SUMMARY

The most significant piece of seafood-related news to emerge has been the announcement that the 25% tariff surge will be postponed indefinitely. Prior tariff increases (10%) put into place last year will still continue. The industry has breathed a sigh of relief at this news and now looks forward to a final agreement being worked out between the USA and China.

EAST ASIA

China: Loligo spp.
The new season will start in March. There have been no substantive changes in the availability of raw material and suppliers are still taking orders. Pricing remains stable.

China: Todarodes
Small sizes (3-6") are scarce at the moment, especially the 3-5" size, and will be difficult to source until the new season begins in May or June. Sourcing costs for this sized raw material have also risen accordingly – particularly the 3-5" size, which is now as expensive as the 4-6" size was in Q4 2018.

China: Bartramiai Steaks
The raw material situation remains unchanged from our last report. It is still largely scarce and sourcing costs have risen for it. The Town Dock still has supply available and will be able to meet ongoing customer demand.

SOUTH AMERICA

Peru: Gigas Steaks & Strips
The raw material situation for giant squid remains largely unchanged from our last report. Although there has been a somewhat consistent catch, it is still not comparable to catches from prior years.

Of note is that Peru continues to be plagued by strikes. A recent trucker strike on February 18 led to major interruptions of production schedules and the transport of raw material. Fishing and landings have now resumed, but vessels are limited to eight metric tonnes per vessel to avoid excess supply of raw material. In line with the timing of the season, giant squid sizes are getting larger. A month ago squid weighed between 1-2 kg./piece and now they are between 1-3.5 kg./piece. Anticipate 2-4.5 kg sizes by the end of March.

Argentina: Illex
The bulk of the catch has been concentrated within Argentine territorial waters, where the catch has recently dropped from 30-35 to 20-30 tons per day, although the entire fleet (60 jiggers) is fishing. Size breakdowns are 60% S and 40% S, although in the south sizes are 90% S and 10% M. The bulk of the fleet is still processing whole round squid with a handful doing dirty tubes.

There are some indications that pricing will rise. The bulk of what has been caught within Argentine waters has been sent to China due to the small size of the squid. The catch outside Argentine waters has been poor, causing foreign vessels to look elsewhere (Falkland Islands) with some heading to Peru for giant squid. The overall verdict on the season thus far is that it has been similar to last year’s.