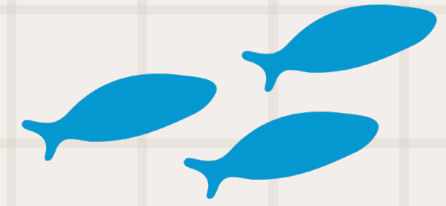


# ASMI Whitefish Fishery Performance and Trade Update

May 10, 2024

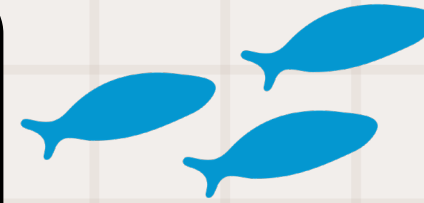




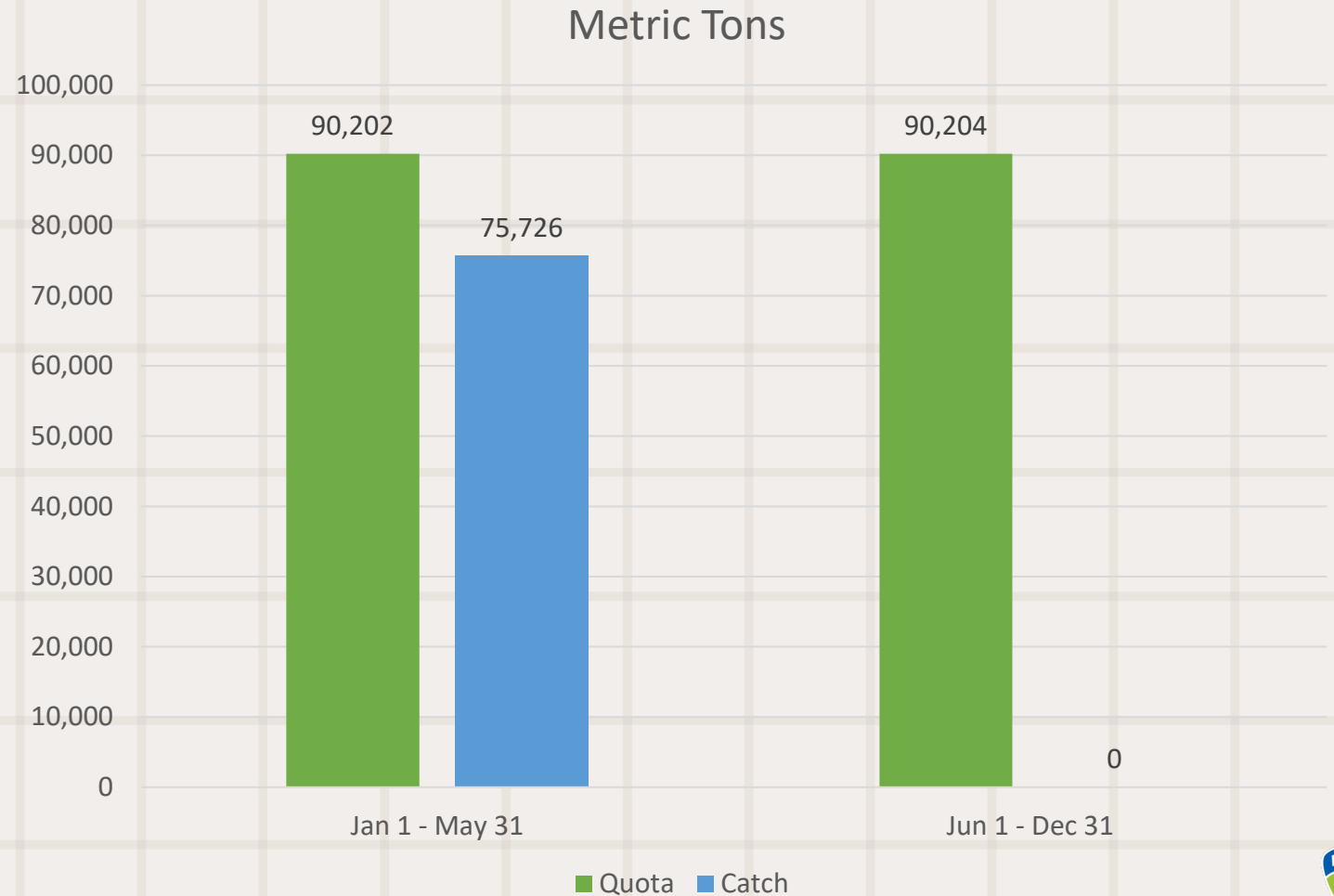
# Fishery performance: catch and production



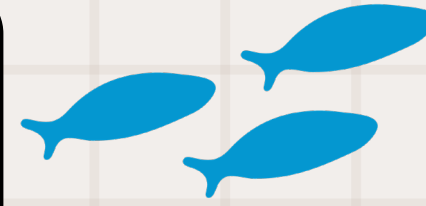
# 2024 GOA Alaska Pollock catch as of 4/20 vs quota



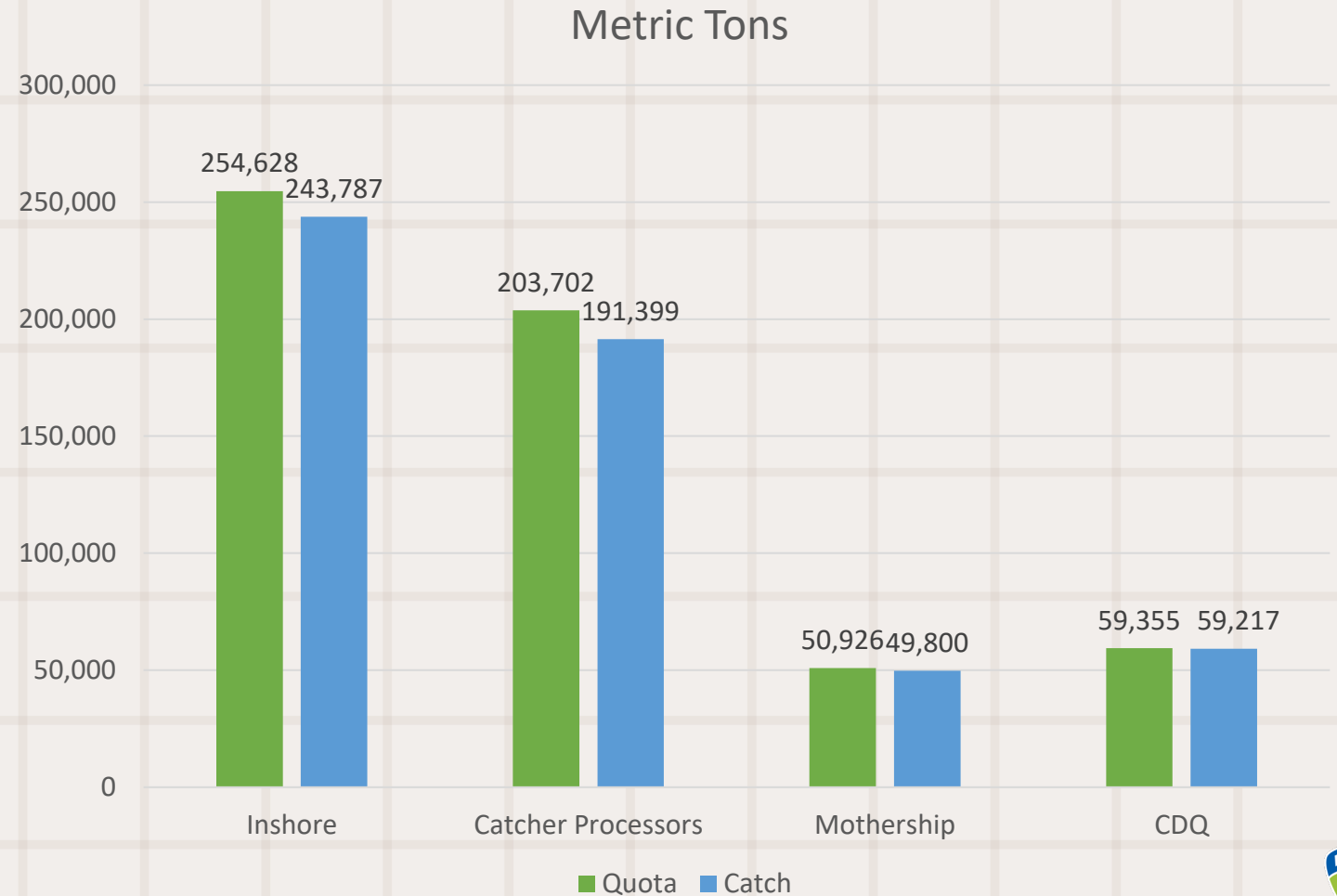
- Weekly harvest has fallen from 5,773 mt for week ending 4/13 to 596 mt in current week



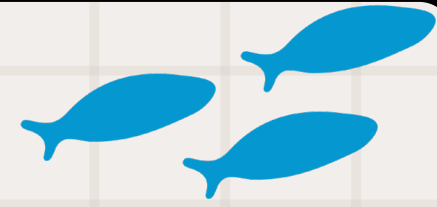
# Alaska Pollock catch vs A Season Quota – Bering Sea



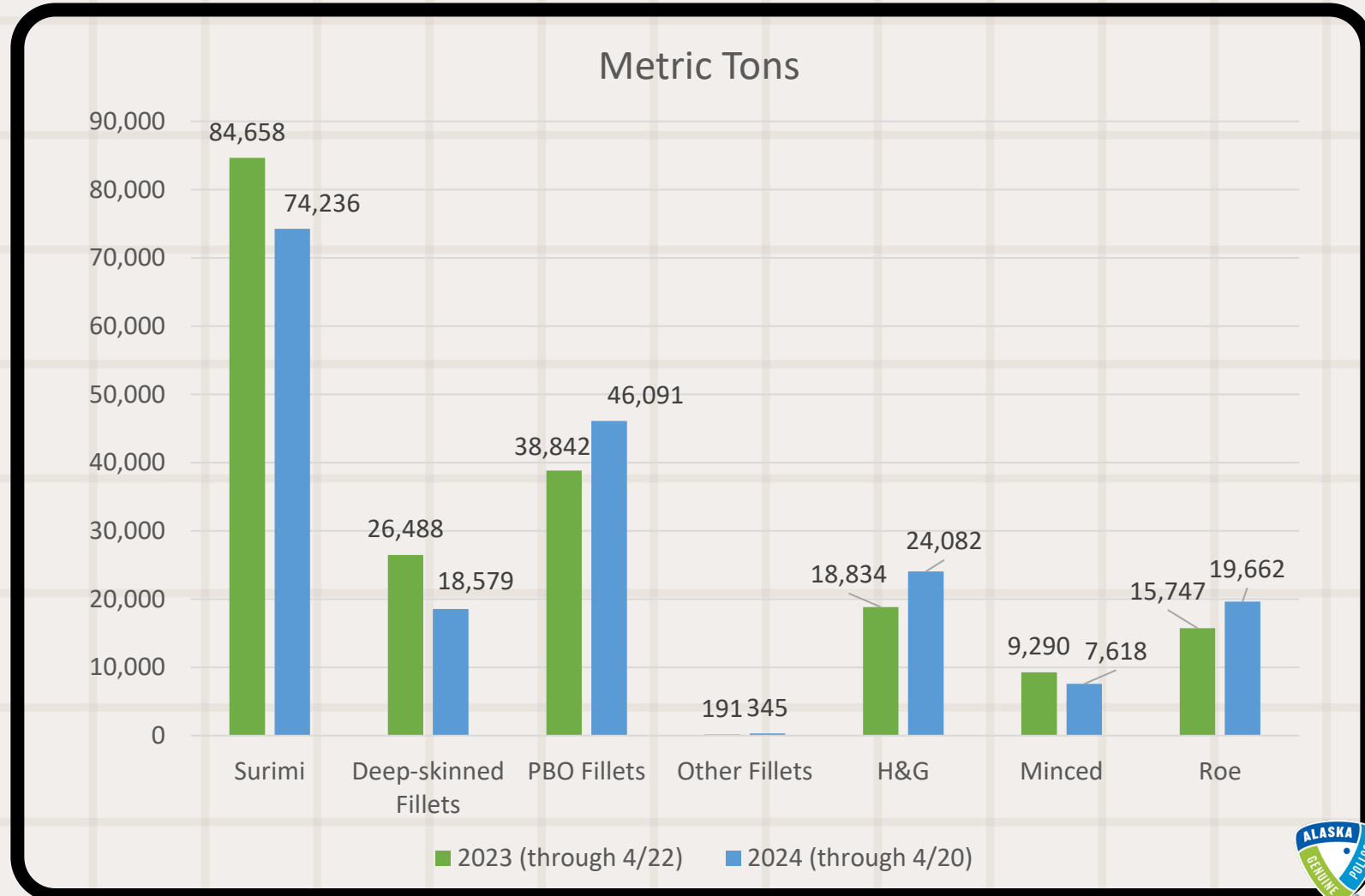
- Fishing appears to be completed with inshore at 95.7%, C/Ps at 94.0%, Motherships at 97.8% and CDQ at 99.8% of quotas harvested.
- Some fishing against A season quota may take place in early June.



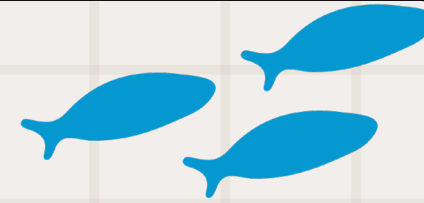
# Production of major product forms: 2023 (through 4/22) vs 2024 (through 4/20)



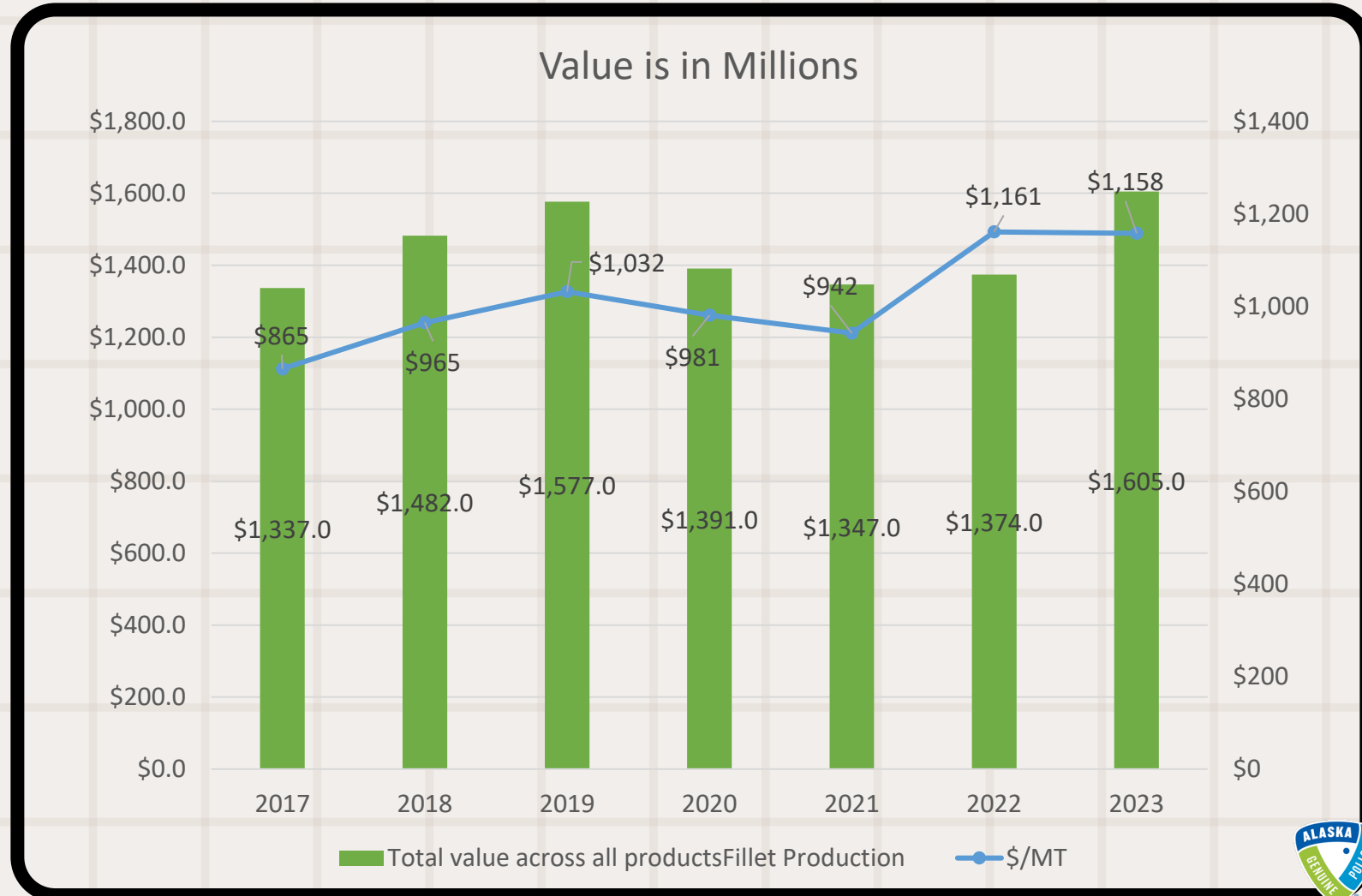
- With A season fishing largely completed, surimi production will be down about 12.3% and PBO production will be up by 18.6%.

