

Market Update

SOCKEYE SALMON

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Supply Trends

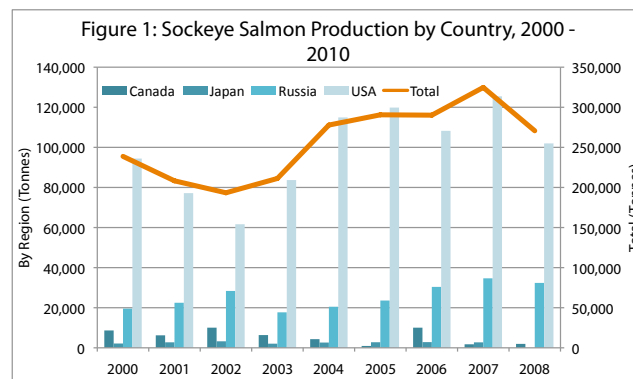
- Global Sockeye Salmon supply increased 13% between 2000 and 2008. In 2008, 38% of all Sockeye Salmon was caught in the USA (Figure 1) - the majority coming from Alaska.
- Alaskan Sockeye catch increased 29% between 2000 and 2009 and is expected to increase an additional 6% in 2010 (Figure 2). The Bristol Bay Sockeye harvest is the largest in the world.

Price Trends

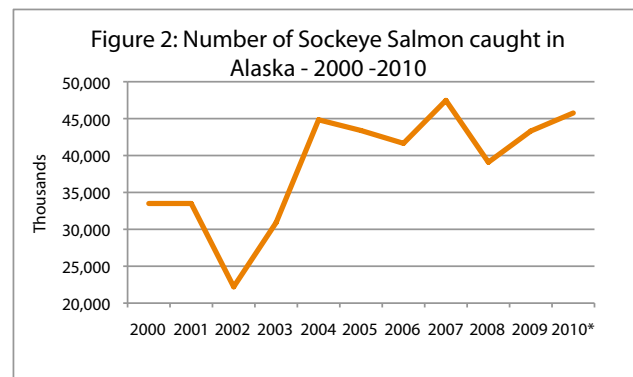
- Despite increasing Sockeye supply, prices are influenced by global factors - reduced farmed Chilean Salmon has pushed prices upwards.
- Frozen H&G prices are 30% higher today (\$3.75/lb) than in 2008 (\$2.63/lb) (Figure 3).
- Ex-vessel prices increased 25% between 2004 and 2009 (Figure 3).
- Wholesale prices often rise or fall sharply in July - when the total Sockeye harvest becomes apparent.
- Most frozen Bristol Bay Sockeye product is exported to Japan. Historically, when Japanese wholesale prices go up, ex-vessel prices also rise. This suggests that the Japanese market has a direct effect on ex-vessel prices.

Projections

- Alaskan Sockeye returns for 2010 are forecasted to be 45 million fish - 31 million coming from Bristol Bay. As of July 13th, 2010, Bristol Bay landings were late and down 30% compared to last year. Less than forecasted supply may put upward pressure on prices.
- Global Salmon supply shortages, along with continued market development by Alaska wild Salmon producers, may contribute to increased prices.
- A strong Yen may push Japanese wholesale prices upwards, in turn pushing up frozen production prices and Alaskan ex-vessel prices.
- Recovery of Chilean supply in 2011 and 2012 may drastically influence prices.

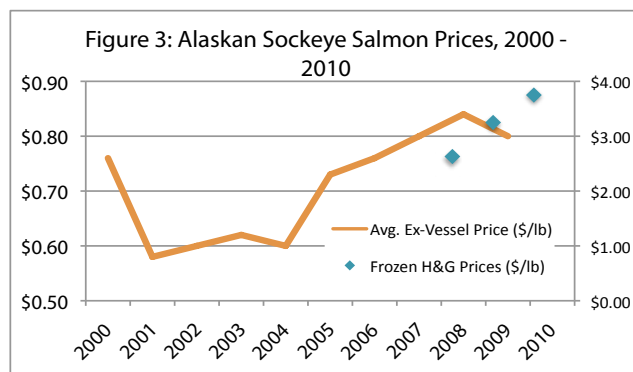


Source: NOAA FishStat Database, 2010



*Note: 2010 data is an estimate

Source: Alaska Department of Fish and Game, 2010



Source: Alaska Department of Fish & Game, 2010; Seafoodnews.com, 2010

