Date 1/6/2024

To:
From: – Heron Point Seafood
Cc:

Re: January Market Update – *Portunus pelagicus* and *Monomia haanii*

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

As we begin 2025, the market for pasteurized blue crab remains somewhat of a question. Demand in December slowed a bit, with persistent inflation impacting demand at both retail and foodservice. After a better than expected October and November, traffic in both sectors seemed to slow in December. This tepid demand, coupled with higher inventory positions on select grades (Lump, Special, Claw) led to price softening and offered deals. That was not the case with Colossal, Jumbo Lump and Super Lump, where inventory positions were tighter. Working 90 days out, most importers are sourced through February at this point. What's on the water or in the warehouse will support Q1 demand.

Overseas, the Indonesian fishery is now in full rainy season which typically ushers in enhanced catch rates. However, this season has been hampered by high winds and poor surf conditions hindering fishing in several key regions. Once the weather settles down, fishing should return to normal early season levels. Demand from major importers has been steady, so coupled with modest harvest rates, beach prices have stayed firm. Most plants are producing to steady demand. As it was throughout 2024, smaller crab sizing continues to be an issue leading to increased pressure on Colossal, Jumbo Lump and Super Lump. Importers are tying to be selective in their commitments, but that's not sustainable. India is winding down and The Philippines are starting to show signs of slowing and should wrap up this month.

With all eyes on the US market, pricing is stable but could move. The reality of the potential port strike in early Q1 would also have a profound impact on future container pricing. The outlook for January is very much uncertain, dependent upon post-holiday demand and the advent of the port strike.

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

*** Note: FDA has formally changed the Latin naming for what was Portunus haanii to Monomia haanii*

After a modest season in Vietnam and a major reduction in exports from China, inventory levels for red crab in the States are tight. Both fisheries are going into their last month of processing before TET/CNY. Vietnam production is steady, but not robust. Post TET, we expect to see a normal low season reduction equating to roughly a container/month through April. Crab sizes continue to trend small, resulting in tighter supplies of larger grades like Colossal and Jumbo Lump.

China is a mess. Only a few packers are producing and volumes are low. Boat prices are high and the US tariff is a major competitive hurdle. As a reminder, anything sourced out of China is more than likely to be processed from previously frozen raw material. This has been a strategy routinely employed by Chinese packers – blending frozen meat into 'fresh' production to drive costs down – but one that is becoming even more common as limited new season crab remains in country. As such, expect issues with shelf-life, texture, odor and color on Chinese red crab.

Supply Chain Update

Diesel pricing has remained flat over the last month, down $0.03/gallon. Overall prices have come down significantly over the last year, down 13% or $0.51/gallon.

Continued focus on the possible port strike is wise. What was delayed is now up for reactivation in a few short weeks. This will have profound implications on imports supporting post Lent and pre-summer demand. At this point, there is no clear indication whether it will be avoided or allowed to ensue.