

Market Update

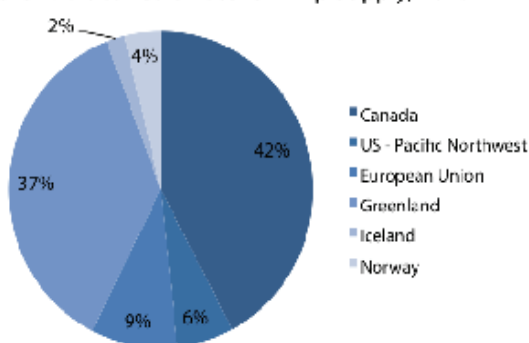
Coldwater Shrimp

www.tradexfoods.com/reports

Supply

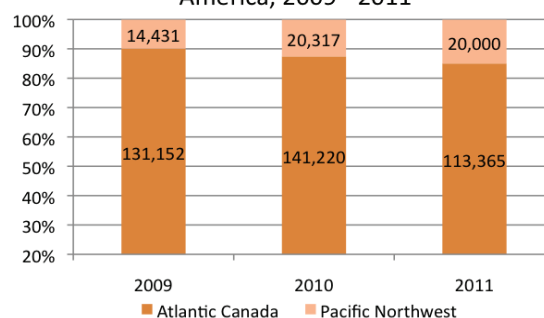
- There are two species of Coldwater Shrimp that are important commercially - *Pandalus borealis* (North Atlantic and Arctic Oceans) and *Pandalus jordani* (North Pacific Ocean).
- *P. borealis* accounts for the majority of global supply and Atlantic Canada and Greenland supply the largest quantities (Figure 1).
- In North America, *P. borealis* supply is expected to be down 20% this year. Meanwhile, *P. jordani* landings have been strong and early catch data suggests that the quota will be met (Figure 2).

Figure 1: Global Coldwater Shrimp Supply, 2010



Sources: Canada Department of Fisheries & Oceans, 2011; Greenland Ministry of Fisheries, Hunting & Agriculture, 2011; US National Marine Fisheries Service, 2011; Iceland Ministry of Fisheries & Agriculture 2011; Norwegian Fisheries, 2011; Northwest Atlantic Fisheries Organization, 2011.

Figure 2: *Pandalus* sp. landings in North America, 2009 - 2011



Note: 2011 data is TACs; Sources: Canada Department of Fisheries & Oceans, 2011; US National Marine Fisheries Service, 2011

Demand

- Despite economic woes, Coldwater Shrimp demand has persisted in the EU and North America and is growing in China.
- *P. borealis* is caught in EU waters so there are no duties on Canadian product. This creates higher demand in the EU for *P. borealis* and thus, higher prices. Consequently, most *P. jordani* stays in North America.
- In August, *P. borealis* prices were the highest they've been in 10 years - 250-350 count sold at \$5.00/LB - up 43% over 2010. Since then, prices have softened to \$4.70/LB.
- Despite an increased *P. jordani* supply, prices reached \$4.00/LB in August. Currently prices sit at \$3.75/LB. High prices can be attributed to a weak USD, high oil prices and strong demand in the summer.

Projections

- Declining *P. borealis* supply will keep the Coldwater Shrimp market strong in both the US and EU.
- In Europe, a weak Euro and increased demand in Asia may reduce European buying power. Consequently, more *P. borealis* may go to Asia.
- In North America, a declining *P. borealis* supply will increase demand for both species and the market will stabilize at high prices. However, the North American market is also influenced by small Warmwater Shrimp out of Asia. A strong market and a weak USD may attract more Asian exporters. However, *P. jordani* is sustainably harvested and domestically produced, so despite a potential influx of supply, prices should stay steady.

