



Gordon Food Service Market Updates for September 12, 2019

Seafood | Finfish

Cod, Alaskan 1x:

Alaskan cod remains firm in cost with adequate supply.

Cod, Atlantic 1x:

The 1x frozen Atl. cod loins came up short for the season this winter, however the new season for CAN is now underway so expect costs to soften some compared to the Icelandic and then level out for the balance of the year.

Cod, Atlantic 2x:

2X Frozen Cod remains firm in cost with adequate supply.

Cod, Pacific 2x:

Pollock, Atlantic 1x:

New B season Pollock is now in our inventory. There is ample supply for stable costs.

Pollock, Pacific 2x:

Haddock:

Haddock costs are firm on product out of Russia, Iceland and Canada. Note the fishing quota is also down by 25% compared to last year at 15,000 MT for 2019 out of Canada. Currently fishing is good in CAN so they do expect to catch the quota. Overall supply has been adequate but at firm costs for all COO's

Domestic Lake Fish:

At the end of March the Lake Erie Committee (LEC), set a total allowable catch (TAC) for 2019 of 8.552 million pounds of yellow perch and 8.531 million walleye. Yellow perch are allocated in pounds and walleye are allocated by number of fish. This TAC represents a decrease for yellow perch from 10.498 million pounds of fish over last year, (about a 20% decrease overall) and an increase in walleye from 7.109 million fish (about a 20% increase overall). As a result perch prices have risen quickly and product has been short especially on the smaller Mi sizes but specifically the Mi splits. For now product is hand to mouth on this size as we progress through the summer and into the fall. Expect perch to remain very short until next year and the start of the 2020 season overall, with a potential for another quota cut at that time. Walleye has experienced softer costs with the increase in quota for the majority of the summer. Supply is plentiful at this time on all sizes Whitefish currently has ample supply with the new season that resumed in June. Smelt for both battered and dressed has tightened on supply as costs firm. This resource in general is under stress and some are not sure if this will be a viable offering in the future. The Canadian blue gill continues to be a struggle as catches and supply have come up short. What is being offered is minimal but firm on cost. The next best option is the same species but produced out of China. Supply is available but another increase will follow as all imports now out of China are impacted by the tariff.

Euro Lake Fish & Zander:

Zander and pike perch are a better valued option compared to the domestic walleye at this time. Costs on this species have been stable with adequate supply. Euro perch however is starting to feel the pressure from the lack of domestic yellow lake perch. Supply is short and costs on the 20-40 and the 40-60g euro perch have firmed up recently and are expected to remain at this level through the fall at least until fishing resumes and supply becomes more readily available.

Mahi Mahi:

Mahi Mahi costs for this season softened close to 2013 and 2014 levels earlier in the year but as we moved through Lent and as the S American season has wrapped up, costs increased slightly. Note the fishing season for 2018-2019 is over and will not reopen until October in S America. Taiwan product started out at a slightly higher cost but has softened some as there appears to be more supply available overseas. Currently we have adequate inventory for a steady demand on all sizes with added opportunity to move the 2-4 oz size at a competitive cost of goods

Frozen Tuna, Swordfish :

Harvesting and production of tuna out of Indonesia and Vietnam has slowed as we move into the off season. Demand has also slowed as we wrap up the summer grilling season. Currently costs are stable and are expected to remain so until after the first of the year. Swordfish also mirrors the market on tuna for availability and cost.

Swai:

Due to sales being slow for the bulk of 2019, there is now an overabundance of supply in the US. As a result costs have softened and general sales have been flat. There are added opportunities to move load quantities if needed.

Tilapia:

Tilapia remains firm in cost with adequate supply.

Seafood | Shrimp

The seafood industry reports seeing pressure on inventory and higher pricing. The Large-sizes 26-30 count and larger are under a lot of pressure due to seasonal demand and lower raw material availability.

Imported Black Tiger:

The seafood industry reports seeing pressure on inventory and higher pricing on black tigers. Large-sizes 26-30 count and larger are under a lot of pressure due to seasonal demand and lower raw material availability.

Imported White:

The seafood industry reports seeing pressure on inventory and higher pricing on vannamei (white) shrimp. Large-sizes 26-30 count and larger are under a lot of pressure due to seasonal demand and lower raw material availability.

