

Market Update

Pacific Ocean Perch

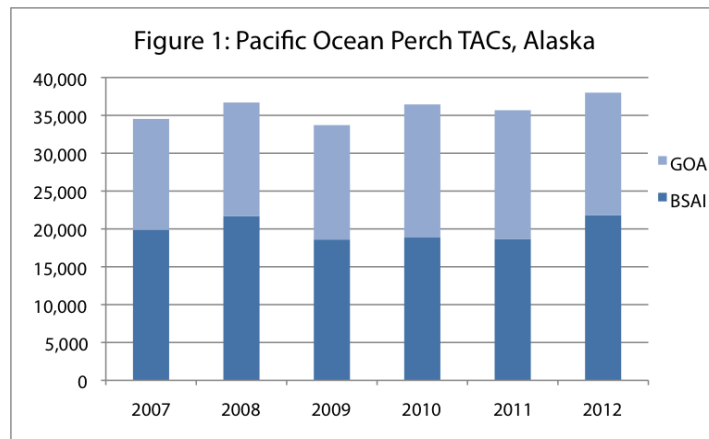
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Supply

- The majority of Pacific Ocean Perch (POP) is caught in North America - the bulk of which comes from Alaska.
- Alaska's Total Allowable Catch (TAC) has been relatively stable since 2007 - Figure 1. Just under 60% is typically landed in the Bering Sea and Aleutian Islands and the remainder in the Gulf of Alaska.
- Alaska's 2012 TAC is up 6.5% over 2011.

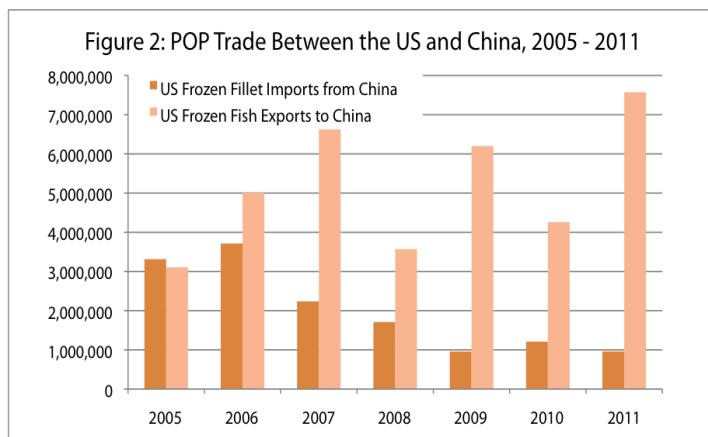
Demand

- Ninety-nine percent of Alaskan POP is processed into H&G or whole fish and is destined for reprocessing in Asia.
- Increased demand in China is reflected in more POP being exported to China and fewer POP fillets being re-exported from China to the US market (Figure 2).
- January-2012 prices are 73% higher than September-2010 and 30% higher than May-2011 (Figure 3).

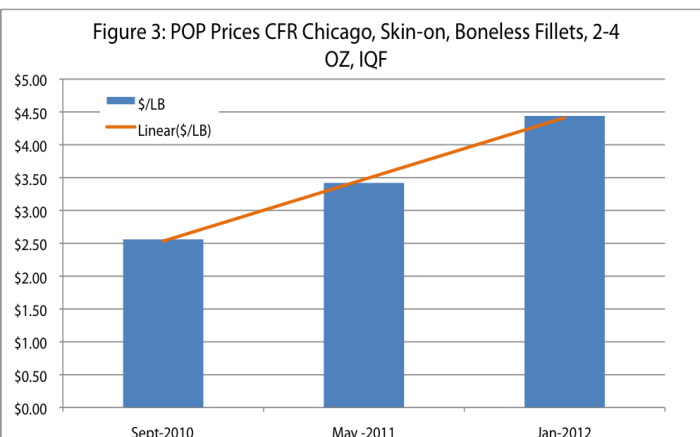


*Note: Typically, 80% of the TAC is landed.

Source: National Marine Fisheries Service, 2012



*Note: Data is for non-specified Perch. Atlantic species data is always indicated - so it is reasonable to assume that this data is for the Pacific variety; Source: National Marine Fisheries Service, 2012



Sources: Various major Chinese packers

Projections

- The dismal economy and rising commodity prices are contributing to consumer price resistance in North America.
- Because of this, many people anticipate Whitefish prices to decline. However, rising demand in emerging markets reduces North American buying power.
- Import-export trends indicate that POP - in particular - is in demand overseas.
- Despite Alaska's 2010 TAC being up 6.5% over 2011, it is expected that prices will remain high, or even increase.