1/12/2015

**January is the time of year when many of our fisheries' quotas reset for 2015. It is also a good time to reflect back on the previous year and make educated projections on the year coming.**

## SHRIMP MARKET

To define what is happening in the shrimp market, one needs to break up shrimp into several sub categories:

*FARMED WHITES FROM ASIA*
Recently (past few months) this market has tumbled and there is relative value in some sizes. 26/30's have dropped almost 15% with farmed 16's and 21's still dropping.
Packers are doing there best to try and push prices back up but demand in the states is not there right now. As we move into spring and prices are at or below current levels, it might be wise to take long positions on some sizes as they are almost $2 below domestic shrimp of similar sizing.

*DOMESTIC SHELL ON SHRIMP*
It has been unusually cold this winter in the Gulf and this has retarded the white shrimp growth. Boats out trawling in the Gulf now are bringing back 50/60 and 60/70 count shrimp along with handfuls of larger shrimp. In a normal year they would pass over these shrimp to work on the larger sizes. But since there are no big whites out there they are trawling up the smaller shrimp. Look for prices to firm up between now and the May season opener in Louisiana. They may dip slightly in June but any big price drops

won't come until September or October.

**DRY SEA SCALLOPS**

We are coming off a couple years of restricted harvest (2 successive years of quota cuts) of Atlantic sea scallops by the NMFS. This has allowed stocks to recuperate and grow. This year should see some of the fruits of that management strategy. 2016 & 2017 will be even better. All scallop permit holders have been given a 10% increase in days at sea, from 31 to 34 days. Additionally it is believed that the trip limits in the "closed areas" (poundage allowed for each trip) will be raised from 13,000 lbs back to 18,000 lbs as it was 3 years ago. What does this mean? In short we should finally see some price relief on U/10's by May. We could even see as much as a $3 on U/10's drop by the end of June. The value size will be 20/30's. Today 20/30's are just under $15 but will likely break under the $13 mark by summer and possibly under $12. Stay in touch with your rep and take advantage of this fabulous local sustainable resource as pricing becomes more attractive this year.

One more thing - our dry sea scallops are exactly what is advertised - totally 100% un-adulterated dry sea scallops - no "rinses" no chemicals no water leaching when you sear them - just a pure scallop that tastes and smells like a scallop should. They cost more but they are well worth it.

**ATLANTIC SALMON**

We all have benefited from depressed salmon prices during the second half of 2014. The favorable trends will continue into early 2015. The continued Russian embargo of Norwegian salmon and a very strong US dollar is making our Norwegian salmon, and salmon grown in other parts of the world, very reasonable. Marine Harvest of Chile announced last week that their production will increase 25% this year. A fairly mild fall in eastern and western Canada had their fish growing rapidly and to larger sizes. The economies of Europe are starting to slow again, therefore more Scottish and Norwegian salmon will be headed towards US markets. This all adds up to having more than enough fish to satisfy market demand in the first half of 2015

**PELAGICS -- SWORD / TUNA / MAHI**

There is some good news coming out of the pelagic longline industry these days. Amendment 7 was passed by the NMFS and became law on December 2 2014. This law forbid any bluefin tuna discards and established an Individual Bluefin Quota (IBQ) system that strongly incentivizes pelagic longliners to avoid ANY interaction with bluefin tuna. The US was actually offered a million pound INCREASE in their bluefin tuna quota by ICCAT (International Commision for the Conservation of Atlantic Tuna). But the biggest change involves monitoring on the offshore boats. All pelagic longliners are required to be outfitted with cameras on their boats. The signals off the cameras are encrypted and sent to the NMFS for immediate observation. This will absolutely change fishing practices and behavior at sea, making US longline captains some of the most progressive and environmentally friendly fishing fleets in the world.

Another positive sign is the fact that purse seining off Ecuatorial Guinea has been severely curtailed. This area is a very important nursery ground for juvenile Big Eyes and Yellowfins that eventually find their way across the Atlantic and into US waters. The results of this change are already being seen by our domestic fishermen.

As our oceans warm, pelagic fish are more active for a larger portion of the year. This may aid to increase their reproductive cycles. Their migrational patterns are definetly changing. For instance, the Gulf of Mexico has its own population of resident yellowfin tuna that do not migrate. Every spring yellowfins off the coast of South Africa migrate across the equator and up into the Gulf of Mexico. This year they didn't show up until October and big numbers of yellowfins are still in the Gulf today. This is very unusual and a sign of changing ocean currents.

Overall our tuna supply and pricing is remarkably consistent. On a yearly basis, 2+ loins rarely get below $10 or above $13. This year looks to be the same. Our sourcing is literally worldwide with shipments arriving weekly from the Maldive Islands, South Africa, Brazil and the Gulf of Mexico.

