



Date: 9/1/2023  
To:  
From: - Heron Point Seafood, LLC.  
Re: September Market Outlook – *Portunus pelagicus* and *Portunus haanii*

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

After a strong month of crab meat demand in August, the normal September lull has kicked in across the country. As vacations end and children return to the classroom, restaurant traffic slows down for a month or so. This is normal seasonality, and demand usually picks up in October as restaurants and retailers prepare for holiday sales. With stable prices, we expect this trend to continue this year. While beach pricing continues to rise, importers are reticent to pass these costs along in a soft September market. As such, prices have remained stable on the street.

Production in Indonesia is tight as the fishery remains in its low season. The weather in Indonesia has been very dry and hot. Expectations are that this will continue through October resulting in lower than normal landings. While crabs are being caught and processed, and containers are being built, the overall supplies are tight across all grades. This is particularly true with Colossal and Jumbo Lump due to the continued dynamic of smaller than normal crabs.

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

September marks the beginning of a steadier stream of inbound *haanii* from Vietnam. After a challenging few months of poor landings and light production, we now see stronger container fills coming from Vietnam. This is due primarily to the lower temperatures and rainier conditions allowing for improved catch rates. Due to the 90-day lead time, we expect inbound containers in August and early September to continue to be partially filled, but the outlook for late September and October is much improved. Containers are being packed full and we'll see multiple arriving on a more frequent basis. This will position red crab users well for late fall/holiday planning.

China has had a slow start to its season, with a high percentage of small crabs and multiple typhoons impacting landings. Plants are producing below average quantities and are grappling with high beach prices, high tariffs and increased competition from Vietnam. To compete, we



expect to see more lower quality, previously frozen *haanii* coming out of China to support Q4 demand.

### Supply Chain Update

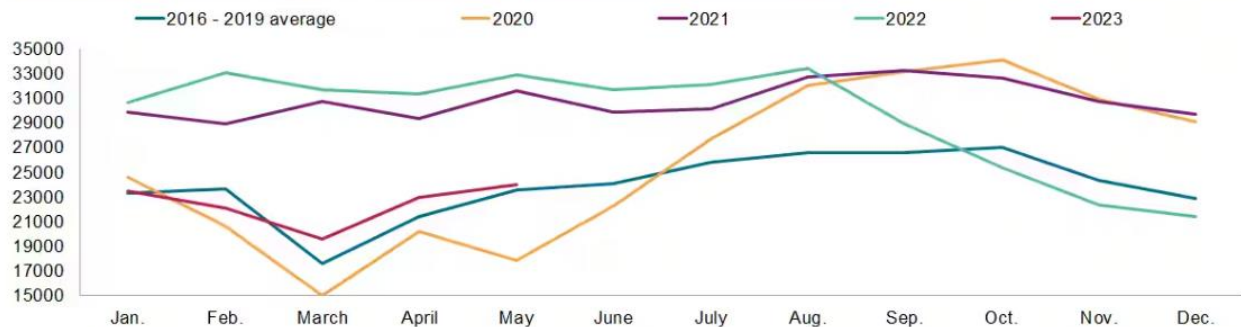
Diesel pricing continues to creep up, +\$0.20/gallon since early August. While diesel prices are higher, they are still considerably lower than they were in 2022 (peaking at \$5.19/gallon in June '22). Average gas pricing is highest on the West Coast and cheapest throughout the South.

From an import standpoint, container volume remains stable. Consolidation continues, but rates have stayed fairly steady over the summer. This consolidation has and will result in longer sailing times and supply chain delays. Container rates declined by -5% in August, reflective of continued softer demand. Container prices remain at 80-90% below pandemic levels in 2021. (Source: Borderstates.com)

The below showcases the volatility in the import volume pre-post pandemic. Crab imports have followed a similar path over the last few years.

#### Seasonality, levels of consumer goods shipments back to pre-pandemic era level

US seaborne, containerized imports of consumer discretionary goods, 20-foot equivalent units per day



Data compiled June 19, 2023.  
Source: S&P Global Market Intelligence, Panjiva.  
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