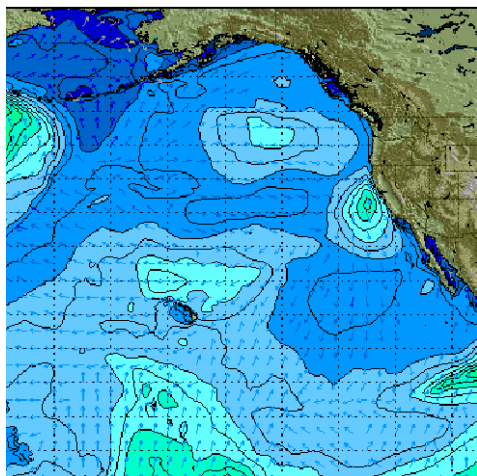




West Coast Weather



Monday wave model from stormsurfing.com

Season Openers & Holidays

July 4th – Independence Day

July 10th – Snow Pass Coho

July 15th – Troll Coho SE Alaska Opener

Mid to End July – Oregon Albacore Tuna

West Coast Bottom Fish

Fresh Bottom Fish supplies are in good order right now as weather has been reasonable for the most part. Rockfish prices have become more of a bargain as Canadian boats have good fishing efforts in the absence of good Whiting fishing. Focus on Rockfish/Snapper and Pacific Cod sales as the Canadians will continue working the grounds. We're expecting an increased effort on Yellowtail fishing from the Natives out of NE Washington as well. Dover continues to be in short supply so expect prices to stay firm. Consider Rock Sole as a substitute as we'll have boats working the Rock Sole grounds in the absence of Dover for the rest of the summer.



Wild Salmon

King - Columbia River – Native Americans are expected to be granted 2 openers targeting the June Hog Summer Run: King salmon June 16th – 18th and then again the next week June 21st - 24th. After they assess the run strength we expect them to get at least 2-3 more weeks of fishing. This run is expected to be huge this year with over 91,000 Kings expected back compared to 72,000 last year. In addition to the Native openers, we expect a lower river non-native gillnet opener on June 16th as well. We expect heavy production of Columbia River Kings for approximately 1 month, then slowing until the fall run begins in mid-August thru mid-September.

Oregon / Washington / California Trolls – Washington State and Northern Oregon are on a quota (20,600 Kings), however fishing has been slow so we expect production to continue thru June 30th. From July 1st thru September 15th the vessels will be restricted to 50 Kings and 50 Cohos with fishing only Fridays thru Tuesdays. South of Cape Falcon to California, Oregon will produce thru July 9th then close for 1 week until the 17th and then continue onward until August 31st with no restrictions. We expect this area to begin to produce decent numbers by mid-June. California's season has been slow and has not made an impact on the market outside of the Northern California area.

Canada's troll fishery appears to be over now until August but we should see some beautiful net Kings from the Skeena /Nass region followed by nets from Barkley Sound, Nootka Sound and the Fraser River area.

Alaska has several areas that will begin producing net Kings by mid-June, most prominently Bristol Bay's Nushagak

River and S.E. Mediviche, Hidden Falls and Silver Bay. This year's run is expected to be large in both catch areas but production can be hit and miss in Bristol Bay (Nushagak) depending on the weather in this remote region.

Alaska's S.E. summer troll King season opens July 1st and this is expected to be a huge year with over 294,000 Kings expected to be harvested in the troll, net and seine fisheries.

Sockeyes - Copper River – this fishery will continue into July but as other areas begin to produce large volumes and the market drops considerably most of these fish head to the freezer for frozen orders.

False Pass / King Cove / Sand Point– Opened June 7th

Kodiak – opened June 9th

SE Alaska – late June thru July

Cook Inlet – late June peaking mid to late July. Wraps up around August 10th
Barkley Sound – late June (The Canadian catch areas of Barkley Sound, Johnstones Straights and Fraser River are now MSC certified for sockeyes)

Cohos/Silvers:

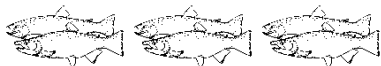
Snow Pass – Typically starts around July 4th peaking late July early August
SE Troll Coho – begins mid-July thru mid-August (Silver Bullets!!!!)

PWS (Prince William Sound) and more specifically Copper River will begin in mid-August peaking around Labor Day
Chums/Ketas:

Prince William Sound (Coghill, Main Bay, Port Chalmers) – The season started early and strong but has since dropped off a little but still plenty of fresh Ketas available thru mid-August. Arctic Ketas (Yukon River, Kotzebue, Kuskokwin, Norton Sound) we expect the Arctic Region to begin producing the highest oil content Ketas by late June although the actual Yukon River season has not been set yet.



S.E. Alaska – should begin producing high quality fresh Ketas in early July



Halibut

Halibut fishery continues to plug along with 41% of the quota caught in the “fresh” areas. Prices will not soften this year.



Live Lobster

Currently we are in a Canadian dominated market. Our local and Maine are in a shed. We will see soft shells in about two to three weeks. Hard shells are a premium and will get more expensive due to some seasons closing and catch is off by 30-40 %. There seems to be plenty of supply it is just pricey.



