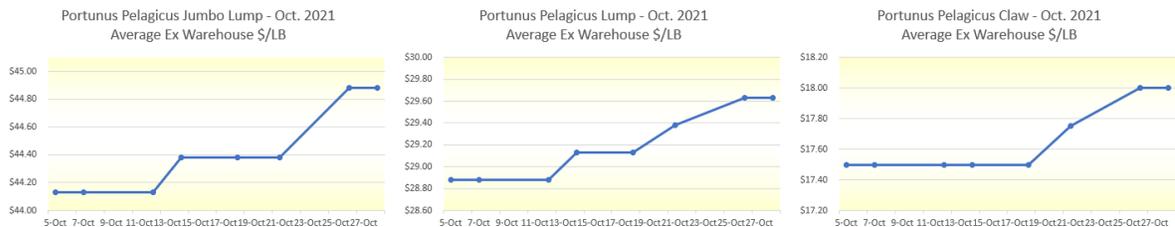




Date: 11/1/21  
 To:  
 From: Heron Point Seafood, LLC.  
 Cc:  
 Re: November Market Outlook – *Portunus pelagicus* and *Portunus haanii*

### Blue Crab / Indonesia, Philippines, Vietnam



Source: Umer Barry

The demand for *pelagicus* continues to be strong, driven by both foodservice and a holiday push for retail. Despite record high pricing, packers continue to respond to a steady influx of orders. This demand has not abated over the past year, despite month after month increases. While we have seen some migration away from blue to red due to pricing, all grades continue to move week to week. Venezuela and Mexico have offered some relief in select markets, but their overall limited scale hasn't really impacted demand for *pelagicus* to any great degree. Of greater concern than price is supply, something covered in greater detail below.

### Red Crab / Vietnam, China



Source: Umer Barry

Red crab production has been steady/normal out of China as that fishery slows down considerably over the next 30 days. China continues to struggle with supply chain challenges and is also subject to the +25% tariffs imposed on US imports. Conversely, the situation in Vietnam is



more promising. Plants have rebounded post COVID-19 lockdowns, with production returning to historic levels. Red crab prices have been rising steadily over the month of October, up an average of \$1.06/lb. or 5.1% across all key grades. Jumbo Lump alone was up over \$1.50/lb. for that 30 day period (*Urner Barry*)

### **Supply Chain Update**

This is the real story for November. As has been widely publicized, the US supply chain challenges are crippling distribution across all commodities and within all industries. We have been experiencing these challenges over the past six months, so this dynamic isn't new. However, overall port congestion, a scarcity of available containers and vessels, and a lack of trucking options have combined to exacerbate what was already a bad situation. Delays are happening daily, resulting in product shortages within the market. We expect this to get worse, not better as we move through November. This equates to expected delays prior to and during the holidays, and ultimately higher prices as freight costs get passed on through the supply chain.