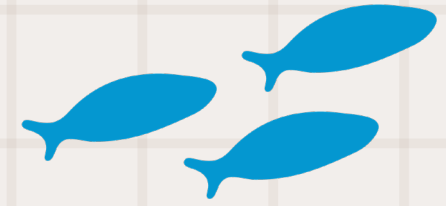


# Total production value and value/mt catch weight



- Production value was at 7 year high in 2023
- Prices used are declared export prices (applied to total volume)

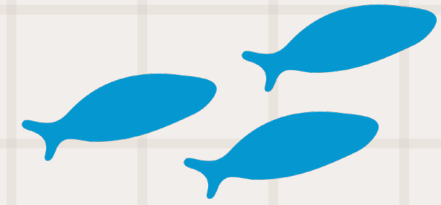




# Fillet market update



# Fillet market summary

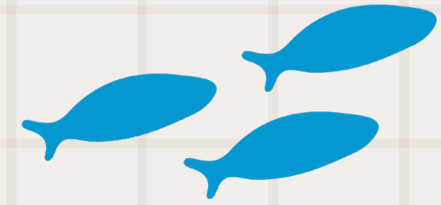


- 2024 A season production showed big increase in PBO while deep-skinned production lags
- Strong US demand has limited reaction in fillet prices compared to other products
- EU market inundated with cheap Russian-origin fillets has hurt markets for US production
- Production costs continue to rise
- Prices have seemed to stabilize, with some reporting an expected recovery in 2024 B season

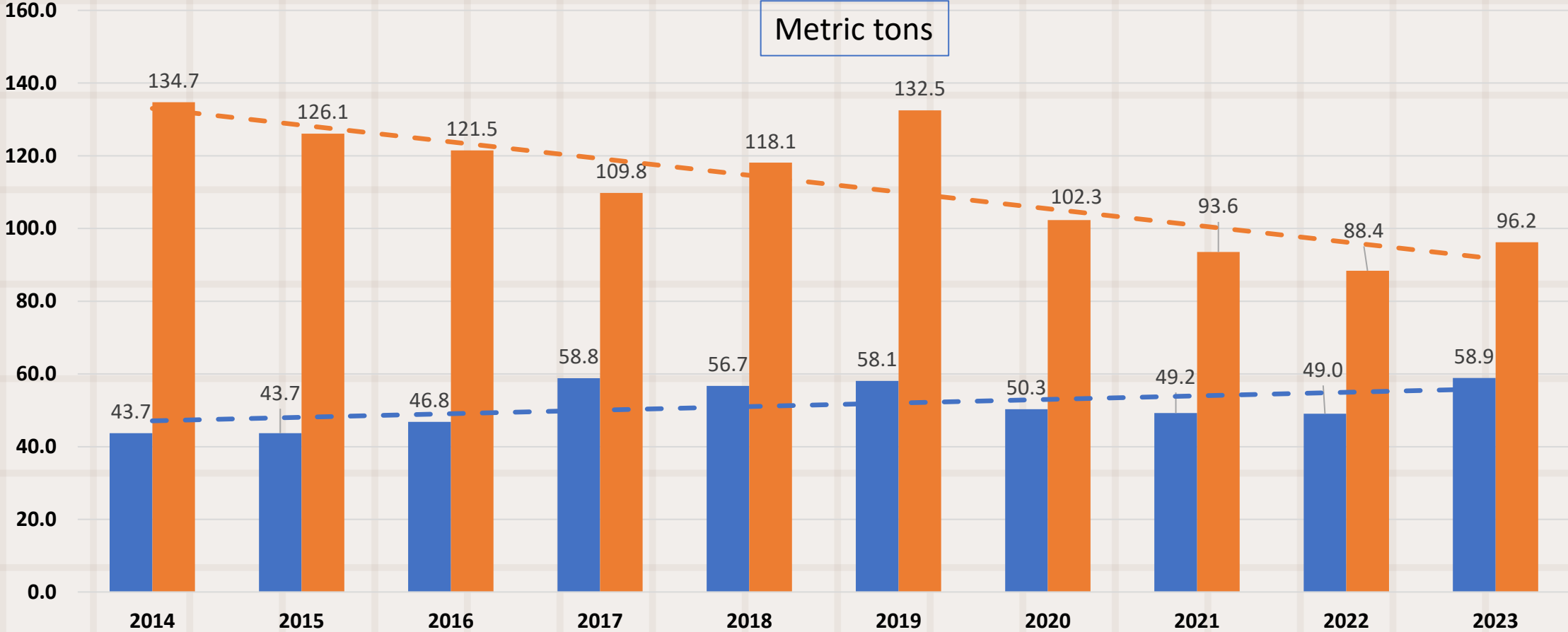
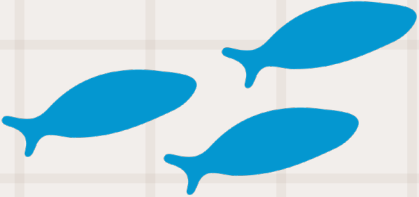




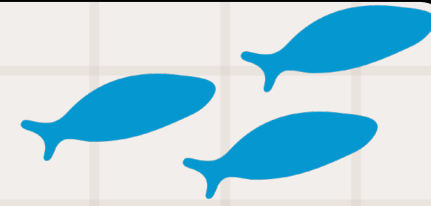
# \$ stable since early 2023, but still relatively strong against the Euro



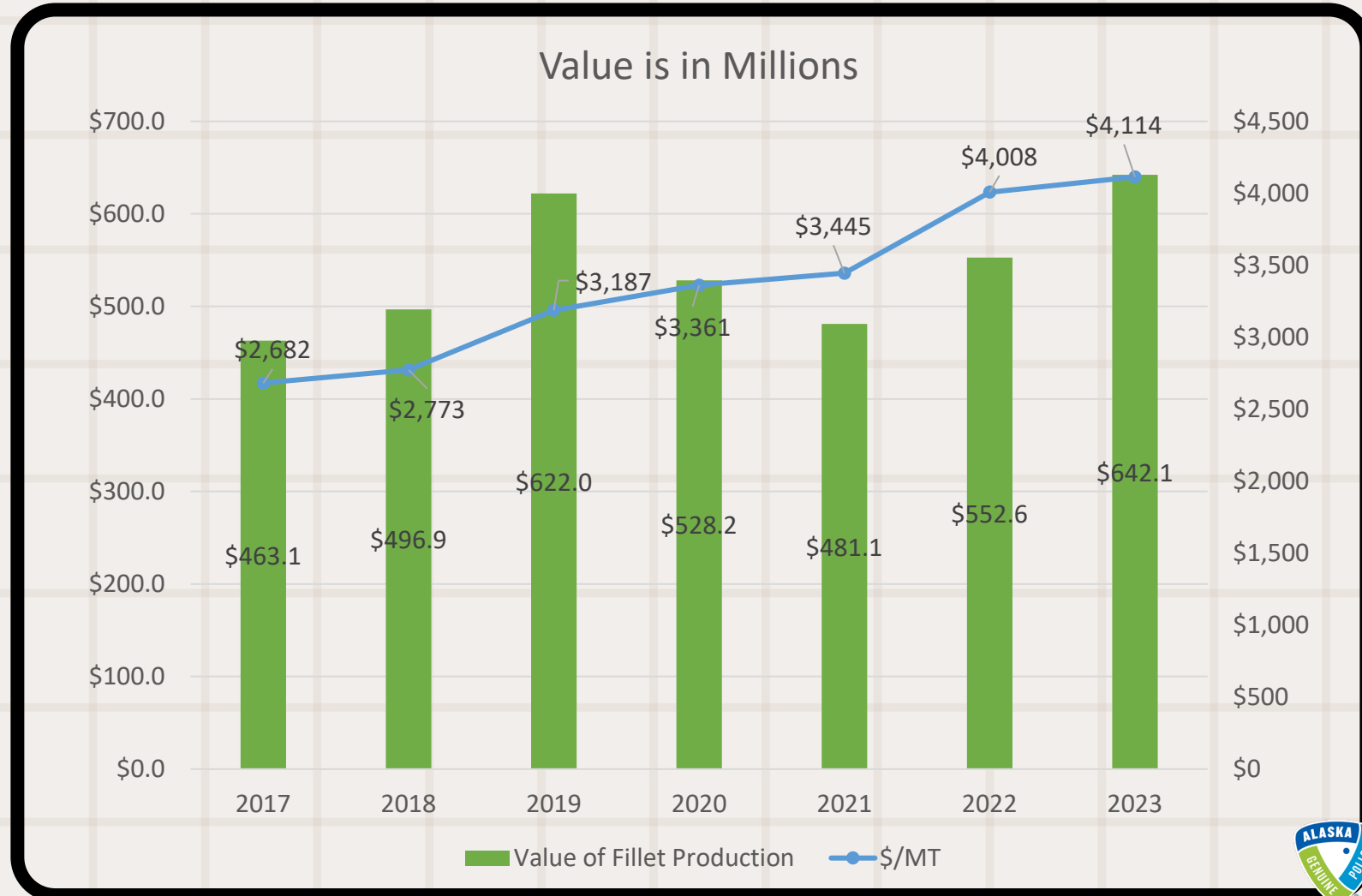
# PBO production has been decreasing as deep-skinned production is increasing



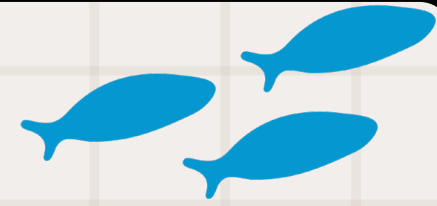
# Fillet production value and price



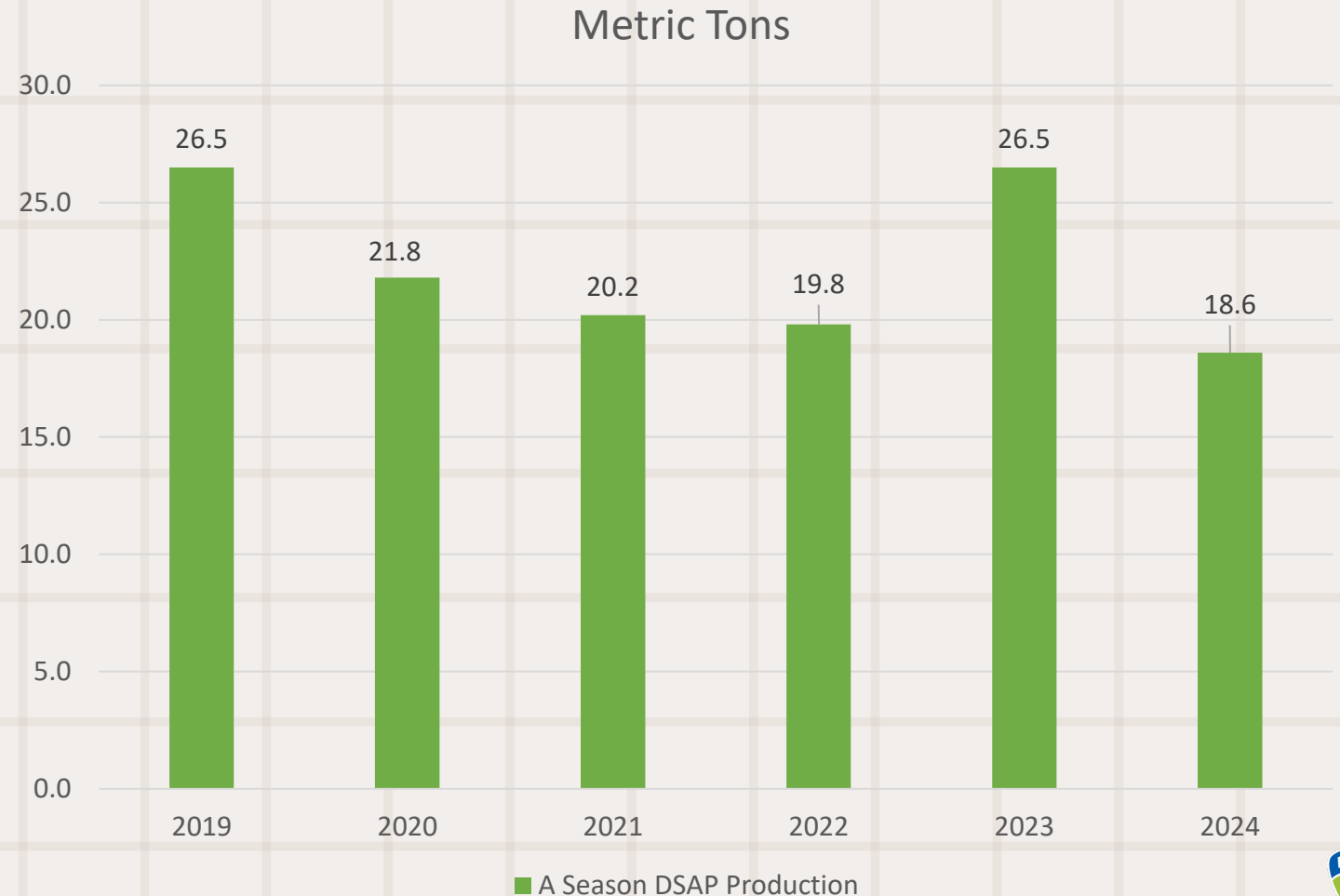
- Value in 2023 was highest over past 7 years.



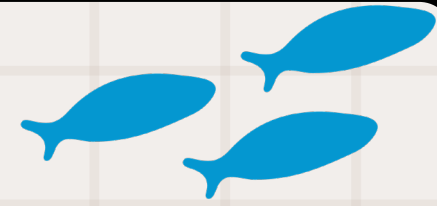
# A season deep-skinned fillet production



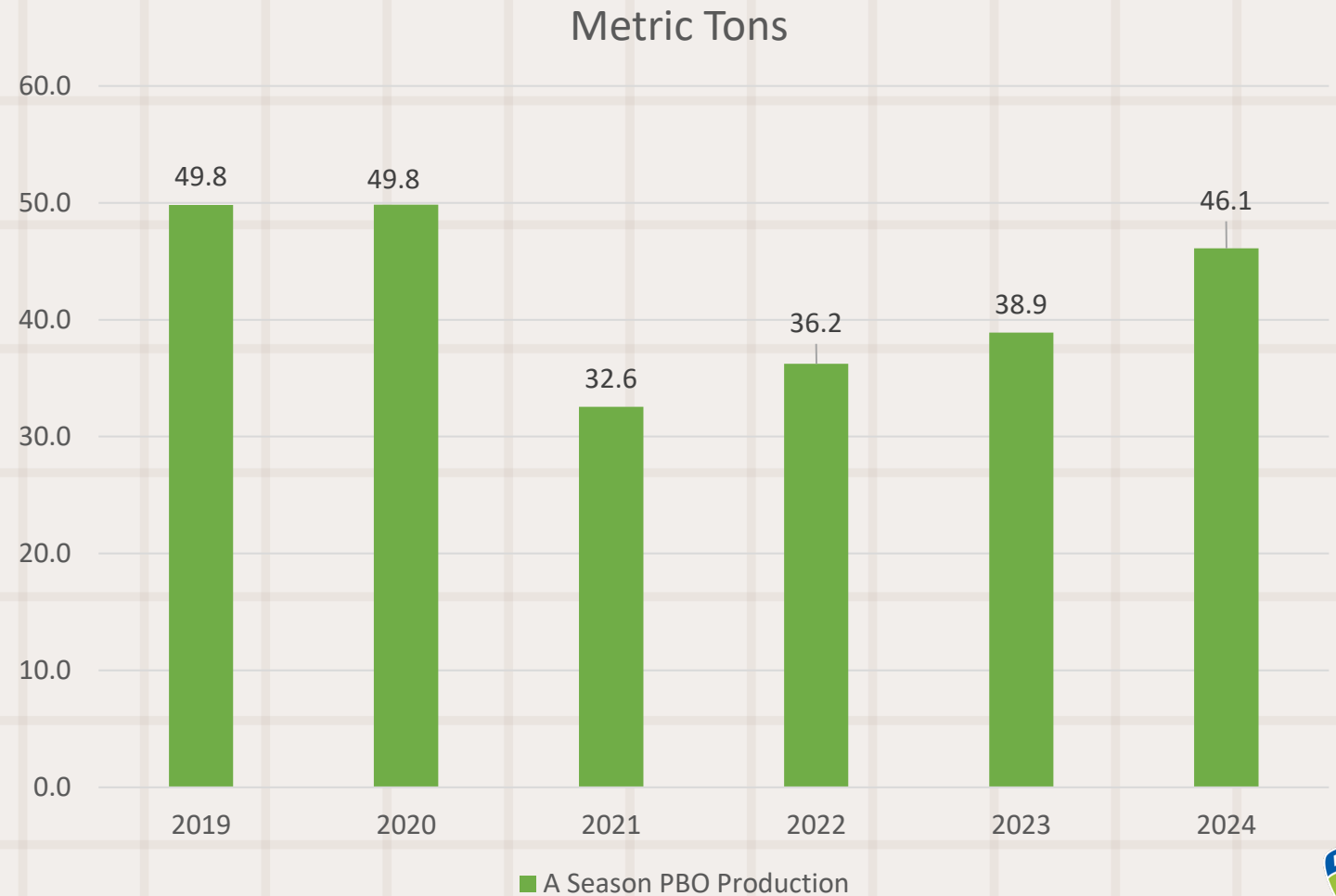
- A season deep-skinned production will be lowest in last six years, even lower than what it was in 2022 when quota was 1.111 million metric tons



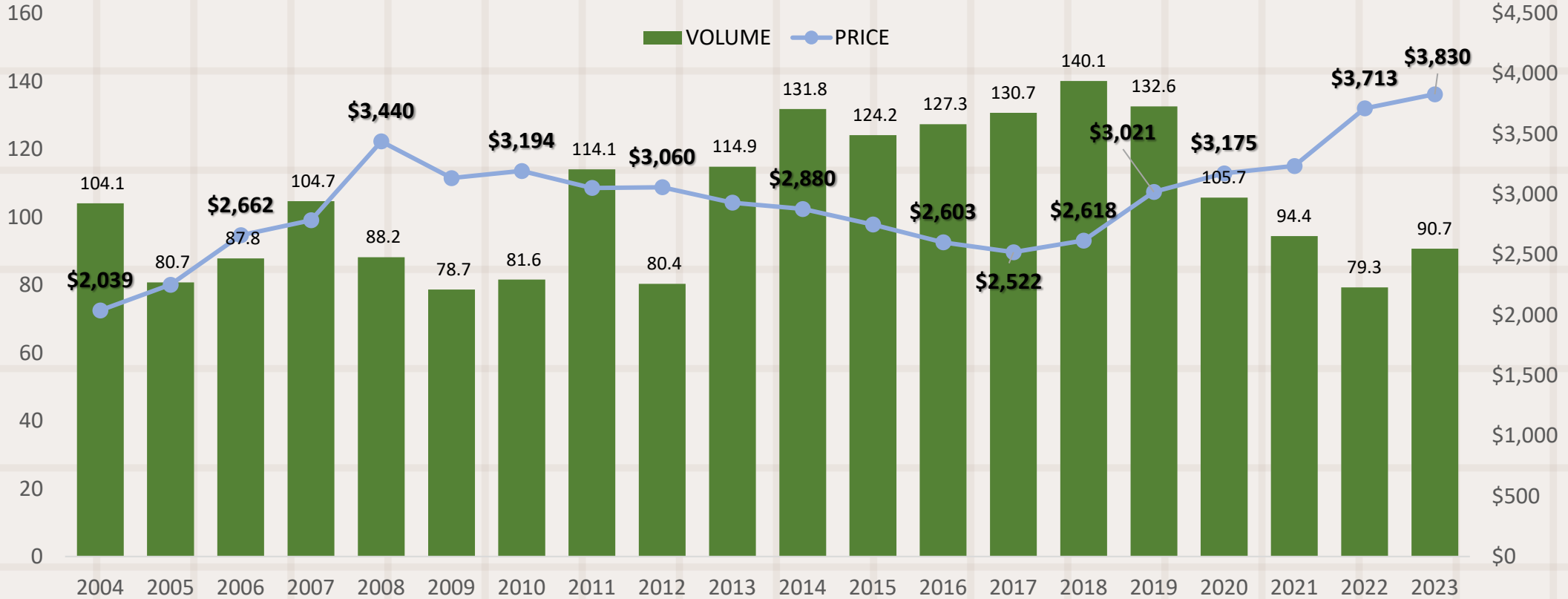
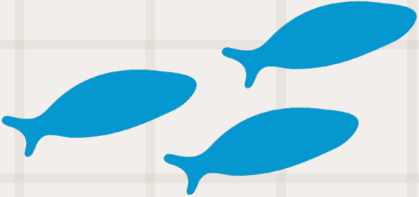
# A season PBO production



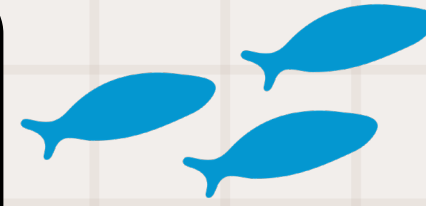
- A season PBO production fell considerably in 2021 and has gradually been increasing since.



