



Date: 3/19/2024
From: Heron Point Seafood, LLC.
Re: March Market Update – *Portunus pelagicus* and *Portunus haanii*

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

Production in Indonesia is in full swing right now. Demand has been steady, and most processors are at or near capacity, anticipating strong demand for the spring and summer seasons. Small crab sizing, something that has been a persistent problem over the past six months, is starting to change. We're now seeing larger crabs harvested in select fishing regions. This bodes well for the potential availability of the larger grades – Colossal, Jumbo Lump and Super Lump. While the sizing issue is not resolved yet, the advent of these larger crabs does show promise for Q3/Q4. Venezuela returned to production late February but so far availability has been modest.

Demand for pasteurized crab was strong and steady in February both in foodservice and at retail. As previously discussed, the conservative buying in Q4/Q1 has led to supply issues in-country across most grades. There is very little excess capacity right now, with premium grades largely unavailable. With a 90 day window from PO to port, the industry is feeling the impact of soft buying in December. The good news is that activity picked up in late January and into February, so we expect to see better availability of blue swimming crab in April/May. Prices will remain firm on limited supplies against increasing seasonal demand.

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

While Vietnam remains in low season, landings have been better than average, up from the poor results of Q1 '23. It remains to be seen, but if landings continue as they have over the past few weeks, red crab supplies in Q2 should improve. This is not the case in China, where the fishery is all but shut down through August. There is little fresh production being packed, and full conservation kicks in mid-May. Expect to see China's continuing practice of repacking previously frozen haanii and exporting it as 'refrigerated' quality. This further degrades the perception of the red crab resource and is something to be weary of when buying out of China. Quality issues include softness in texture, limited shelf life and elevated moisture.

Supply Chain Update



Diesel pricing is pretty stable, down $-\$0.05$ /gallon since February. The national average is $\$4.04$ /gallon, down $-\$0.35$ /gallon versus March of 2023. Two major ports show greater price disparity, with California (Long Beach) higher by $+\$1.35$ and Virginia (Norfolk) lower by $-\$0.01$ /gallon.

The impact of the Houthi terrorism in the red sea is being felt in 2+ week delays and significantly higher transport costs. Ships are being forced into longer routes around South Africa to avoid possible attacks. Expect to see continued delays and higher freight costs as the issue remains unresolved.

COMPARE STATES ⁱ

Location National National

Gas Reg Mid Prem **Diesel**

