

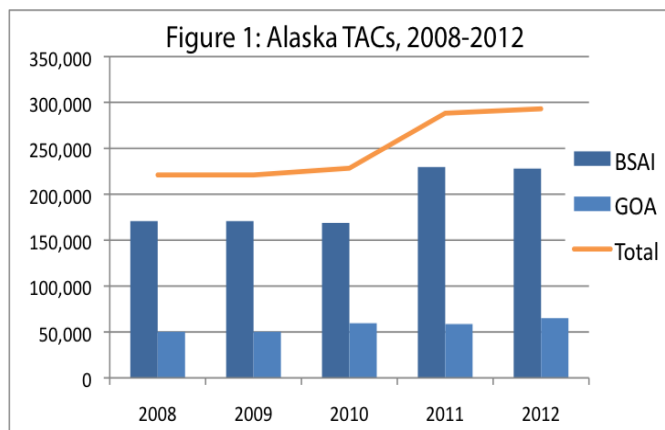
# Market Update

## PACIFIC COD

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### Supply

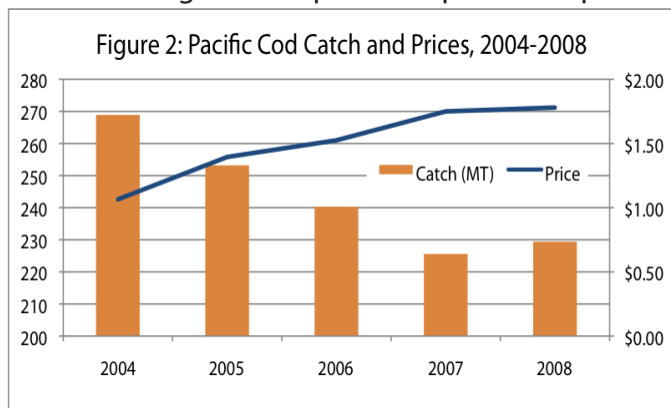
- Pacific Cod is caught in the North Pacific Ocean - primarily in the US, Russia and Japan.
- Today, the US supplies two-thirds of global Pacific Cod - 99% of which comes from Alaska.
- Alaskan Pacific Cod supply dropped 37% between 2004 and 2007. In 2008 - biomass in the Bering Sea recovered and reached the highest level since 1968.
- More recently, TACs in both the Bering Sea and Gulf of Alaska have increased - collectively up 26% in 2011 (Figure 1).
- TAC projections for 2012 indicate a further 2% increase. (Figure 1).



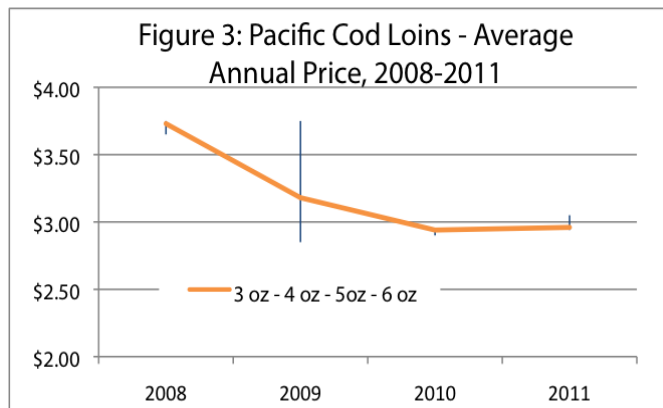
Source: Alaska Regional Office, National Marine Fisheries Service, 2011

### Price Trends

- Earlier in the decade - the 2008 biomass surge caused prices to level out - Figure 2.
- Prices dropped 20% between 2008 and 2011. Much of this drop occurred in 2009 - Figure 3. The vertical lines on Figure 3 are minimum and maximum prices and show that prices fluctuated widely in 2009.
- Most recent quotes for twice-frozen Pacific Cod Loins are \$3.05 - \$3.25. Prices have been holding steady in this range since April 7<sup>th</sup> - up 3% over previous levels.



Note: Prices are ex-vessel; Source: Alaska Fisheries Science Center, NMFS 2010



Note: Vertical lines represent min and max prices for each year; Prices are for twice-frozen product; Source: Urner Barry, 2011

### Projections

- The Whitefish market is currently very strong - due to reduced Halibut supply and high prices.
- Until recently, the Pacific Cod market had been stagnant - buyers were waiting to see if Halibut prices would drop. However, Halibut prices have seemed to have stabilized at high levels - and the Pacific Cod market has tightened up as a result.
- Furthermore, radiation concerns has created a surge in demand for Pacific Cod from Japanese buyers.
- Rising demand has already caused a marginal price increase - further price increases can be expected.