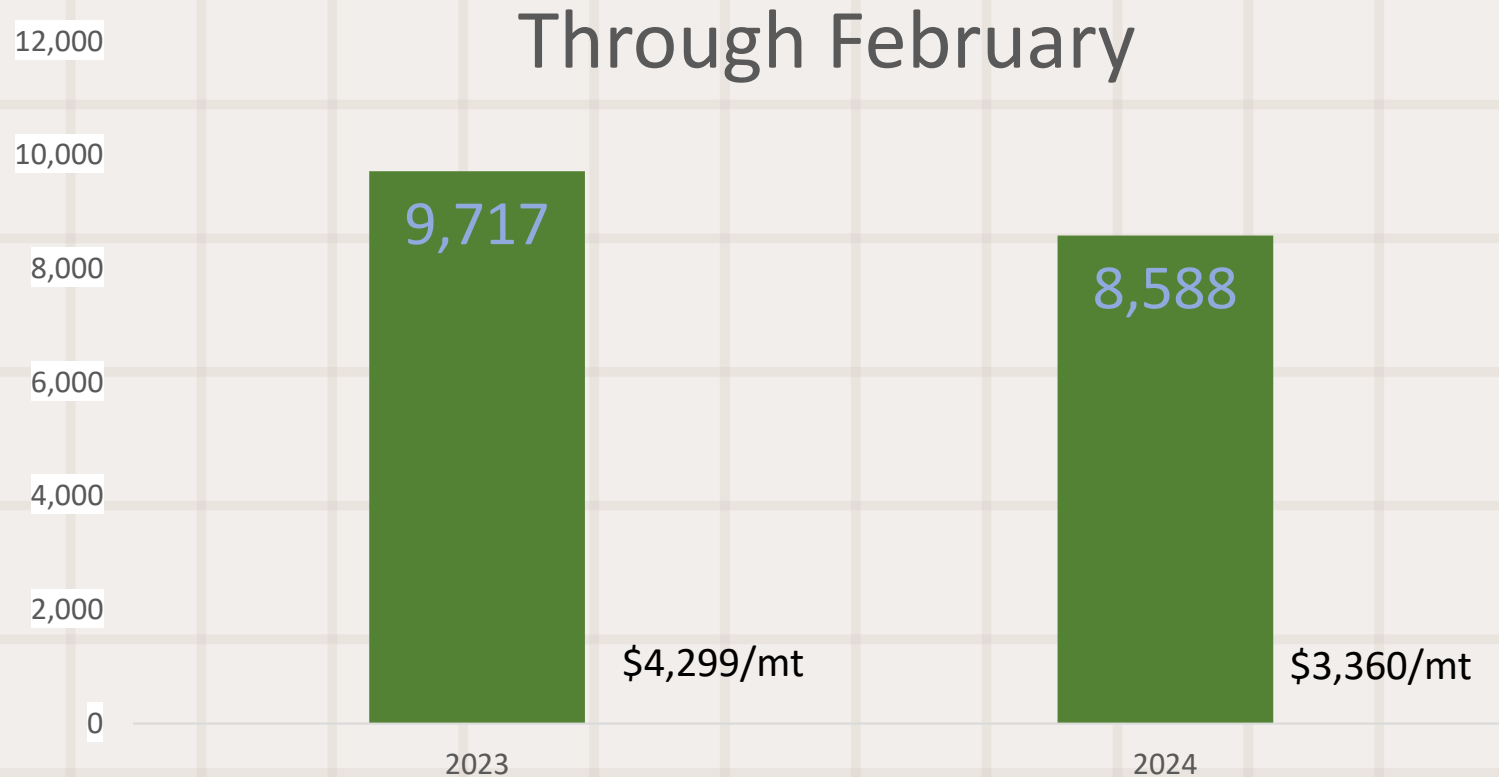
# Annual U.S. Alaska pollock fillet exports



# Year to date U.S. exports of frozen Alaska pollock fillets



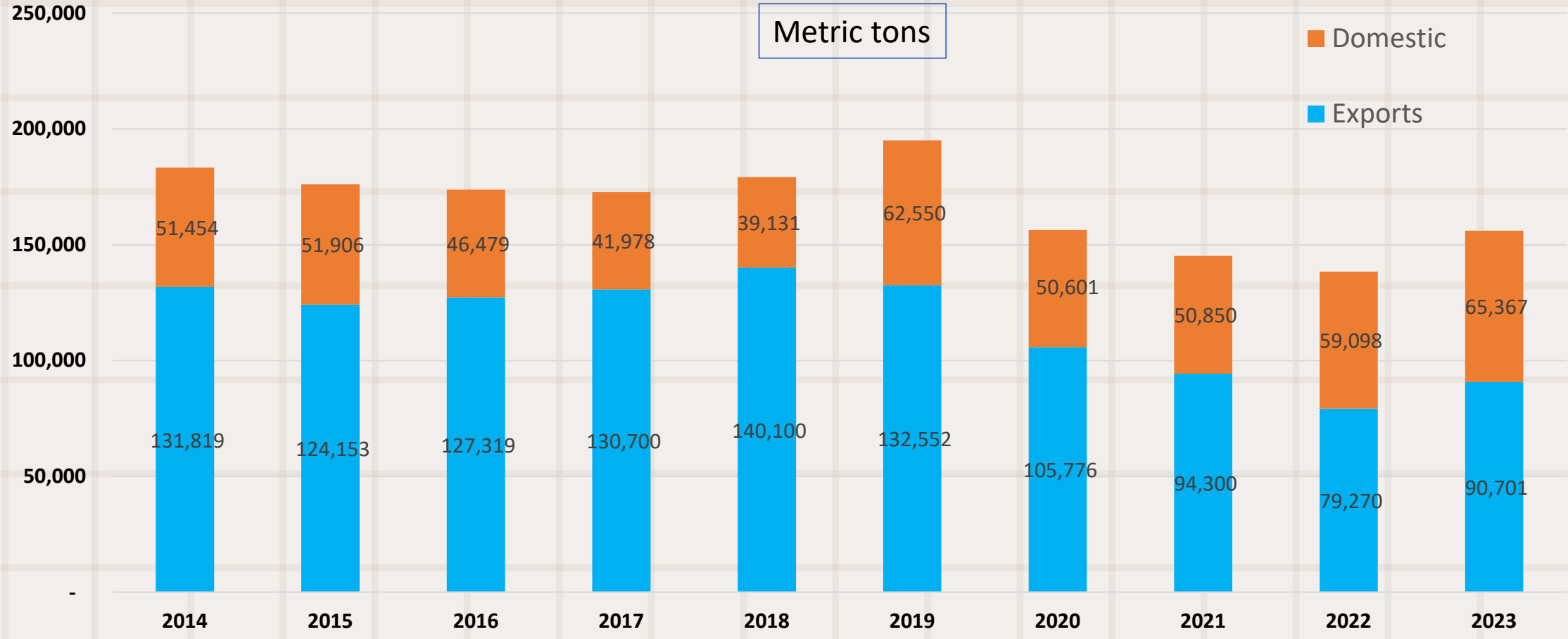
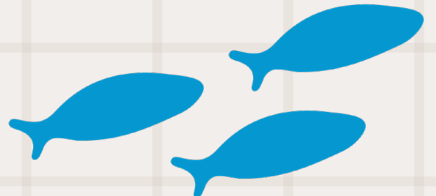
- 2023 annual average price was \$3,830, so the 2024 price is 22% lower.
- While early, lower fillet exports despite increase in fillet production suggests recent trend of more fillet products staying in U.S. market is continuing



Source: U.S. Census Bureau

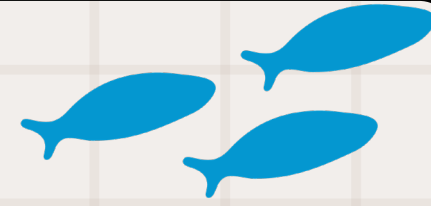


Fillet exports averaged 130.8K mt from 2014 to 2018 and 100.5K mt from 2015 to 2023 while product for domestic consumption went from 46.2K mt to 57.7K mt

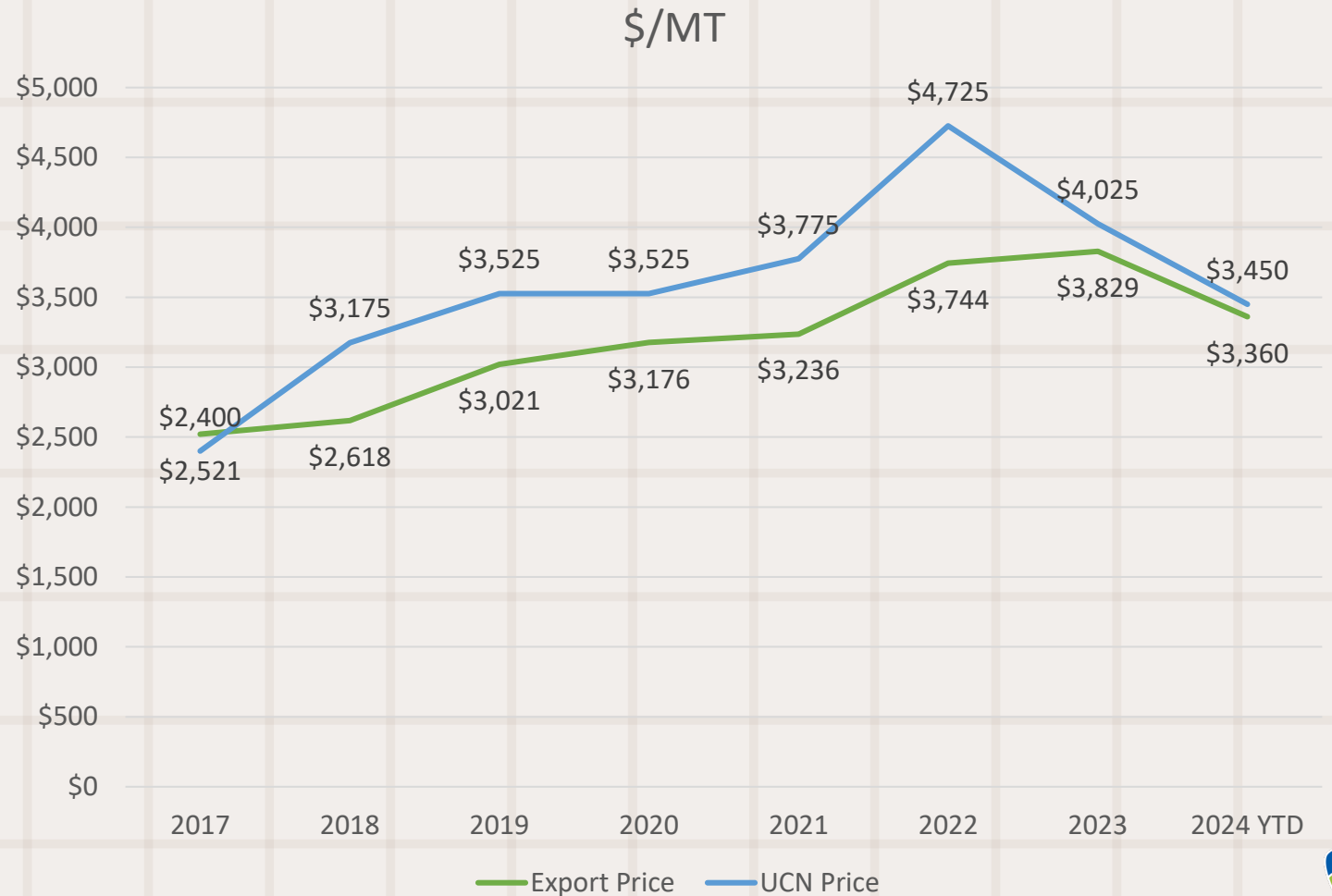




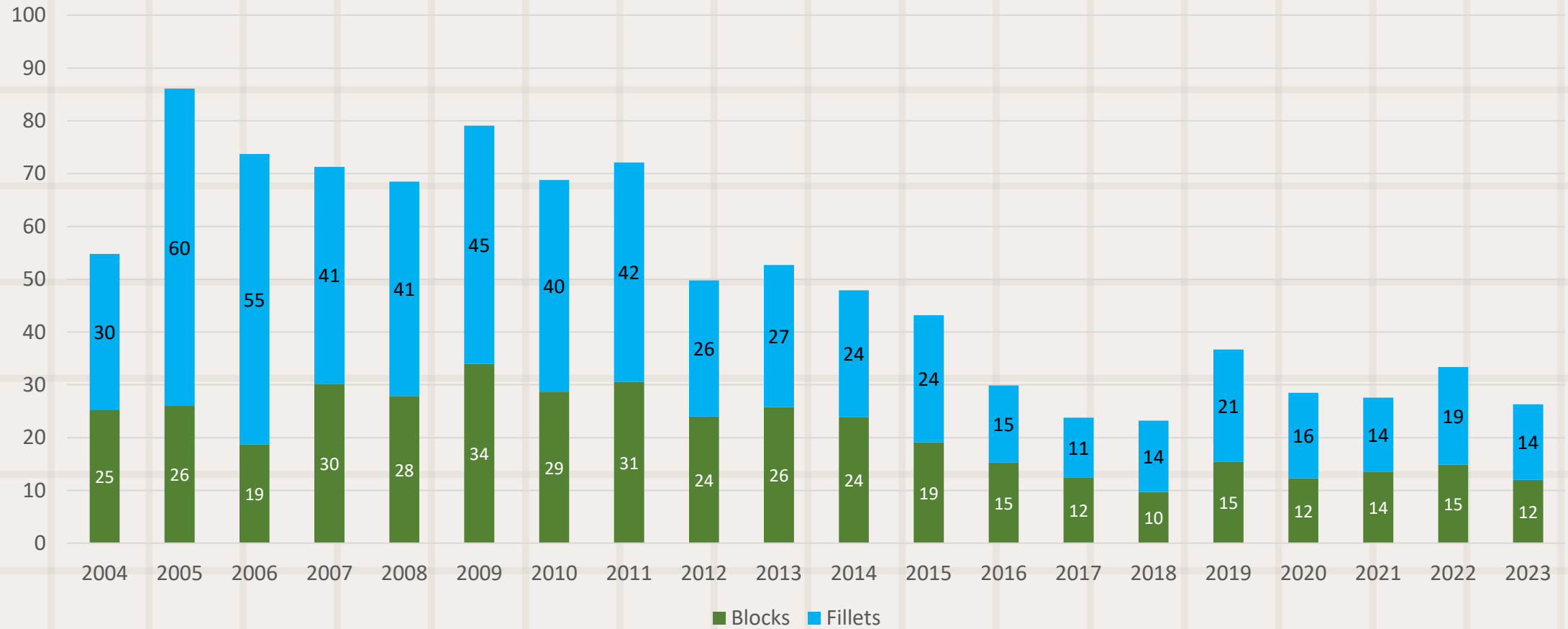
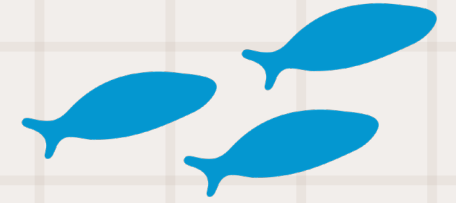
# Comparison of Export prices and Undercurrent News (EU) prices



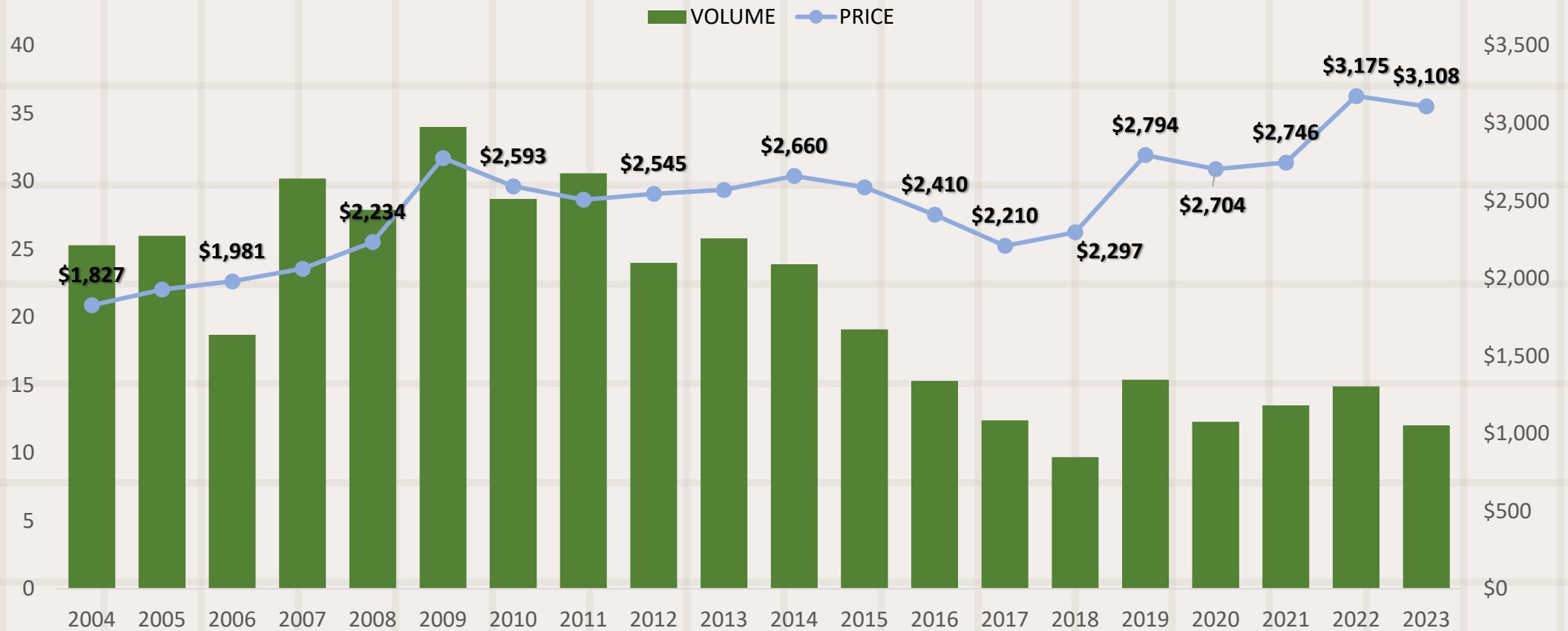
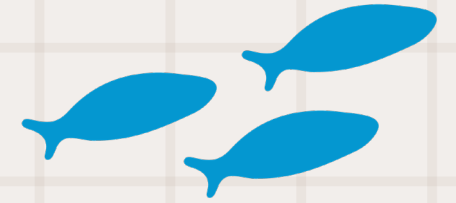
- Declared export prices have averaged 90% of Undercurrent News prices. Part of this is that UCN prices are CIF EU whereas declared export prices are FOB Dutch Harbor.



