

### Supply

- Iceland, Norway and Russia are the top three suppliers of Haddock. The Joint Norwegian Russian Fishery Commission is responsible for managing the North East Arctic Haddock fishery.
- Total Allowable Catch (TAC) figures indicate that the Norway-Russian Haddock stock is increasing, while Iceland's stock is decreasing - Figure 1.
- The combined 2012 quota for Iceland and Norway-Russia is only 1% higher than in 2011. This is due to an ~11,000 MT decline in Iceland's TAC that offsets the 5% growth in the Norway-Russia TAC.

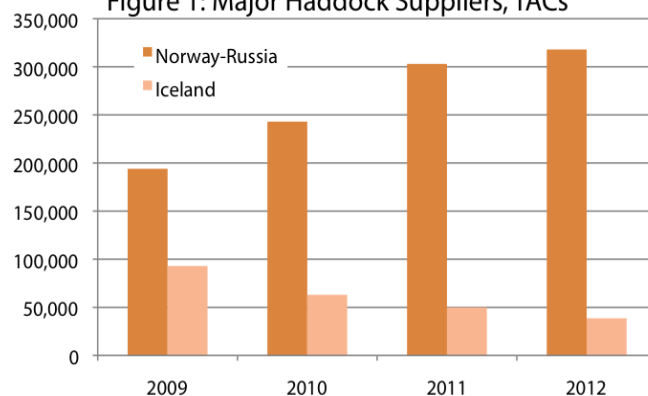
### Prices

- Raw material prices in China increased in Oct-2011 when the season ended - Figure 2.
- Inventories brought prices back down and have held since early Jan-2012 - Figure 2.
- Finished product Haddock prices are 7% lower than Pacific Cod and 15% lower than Atlantic Cod - Figure 3.
- In comparison to 2011, Loin prices are up by \$0.07 - from \$2.64/lb.

### Projections

- Currently, Chinese packers are pushing to sell Haddock more than other species - this is an indication of high inventories.
- Given that 2012 supply is expected to be stable, there may be downward pressure on prices when the season opens.
- Given the dire economy in North America and Europe, demand for Atlantic Cod - the more prized Whitefish - may fall as buyers switch to Haddock - a cheaper alternative. This could prevent Haddock prices from falling substantially.

Figure 1: Major Haddock Suppliers, TACs



Sources: Ocean Trawlers, 2012; Iceland Ministry of Fisheries & Agriculture, 2012

Figure 2: China Raw Material Prices, Most Recent 6-Month Period

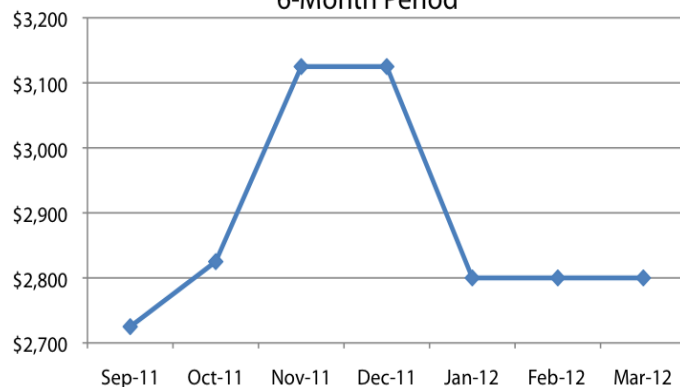
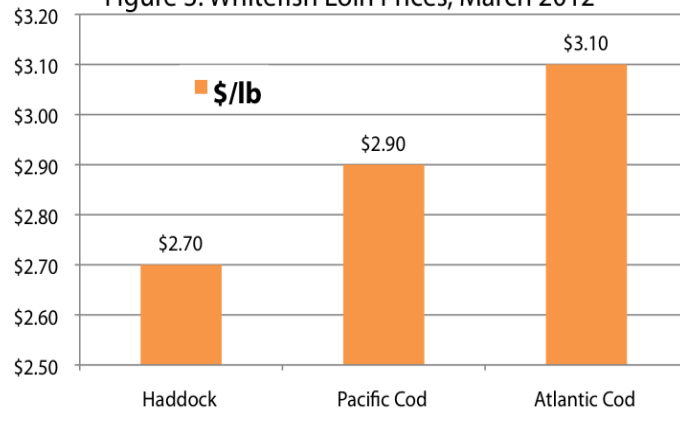


Figure 3: Whitefish Loin Prices, March 2012



Note: prices are CFR Los Angeles