



Date 12/2/2024

To:

From: – Heron Point Seafood

Cc:

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

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

Demand for crab meat in both foodservice and retail remained steady in November, despite economic uncertainty. Consumers continued to spend in both sectors, opting not to forego premium luxuries like crab despite inflationary pressures. We've seen strong and consistent demand from coast to coast. We're also fast approaching the holidays when crab is often a featured item on menus and at retail. In-country supplies across most grades are adequate and we would expect continued price stability through year-end.

November production in Indonesia remained relatively low as dry/hot weather conditions persisted beyond their normal seasonality. However, there are signs that the transition out of low season may be starting. Monsoon rains have started to become more consistent over the past few weeks and we're seeing rain from West to East Java in small amounts. Average crab sizing is also small right now, which is common for new season harvest. Container demand has been modest, with most importers placing 'maintenance' POs for seasonally soft early 2025 demand. These orders against tight supplies have kept beach prices high in November. With 90-120 days from PO to port, expect pre-Lent demand to start ramping up soon. Pricing will depend on that ramp up and on how and when the new season commences. Until then, expect price stability on blue crab through year end.

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

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

The impact of a poor Chinese season is being felt in the States with tighter inventories and higher prices for *haanii*. As noted last month, China's short season (August-December) was late to start and exports have been limited. Hindered by high costs and onerous tariffs, China has kept more inventory in-country leaving US customers short. As Vietnam is the only other fishery producing *haanii*, this fishery has seen a profound uptick in demand.



Production in Vietnam has been vastly better than that in China but is below historical averages. This is largely weather driven, with a delayed summer transition to peak product and modest catch rates since. This increased demand against below average production has driven up pricing. We would expect continued tight supplies and firming prices as both fisheries transition to low season in January. Chinese New Year/TET is coming early in 2025, so we would expect both fisheries to wind down by mid-January. Both fisheries will continue to produce at lower levels in Q1, with China going completely off line in May.

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 \$0.04/gallon. Overall prices have come down significantly over the last year, down 6% or \$0.22/gallon.

Continued focus on the possible port strike is wise. What was delayed is now up for reactivation in mid-January. This would have profound implications on imports supporting post Lent and pre-summer demand.

