



Date: 3/1/2022

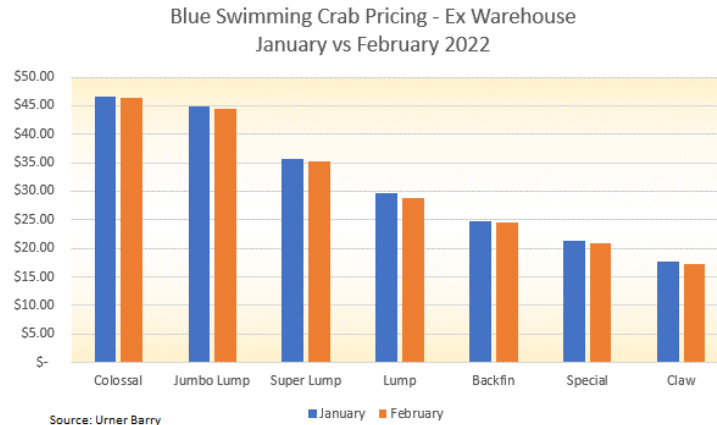
To:

From:

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

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### Blue Swimming Crab / *Portunus pelagicus* (SE Asia)

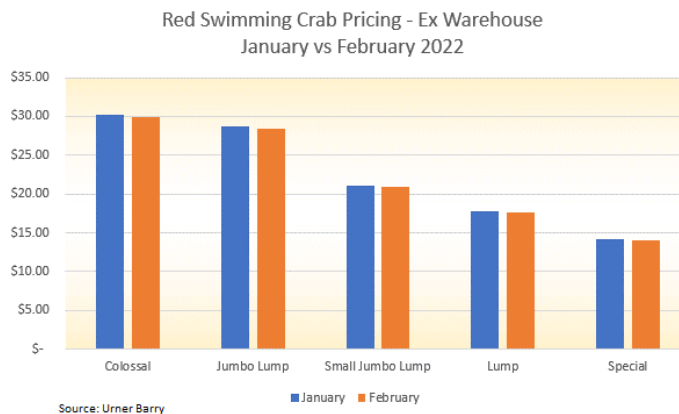


After an incredible +86% average price increase across all grades of blue swimming crab in 2021, the first two months of 2022 showed relative stability. Typical sluggish January demand, exacerbated by the Omicron variant, high inflation and poor weather, triggered some sloppy pricing in February, as importers saw pockets of inventory build and needed to keep product moving. Limited grade/quantity offers were and are continuing to be made in order to keep inventory moving. We believe that these sloppy prices are more a reflection of inventory positions and cash flow needs than a profound correction in the market. In fact, average market prices didn't really soften until later in the month, down a modest -1.1% since Valentine's Day.

Over the past two weeks, we've seen renewed demand across the country, as distributors rebuild inventory against expected spring demand. On the beach, Indonesian prices have remained high, driven by strong retail demand and a belief that seasonal foodservice demand will return soon.



## Red Swimming Crab / *Portunus haanii* (Vietnam, China)



Both Vietnam and China were shut down for the TET/CNY holiday in February. As noted previously, 1<sup>st</sup> quality (processed from fresh crab) Chinese production is limited in Q1, and will be very limited from April-August. Vietnam moves into low season in April, limiting availability through Q2. Production usually picks up in Vietnam in the latter part of May/early June. Despite illogical offers on select red crab grades, reflective of a sloppy market, average pricing only softened in the back half of February, down -3% since Valentine's Day. We expect pricing to stabilize through Q2.

### Supply Chain Update

No real improvement on the supply chain front, with container delays still the norm. As the US foodservice market picks up, and import demand increases, the supply chain will be further taxed to respond. There is nothing to suggest that this issue is improving, and as such, we expect freight and related costs to further increase as we move through Q1.