



Date: 5/28/2024

Re: May Market Update – *Portunus pelagicus* and *Portunus haanii*

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

As we head into the summer season, there seems to be a strong degree of optimism for crab meat demand in foodservice. In many markets, Q1 demand was stronger than expected despite economic headwinds. While supplies were tight in April, inventory positions are now improving for many importers. Larger grades remain tight due to high demand against fewer Q1 containers. Combined, Colossal and Jumbo Lump represent only 15% of a normal container mix, so fewer containers means fewer available pounds. As more containers arrive this month, the overall availability of Colossal and Jumbo Lump should improve. Importers continue to buy what's needed but aren't taking positions yet. Overall import demand has been steady, but cautious.

May marks the transition into low season in Indonesia, and we expect production to slow down a bit over the next 30-60 days. Should the US summer demand materialize as normal, prices should remain firm/steady through the summer months. Containers being booked today will service late summer demand, so importers are pricing off of inventory that is either in-house, or on the water.

In terms of other resources, India and The Philippines are both in season now and are contributing to the overall supply. Collectively they represent roughly 18% of total crab meat imports, so while they're important, they don't have the impact that Indonesia has on market dynamics. In essence, as Indonesia goes, so goes the blue swimming crab market.

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

The weather in Vietnam has been favorable over the past few weeks which bodes well for the fishery this summer. Rain has arrived and the temperatures have dropped, leading to improved crab activity and harvest rates. As long as this continues, Vietnam should be well positioned to service increasing demand for value priced *haanii*. In-country availability has been spotty, with very limited supplies of Jumbo Lump and Petite Jumbo but ample supply of Lump. As with blue crab, we've seen consistent demand for Colossal, Jumbo Lump and Petite across the country. Because Vietnam was in low season in Q1, demand outpaced supply for these grades. Availability should improve as more containers arrive this/next month. As noted previously, China is not in play for new production and will remain off-line through mid-August. Virtually everything that has been harvested in Q1 went 'straight into the freezer' for future processing. This will continue



to be the case until the fishery comes out of moratorium later in August. With Vietnam the only option for fresh production, expect firm prices on increasing supplies of Vietnamese *haanii* over the next 30 days.

Supply Chain Update

Diesel pricing continues to improve, down -4% since April or -\$0.15/gallon. Despite these improvements, overall freight costs continue to increase, driven by the impact of the challenges associated with the Red Sea and port of Baltimore. Delays continue to average close to 3 weeks, and cost increases continue to rise. Port congestion due to these delays and having to reroute around Baltimore is expected to increase this summer. It remains to be seen what the impact may be but expect higher overall freight costs for the foreseeable future.

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Location

Gas Reg Mid Prem **Diesel**