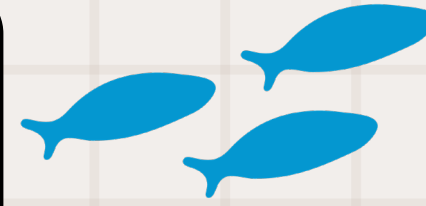
# Annual U.S. imports of frozen Pollock fillets and fillet blocks



# Annual U.S. imports of frozen Pollock fillet blocks

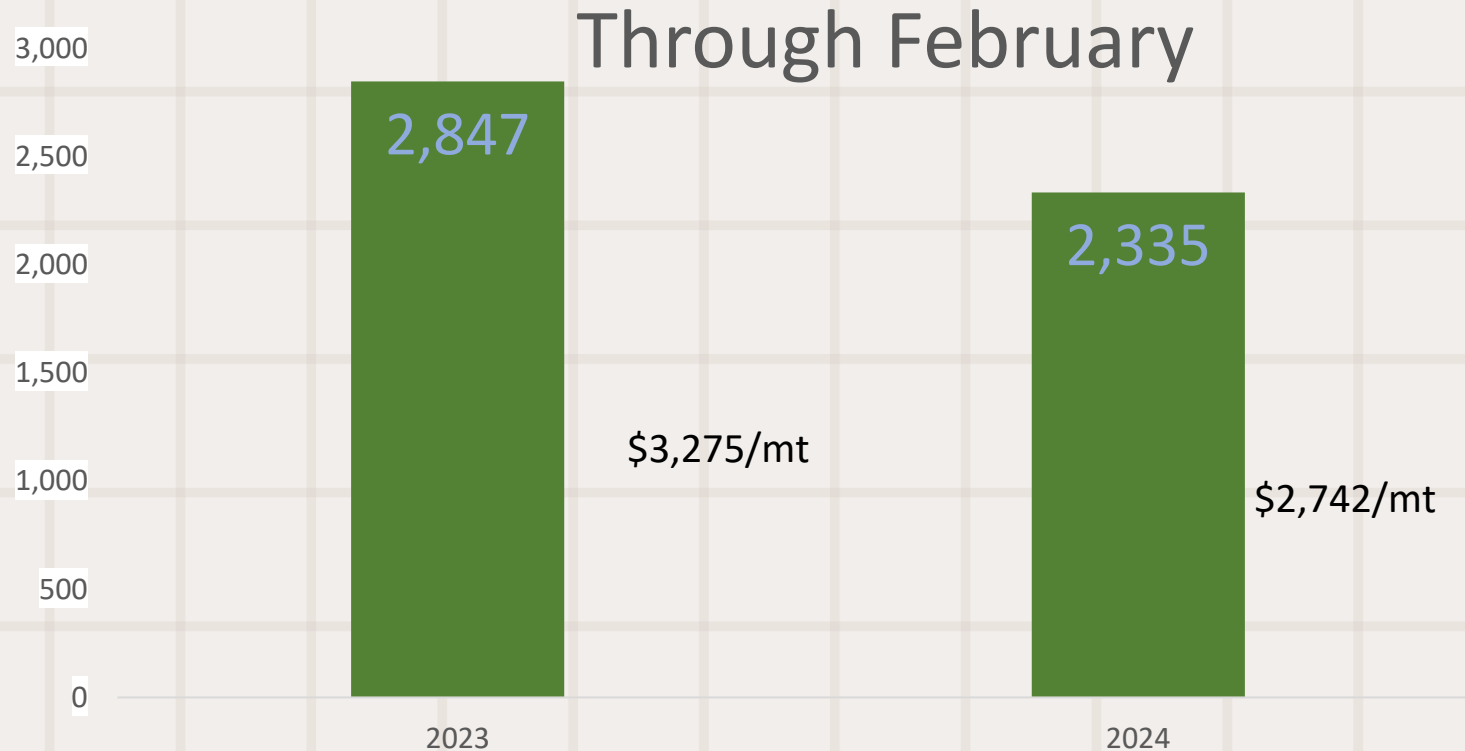


# Year to date U.S. imports of frozen Pollock fillet blocks

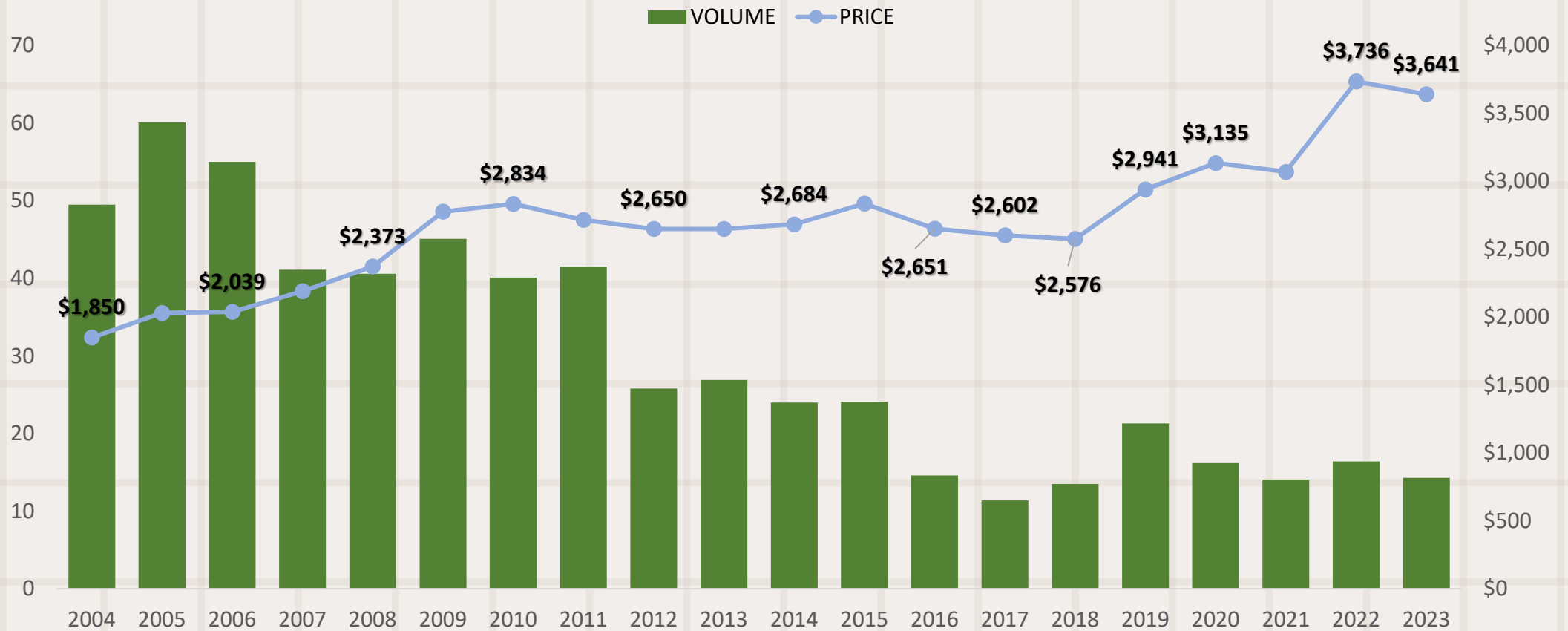
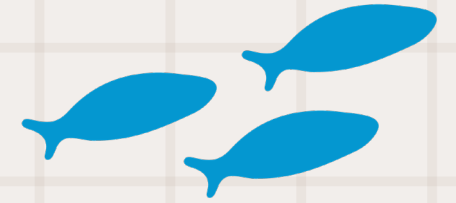


2023 annual average price was \$3,108 per mt.

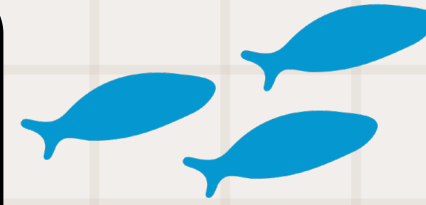
Russian origin imports are allowed into the U.S. through May provided they were under contracts dated prior to December 22, 2023



# Annual U.S. imports of frozen Pollock fillets

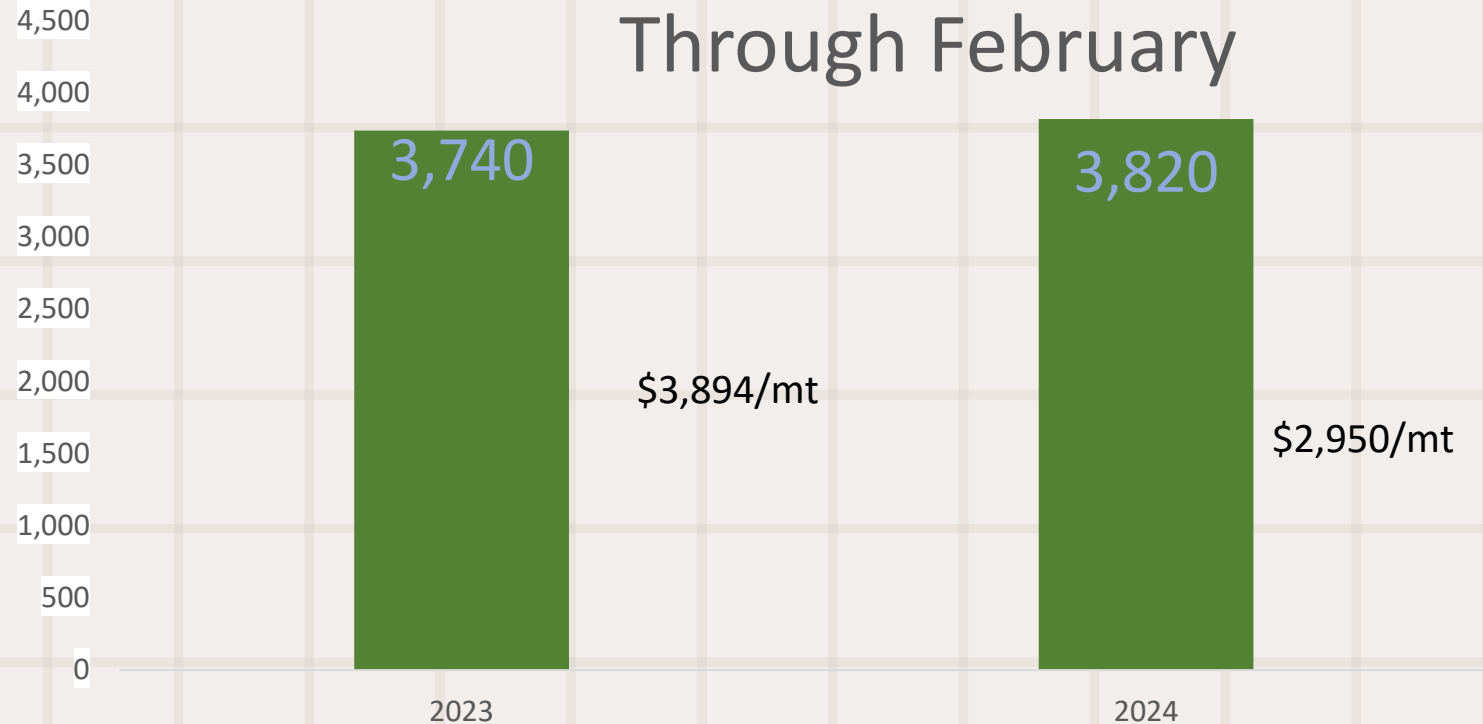


# Year to date U.S. imports of frozen Pollock fillets



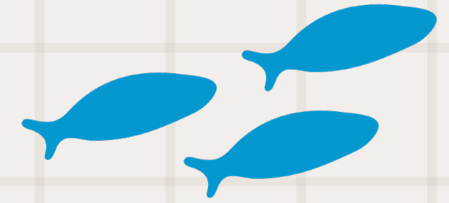
2023 annual average declared price was \$3,641

Russian origin imports are allowed into the U.S. through May provided they were under contracts dated prior to December 22, 2023



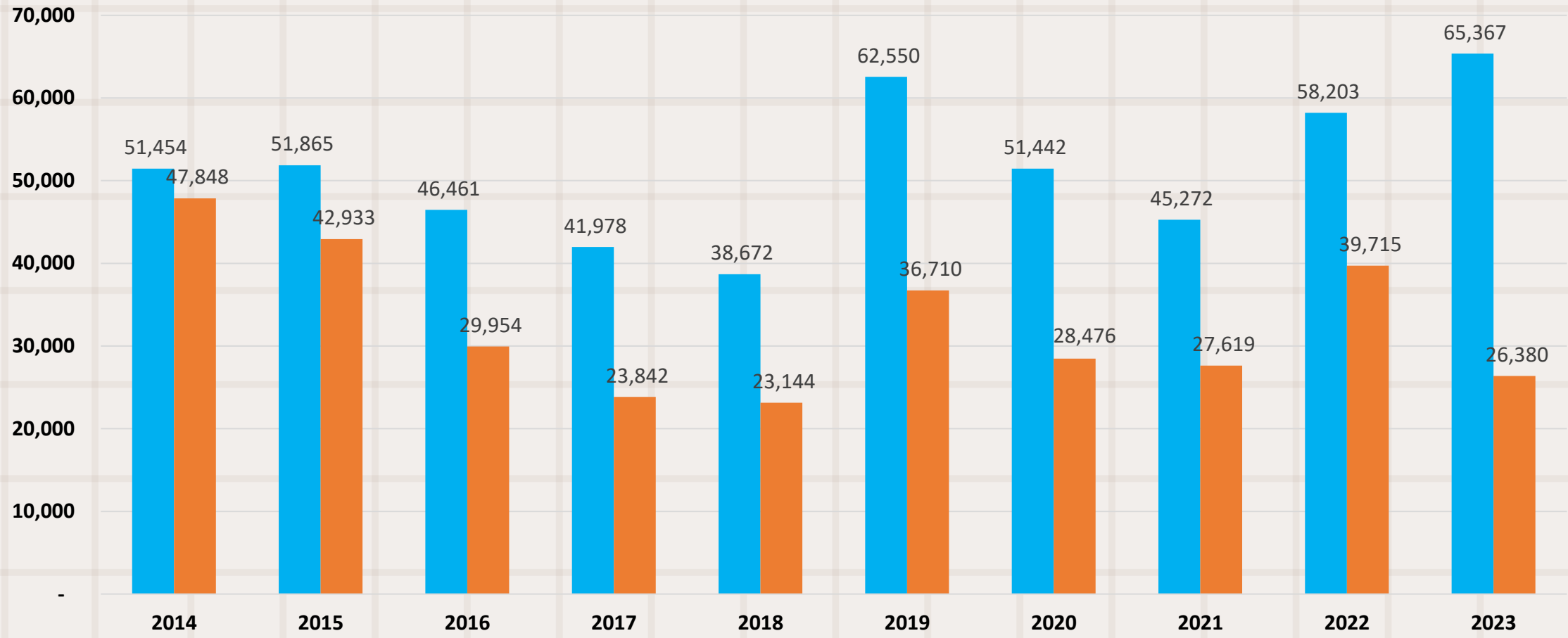


# US supply of Pollock/Alaska Pollock fillets

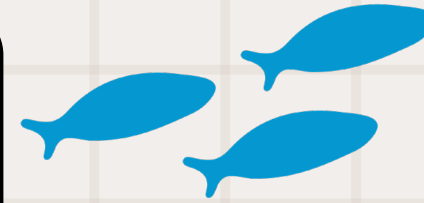


Metric tons

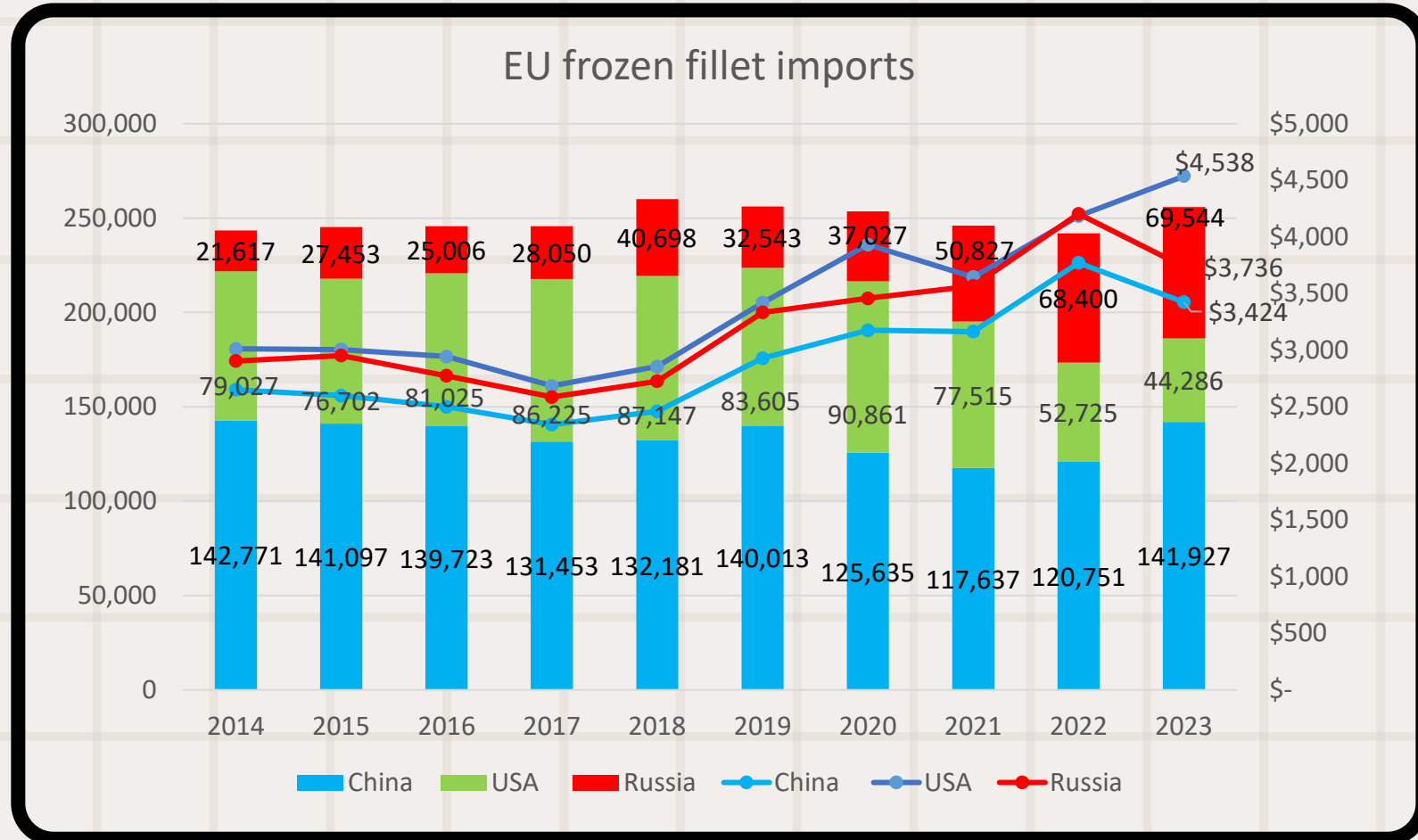
■ Domestic ■ Imports



# Annual EU imports of Pollock/AK Pollock fillets by country of origin (metric tons)

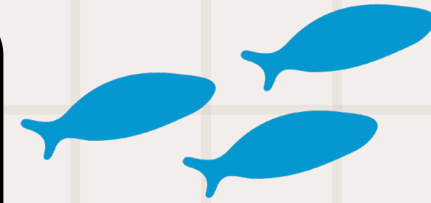


- 2023 imports of Chinese twice-frozen fillets highest since 2014
- 2023 direct imports from Russia at ten-year high
- Price spread between US and Russian product went from relative parity in 2022 to record \$800 per mt in 2023

