

Market Update

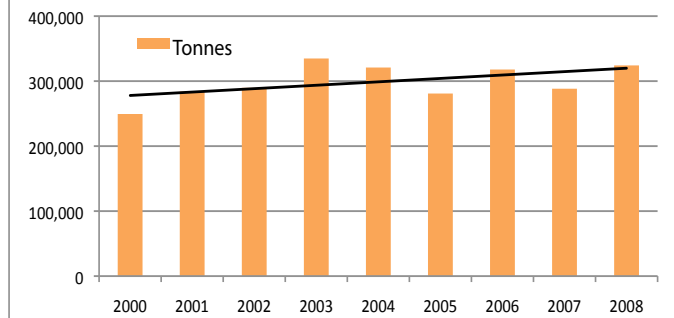
CHUM SALMON

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Supply Trends

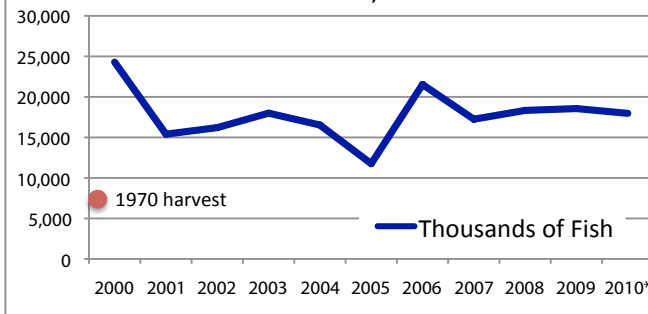
- Global Chum Salmon supply from the four major producing nations increased 30% between 2000 and 2008 (Figure 1).
- In 2008, 71% of global Chum Salmon supply came from Japan.
- In 2008, Alaskan Chum Salmon accounted for 93% of total US landings - the remaining from Washington and Oregon.
- Annual commercial harvest of Alaskan Chum Salmon varies dramatically, yet is at historically high levels over 1970 (Figure 2).

Figure 1: Total Chum Salmon Production - Canada, Russia, Japan and the US, 2000 - 2008



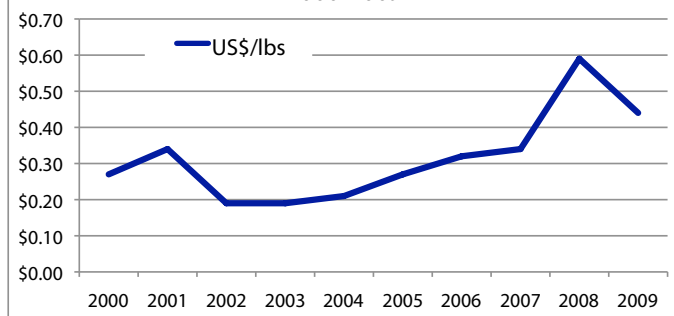
*Note: 2008 Japan production is an estimate based on the 5-year historical average; Source: FAO FishStat Database, 2010

Figure 2: Alaskan Chum Salmon Commercial Harvest, 2000 - 2010



*Note: 2010 Data is an estimate; Source: Alaska Department of Fish & Game

Figure 3: Alaskan Chum Salmon Ex-Vessel Prices, 2000-2009



Source: Alaska Department of Fish & Game

Price Trends

- Despite historically high supply, ex-vessel prices of Alaskan Chum Salmon increased 29% between 2000 and 2009 (Figure 3). This may be indicative of increased demand for Wild Pacific Salmon, or preference for Chum over other Salmon types.
- Ex-vessel prices spiked in 2008 - a result of reduced Chilean Farmed Salmon supply (Figure 3).
- Wholesale prices of H&G Frozen Alaskan Chum Salmon increased 9% between 2008 and 2009.
- The Icelandic volcano continues to impact prices - putting downward pressure on European prices and upward pressure on US prices.

Projections

- In the short-term, Wild Salmon prices in the US are expected to remain high - a result of reduced Farmed Salmon supply. Effective market development by Alaskan processors helps keep demand steady in the midst of price increases.
- The 2010 Alaskan Salmon harvest is forecasted to be just 85% of the 2009 harvest - primarily a result of reduced Pink Salmon harvests. Alaskan Chum Salmon harvest is expected to remain the same.
- An increased proportion of Chum Salmon relative to total Alaskan Salmon supply may create increased demand for Chum.
- Demand for Wild Pacific Salmon is growing in Russia and Japan.