Dungeness Crab

The Dungeness crab market remains stable just one week prior to the Alaska opening. Unusually cold winter and spring water temperatures in southeast Alaska do not give harvesters and first receivers’ optimism that the crab will be in as great of condition as they were last season. No initial speculation on the harvest levels this year, but it should be similar to last year. Canada was on track to open just behind Alaska a week or two based on early indicators. Now, however, after additional testing on the resource, it appears that it will not open until the latter half of July. This has put a little twist in the market as buyers hoped that if Canada and Alaska both opened

smoothly, there might be a little relief in wholesale pricing. This hope has diminished, as there may be more pressure put on each area as they open for the crab. Pacific has excellent inventories of Sections and crab meat, and 2+ frozen whole cooks. The Section market is stable, but as stated above, there was optimism that prices might soften. This will remain to be seen. Crab meat has held fairly steady since the end of Lent but typically demand increases during the summer tourism months.



Blue Crab

The inventories of pasteurized crabmeat in the US are still at low levels: Colossal, Jumbo, Super Lump and all prices are very firm. In the meantime, the good landing of domestic crab in US and big volume of fresh meat from Venezuela will compensate crabmeat demand and shortage in the market.

Farmed Atlantic Salmon

Market has stabilized compared to the previous two weeks. Supply is flat-smaller size prices are soft as some suppliers have new stock available in the 4/6 and 6/8 size out of Canada. 10 up are firm. Imports from Europe and wild salmon availability can cause farmed salmon prices to tumble. Scotland has increased shipments to the US as Russian buyers are more cash strapped and prices to Asia are softening. Chilean authorities reported a 4.3 million fish die off due to a recent volcanic eruption. Many farms were able to move fish as a precautionary measure. No other mortalities have been reported and no impact on the market is expected. Expect the market

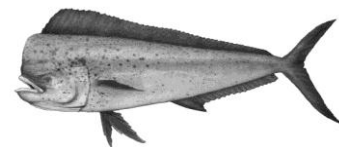
to remain reasonably steady until mid-July when wild salmon supply increase and Chilean fish begin to come on stronger in addition to increased Norwegian and Scottish salmon in the market. These factors are expected to take prices down by the second or 3rd week of July and then remain steady until mid-September. Arctic Char is a good substitute and is available out of Whitlock, WA.

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

Our Pacific Northwest Steelhead is limited due to nitrogen build up in the water causing mortality. Chile is ramping up production and we will see a few coming out of BC, Canada.

Tilapia

Fresh tilapia remains one of the best "fresh values" out there. Farm raised in South America, fresh tilapia has a nice clean taste. The fish takes on the flavors of whatever it is prepared with making it popular among chefs. Fresh tilapia market is very steady with good supplies. Frozen Chinese tilapia is beginning to show some weakness with new overseas offers at levels below the current domestic market. This is the typical pattern on Chinese tilapia as it is normal to see the market at its low point in the summer months.

Domestic Catfish

Things could not be worse than they are for the domestic catfish farmers. After years of enduring a sub market, many growers got out of the business. Often they do not communicate their intentions to the processors so it comes as a surprise when a farm brings in a load and notifies the processor that "this is it". This situation has been widespread and has impacted the supply to the point where orders are being filled at 15-20-% of historical needs. Prices have increased to record levels as a result. The industry is saying they will be back on their feet by August and will be at full production. We do expect to see the market correct

itself at that time but it will not return to its historical lows.

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:

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 – Summer is upon us which typically brings the annual summer spawn of the manila. During spawn the clams become extremely weak and shelf life is diminished to a few days vs. a week plus during the cooler months. Our program is with Limberis Seafood on Vancouver Island in BC. Limberis has a state of the art facility with filtration systems that allow them to harvest and process with limited issues due to spawn that plague other less sophisticated processors. The market is very stable and supplies are excellent.

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

The opening in the George's Bank areas have been delayed from the middle of June until early July. We think that we will see one more wave of open area 10/20's during the 3rd or 4th week of June before the boats tie up and wait for George's Bank to open. Once George's Bank opens we will see far fewer 10/20's and we would expect this price to climb. The catch should be more U/10's & U/12's. The boats will have two trips into George's Bank and this will entertain the boats for the balance of the summer. In the fall the boats will fish their one trip into Hudson Canyon and then complete the balance of their open area days, if any. Most of the fleet has collected their one trip into Delmarva and have also dipped into their 32 days of open area fishing while waiting for George's Bank to



open. But you must keep in mind that most fleets rotate crews so some boats won't get started until after George's opens and then they will head to the Open Area. Also, some of the Southern boats will choose to trade their George's quota for a second trip into Hudson Canyon, since it is closer, therefore providing the market some supply of Hudson Canyon product in July and August.



Prawns

Prices remain firm/steady across much of the shrimp complex. Thailand, which sets the bar for U.S. farmed whites, is having flood/disease issues that have curtailed roughly 15-20% of their production thus far. This has left smaller sizes (41/50 thru 71/90 traditional Asian spec) particularly thin on inventory. Vietnam now is the next to have supply problems – tigers in the Mekong delta are facing their most widespread disease outbreak. This, in turn, has underpinned Indian and Bangladesh origin tigers. Expect some tiger supply shortages this year as the trend to greater reliance on Vannamei production continues.

