

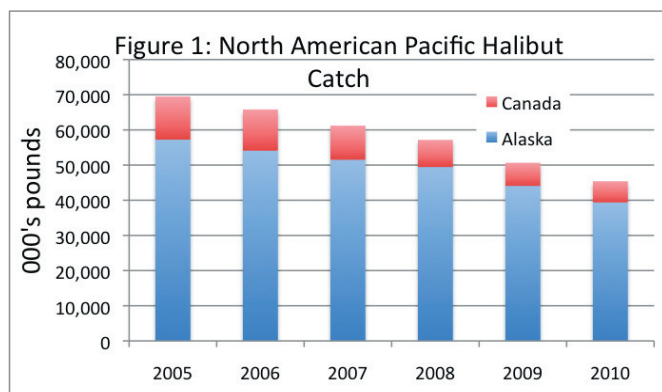
Market Update

PACIFIC HALIBUT

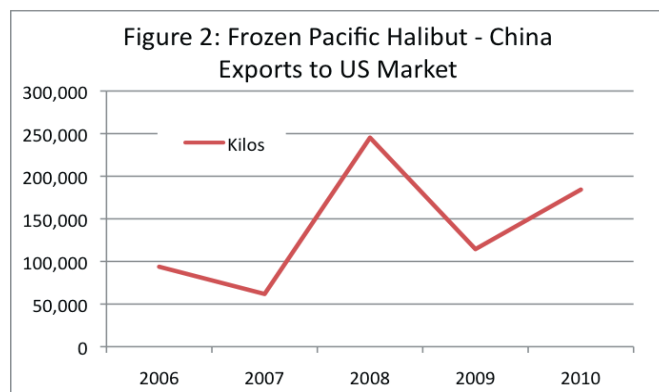
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Global Supply

- In 2010, Alaska supplied 87% of North American Pacific Halibut; where as Canada supplied only 13%.
- North American Pacific Halibut landings dropped 35% between 2005 and 2010 - Figure 1.
- A reduced domestic supply led to a substantial increase in Pacific Halibut imports from Russia & Japan.
- Russian and Japanese Pacific Halibut is most commonly processed in China - 2010 imports of China product to the US increased 96% over 2006 levels - Figure 2.



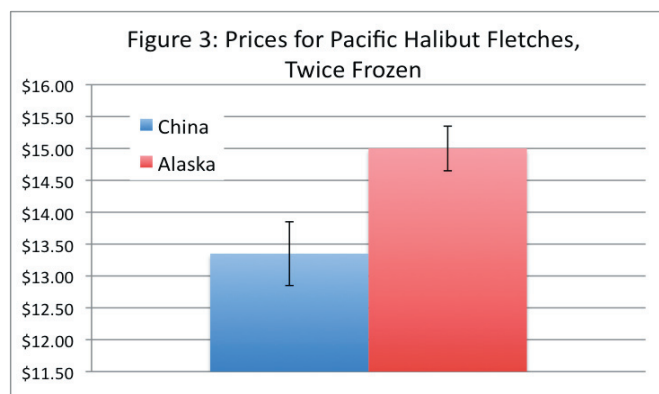
Source: International Pacific Halibut Commission, 2010



Source: National Marine Fisheries Service, 2010

Price Trends

- Average Pacific Halibut prices dropped 18% between 2008 (\$3.70/lb) and 2009 (\$3.13/lb) - most likely a result of the economic recession.
- Today, prices have more than recovered - reaching the highest level in over 10 years.
- Current prices for twice-frozen Pacific Halibut fletches out of China range from \$12.50 - \$14.50/lb - Figure 3.
- Twice-frozen US Pacific Halibut fletches prices range from \$14.50-\$15.50/lb - Figure 3.



Cannot Disclose Source

Projections

- The International Pacific Halibut Commission has recommended a 2011 Pacific Halibut quota of 41.02 million pounds - down 19% from 2010.
- Season opens in March - until then prices will likely stay high, or may push even higher.
- Prices generally come down when Salmon starts coming to market in the summer - however, reduced supply and a recovering economy may hold prices steady. In addition, Halibut is a high-end seafood product that is typically sold in markets where price sensitivity is not as pronounced. It is a very popular fish in foodservice and not one that restaurants can easily eliminate from their menus.