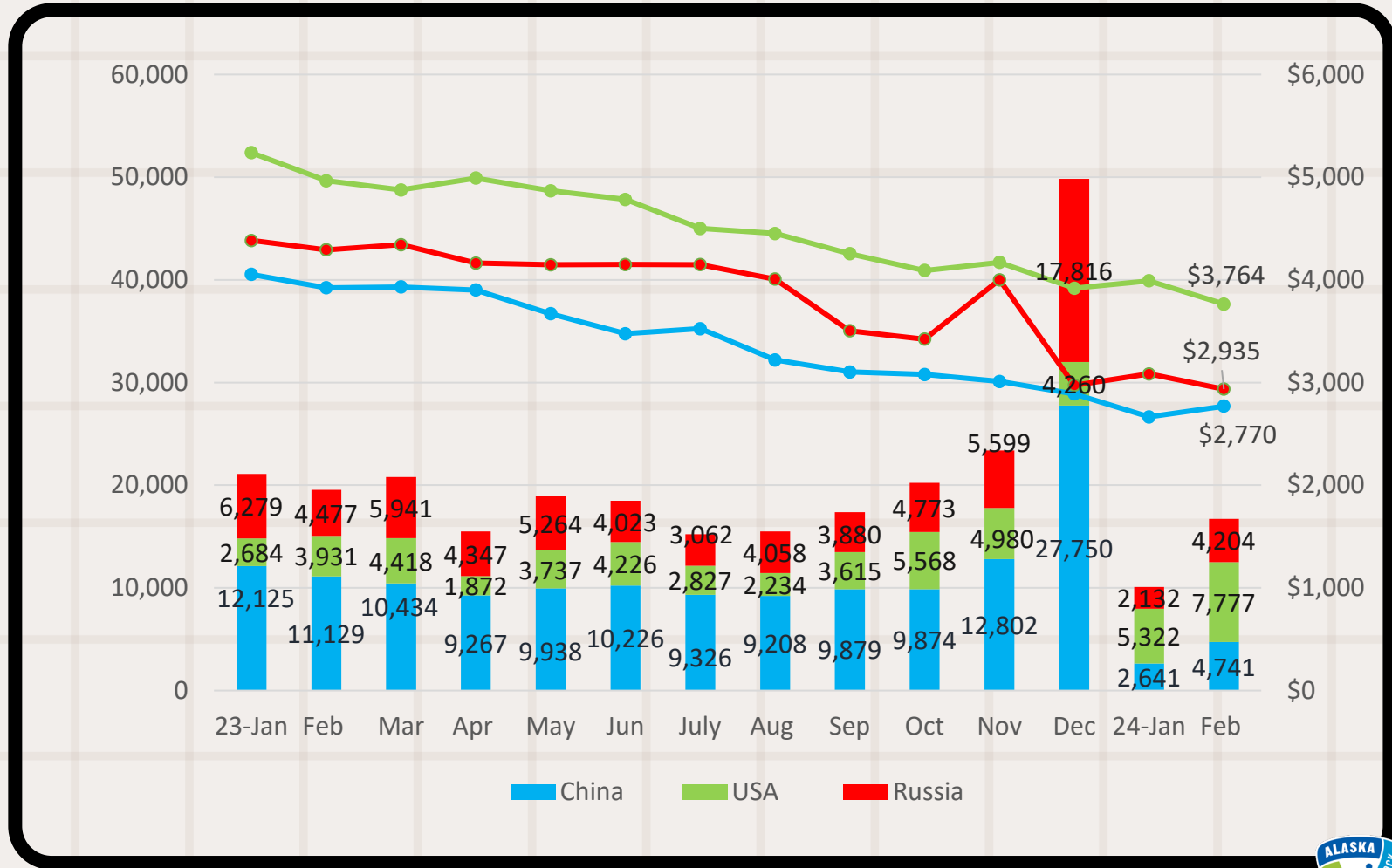




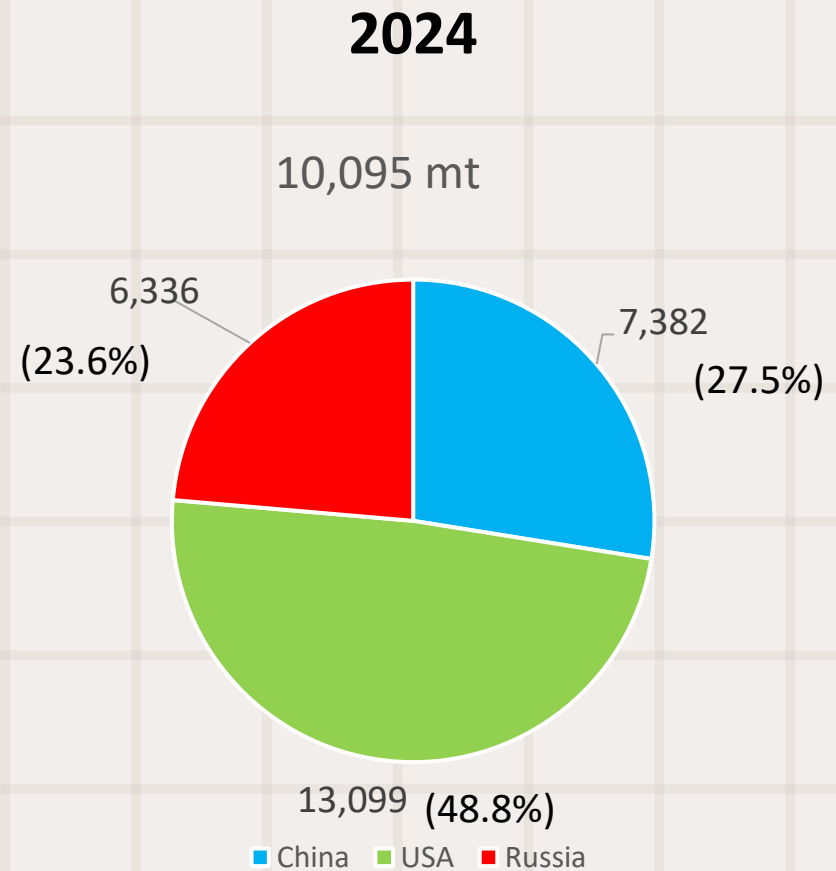
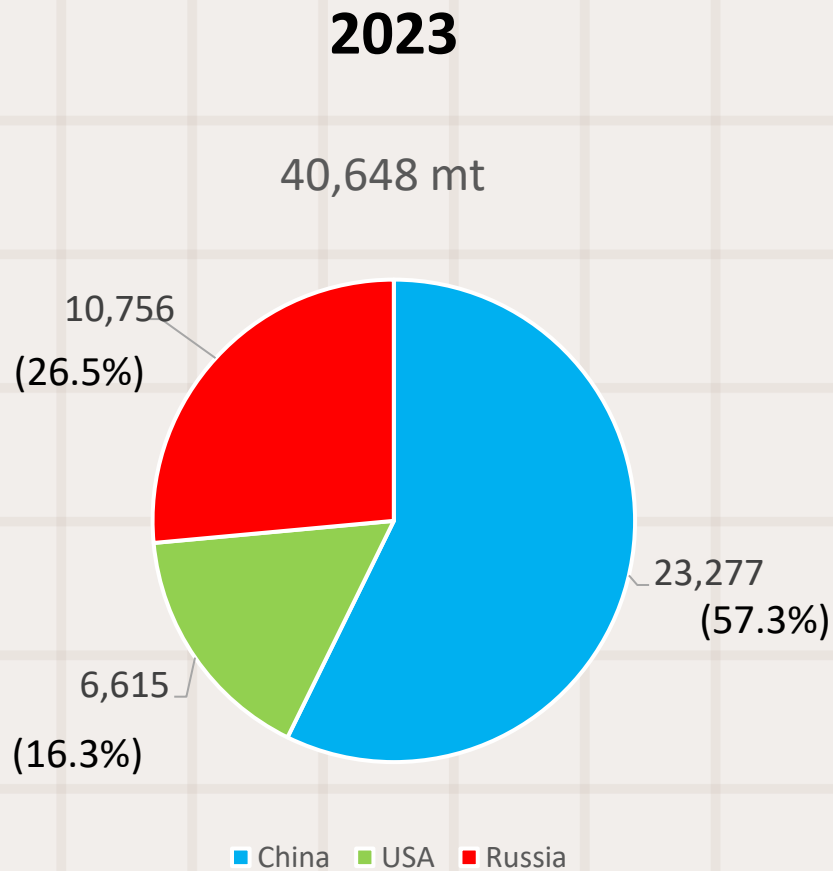
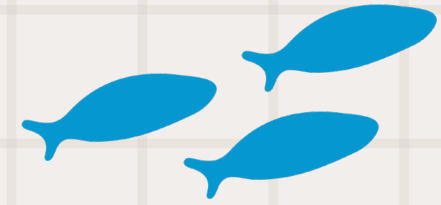
# EU Monthly imports of Pollock/AK Pollock fillets by country of origin (metric tons)

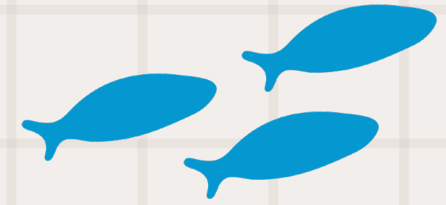


- Russian-origin imports dramatically increased in December, 2023 to avoid higher duties due to removal of product from ATQs.
- As expected, January imports from China and Russia were down considerably as EU processors work through inventory from December surge. Russian imports in February back to more normal levels



# Surge in December, 2023 EU fillet imports has resulted in greater US share of imports in 2024 (through February)

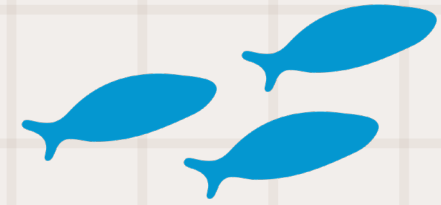




# Surimi Market Update



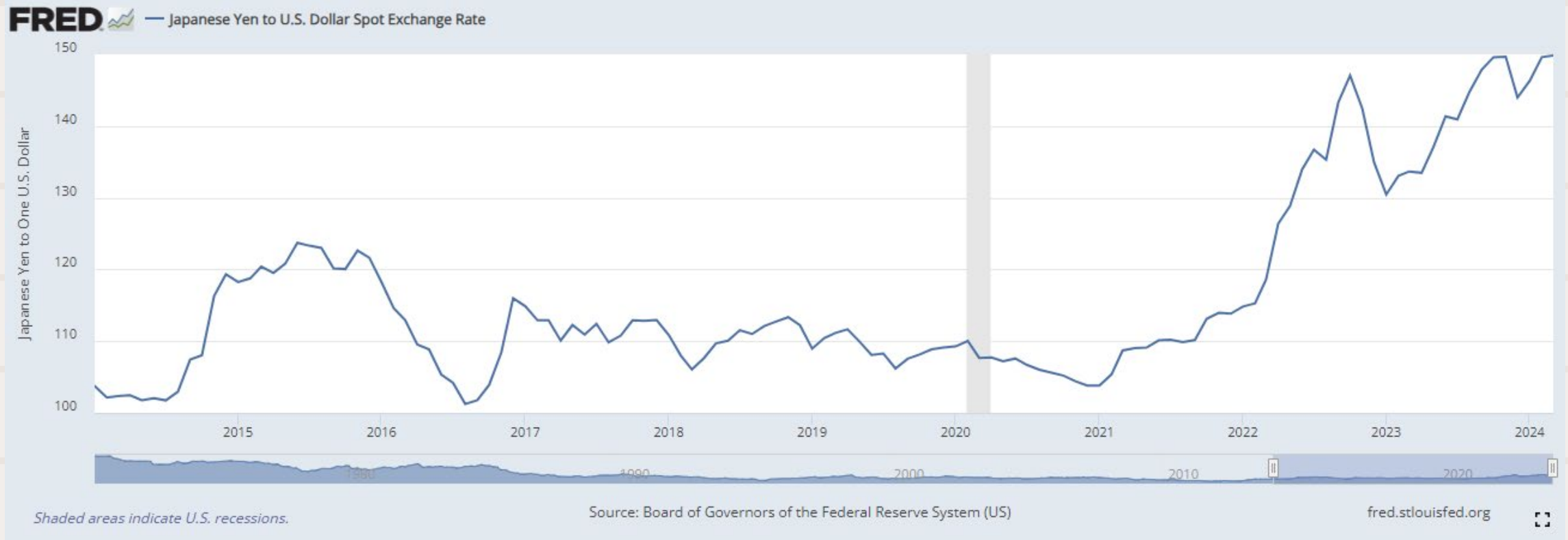
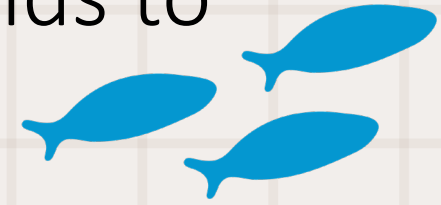
# Surimi market summary



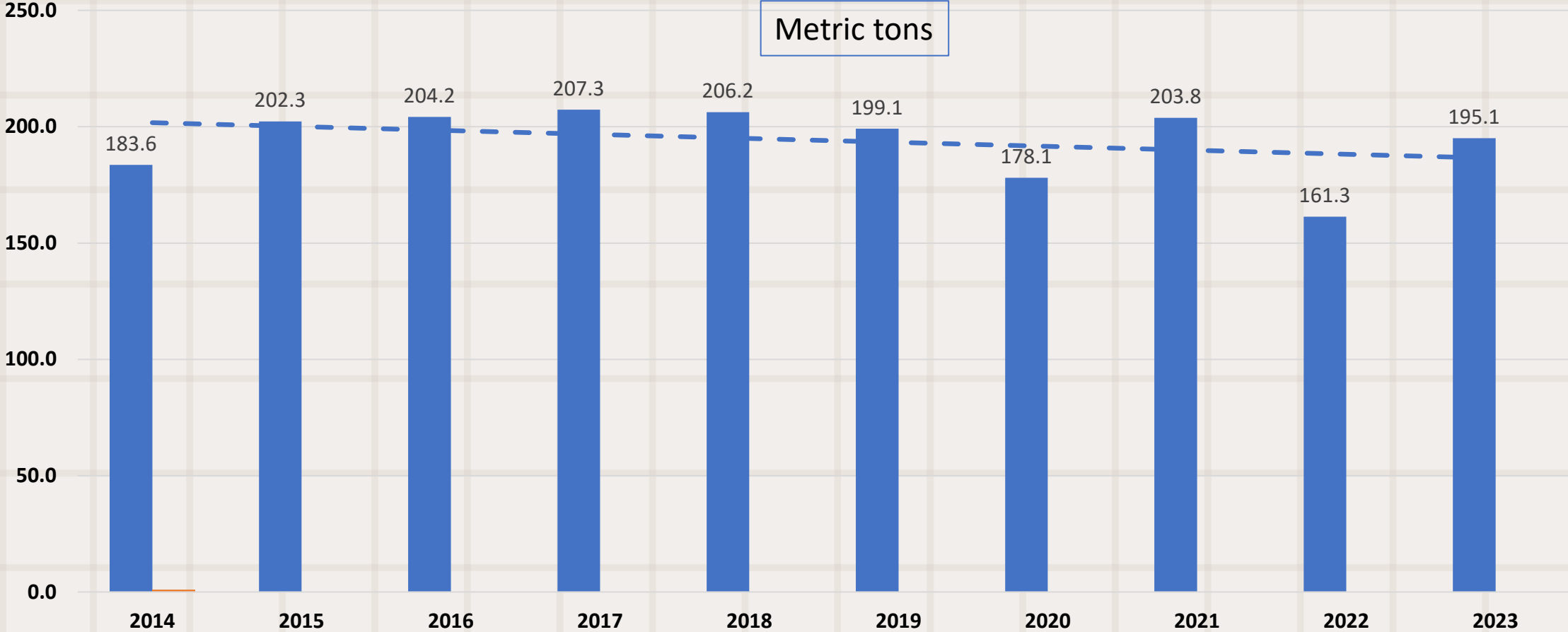
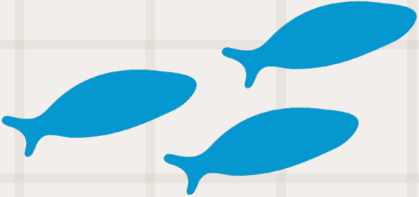
- US producers dramatically decreased surimi production in 2024 A season
- Increased Russian product is trying to find a home with much of it reportedly being offered in China to replace surimi made from lower cost species
- Markets trying to equilibrate from Russian supply shock
- Increases in pollock/AK pollock production have been largely offset by reductions in production for virtually every other species



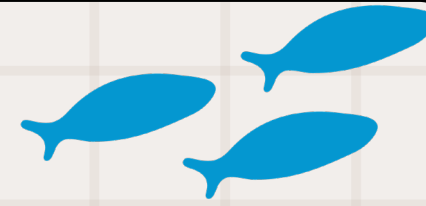
# Dollar strength against the Yen has added headwinds to surimi sales