Larger whites (16/20s and 21/25s) remain well stocked on foodservice items.

Mexican farmed production is getting underway in Sinaloa and Sonora – we should have better options this year at more attractive prices.

General supply/price outlook:

u/10 – u/15 wild and farmed – tigers relatively short, big domestic wild beginning to land, wild Mex depleted until Sept/Oct (Price outlook steady)
16/20 – 26/30 wild and farmed – tiger supplies thin, heavy 16s in domestic, steady farmed Asian production (Price outlook slightly weaker)

31/40 – 41/50 farmed – Thai/Indo supplies steady, So American production steady (Price outlook slightly weaker)

51/60 – 71/90 farmed – Thai supplies less than hoped for (Price outlook steady as importers will buy every dip.)

51/60 and smaller wild – Domestic Gulf puds and pnds ample (consider substituting Asian product at good discounts).

We will seek to extend coverage and cement the first 50% of Oct-Dec coverage on buying dips during July.

Swai

The new whitefish, Swai, is coming on big time. More and more retailers are promoting it and it is finding its way onto more and more foodservice menus nationwide. This is putting some pressure on the pricing, however it is fairly minimal and due to its already great price point, it has the ability to absorb a small increase. Versatile and excellent flavor, our QVD brand Vietnamese Swai is produced in the only BRC, (British Retail Consortium) certified Swai facility in the entire country of Vietnam. Additional QVD is also BAP (Best Aquaculture Practices) You can buy and promote and sell with the confidence and security that comes from the certification process.

Lobster Frozen

North Atlantic Lobster - The Canadian season has concluded and came up roughly 40% short of what they had projected. This has caused an immediate spike in whole sale pricing. The Maine season in the USA is just kicking in but colder water temperatures are not showing much landings. The next few months for North Atlantic lobster is going to be tough. We forecast a 10-15% increase

in the market over the next 2 to 3 months. Lobster meat in particular will be especially challenged due to the 40% shortfall in Canada.

Warm Water Lobster - Supply is excellent and pricing is stable. The only thing that may occur is it could get impacted by current N Atlantic lobster users that move to warm water due to increasing cost on North Atlantic.

Import/Domestic Squid

One of the best values in the entire product mix is squid. Whether imported or domestic, both are excellent values. #1 on most appetizer menus is calamari. You can promote it with confidence

Octopus

Octopus supply has been a huge challenge the past 6 weeks, global reduction in supply being the cause. Prices have skyrocketed up over 30% during this time frame. We believe that it has hit its ceiling.

Sushi

Frozen Yellowfin tuna market continues to struggle with spot shortages created by delayed release of product due to increased scrutiny by FDA of imports affecting: loins, saku, cubes, nakaochi (minced), etc. Unagi (freshwater eel) continues to climb to historical highs, expect prices to climb another 10% with possible leveling off in the 4th quarter. Weather and limitation on harvest are vexing the fresh uni market, expect supplies to stabilize with a return to "normal" weather patterns off the N. California/S. Oregon coasts. Japan-origin sushi items are now being routinely checked by FDA for radiation thereby creating yet another point of possible delay in the import process. Continued pressure on the economy in Japan will affect



exports of Japan-origin sushi items. Expect spot shortages.

Canned Clams & Breaded Strips

Domestically there are primarily two companies offering canned ocean and sea clams as well as breaded strips. Breaded clams have increased about 6% from both domestic processors. Canned ocean and sea clams are holding and are expected to remain stable. Even with the 6% increase, breaded strips are still a great value at under \$1.20 a portion.

Beef

Boxed beef cutout values are generally steady on light to moderate demand and offerings. The loin complex actually saw appreciation this session, primarily on choice. All other primal areas were steady to week. We should see a larger spread between selects and choice and the prime grade rising through the summer months.

Pork

Even with a holiday shortened week the pork cutout fell again as supplies outweigh demand. Retail cuts traded at lower levels throughout the week due to limited buyer interest and ample offerings from sellers. Bellies traded lower this week as well. Pork continues to be a great value now and through the summer months.

Poultry

Two steps forward and two steps back sums up the poultry complex for July. Increased corn prices, fuel costs and reduced egg sets should be driving the market up but it has remained flat the past two months. Increased retail interest for BBQ season will add some strength to the market for the summer months. Dark meat will be the big star

with exports still strong and demand on leg quarters, drums and thighs increasing

Check out:

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The Pacific Advantage™

The Pacific Advantage™ Commitment

Stewardship – We are not owners of the resource but stewards for this and future generations.

Sustainability – We support responsible resource management based on sound science.

Quality Assurance – We proactively offer the safest possible seafood to market through aggressive standards and highly trained quality assurance professionals.

Traceability – We utilize credible and verifiable state of the art tracking systems, from boat to market.

For more information regarding the Pacific Advantage Commitment go to www.pacseafood.com

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