

MARKET SNAPSHOT

Fisheries

June 28, 2023

Executive summary

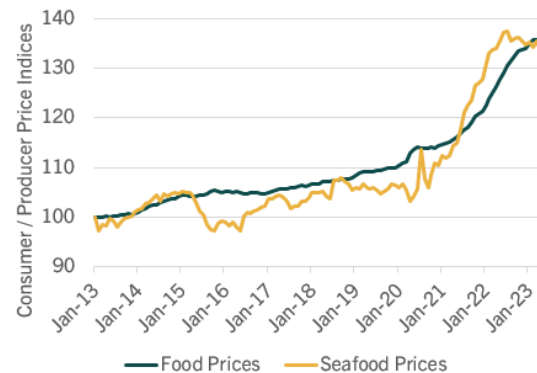
AgWest Farm Credit's 12-month outlook sees fisheries as slightly profitable. Drivers include softening prices, strong supplies and falling diesel prices.

Industry drivers

Average seafood prices down

Seafood sales are declining as consumers react to high inflation. Seafood is a relatively expensive source of protein and consumers may be substituting it with others such as beef and/or chicken.

Average Food and Seafood Prices



Seafood prices have fallen 2.7% from their peak in July 2022

Source: Bureau of Labor Statistics. Seafood Prices: Producer Price Index for Prepared Fresh and Frozen Seafood.

Northwest fisheries' prices down

Strong supplies and lower consumer demand are leading to lower prices for the following fisheries:

- **Salmon:** Retailers are selling through inventories from the record 2022 sockeye salmon harvest at sharp discounts to clear space for the upcoming 2023 season. Ex-vessel sockeye price expectations for the 2023 season are uncertain at this point in the season. The abundant supply expected out of Russia this year will likely impact U.S. pink salmon prices.
- **Pollock:** The A season is complete and exceeded 2022 levels by 17% due to the increase in the Total Allowable Catch. Russia's catch exceeded 2022 levels by 10% and more surimi (minced fish paste) will be produced for Chinese and Japanese markets where there are no trade restrictions. U.S. producers are bracing for a potential drop in surimi prices. Processors expect less of an impact to fillet products.
- **Pacific cod and Amendment 80:** Lower demand for Pacific cod and yellowfin is softening prices.

Pollock B fishing season off to a strong start

Pollock B fishing season has started, and early indications suggest favorable fish sizes and catch rates. The general consensus is that the larger 2023 Total Allowable Catch will offset softening prices to support profitability.

12-Month Profitability Outlook



Diesel prices down

Falling diesel prices are supporting producer margins. Several potential drivers could reverse this trend, including:

- Lower gasoline demand, which could lead to less crude oil refining and thus diesel availability.
- Additional production cuts by the Organization of the Petroleum Exporting Countries (OPEC).
- Falling interest rates, which may increase economic activity.

See our [Crop Inputs Snapshot](#) for more information on energy markets.

Russian government supports pollock industry

Russia's pollock industry is surviving international trade sanctions. The government provides financial support to fishermen and processors to spur capacity investments. In response, Russian banks remain willing to provide loans despite increasing financial pressures.

Profitability

Fisheries should be slightly profitable in 2023. Seafood prices are falling due in part to lower consumer demand. Strong supplies in salmon and pollock fisheries are supporting this trend. Falling diesel prices are supporting producer margins; however, this trend may reverse later in 2023.

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Additional information

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www.AgWestFC.com/Industry-Insights

NOAA Fisheries, Alaska Regional Office

www.fisheries.noaa.gov/region/Alaska

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