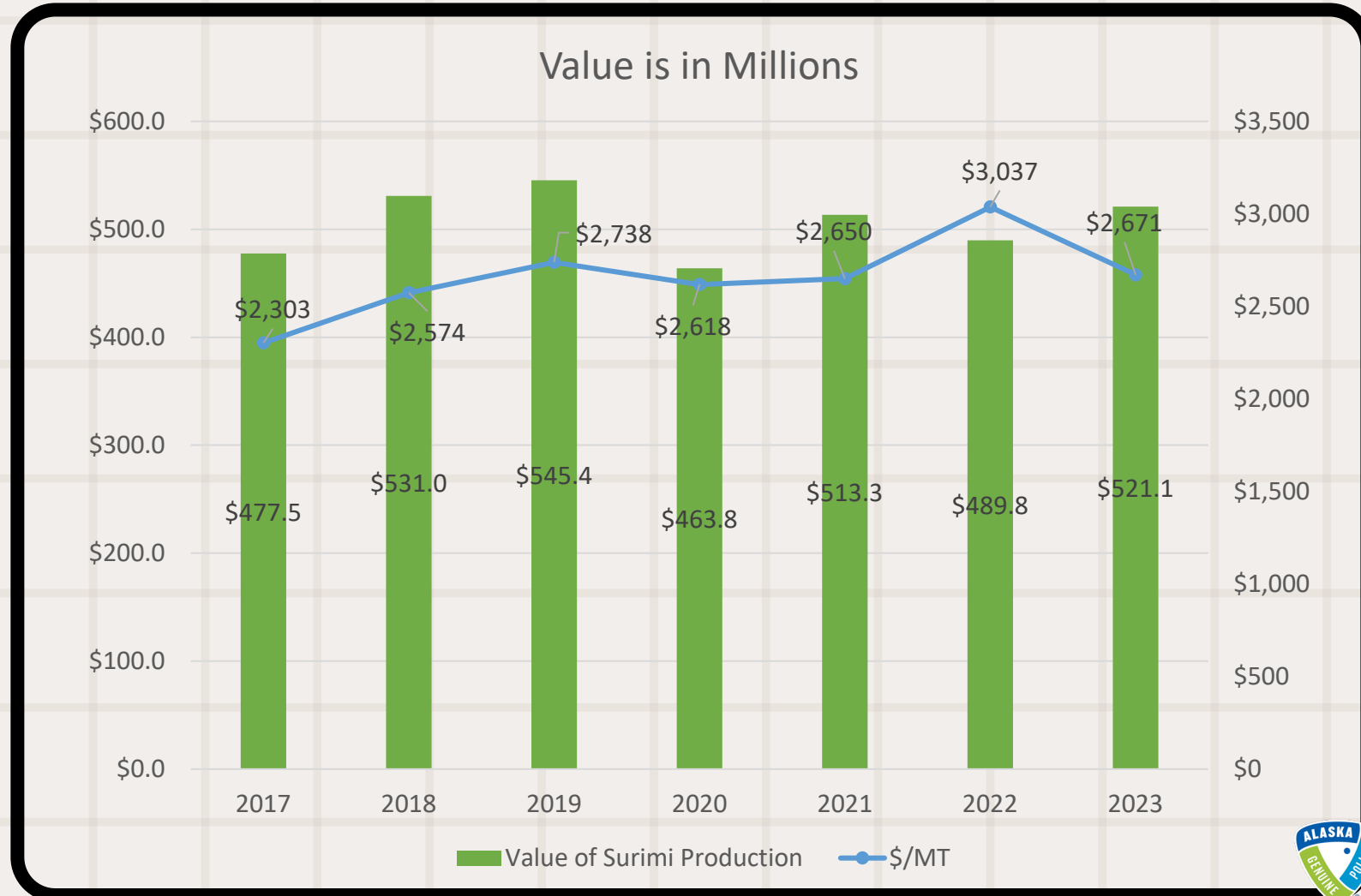
# Surimi production has been relatively stable over the last 10 years



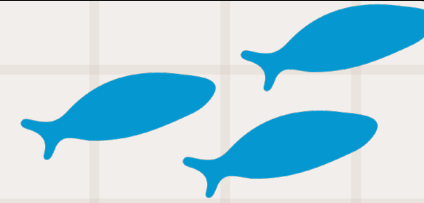
# Annual Surimi production value and price



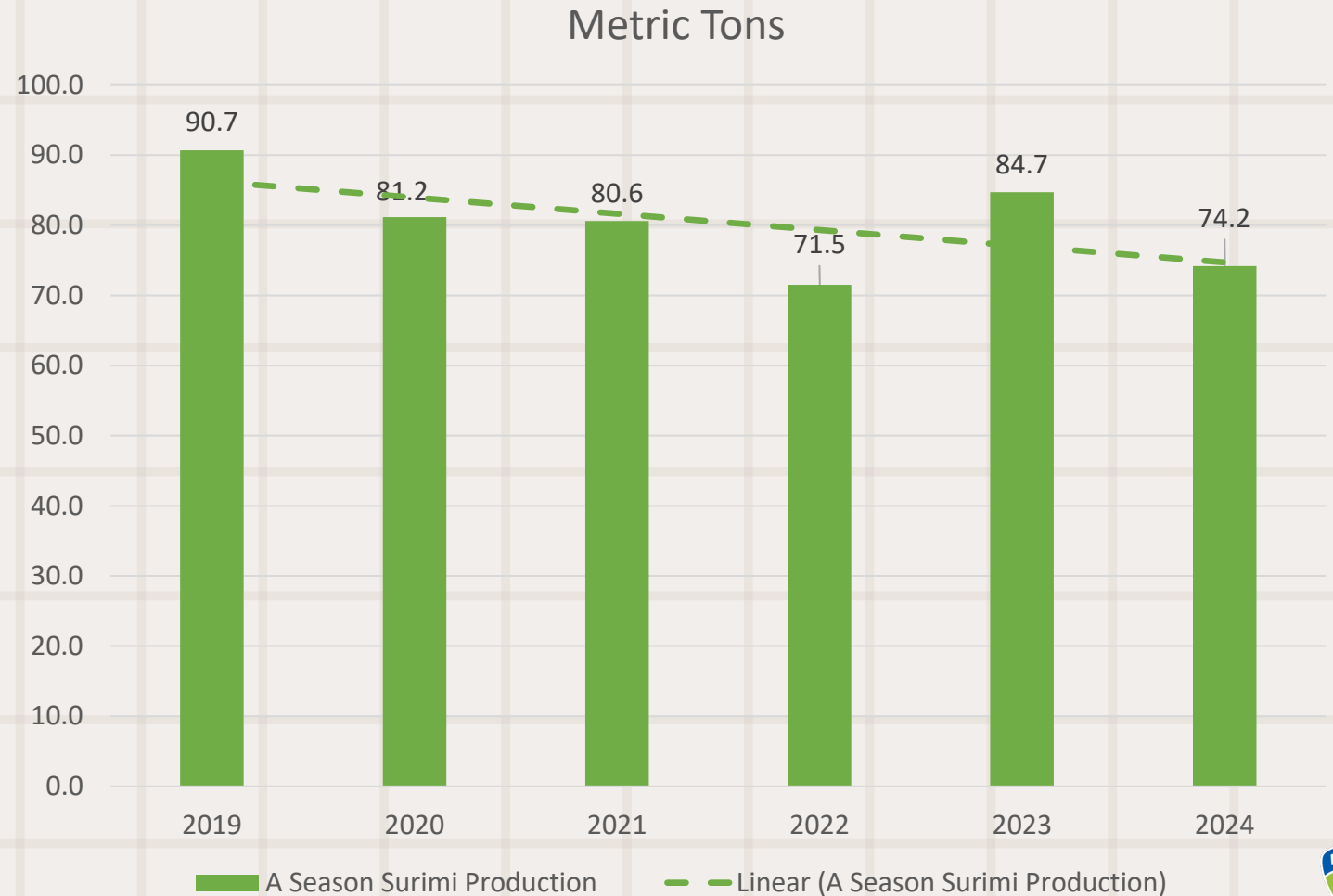
- Export price through February, 2024 is \$2,311 per metric ton, which is the lowest since 2017 when prices for all Alaska pollock products had reached their low point.



# A season surimi production

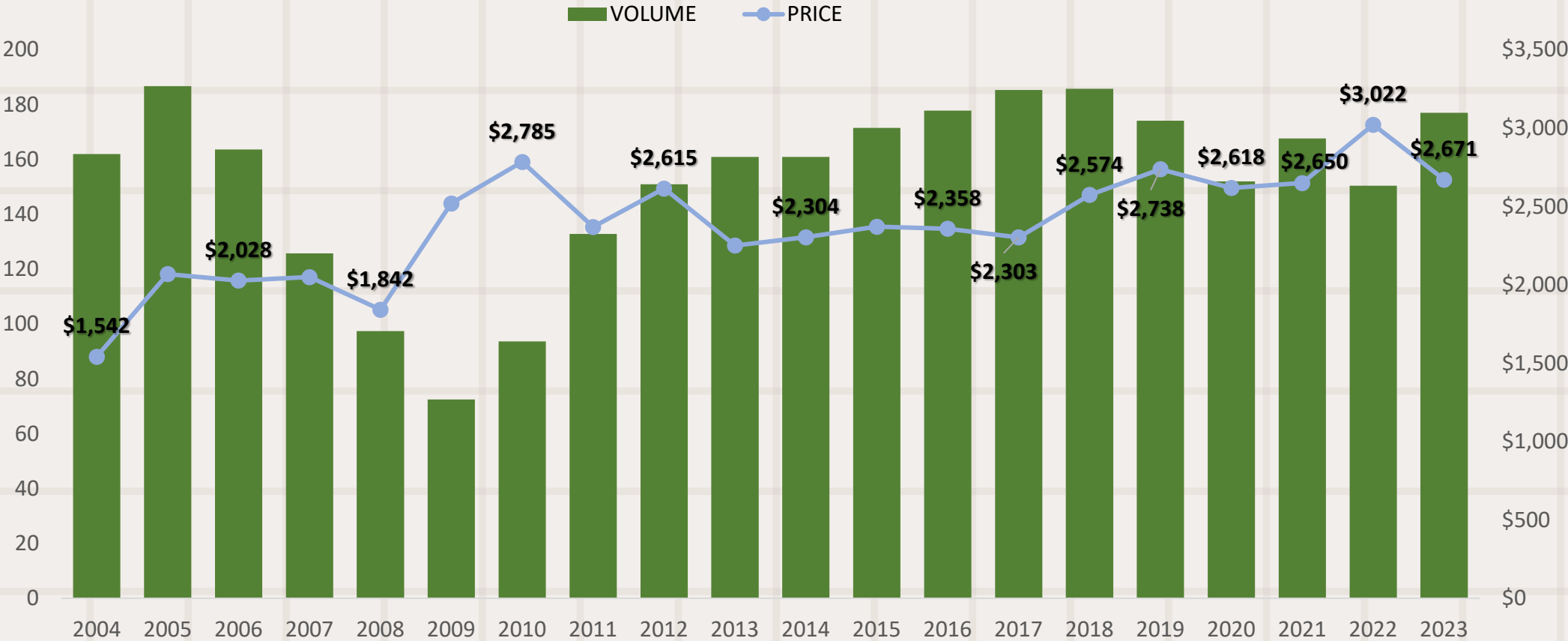
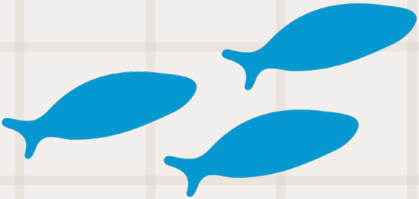


- With A season fishing largely completed, surimi production will be down about 12% due to market turmoil in Asian markets and consumer reactions to high prices in 2022/23 (e.g. U.S. retail volume sales down 7.8% for week ending 3/25/24)

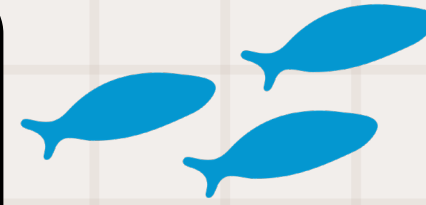




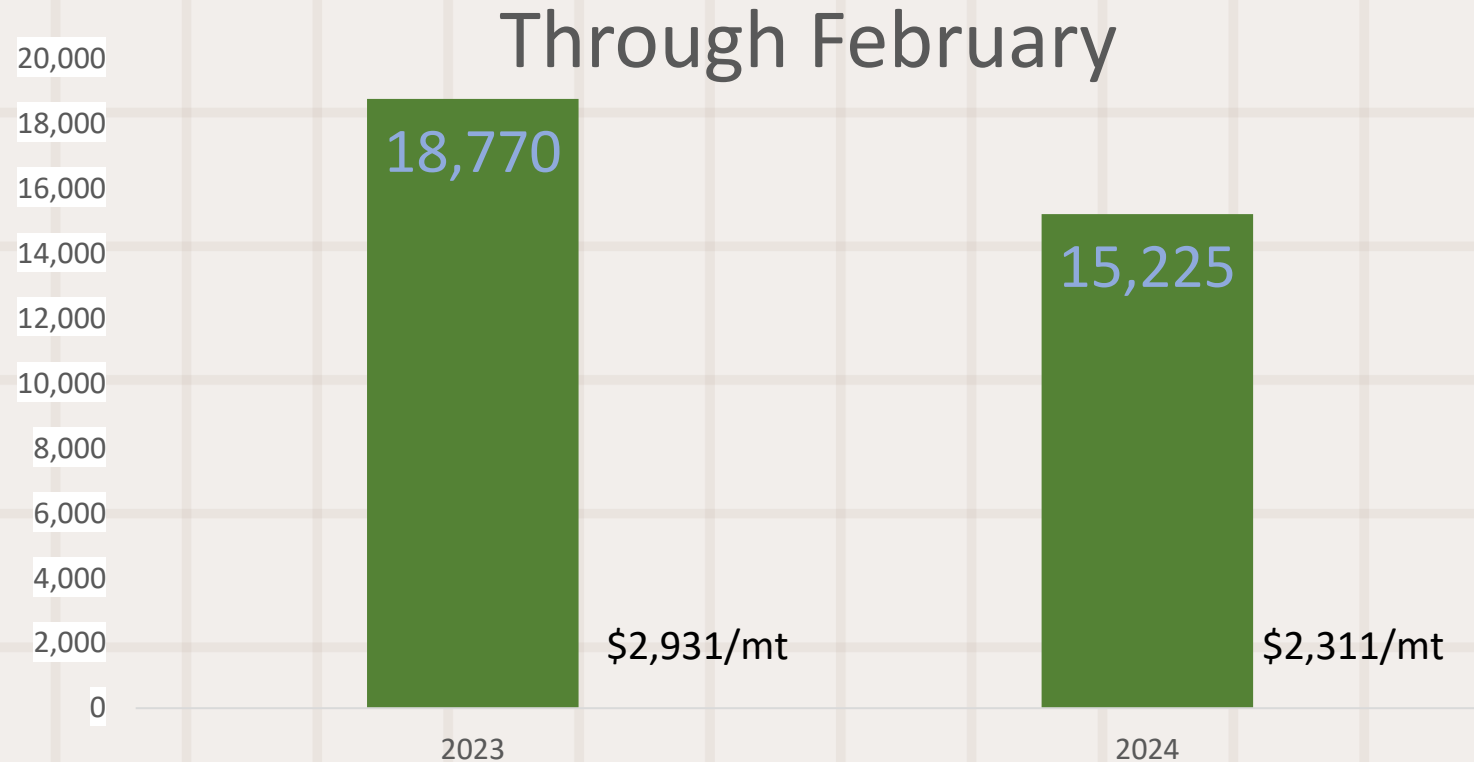
# Annual U.S. Alaska pollock surimi exports



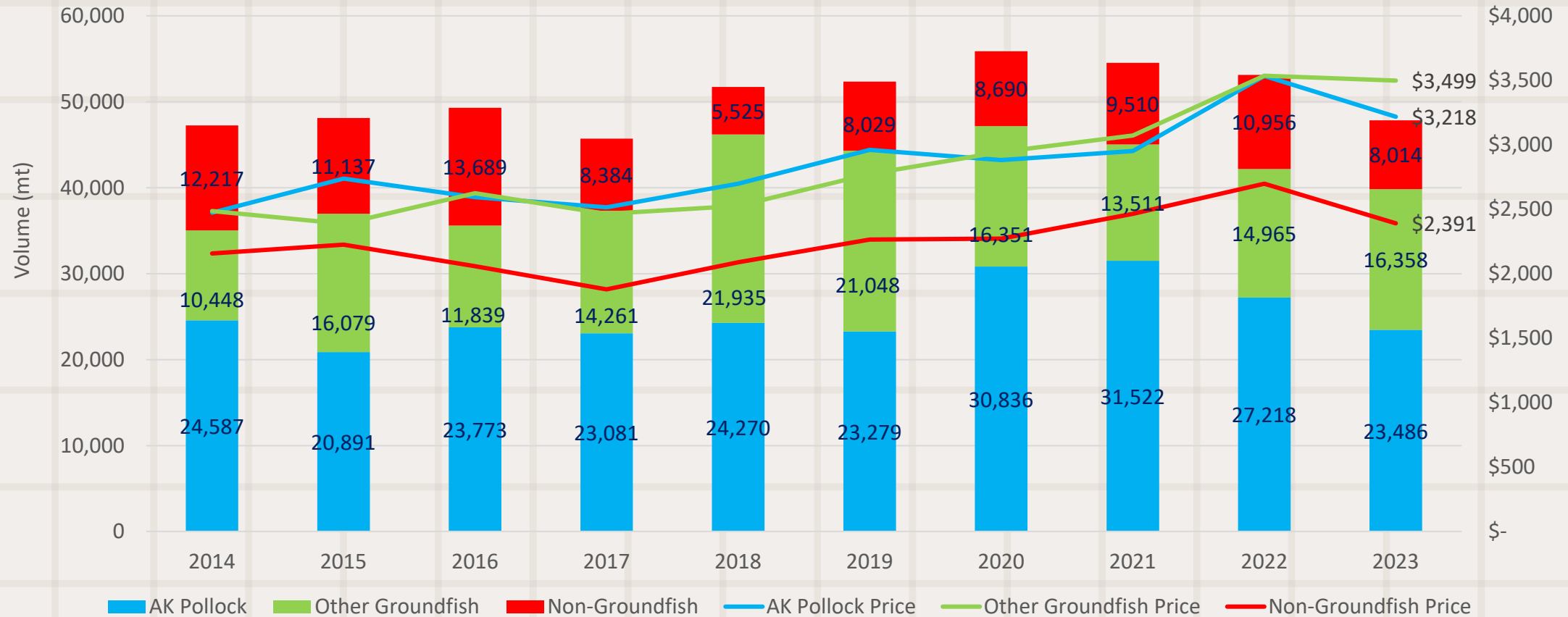
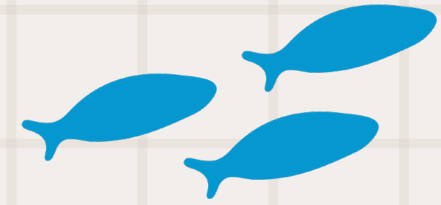
# Year to date U.S. exports of Alaska pollock surimi



