

Record Pink Salmon Harvest May Drive Down Prices

JUNEAU, Alaska (AP) — State officials say Alaska's [record pink salmon harvest](#) [1] in 2013 could create a market glut that will drive prices down for several years.

The state Division of Economic Development sees a glut in supply after the 2013 harvest, bringing downward pressure on prices, [KFSK-radio](#) [2] reported.

"The 2013 pink harvest was the largest on record," said division director Joe Jacobson before the House Fisheries Committee this month. "It's led to a glut of supply and it will probably, there will be downward pressure on prices because of it. And it's really been a pretty tremendous impact."

Alaska fishing fleets caught 219 million pink salmon last year. That helped fill an estimated 4 million cases of tall pink cans and left companies with almost 5 million cases in inventory.

Wholesale prices for cases of tall pink salmon cans topped \$100 in 2012 and 2013, more than double what they were a decade ago.

"Even though the catch was big, we're not having any real problems moving through it," said Tom Sunderland, vice president of marketing for Ocean Beauty Seafoods, a company that processes pinks in Alaska.

Demand for Alaska salmon seems to keep growing, he said.

"That isn't to say we don't have a lot of inventory, we do," Sunderland said. "We're in a heavy inventory position right now and that's always a little worrisome when you're holding more inventory than you want but it is selling well. That's what I've heard from other processors as well. No one's in any kind of panic mode. Nobody feels the need to start dropping prices or taking any kind of drastic action. So at this point even despite the heavy catch it looks like it's going OK."

Seafood analyst Andy Wink of the McDowell Group, which works with the Alaska Seafood Marketing Institute, said the current inventory on pinks could last about 2.6 years. A chronic oversupply depressed prices in the early 2000s, Wink said.

"That made it very difficult obviously to sell new production, but through a lot of hard work, through lot of marketing and actually through just shifting a lot of that product out of the can, we were able to bring that inventory down and price has improved as a result," Wink said. "So I think we've probably been in this area before but it has been some time."

The Department of Agriculture will buy \$20 million of canned pink salmon for food

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assistance programs across the country. That's an expanded purchase over previous years. Alaska senators hailed the decision in January.

Not all pink salmon is canned. Some are frozen and shipped overseas for additional processing. The primary markets overseas are Pacific Rim nations such as China, Vietnam, and Thailand, according to the Institute of Social and Economic Research.

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Information from: KFSK-FM, <http://www.alaska.net/~kfsk/> [3]

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