

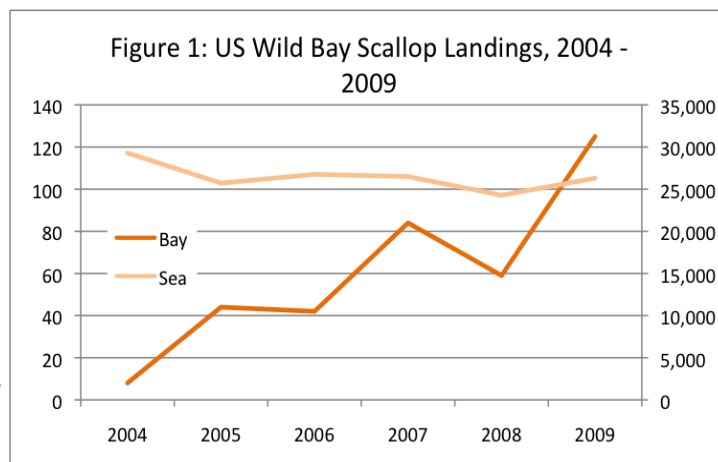
Market Update

Bay Scallops

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Supply Trends

- Wild Bay Scallop landings dropped sharply in the 1980's and remain under 120 metric tonnes today (Figure 1).
- Over the last two decades, the proportion of wild Bays sold in North America has dropped considerably - while the amount imported from China has grown significantly.
- Currently, over 90% of Bays sold in North America are imported from China.
- In 2010, an oil spill in Asia drastically reduced supply.
- Wild-caught US Sea Scallop landings are higher than Bay Scallop landings - Figure 1. Bay and Sea Scallop markets are intertwined and Sea Scallop supply has potential to influence Bay Scallop market economics.



Source: National Marine Fisheries Service, 2010. Note: Bay Scallop landings are the left-side vertical axis and Sea Scallop landings are the right-side vertical axis.

Prices

- Generally, prices for Bay Scallops out of China are higher for smaller count sizes (meaning larger Scallops) - Table 1.
- Prices in February 2011 for 80/100 count Bay Scallops were 40% higher than in February 2010 and 37% higher than the most recent five year average - Figure 2.
- Increased prices are likely due to reduced Asian supply last year.

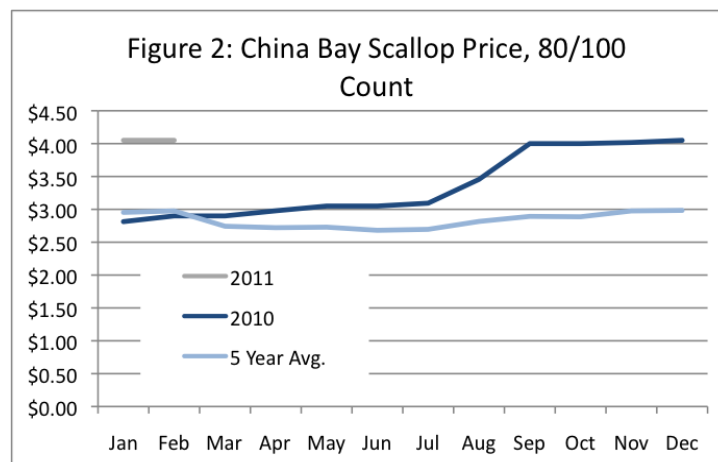
Table 1: 2010 China Bay Scallop Prices

	40/60	60/80	80/100
Min	\$3.25	\$2.85	\$2.80
Max	\$4.90	\$4.25	\$4.05
Average	\$3.84	\$3.49	\$3.37

Source: Urner Barry, 2011

Projections

- Wild Bay Scallop landings are not expected to grow significantly this year. The majority of supply will continue to be farmed product out of China.
- As Sea Scallop season opens in the spring and as Asian supply recovers, prices for Bay Scallops may come down.
- However, the weak USD against the Euro and Yen will likely strengthen offshore buyers purchasing power. Increased competition for US buyers may keep prices higher than normal.



Source: Urner Barry, 2011