

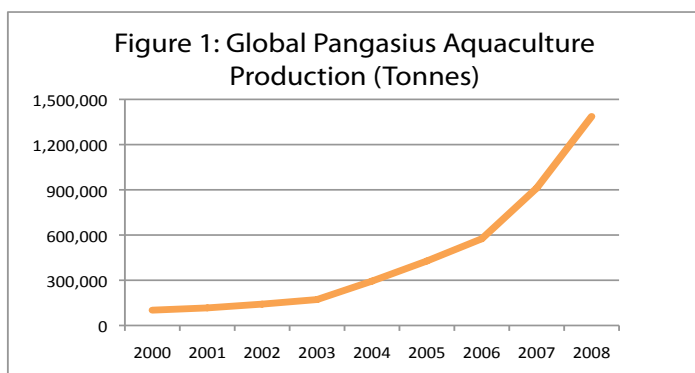
Market Update

VIETNAMESE PANGASIU

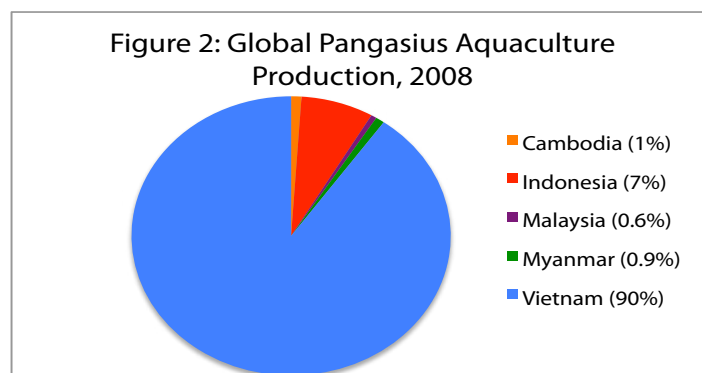
www.tradexfoods.com/reports

Supply

- Global Pangasius aquaculture production increased 1265% between 2000 and 2008 (Figure 1).
- In 2008, Vietnamese Pangasius accounted for 90% of world supply (Figure 2).



Source: FAO FishStat Database 2010



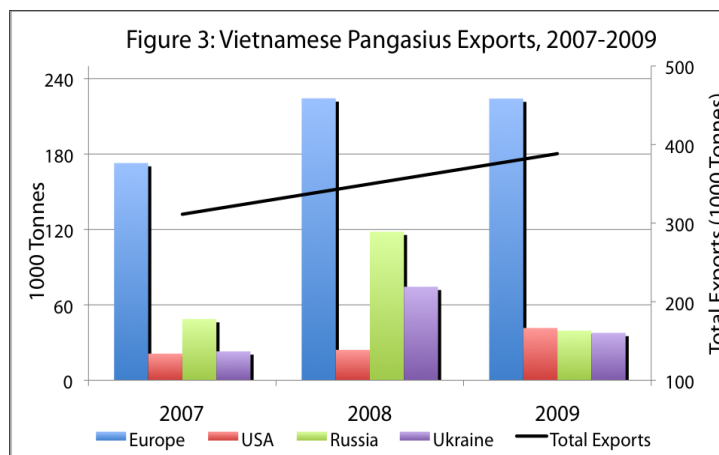
Source: FAO FishStat Database 2010

Vietnamese Pangasius Demand in Major Markets

- Exports increased to the US (96%) and to Europe (30%) between 2007 and 2009 (Figure 3).
- Exports decreased to Russia (67%) and to Ukraine (49%) between 2008 and 2009 - a result of the economic recession combined with a periodic market closure to Vietnamese products in Russia due to quality issues (Figure 3).
- Total Vietnamese Pangasius exports to the four major markets increased 29% between 2007 and 2009 (Figure 3). Exports to all markets increased 57% during this period.

Price Trends

- Increased global supply contributed to a 2% decrease in average global price; \$2.25 /Kg in 2008 to \$2.20/Kg in 2009.
- Average US market prices are higher (\$3.20/Kg), than in Russia and Ukraine (\$1.65/Kg). However, the US imports more value-added products which yield higher prices.



Source: Globefish 2010

Projections

- Forecasted demand in Russia and US markets is uncertain. The proposed US farming bill and quality issues in Russia may result in reduced demand for Vietnamese Pangasius and cause prices to drop.
- Total annual production of Vietnamese Pangasius for 2010 is forecasted at 1.6 million tonnes; an increase of 600,000 tonnes.
- Potential reduced demand in Russia and the US combined with increased supply may cause product to flood European markets, resulting in reduced European prices.

