

From: Market Reports <Market_Reports@sshermanassociates.com>

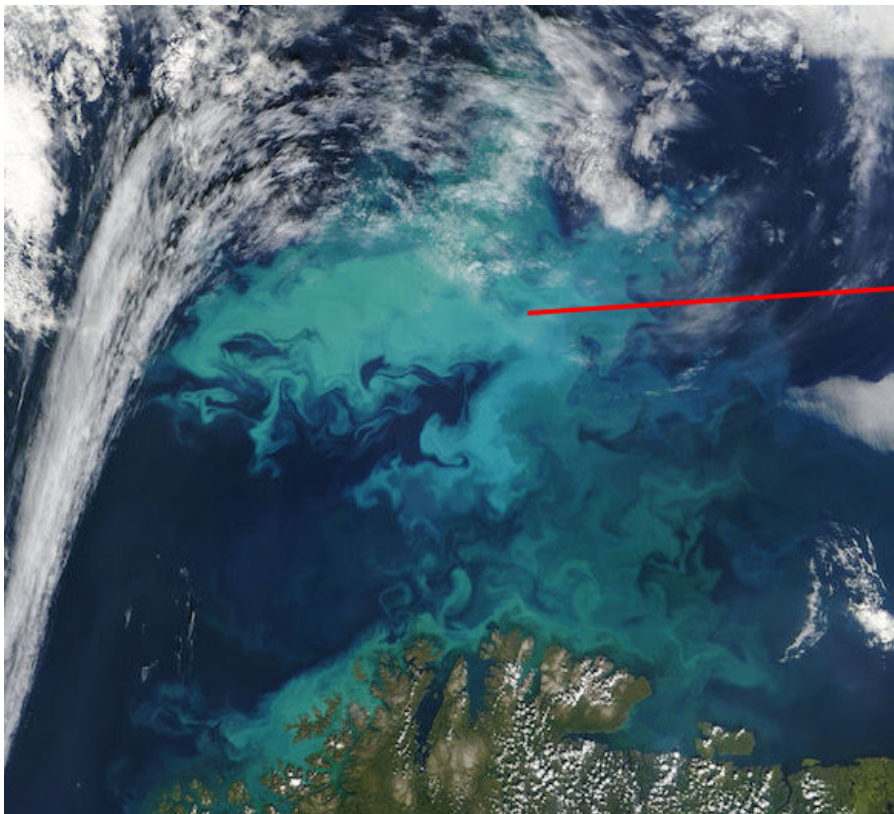
To: Market Reports <Market_Reports@sshermanassociates.com>

Subject: Important - WHY ARE SALMON PRICES JUMPING DRAMATICALLY?

Date: Mon, Mar 14, 2016 4:09 pm

Please note the important following information.

WHY ARE SALMON PRICES JUMPING DRAMATICALLY?



algae

The El Nino this year has had profound effects throughout the seafood industry. El Nino is a phenomenon of unusually warm ocean temperatures in the Equatorial Pacific, occurring irregularly every two to seven years. The warm temperatures have caused massive algal blooms in the salmon growing regions of Chile. Problems arise when the algae die and the decomposition of the algae create zero dissolved oxygen

areas (dead zones). Farmed Atlantic salmon mortality has been massive, 24 million fish so far, representing 15 percent of Chile's production. Chile is the world's second largest producer of farmed salmon, right behind Norway, accounting for approximately 33% of all farmed salmon imported annually. Chile's salmon problems don't end there. Juvenile salmon (smolts) are scheduled to be "seeded" (transferred from the mountain lakes to the ocean cages) very soon. These fish will be of harvestable size in late 2017.

So as the seafood industry is the classic case of the law of supply and demand, Chile's 15% reduction in supply will cause an immediate increase in price next week. Supply disruption will last at least 90 days. The next generation of fish should start to come on line after that. Hopefully, things will return to "normal" soon after.