



June 2011 Fresh Market Report



West Coast Weather

Coastal weather looks great to start the week, followed by a couple of mild storms mid-week.

West Coast Bottom Fish

Bottomfish will be plentiful this week as the weather provides ample opportunity for fishing. Black cod continues to be tight on the fresh market.



Wild Salmon

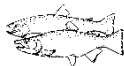
Copper River – Opened as scheduled Monday, May 16th to the usual excitement. The catch was considerably better than expected and exceeded demand as many promotions have been delayed due to the past few years' shortages. Kings are expected to be short this season with fish count estimated to be down by over 20% vs. last year. However Sockeyes are projected to be up by over 10% over the prior 5 year average. Expect a typical Copper River melee as the demand seeks supply and then supply seeks demand.

Columbia River Kings – Thanks to a revision in projected run size the lower river had a 12 hour tangle net opener Wednesday night 5/18. In addition, we expect to see Kings to continue to come from the Columbia River Terminal hatchery fisheries, predominantly Young's Bay and Blind Slough. Above the Bonneville Dam the Native Americans hook and line season is open and producing some of the highest quality King salmon on the market. Drano Lake, an arm of water supplied by the Little White Salmon River which then empties into the Columbia River, also has gillnet openers each Tuesday night. In addition to that fishery we expect the Natives to have a commercial gillnet opener on the Main stem Columbia River next week.

Troll Kings - The Washington, Oregon and California Troll King season is under way but both effort and catch have been low. As the weather improves and the water warms we expect production to increase significantly.

Alaska Trolls – The Spring Troll King season is producing moderate numbers of high quality kings. This fishery is designed to target hatchery kings in designated areas.

July 1st signals the opening of the summer Troll King season which is expected to see a 50,000 fish increase over last year's harvest.



Halibut

Halibut fishery continues to plug along with 34% of the quota caught in the "fresh" areas. Being 28% of the way through the season, fish will be hit and miss toward the end with sporadic shortage during the season. Next week will be tight at the start of the week with little fishing effort going into the long weekend.



Shrimpmeat

April 1st marked the beginning of the west coast shrimp season. The fishery is off to a banner start and should continue the entire season.

Spot Prawns

There will be a hood canal spot fishery Sunday and Monday just in time for the holiday weekend.



Live Lobster

Lobster supplies are sufficient to meet market needs. However, unusually stormy weather and cold water temperatures this month, both in Maine and Canada, have limited fishing. Typically the month of May has the largest landings of the year, but this year weather conditions have severely limited catches. The largest Canadian lobster season in Southwest Nova Scotia closes this upcoming weekend. We may see some price increases in June and early July until Maine catches increase to meet market demand.



Dungeness Crab

Live market and whole cooks will remain tight and high priced until the Northern Puget Sound opener June 1.



Blue Crab

Thailand: April was the worst crab landing in 15 years. Hot weather in all areas made crab move to deeper areas and stay in the sand. The volume decreased over 90%. Catch will pick up at the end of May.

Indonesia: Bad weather restricted fisherman from catching crab. The competition of crabmeat buying market was very aggressive, tough and high prices. Catch expected to still be low.

Farmed Atlantic Salmon

The market has not dropped as much as we first thought. The general feel is that this may level off in May then start sliding again in June. Expect whole fish prices to drop mid to end of June. Other countries continue to aggressively pursue farmed salmon (China, Brazil, Japan, Russia). Japan was very aggressive in Boston looking to replace inventories that were lost in the earth quake. The lack of value of the dollar has made importers look at the return on sells into the US.

Norway – Prices have leveled off. Their production will be steady for the next four months with the exception in June when almost all production workers take their two week vacation. This will slow imports from Norway during the month. Japan is looking at replenishing through Norway. Imports are down 40% into the U.S.

Chile – Chile is starting to see a couple of farms ramp up. One farm will be importing 10,000 cases a week into the US starting first of June. Several other farms will be hitting their stride in the fourth quarter of this year. We should see all of Chile back to past levels in 2013. Chile continues to freeze product for export to China and Japan.

Canada – West Coast farms are being pressured from all countries for their supply. One farm is down, not running at full capacity and another farm is going up to 8 harvests per week through the summer. The US farm is increasing production in May up to 3 harvests a week.

