

Market Update

COHO SALMON

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Supply

- The majority of global Coho Salmon is farmed, predominantly in Chile. Wild Coho represents about 25% of supply - 88% of which is caught in Japan and the US (2008 datum).
- Chilean Coho production dropped 51% in 2010 (Figure 1). Moving forward, production goals are ambitious and supply is projected to increase.
- The 2011 forecast for wild Alaska Coho calls for 17% more fish than in 2010 and 11% more than in 2009 (Figure 2). However, catch rates are down and it's been the worst harvest in 15 years.

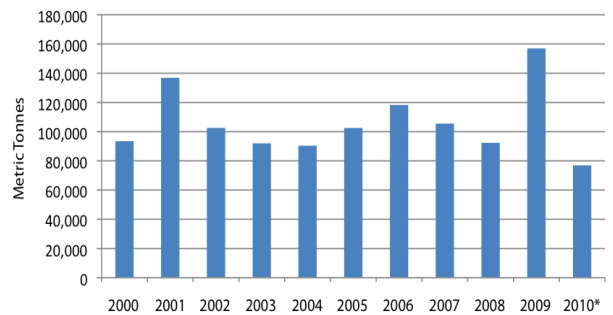
Prices

- The Coho market is size-sensitive and over the last few years, wild Coho have gotten smaller. Despite smaller fish, frozen H&G wholesale prices have trended upwards (Figure 3).
- Farmed Chilean Coho is primarily exported to Japan. Therefore, prices are strongly related to Japanese market conditions and to market economics of Sockeye Salmon - a major competitor for Coho in Japan.
- Increasing prices over the last few years for both farmed and wild Coho can be attributed to: reduced 2010 & 2011 Alaska harvests, strong demand for wild Sockeye, reduced supply of Chums out of Hokkaido and a weak USD.
- Despite the recent drop in farmed Atlantic prices, this did not spill over into the Coho market because it is a different tasting fish - more similar to red Sockeye.

Projections

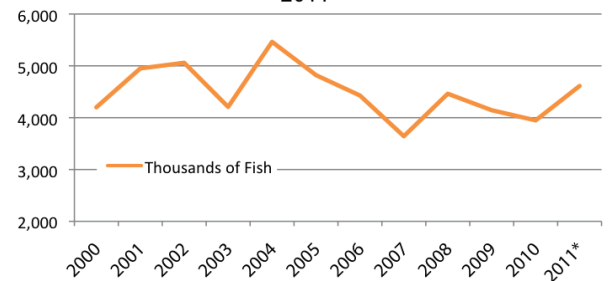
- As at September 9th, 56% of the 2011 wild Alaskan Coho forecast had been caught. As the season end-date nears, fishermen lose hope that fish will arrive. If the season doesn't pick up, prices may increase further.
- It is projected that along with a recovery of Chilean Atlantic Salmon, Chilean Coho production will also rise. However, it won't be until April 2012 that fish will come to market and in the meantime, prices are expected to remain high.

Figure 1: Chilean Farmed Coho Production, 2000 - 2010



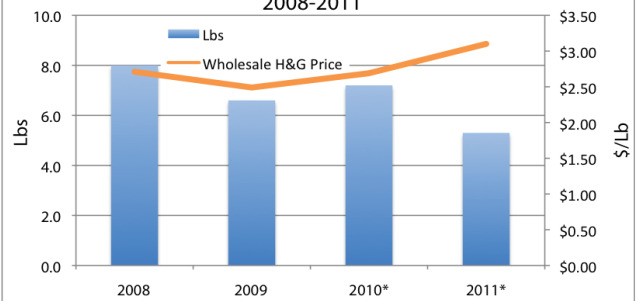
*Note: 2010 datum is as at Nov-2010; Source: NOAA FishStat Database, 2011; Globefish, 2011

Figure 2: Alaska Coho Salmon Harvest, 2000 - 2011



*Note: 2011 data is forecast; Source: Alaska Dept. of Fish and Game, 2011

Figure 3: Average Fish Size and H&G Wholesale Price, 2008-2011



Note: 2011 size is average out of Southeast AK as at Sept. 9th; 2010 size is average as at Sept.; Source: Alaska Dept. of Fish and Game, 2011 & Alaska Dept. of Revenue, 2010