Latin White:

Domestic White & Brown:

The current catch is producing larger shrimp in the 16/20, 21/25 and 26/30 range. This goes along with the reports that all the fresh water coming out of the Mississippi has pushed the smaller shrimp out into the Gulf of Mexico. Smaller shrimp will have a lot of pressure on availability and price. The brown season is now open. Inventory on larger sizes is starting to improve which has brought some price relief.

Domestic PUD:

Smaller PUDs are becoming tight and driving up prices, as they have been pushed into the Gulf of Mexico with the influx of water coming out of the Mississippi River.

Domestic Rock & Pink:

Inventory and pricing are stable.

Seafood | Lobster

North Atlantic:

Landings were initially reported to be down 30-40% in early December out of Nova Scotia. It was assumed a 2 million lb + shortfall of meat, as well as 4 million lb + shortfall of tails. As a result costs remained firm through the spring and have continued to do so through the summer on tails. To date poor weather and a late summer with cooler temperatures have resulted in very poor landings out of Maine where tails are reported to be down as much as 20-30%. Large sizes in the 6/7 and

8/10 oz range are very short with very few cases being offered to keep up with demand and costs are firm overall. Imports from Canada were reported to be down 8.7 % through June. The market for many sizes of North American tails is currently sitting at recorded highs, and those that are not at those levels are quite close. Supplies of tail products is limited, and similar to warm water tails, there's pent-up demand. The trade was similarly active, and along with altered trade flows, prices were fully supported. Meat prices have also strengthened, but modestly, as seasonal buying interest presented.

Warm Water:

The market for Brazil origin lobster tails has been reestablished since the season opening, and the first few containers have arrived out of Honduras. The market for prime size Brazil tails opened below the April price, but at its highest July level since 2007. There's pent-up demand for all types of lobster and reports indicate that arrivals are easily moving through the supply chain and that stock-outs are occurring in the most sought prime sizes for some. Costs have remained elevated with limited demand. The hope is that once all regions start to produce tails that the market might stabilize, but that has yet to be seen to date. Current costs are firming for an overall lack of supply.

Seafood | Crab

Snow Crab:

The 2019 Canadian snow crab season has finally wrapped up in all regions. We have seen consistent demand from all segments compared to last year and overall size breakdowns appear to be slightly smaller as well. We certainly saw less 10+ oz and 12+ oz produced in Canada. As a result, we have a historically large price gap between 5-8 oz and 8-10 oz this year, which is likely to persist. Large volumes of 5-8 oz clusters were purchased in May by retail and Japanese buyers, followed by some large foodservice contracts. This put a firm bottom in the market and it has been pushing higher as plants have been trying to fill commitments and keep up with demand. However, the snow crab biomass in Alaska has been growing and indications are there will be a large quota increase announced this fall. This should be good news for buyers that have struggled with shrinking supplies and higher prices over the last few years. The new Alaskan snow crab will likely begin to arrive

in Seattle in February 2020.

King Crab:

Some Imports of King Crab out of Russia started to arrive to the states, but have not been overly abundant. First reports indicate that the smaller sized crab 14/17 on up will be short with the 20-24 almost non-existent at this time. For these sizes prices are firm and are expected to remain so for the next 6 weeks. Currently there is little to no supply out of Alaska and this is expected to continue due to the low biomass of this species.

Red Swimming Crab:

A new 10% tariff on all seafood items should go into effect in August. The market is still uncertain however, between high market prices, and limited supply, cost might go up. This coupled with the void in the market on red swimming crab only strengthens this possibility. We are still expected to start receiving shipments on red crab in October. The main crab harvest is October-December.

Blue Swimming Crab:

Prices are still high with great inventory. There has been a slight decrease in pricing from Indonesia while Philippines and India move up to be more in line with Indo. For the next 60-90 days prices will stay level to a possible dip however, Q4 is expected to pick back up. With the red swimming still high with limited supply, this too drives the price up. Overall prices will come down a bit.

Seafood | Scallops

Scallop costs have leveled off some for the summer as costs were low in June on the smaller 10-20 and 20-30 but spiked back up for the holiday in July with August seeing another drop in price for these sizes. The larger U-10's and 10-12 have declined in cost since the spring. To date there is no expectation of shortages going into the fall and winter. Typically as the bulk of the season and fishing declines in the fall costs stabilize and start to increase for the winter months.

Chinese Flounder and Ocean Perch: