BC, Canada next month as well.

Trout
Southern Idaho is producing excellent quality trout for your needs. Warm summer temperatures and low water levels did not affect the trout farms production this year, so should be a banner year for trout production.



Tilapia
Fresh tilapia supply is stable. Pricing has had some pressure from rising feed and fuel cost. Chinese tilapia continues to be hampered by poor weather as well as their increased domestic demand. China can consume significant amounts of fish which affects the world market.

Domestic Catfish
The domestic catfish industry has some serious issues. Over the past few years many growers have consolidated their business or quit all together due to high costs and competition. This of course affects supply and price. Prices have increased over the past several weeks due to supply and demand issues. Farmers are now increasing feed for the fish as weather warms after the dormant winter months, which will result in increased production. Supplies should stabilize by the end of July which should result in lower costs. Frozen catfish is virtually unavailable for the time being, as processors focus on their fresh business.

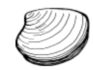
Spot Prawns
Puget Sound has a few limited openers this week. Hood Canal has tribal openers in May, and June the main commercial Puget Sound fishery opens. Check with your sales rep for pricing and availability.

In Shell Oysters
Live Oysters

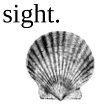
- Kumiai Oyster
- Fanny Bay Petite
- Fanny Bay X-Small
- Windy Points X-Small-Samish Bay
- Eagle Creek Small-Hood Canal, WA
- Pacific Oyster 3-4” Hood Canal, WA
- Kumomoto-Humbolt Bay, CA
- Penn Cove Select-Samish Bay, WA
- Kusshi-Stellar Bay- B.C. Canada
- BBQ’s – 4-8” – Hood Canal, WA
- Magnums 6”- Hood Canal, WA
- Stretch Island 2-3 Puget Sound WA
- Quilcene Bay 2-3 Quilcene WA.
- Baynes Sound 2-3” – BC Canada
- Dabob Bay – Hood Canal, WA
- Naked Roys – Samish Bay, WA.
- Pacific 2-3” Clean- HC, WA
- Shigoku Petite –Willapa Bay
- Pressure Shucked-Willapa Bay, WA

Mussels
3 varieties of mussels
Penn Cove Black Mussels.
These have the majority of the beard removed and are a smaller more delicate mussel.
Penn Cove Mediterranean
A little larger than a black, the typical Puget Sound mussel.
Taylor Mediterranean Mussels are unavailable at this time due to slow growth rates due to La Nina year growth rate.
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.



Scallops
The annual Mexican bay scallop fishery is just getting underway. Diver caught by day boats, these scallops are among the finest quality bay scallops you will ever enjoy. All natural chemical free they are an opportunity for you to promote. Domestic scallop market is maintaining its high level with no relief in sight.



Sushi
Fresh tuna continues to be plentiful with price moderating after spot shortages during early- and mid-April. The hotspot continues to be Unagi (BBQ freshwater eel). Prices continue to increase even though Japanese importers have been absent from the market due to the ripple effect of the earthquake and tsunami in Japan. One large importer recently attempted to seal a deal for 10 containers of Unagi only to have the supplier (China) pull the offer. Watch for Unagi prices to gradually advance through the summer months; possible relief is in sight by the 4th quarter, 2011.Farmed Hamachi has been unaffected by the earthquake, tsunami and radiation leakage at the Fukushima Daiichi nuclear reactor . . . primary Hamachi farming areas are 900 miles away (Shikoku) to 1,300 miles away (Kagoshima) from the nuclear zone.

Prawns
Specific outlooks for May:
Tiger blocks – Bang options should begin to hit the market in May. Supplies are thinning in 8/12, 26/30s and 31/40s. Expect firm prices and shortages.
White blocks – Asian options in 16/20 and 21/25s remain ample with pricing soft. 31s and smaller should be short from Asia while Latin options should keep prices stable.
IQF value added – small raw peeled, ezp, and cooked will be wanted and short through May. Prices will remain firm.

Large sizes U/15 – 26/30 will be steady. 8/12 peeled is short.
Mexican Wild – u/8 through 16/20s are running out – u/12 and u/15 whites are just about gone. 21/25 browns are ample and discounted.
Domestic Wild – landings should increase through May. Expect bigger whites which the market is in need of.

Swai/Basa

Swai entered the top 10 nationally consumed seafood items in 2010. Delicate, moist and mild, the value price point of Swai has really helped to put it on the map. Swai is gaining record promotions at the retail level as well as gaining more and more new menu placements. All of this has put serious pressure on supply. Swai cost is expected to increase in the coming months. A fast growing fish, from hatchling to harvest is about 6 months so they can recover quickly.

Bottom Fish Frozen

COD
Alaskan - The season was poor with a zone west of Dutch Harbor closed to protect the Stellar Sea Lion. This closure is where the majority of the larger fish (16/32s and 32 oz up fillets) are harvested. 4-8s are limited and costs are slightly above last years'. Availability of 8-16s is best, but costs are firm and should remain this way with a possibility of strengthening as production will be limited until the next Bering Sea fishing season which opens in September.
Atlantic- FAS and single frozen are perhaps one of the best values in the Cod world at this time. The cost for 16/32 oz FAS Atlantic is the same or sometimes less than Alaskan: a very rare occurrence. The economy in Iceland is weak as well as the U.S., and Europeans are consuming other species. These factors have kept prices down, but more than likely this will be short lived.

POLLOCK

The beginning of a turnaround of the TAC of Pollock may offer an alternative to the Cod situation. Pollock prices have fallen over the past few months and now are at a 2 year low, but probably not for long, because of the Cod market more pressure will be applied to Pollock.

DOVER and ROCKFISH

There will be a learning curve during the first year of Rationalization. In simple terms there will be frozen product packed when there is too much fresh inventory to move in a timely manner. There are adequate supplies of frozen Dover at this time; there may be changes if and when better weather enters the equation. The supply of frozen Rockfish is very limited at this time. Small amounts have been processed, but demand has absorbed most inventories. Rockfish availability should improve once the Whiting season opens later in May or June and weather improves.

Lobster Frozen

North Atlantic
NE Canada is expected to begin their new season in May. Typically this brings significant supply to the market which results in price relief. However with the strength of the Canadian dollar vs. the U.S dollar we will be challenged to see any cost of goods relief. Supply will be plentiful and North Atlantic lobster are a great item to promote as you can get tails, meat, live as well as whole cooked lobster.
Warm Water
The major warm water season also kicks off in May. This will keep the warm water market soft. Be guarded when sourcing warm water lobster tails. They are processed throughout dozens of South American countries with each country having its own strengths and weaknesses. Our group has a program with a South American company that has an excellent reputation for quality sourcing primarily out of Honduras and Brazil.

Import Squid

China is really stepping up their purchases on squid they process. Additionally Japan has had to begin to rebuild their inventory on all the product that was destroyed when cold storage facilities failed. Both of these conditions are pressurizing the squid market. So far just as it relates to supply but this will ultimately effect pricing. This will also trickle over into our Domestic squid fishery as well.