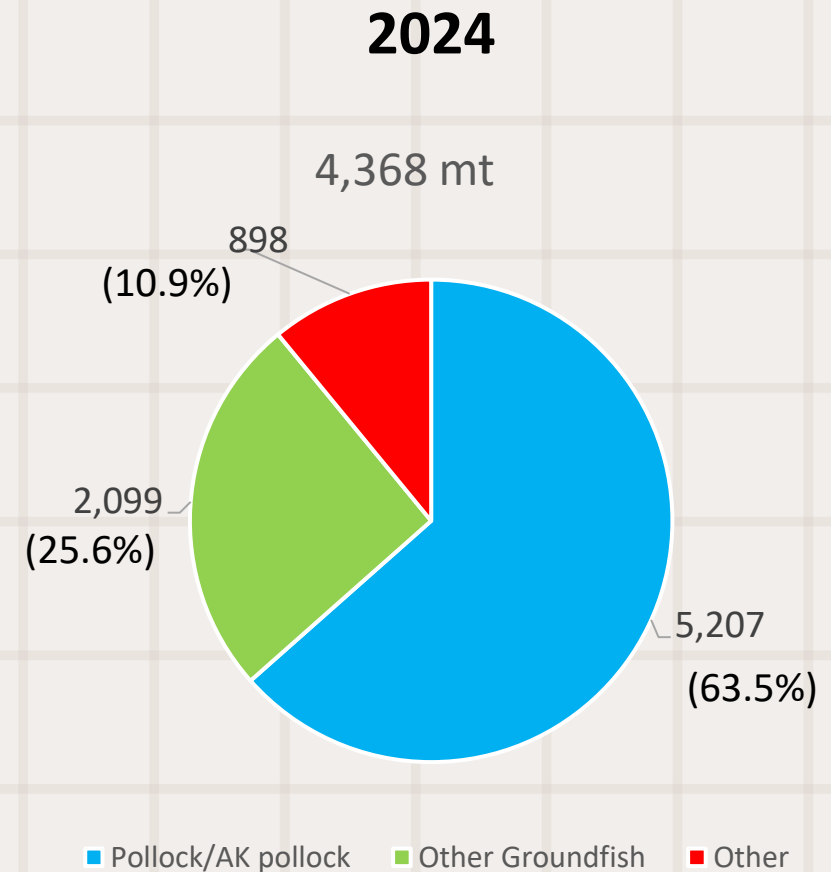
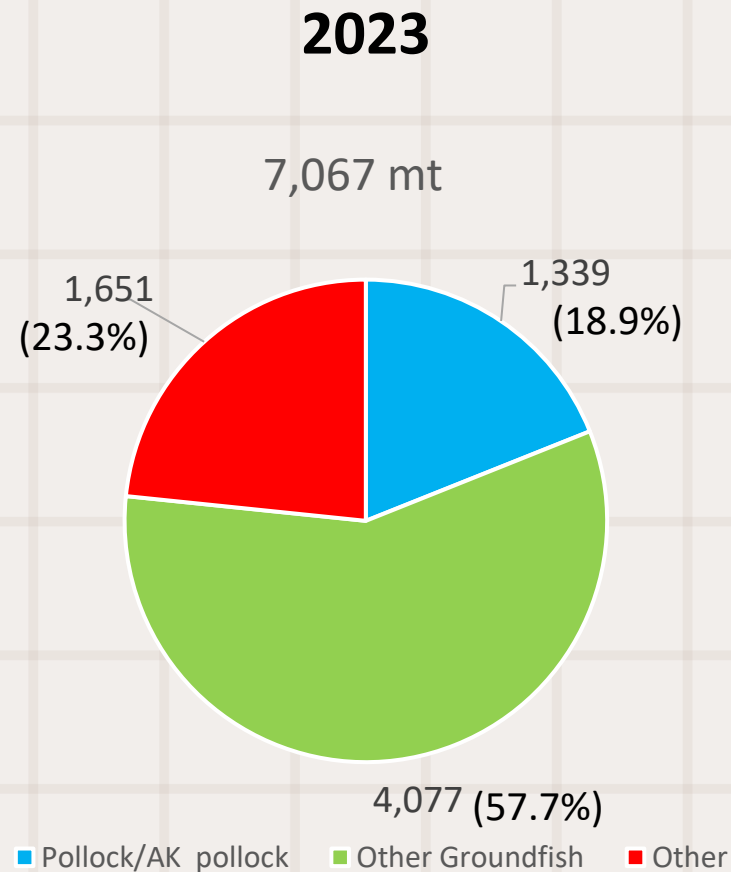
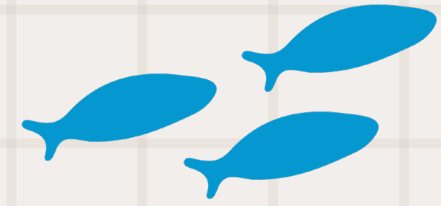
- 2023 average declared price was \$2,671
- Reduction in exports tracks lower surimi production in 2024



# Annual EU imports of surimi by type



# Alaska pollock surimi and other groundfish surimi have reversed share through February



# Global surimi production increased by 1.4% in 2024

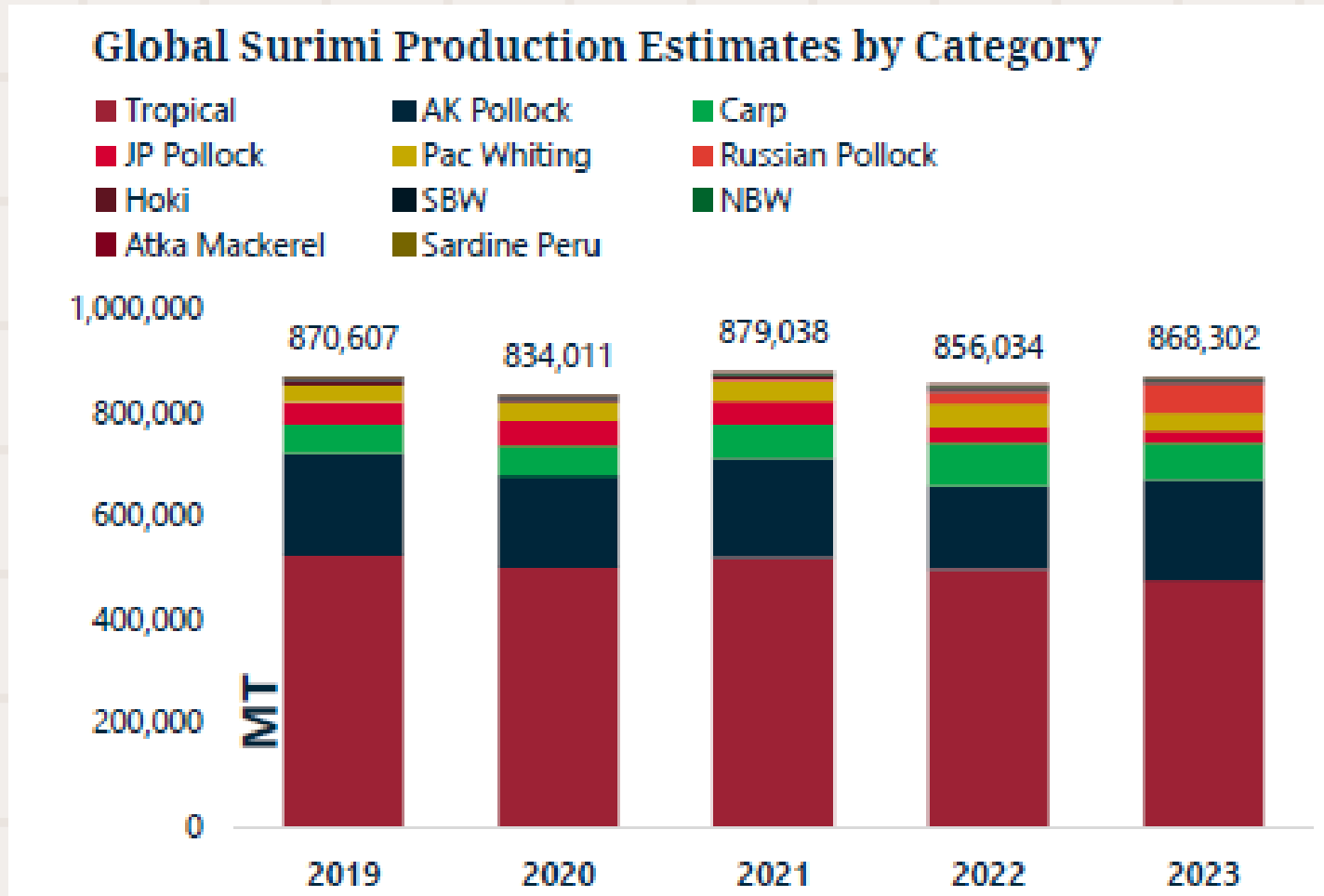
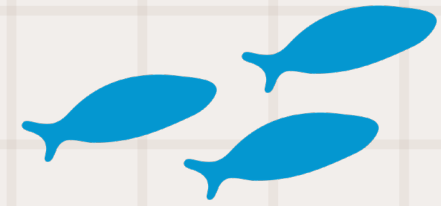
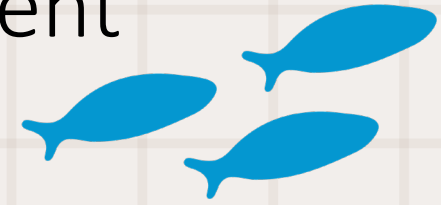


Figure 0. Overall surimi production estimates by species' category.  
Source: Customs, Urner Barry Consulting, GAPP.



# Alaska Pollock/pollock surimi inventories are at recent record high



## All Surimi Inventory, Japan

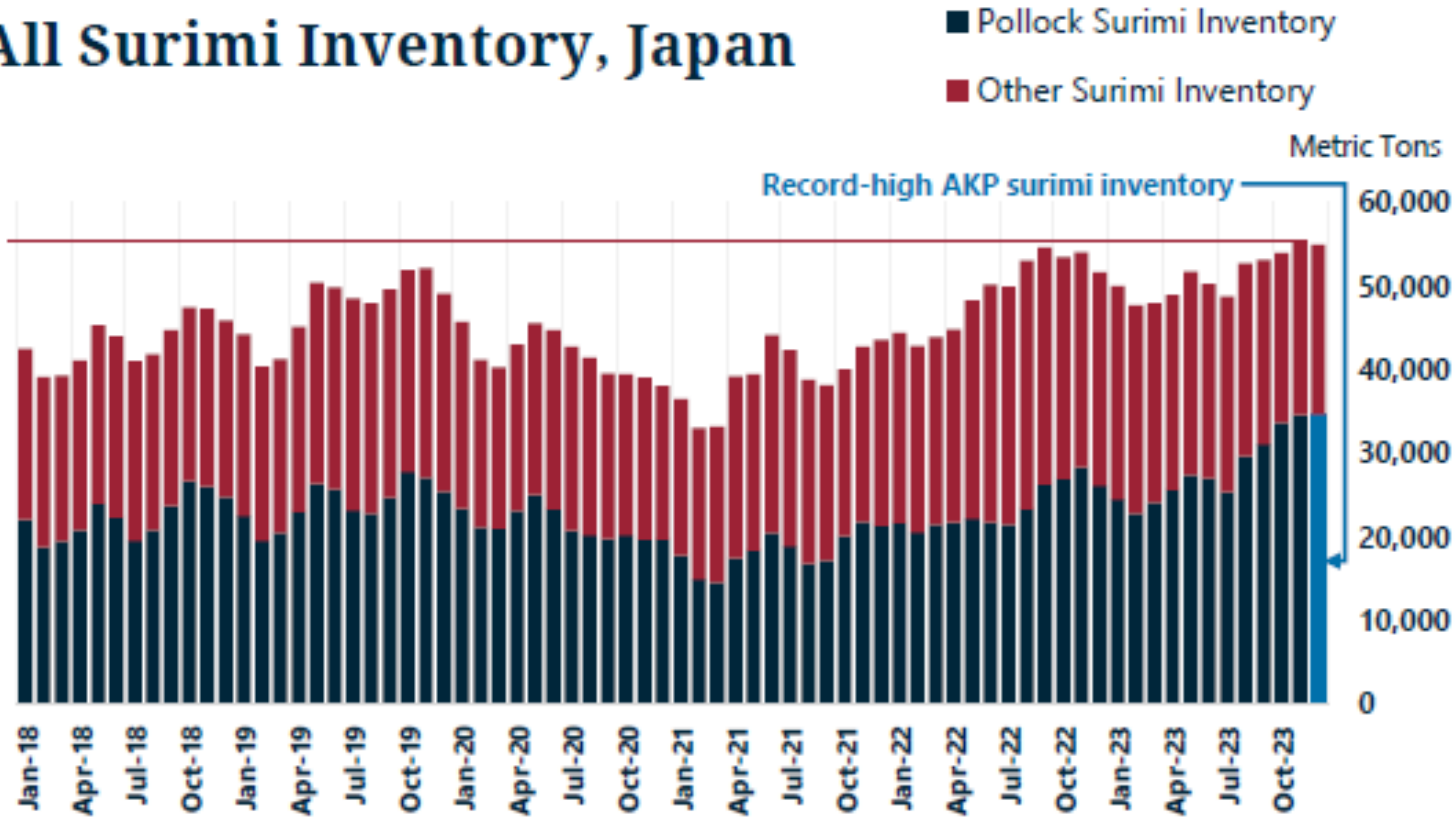
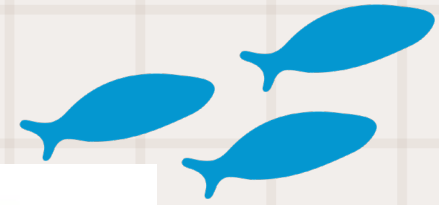


Figure 15. All surimi inventory in Japan. Tom Asakawa, TA Pacific Co., Japan MOF. Uner Barry. Monthly through July 2023.



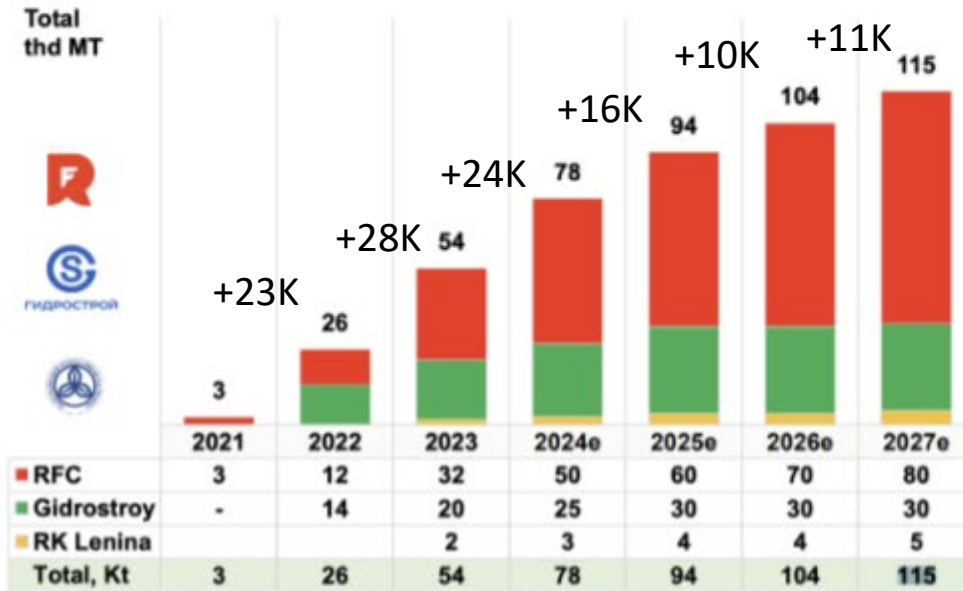
# Russia's estimates of surimi production growth would equate to 13% of current global surimi production



## Russia is expected to bring in to the market ~115k MT of Pollock surimi by 2027



### Surimi production dynamics 2021-2027



Source: RFC data

### Market rationale

- Population in East and South-East Asia is growing while in Europe is not
- Seafood consumption per capita in East Asia and SEA is growing, while in Europe it's flat
- Economies growth rate (consequently, number of middle people, disposable income per household, healthy/seafood protein demand etc) in East Asia and SEA is predicted to be higher than Europe
- Tropical surimi supply limited and somewhat reducing

### Geopolitical constraints

- Since 2022, New vessels and new on-shore factories do not get EU-approval and from 2024 onwards highly likely will suffer from the import duties imposed by EU – previously main destination for Russian Pollock fillet blocks → forced to change product/market mix in favor of surimi and Asia



Price reaction seems to be beyond scope of changes in surimi supply

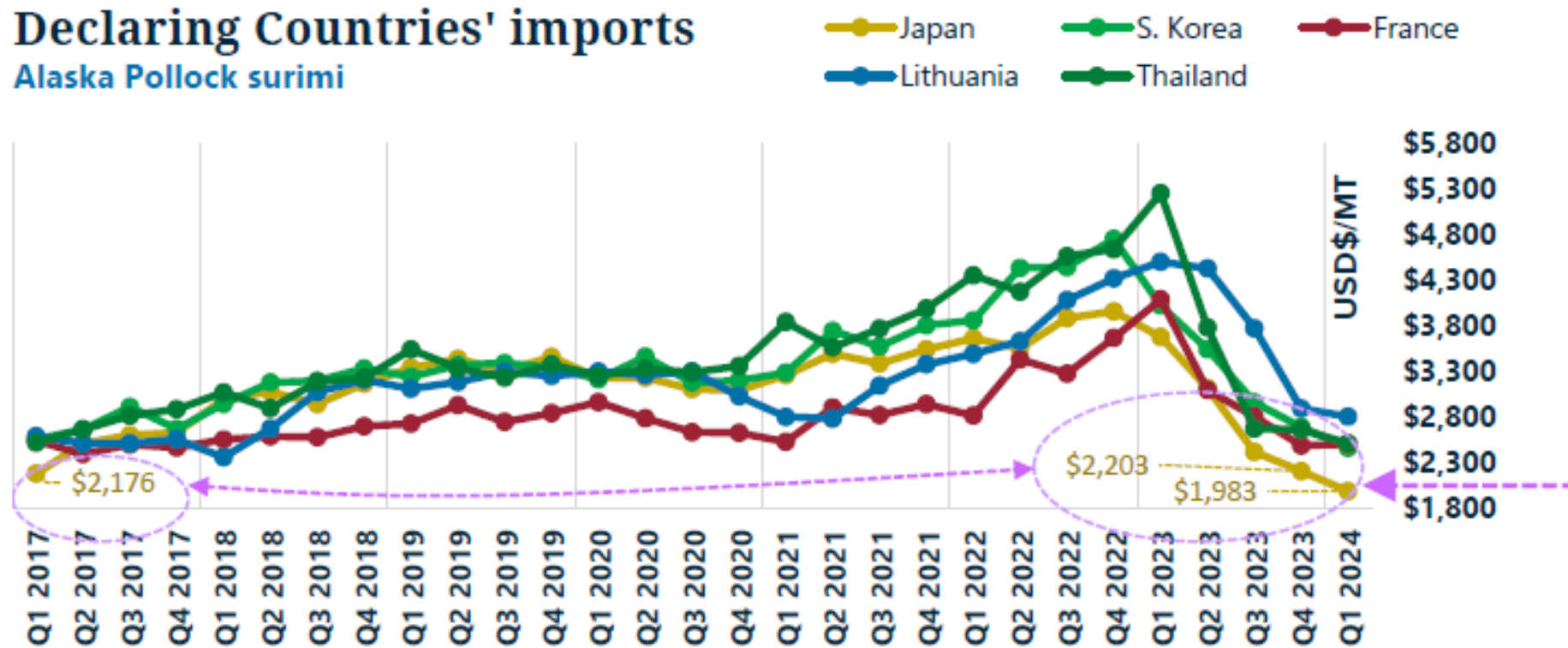
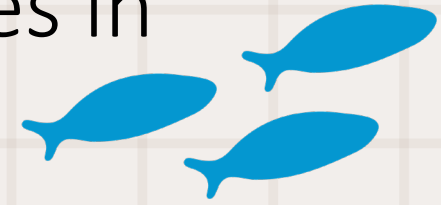
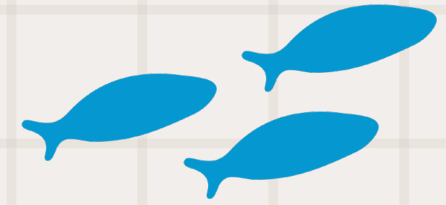


Figure 10. Alaska Pollock Surimi Import Price per MT by declaring country. Q4 '23 data is incomplete.



