



Date: 6/1/2023  
To: Heron Point Customers  
From: Heron Point Seafood, LLC.  
Re: June Market Outlook – *Portunus pelagicus* and *Portunus haanii*

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

As we move into the summer season, continued strong distributor demand indicates a bullish outlook for the US summer market. Despite continued economic uncertainty, there is optimism that the summer season will bring increased restaurant traffic and steady retail demand. This optimism and associated buying activity is not being lost on the beach in Indonesia. Prices continue to rise at a steady clip as demand outweighs supply. Production in Indonesia remains consistent, despite the advent of what would normally be their low season. Higher temperatures and drier weather typically result in a reduction in harvesting. That hasn't happened so far. Despite this, production isn't meeting strong US importer demand and prices have continued to firm on the beach. Purchasing activity is now focused on the fall and the holidays, 90-120 days away. This typically sees a surge in buying activity to support seasonal demand.

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

After an unusually slow start to the Vietnamese season, fishing is starting to pick up and landings are improving. What does that mean from a volume standpoint? We are seeing roughly 40-50% of what we'd normally be getting early in the season. Partially filled containers across all grades have been the norm, but we expect to be back to historical levels in late July/August. Processors are hurting financially as their normal staffing/resource allocation ramps up early in the season. With less crab to produce and higher costs, there's pressure for price increases. We expect to see that as we move through the summer months. China has not been a factor since Q1, and is now officially in conservation into August. Other than their previously frozen inventory, expect to see no new production from China until October/November (90-120 day lead time). With the tightness in the Indonesian *pelagicus* fishery, further pressure will be put on the *haanii* resource over the next six months. All of these factors support continued price firming for red crab in June.



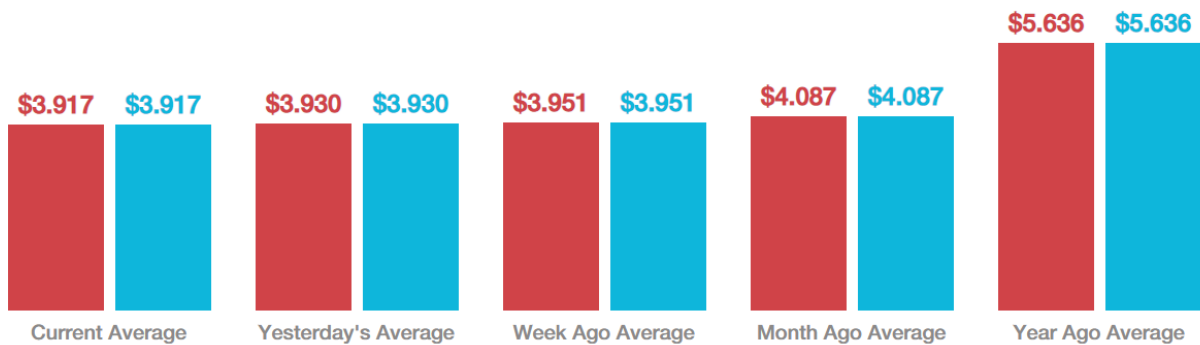
## Supply Chain Update

Diesel pricing has come down -4.3% since early May, now averaging \$3.92/gallon. While this - \$0.17 decline isn't remarkable, current pricing is down -44% vs. YAGO. It truly costs significantly less to transport crab meat than it did just 12 months ago. (Source: AAA).

### COMPARE STATES <sup>i</sup>

Location National National

Gas Reg Mid Prem **Diesel**



On-going labor issues in the ports of Los Angeles and Long Beach have resulted in a backlog of containers that need to be loaded and moved. Labor disputes between the ILWU (International Longshore Warehouse Union) and PMA (Pacific Maritime Association) have resulted in dock workers not showing up to work. This will ultimately have an impact as 40% of the nation's imports come through these ports. With holiday season not too far out, this bears watching as it relates to freight costs. (Source: NBC News)