



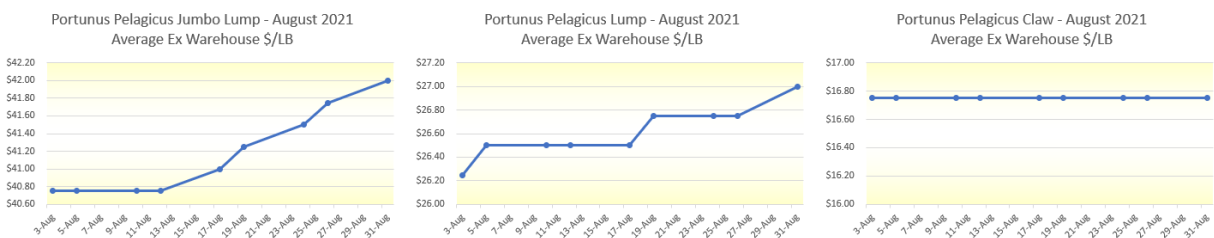
Date: 9/1/21

To:

From: Heron Point Seafood, LLC.

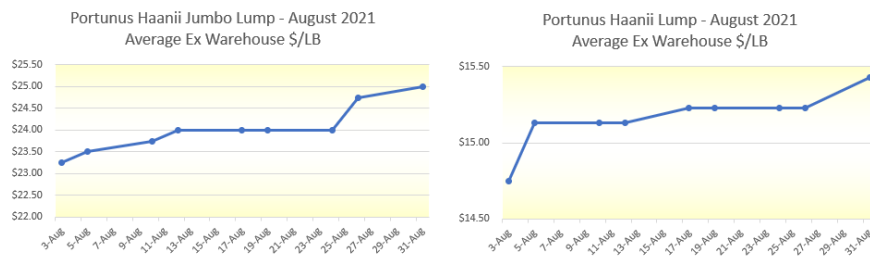
Re: September Market Outlook – *Portunus pelagicus* and *Portunus haanii*

Blue Crab / Indonesia



The outlook for September remains conservative, with Indonesia now officially in “low season” and production typically down by 15-20%. Demand remains firm, despite pricing at all time highs, so we expect to see continued escalating prices for product being put up against pending holiday demand. Significant supply chain delays in July and early August resulted in a temporary influx of inventory for many importers. While some of that inventory may be showing up in market today, it’s a short-term blip on a long-term problem. If recently higher, offerings will revert back to Q1-Q3 levels with allocations being the norm for the month of September.

Red Crab / Vietnam, China



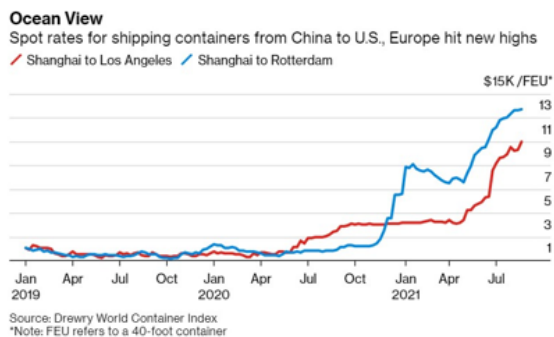
China is back in full production, and we expect our first inbounds of *Portunus haanii* in early October. While product is underway, it’s not without challenges. China has also been hampered by a lack of available containers, resulting in a major reduction of shipments in September and delays expected in October and November. Expectations are that pricing will be high, inclusive of the +25% on-going tariff. Vietnam continues to struggle with the impact of COVID-19 and



despite a decision to lift restrictions mid-September, the government recently deciding to extend a lockdown for two more weeks. Assuming the country gets a handle on the pandemic, we do not expect any Vietnamese production until November/December at the earliest.

Supply Chain Update

We continue to see significant challenges related to the importation and distribution of product to and within the United States. From an importation standpoint, containers remain limited and expensive, with average costs increasing 10X over the course of just one year. Issues with COVID and available labor have resulted in processing and packing delays in Asia. Once shipped, port congestion remains an issue within the USA, with vessels sitting for weeks awaiting offloading.



Distribution capacity is also taxed within the US, with fewer trucks and lanes available to move product. This has resulted in service challenges, delays and cost increases.