Farm Kings – (Creative Salmon) has farm kings available. These will be available through June. Overall we should slowly see some price relief over the next two months.



June 2011 Fresh Market Report



Exotics

Mahi Mahi – South America production is improving, although not as strong as historical average. Primary producing countries currently are Costa Rica, Ecuador, and Guatemala. Mexico is producing some production but is inconsistent. Pricing has finally stabilized with smaller fish hitting the market.

Tunas – Market will continue to be strong with #1 fish getting tight and fetching outrageous prices overseas. Tunas will be coming primarily out of Vietnam, Fiji, Philippines and to a limited extent, Hawaii.

Sword and Bi-catch – Sword catch out of Hawaii is picking up bringing great opportunities on steak ready products. Ono, Opah, Blue and Stripe Marlin and Spearfish availability is good, primarily out of Fiji, Hawaii and Australia.



Chilean Sea Bass

The market in the last few weeks has softened. Pricing is stable. On the other hand Asia is still buying up and paying at the point of origin thus keeping the prices firm at the boat level/producers. It is a bit uncertain what the US market will do in the upcoming weeks or months since Asia's heavy demand is still strong which will tighten supply and raise prices.

Farmed Steelhead

Pacific Aquaculture continues production to provide a premium fresh steelhead from the Columbia River. New improvements in the farm sites have allowed for increased capacity which will help meet the demand. Expect increased availability in June of 2011. 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.

Tilapia

Feed costs are driving concerns over pricing on fresh South American raised tilapia. This is fostering concerns about potential price increases. If they come they are expected to be fairly minimal and even

at an adjusted level, fresh tilapia remain an EXCELLENT fresh item for you to take advantage of. Mild and delicate, tilapia takes on the flavor of the ingredients used. This makes it very popular among chefs everywhere. Chinese tilapia sold frozen in the US is a little bit unsettled. Hot spring weather in China has some growers and processors worried about production this summer. Regardless, frozen Chinese tilapia has its value point and the market will not allow it above that so we do not forecast frozen tilapia to go much higher than current levels regardless of the impact of the warmer spring weather in China.

Domestic Catfish

The predicted shortages are a serious reality. Supplies are less than half of last year's supply and the market reflects it. The pond bank, (prices paid to the growers) is at all-time highs reflecting the tight supply issues. As we have been reporting the domestic industry is claiming that by July they will be back to full productions but that remains to be seen. Also, the growers are making changes to their growing operations to increase their productivity. Based on these changes the domestic processors say that this supply challenge will not plague us next year. This shortage is affecting all catfish, fresh and frozen. The best substitute we recommend is Vietnamese Swai which is basically the same fish as domestic catfish but cannot be marketed as such.

In Shell Oysters

Life is good for shellfish eaters; we have had minimal weather related disruptions this spring.

- Kumiai Oyster
- Fanny Bay Petite – Vancouver Is.
- Fanny Bay X-Small-Van. Island
- Windy Points X-Small-Samish Bay
- Eagle Creek Small-Hood Canal, WA
- Pacific Oyster 3-4" Hood Canal, WA
- Totten Inlet X-Small – Totten Inlet
- Kumamoto-Humbolt Bay, CA
- Penn Cove Select-Samish Bay, WA
- Kusshi-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
- Steamboats X-Small

- Shigoku Petite –Willapa Bay
- Pressure Shucked-Willapa Bay, WA



Mussels

We currently have 3 varieties of mussels due to the Penn Cove Blacks being between crops

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 continues to be both excellent quality and value.

Savory Clams – Availability is consistent and will continue to be a great choice.



Scallops

Domestic scallops remain steady at their high levels. It is difficult to imagine the market has any more room to move above its current record high levels. Currently a great opportunity exists on fresh Mexican bay scallops. Harvested in the Sea of Cortez by divers on small boats, these scallops are all natural, chemical free and will be some of the best scallops you will ever experience. A short season, we expect it to be completed by the end of June so take advantage of it while you can!



