



- Sockeye harvests expected to decline in Alaska
 - Down 23% Statewide, Bristol Bay forecast down 26%
- Pinks expected to rebound in 2017 (odd-numbered year)
 - About even with 2015 forecast, but pinks are most variable
 - SE down 26%, PWS up slightly, Kodiak up 97% from 2015 forecasts
- Chum forecasts up 5%, but down in SE/PWS.... Assumes higher AYK
- Coho up 20%, forecasts up 22% in SE, Chinook down 32% overall,
- Farmed Atlantic Salmon forecast: +5%
- Farmed Coho Salmon forecast: +4%

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SALMON SUPPLY SUMMARY & OUTLOOK



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FIGURES IN MILLIONS LBS.

<u>SPECIES</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016E</u>	<u>2017 FORECAST</u>	<u>PRODUCERS</u>
Sockeye	294	386	402	397	-23%*	AK, RUS, CAN
Pink (2-yr. Avg.)	1,061	939	832	858	-21%*	AK, RUS
Chum	714	706	724	566	+5%*	AK, RUS, JPN
Coho	64	85	60	43	+20%*	AK, RUS, WOC**
Chinook	20	26	21	14	N/A	AK, CAN, WOC**
Farmed Atlantic	4,615	5,175	5,249	4,873	+5%	ALL
Farmed Coho	346	379	311	276	+4%	ALL

*Alaska forecast only, pink forecast change based on expected 2-yr. average.

**Washington, Oregon, and California.

Source: NPAFC, Russia Federal Fisheries Agency, FAO, ADF&G, and McDowell Group estimates.



- Farmed salmon production cut in 2016 raised pricing bar overall
- Sockeye demand is improving, better value vs. farmed salmon, higher prices expected in 2017
 - U.S. imports of Russian sockeye trending up
- Russia had strong pink year in 2016, but more supply/demand balance in canned pink segment – wholesale prices up in Sep-Dec vs May-Aug
- Chum demand should be strong in 2017, Japan harvest down approximately 30% in 2016 and lower in Russia too
- Higher farmed/sockeye prices should be supportive for coho

SALMON WHOLESALE MARKET PRICES BY TRIMESTER



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<u>PRODUCT</u>	<i>Average Price/lb.</i>				
	<u>T2-2015</u>	<u>T3-2015</u>	<u>T1-2016</u>	<u>T2-2016</u>	<u>T3-2016</u>
Frz. HG Sockeye	\$2.23	\$2.40	\$2.41	\$2.82	\$3.07
Frz. HG Pink	\$1.14	\$1.07	\$1.14	\$1.33	\$1.38
Frz. HG Chum	\$1.47	\$1.25	\$1.09	\$1.53	\$1.39
Frz. HG Coho	\$1.75	\$2.20	\$2.03	\$2.55	\$3.32
Canned Pink (Tall)	\$1.90	\$1.74	\$1.63	\$1.68	\$1.79
Canned Sockeye (Half)	\$3.63	\$3.07	\$3.03	\$3.11	\$3.39
Pink Roe	\$3.41	\$4.16	\$4.22	\$6.59	\$8.11
Chum Roe	\$9.68	\$10.30	\$11.65	\$11.66	\$14.09
Atlantic Salmon*	\$2.23	\$2.22	\$3.07	\$3.16	\$3.71

* Chilean Atlantic Salmon, FOB Los Angeles, 8-10 lbs.

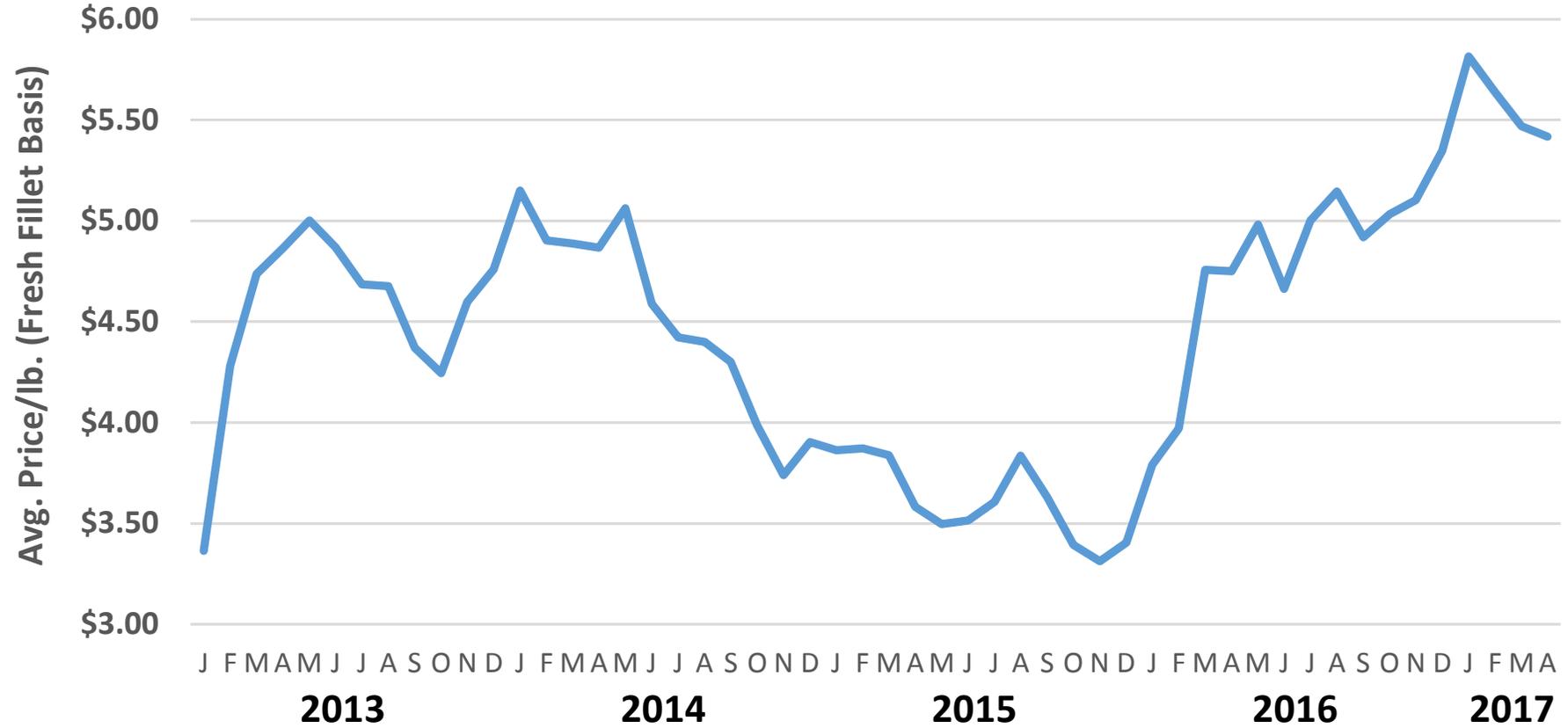
Source: ADOR (Alaska Salmon Price Report) and Urner Barry Comtell (Atlantic Salmon).

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FARMED SALMON PRICE TRENDS



U.S. Farmed Salmon Wholesale Price Index





- Currency movements since last April (negative values = bad):
 - Euro (-6.2%)
 - Ruble (+17.9%)
 - Yen (-0.4%)
 - Canadian dollar (-3.8%)
- Total value of AK salmon permits fell 21% in 2016, lost \$175M in value
- Number of salmon permits fished was lowest since 2004
- CHALLENGE: how to make the most of higher farmed prices and continue promotional momentum at higher prices for AK product