

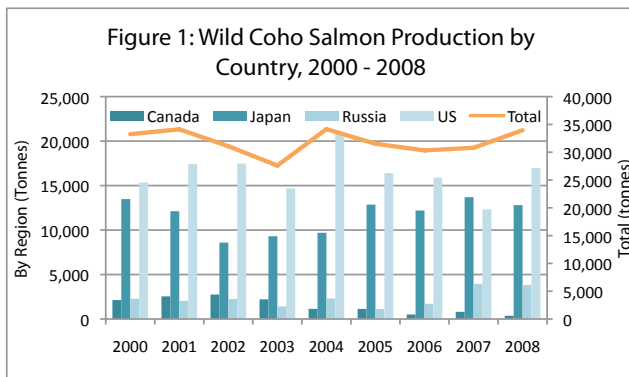
Market Update

COHO SALMON

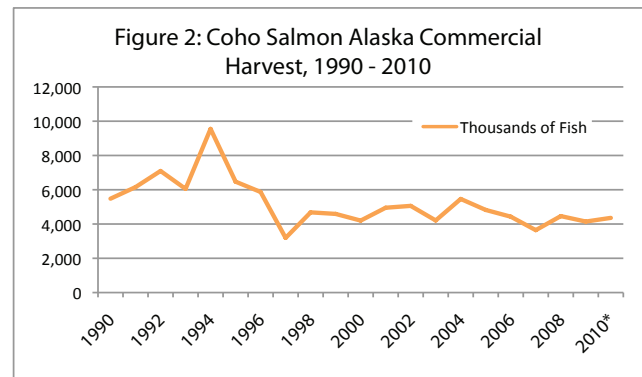
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Supply Trends

- The majority of Coho Salmon is farmed; wild Coho typically represents about 25% of global supply.
- Wild Coho supply remained relatively stable between 2000 and 2008 (Figure 1). However, average global production for this period was 48% lower than it was in the 90s.
- In 2008, the US, mainly Alaska, supplied 50% of global wild Coho, while Japan supplied 38%.
- Commercial harvest of Alaskan Coho peaked in 1994; since then it has dropped 119% (Figure 2).



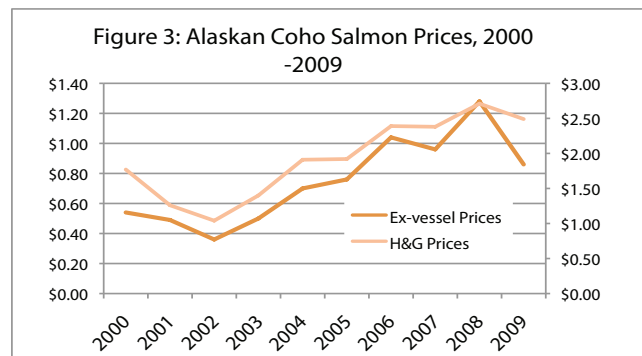
Source: NOAA FishStat Database, 2010



*Note: 2010 data is an estimate; Source: Alaska Dept of Fish and Game, 2010

Price Trends

- Ex-vessel and H&G frozen wholesale prices increased between 2002 and 2008 (Figure 3).
- Despite stable sales volume, prices dropped 9% between 2008 and 2009. The Coho market is size-sensitive and the drop in price is likely a reflection of the small fish size in 2009 (6.6 lbs) compared to 2008 (8 lbs) (Figure 3).
- The most recent (September 2, 2010) ex-vessel price for Alaskan Coho is \$1.85/lb, while the average weight is 7.2 lbs. The reduced price is likely a result of the larger than expected Sockeye run.



Source: Alaska Dept. of Fish and Game, 2010 & Alaska Dept. of Revenue, 2010

Projections

- The 2010 Alaska harvest is forecasted to be 4.35 million fish - this is 2% higher than the most recent 5-year average. As of August 20th, 46% of the 2010 forecast and 43% of last years' catch had been caught. Fishing effort should remain strong into the fall, as Coho is most abundant late in the season.
- In the short-term, the large Sockeye harvest may put downward pressure on prices. However, global farmed Salmon supply shortages, along with continued market development by Alaska wild Salmon producers, should prevent prices from bottoming out.
- Recovery of Chilean farmed Salmon supply in 2011 and 2012 may drastically influence prices.