Prawns

The import pace is running slightly ahead of a year ago (up 4.4% through March), but inventory levels as a whole still feel thin. Supply issues (primarily in Thailand)



June 2011 Fresh Market Report



have kept prices very firm and buying remains on an 'as needed' basis. Small sizes are particularly vacant. The only heavy sizes are 16/20 and 21/25 block and ezp (India and farm Mex). Tiger availability is thin – Bangladesh offers are late showing up this year. Large foodservice RFP's are getting pushed back as is retail summertime ad emphasis. Supplies should improve into June and July. One shouldn't expect much of a decline in prices, however, as currency rates and high input costs (feed, fuel, etc.) are squeezing packers. Demand remains strong in the smaller sizes, while most farm economics wish to grow larger shrimp. The domestic wild season officially kicked off – primary sizes landing are 16/20 and 21/25 whites.

Tight spots:

41/50 thru 61/70 ezp (start booking direct July arrivals from Thailand)

51/60 thru 71/90 cpto (start booking direct July arrivals from Thailand)

31/40 and smaller peeled (book Indo/Thailand through July – consider domestic wild pnd)

8/12 tigers

16/20 and larger wild Mex (consider domestic wild and farmed Mex)

Swai

Swai has really taken off nationally. It is finding its way onto restaurant menus as well as retail ads and promotions. All of this pressure has caused the Swai market to tick up a little bit. There are wide variations in quality on Swai. All of our group's Swai is sourced directly from our Vietnamese grower QVD. Our specs are among the highest in the industry. Swai is a very mild tasting versatile fish. Technically it is from the Channel catfish family but as noted previously under catfish, CANNOT be marketed as catfish. FDA approved marketing names are Swai, Tra or Sutchi.

Bottomfish Frozen

Dover and Rockfish - There remains a good supply of Dover with frozen inventories on hand and the result is that markets have remained even. Petrale Sole frozen markets are strong with limited supplies, and market will remain firm with periods of even stronger markets, which will continue through the warmer months. Rockfish availabilities continue to be a challenge, let alone low markets. There

may be some relief in markets to come with more consistent better weather ahead. Most Rockfish boats are geared for Whiting at this time.

Cod Atlantic - Larger S/P fillets of the 16/32 and 32 up that are FAS continue to be a good value. Forecasts however is that within the next 3 months markets will increase on the larger sizes about 10% which will place them in line with the Pacific fish.

Cod Pacific - The larger size fillets continue to be a challenge with Pacific Cod. There is no relief with the Alaska fisheries, the second season, which opens in September, normally does not produce a larger fish. The Russian opening is from the Barents Sea, yields a fillet of 16 oz and under for the most part. This product is then sent to China where the majority of the portions are processed. The markets from the Pacific look to be firm at current levels for the near future.

Pollock - Markets for 4-6 oz fillets have remained firm as the "A" fishery which closed in April produced smaller fish. Markets are softer with the 2-4 oz size. The "B" opener officially opens in June but boats historically wait until after the 4th of July before venturing out. Overall the Pollock markets continue to be a bright spot with an outlook of value going forward.

Lobster Frozen

North Atlantic - The May season is underway. To date the catch has been predominantly small lobster producing 6 oz and under frozen tails. Unseasonable colder ocean water temps are being sighted for the slow start to the season. The overall market remains very steady with no major adjustments expected. North Atlantic lobster is among the sweetest and best tasting lobster in the world.

Warm Water - Steady as she goes on warm water lobster, (often marketed as "rock lobster"). There are new harvest areas in South America beginning to produce new season production. Thus supplies are excellent and the market is flat. You can safely plan your summer promotions off the current market price and be relatively safe.

Import Squid

The majority of imported squid is harvested and processed in China. Landings have been very poor and worldwide as well as

China's own domestic market continues to consume more and more of the seafood it produces and processes for the world.

Supply is challenged and prices reflect it with the market moving up about 15% in the past couple weeks. There is no relief in sight or forecasted at this point. Even at these higher levels imported squid still remains a value when you breakdown the portion cost.

Domestic Squid

To date there have been no changes in the domestic market. However it will follow the import squid market eventually as the two origins compete and are interchangeable in most applications. Supply is adequate but as noted we would expect domestic to adjust to the newer level of imported squid.

Local White Sea Bass

Opens June 16th