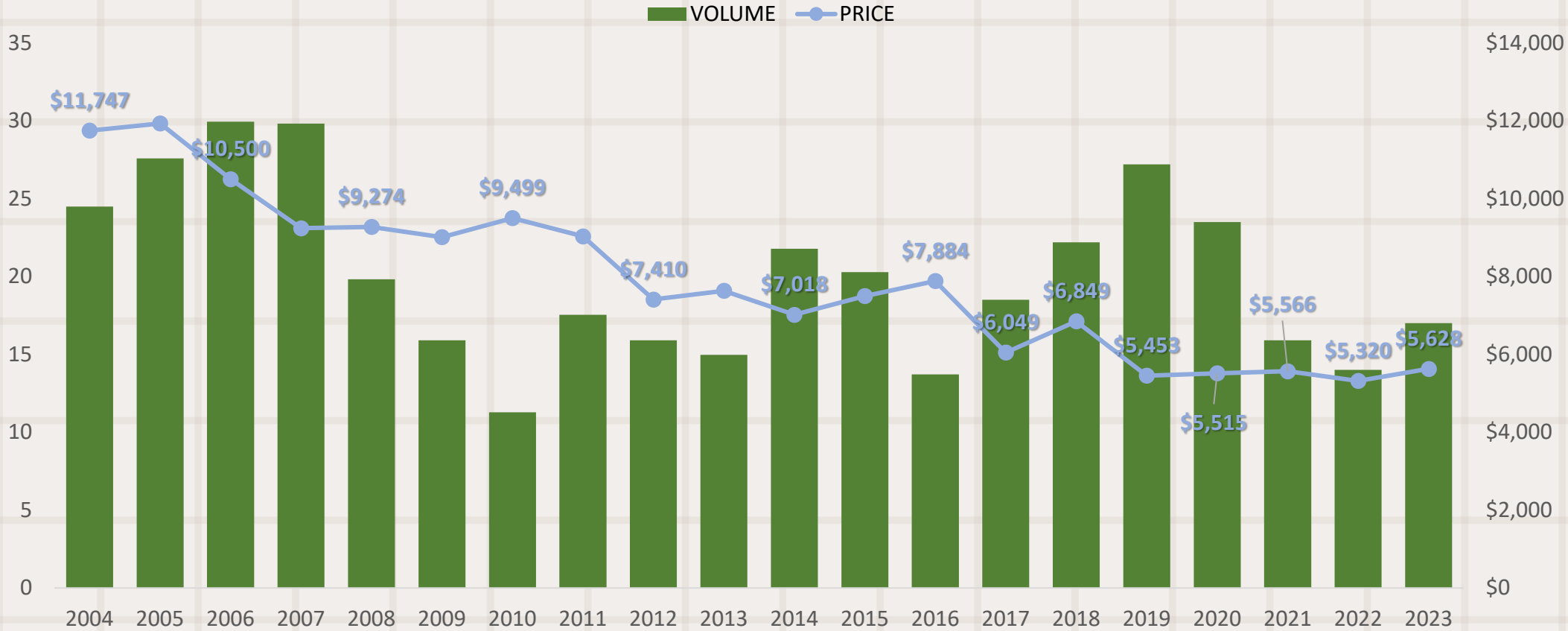
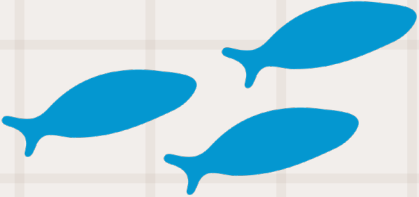




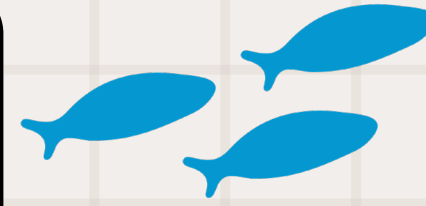
# H&G and Roe Market Update



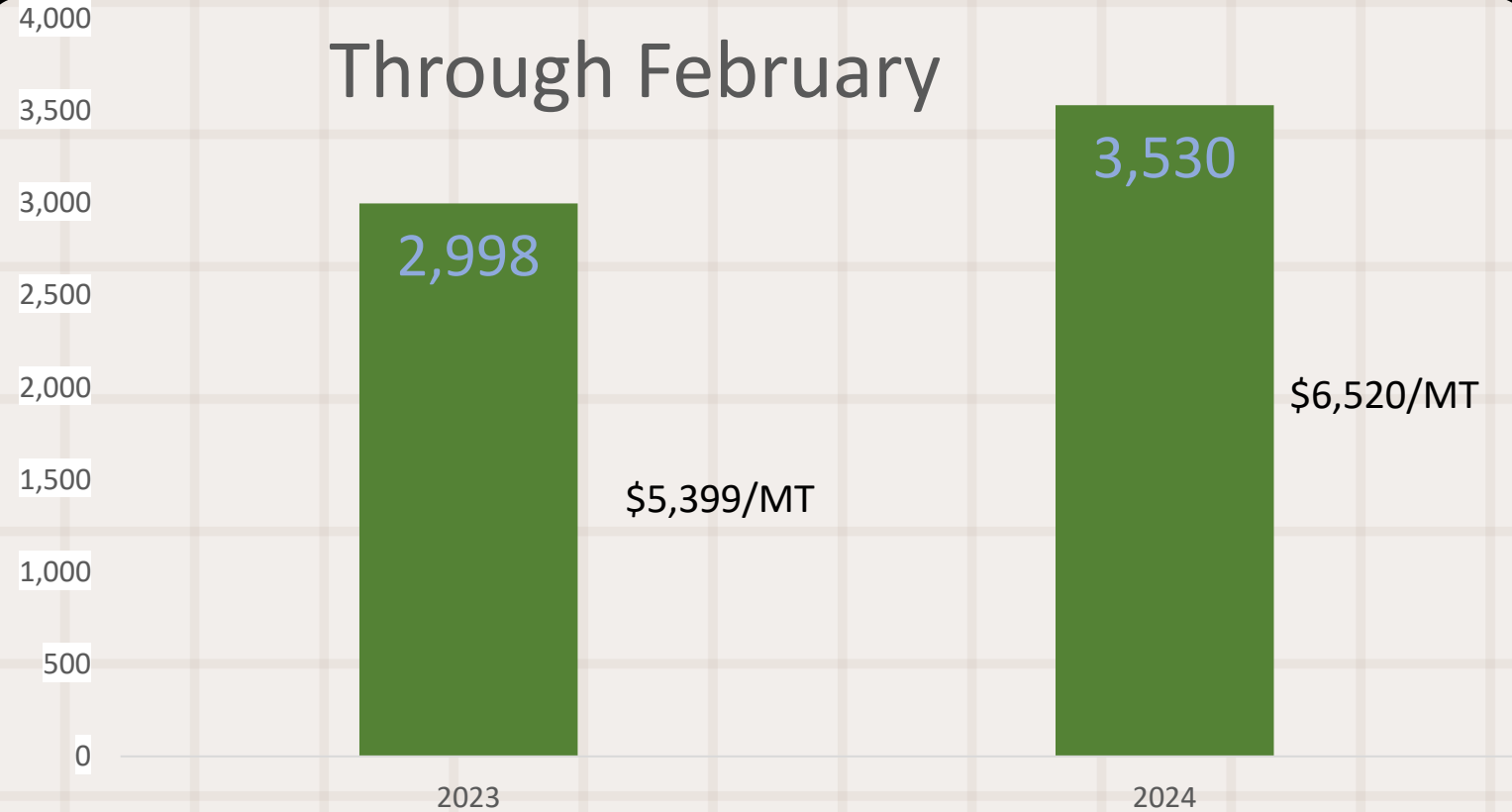
# Annual U.S. Alaska pollock roe exports



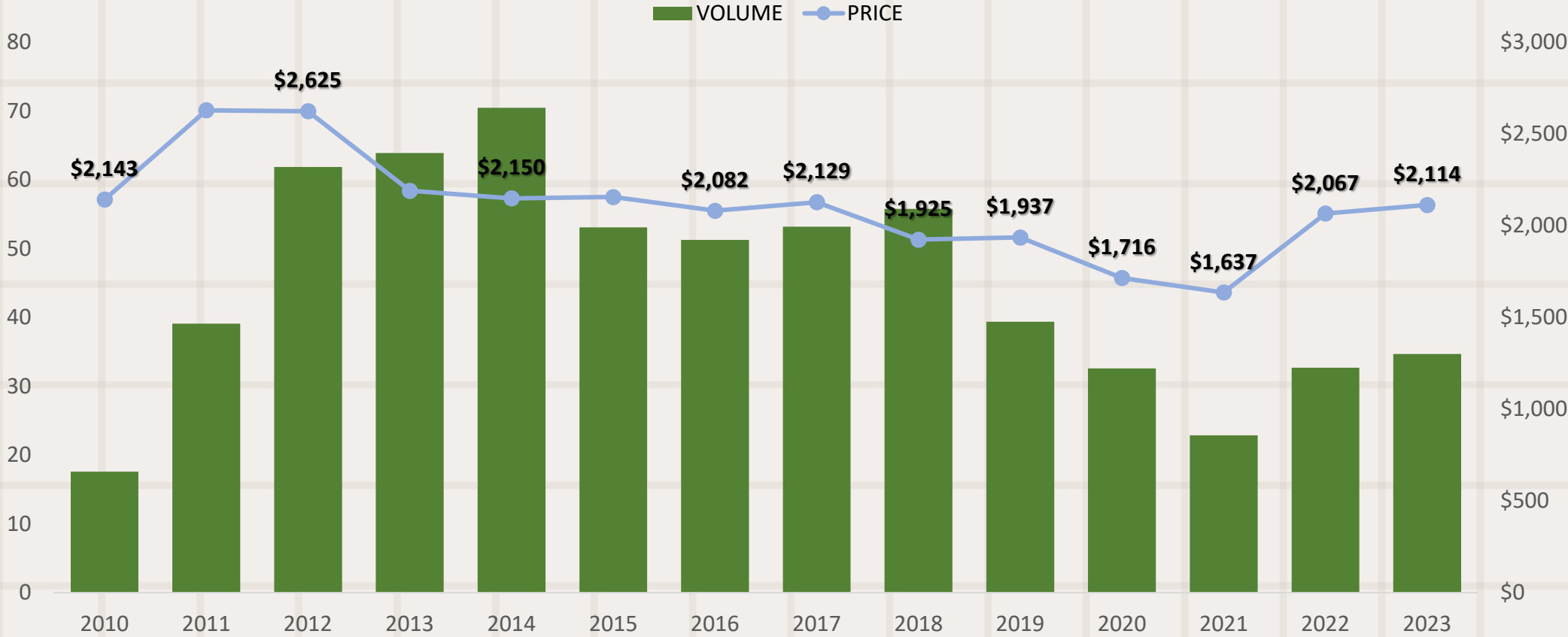
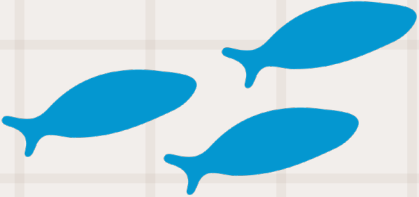
# Year to date U.S. exports of Alaska pollock roe



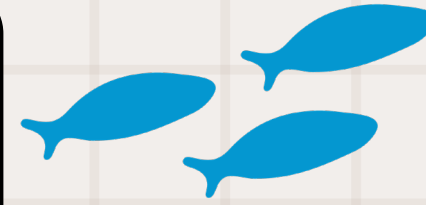
- 2023 annual average declared price was \$5,628
- Increase in export prices is inconsistent with lower prices reported from lower 1<sup>st</sup> auction prices



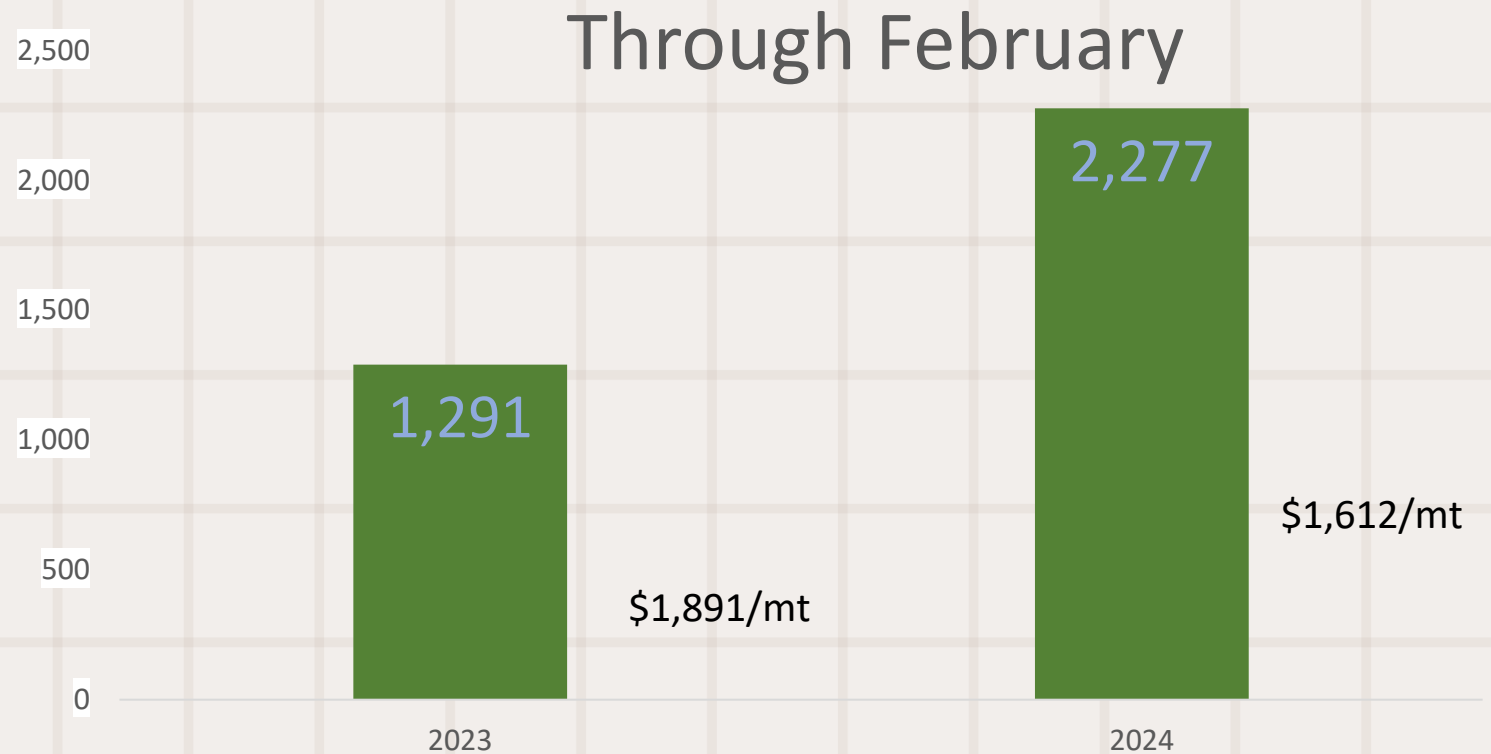
# Annual U.S. Alaska pollock H&G exports



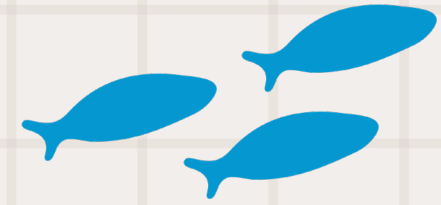
# Year to date U.S. exports of Alaska pollock H&G



- 2023 declared annual average price was \$2,114
- Despite large increase in exports, H&G production is only up by 13% YTD in 2024



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**WILD ALASKA POLLOCK FISHERY REPORT**  
**WEEKLY CATCH**  
April 19, 2024

**2024 Alaska Pollock quotas**

Gulf of Alaska		Bering Sea	
Dates	Metric Tons	Sector	Metric Tons
January 1 – June 1	90,202	Inshore	254,628
June 1 – December 31	90,204	Catcher-Processors	203,702
		Mothership	50,926
		CDQ	59,355

**Monthly Market Update**  
*Wild Alaska Pollock*

GAPP member EU and UK Trade Update

**Monthly Market Update**  
*Wild Alaska Pollock*

GAPP MEMBER US TRADE UPDATE

**UrnerBarry**  
CONSULTING

**Surimi Paste Supply Track**  
Executive Summary, Q4 2023

Prepared by Urner Barry Consulting for the  
Genuine Alaska Pollock Producers, GAPP

Highlights

