



Date: 4/1/2022

To:

From:

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

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

The Indonesian fishery normally winds down around this time, and we anticipate it moving into low season later this month. Production has been steady, but Ramadan starts 4/1, so we expect to see a disruption in processing for a few weeks. Demand on the beach remains very strong, with importers still buying aggressively to support expected retail and emerging Spring foodservice demand. As such, beach pricing is holding steady. While the US foodservice market demand is slowly emerging, operating costs (fuel, labor, transportation, etc.) are going up for fishermen and processors. Those increased costs are being passed on by packers, keeping prices high. As we saw in February and March, the need to keep inventory moving and ensure cash flow is supporting continued sloppy pricing. Qualified offers are being made on select grades, and an overall softening is evident. So far, this hasn't been profound, but it has helped to spark additional demand.

### **Tunisia - Emerging Resource**

Tunisia has emerged as a potentially viable fishery for fresh pasteurized crab meat. While not yet set up for end-to-end processing, Tunisia does show potential to add to the global resource for quality blue swimming crab meat. Currently, whole cooked crabs are shipped to SE Asia for further processing. Some product is being blended with Asian meat and canned for export into the US. Heron Point has evaluated this product and has not found it to meet our quality standards. However, we do see the potential for in-country pasteurization and will be keeping this fishery on our radar screen.

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

Vietnam moves out of low season this month. Production usually picks up in Vietnam in the latter part of May/early June. China is essentially shut down into Q3 but we expect to see offers of fresh pasteurized crab meat processed from previously frozen crab. As noted previously, this typically results in low quality red crab meat at attractive prices (buyer beware!). As is normal, availability in Q2 will remain tight as Vietnam emerges this Spring. We expect to see steady prices in Q2.



## **Supply Chain Update**

The overall supply chain situation remains challenging. Costs are high and climbing higher, and delays remain the norm. As an example, since 2020, there has been a 57% increase in routes from Asia into the East Coast. At the same time, the number of on-time arrivals has decreased by 76%, now averaging only 9%. Supply chain operating costs are way up, particularly with fuel. Since January, domestic fuel surcharges are up 50-60%. In summary, expect continued delays and higher logistics and freight costs through Q2. We expect these costs to continue to climb through Q2 and continue to be reflected in market prices.