Although 2014 was not the banner year for swordfish like 2013, it was still a very good year overall. The swordfish story is a great fisheries management success story with many 300 to 500 lb dressed fish being landed, a very healthy sign for the swordfish stock.

Mahi mahi are one of the most fecund and fastest growing fish in the ocean. A three foot long mahi is roughly one year old. They reproduce several times a year. All this lends itself to be able to withstand (to a certain degree), a massive worldwide harvest. From November through March, mahi fillets are extremely affordable (under $8 most of the time). In April the schools move north out of Central America and mahi becomes expensive and harder to find as we move into summer..

**WILD ROCKFISH**

The latest biomass assessment for striped bass was completed by the NMFS in 2014. The Atlantic States Marine Fisheries Council quickly moved to cut the coastwide harvest across the board of wild striped bass by 20% as of January 1, 2015. This included the recreational daily limit on rockfish being reduced to one fish per day in the Atlantic ocean. Believe it or not, recreational fishing is responsible for 70% of the rockfish mortality, meaning that if 100 rockfish die then 70 of them die at the hands of recreational fishermen. Another staggering recreational statistic is called release mortality. The recreational fishing quota in Maryland is 3 million pounds. So for every pound of fish caught and kept recreationally, another pound is killed when released. Hence, to keep three million pounds of rock, they kill 6 million pounds of wild rockfish. That is just in Maryland.

But there is some good news in the striped bass business. The record breaking 2011 young of the year class is reaching the legal size limit. This particular year class was the fourth highest on record  (they have been doing this juvenile survey for almost 60 years) in the Chesapeake Bay. By the end of 2016 almost half of these fish will leave the Chesapeake Bay and become part of the "migratory stock", spending their summers off New England and winters off North Carolina and returning each spring to their home river to spawn. The future of the wild rockfish on the Atlantic coast depends heavily on the continued survival of this 2011 year class.

Even though the quotas have been cut, we will continue to have a consistent supply of all sizes of wild rockfish from Maryland and Virginia waters through April. May is the only month of the year that wild rock supply gets a little dicey.

**CRABMEAT**

We are coming off two of the worst summers on record for blue crab harvest in the Chesapeake Bay. I wish I could say with confidence that this summer will be better but the fact is that there weren't many small crabs evident last fall. Regardless, the crab life cycle is very short (three years) and they have the ability to rebound quickly. Having said that, I think domestic fresh crabmeat prices will be similar to last summer's. Venezuela keeps stumbling down the same reckless path towards self destruction in Lake Maracaibo with no end in sight. They have no functioning government and therefore no ability to enforce the law.

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The pendulum is swinging the other way in pasteurized crabmeat world. After a two year upswing to record high prices, prices are falling steadily but the big question is how much further will they fall. My guess is another 10% drop by mid April. This drop has been precipitated primarily by demand destruction not by an overwhelming increase in crabmeat production. The bottom line is falling pasteurized crabmeat prices will help temper wild price swings in the fresh market.

**HALIBUT**

The good news is east coast Canadian halibut stocks are healthy with quotas stable or increasing. The bad news is that Alaskan halibut is a complete train wreck. Ten years ago the Alaskan quota was 74 million pounds -- today 27 million and shrinking. These fish have many problems but the main ones are trawler by-catch in the Bering Sea and competition for food by an invasive rock sole species. When you eat your fish sandwich at McDonalds (Alaskan pollock), it comes at a cost. Thirteen out of every fourteen halibut caught in the Central Bering Sea will be DISCARDED AT SEA. Factory longliners and factory trawlers kill SIX MILLION POUNDS OF HALIBUT every year and continue business as usual. As is the case across American society, money talks and .... walks. The McDonalds factory trawler fleet has millions of dollars to spend lobbying to keep the regulators off their backs. Let us all hope some sanity gets injected into the process before it is too late.

**FLUKE**

Summer flounder or fluke are a great fishery management success story with a happy ending. The Atlantic population is considered fully recovered now and each of the states (New Jersey, Maryland Virginia, North Carolina, Rhode Island, Massachusetts) has at least one million pounds of quota

Rhode Island, Massachusetts) has at least one million pounds of quota. Fluke is available all year but the largest landings and cheapest prices (under $10 fillet) occur from December through mid April. The toughest availability is May and June.

**SHELLFISH**

The explosion of local aquaculture oyster farms around the Chesapeake Bay will continue in 2015. Similar to our local vineyards each farm has its own unique characteristics. Reasonably priced from 45 to 60 cents each, these oysters are a big drawing card for your customer base. They are an easy addition to any menu. Our sales staff are happy to come out and teach your wait staff all they need to know. Millions upon millions of local clams are grown in Chincoteague Bay, a mere 2 hour ride from our fish market. We pick up daily tops, mids, littles, cherrys and chowders and give them to you less than 24 hours out of the water!!