

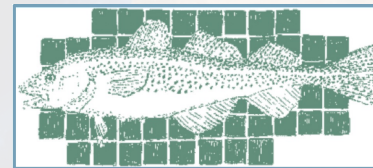
Oyster Outlook 2024

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March 26, 2024



Background

- 45+ Years in Seafood Industry
- Crab, shrimp, lobster and cod market analyst since 1997
- Price and market outlooks for Atlantic Canada, Alaska, and US West Coast
- 2005-2018 Price arbitrator for Alaska crab
- Expert on Mussel and Oyster Markets
- Co-Founder of NFI's Global Seafood Market Conference
- Annual Market Review for Fisheries Council of Canada
- Founder of SeafoodNews and Seafood Datasearch



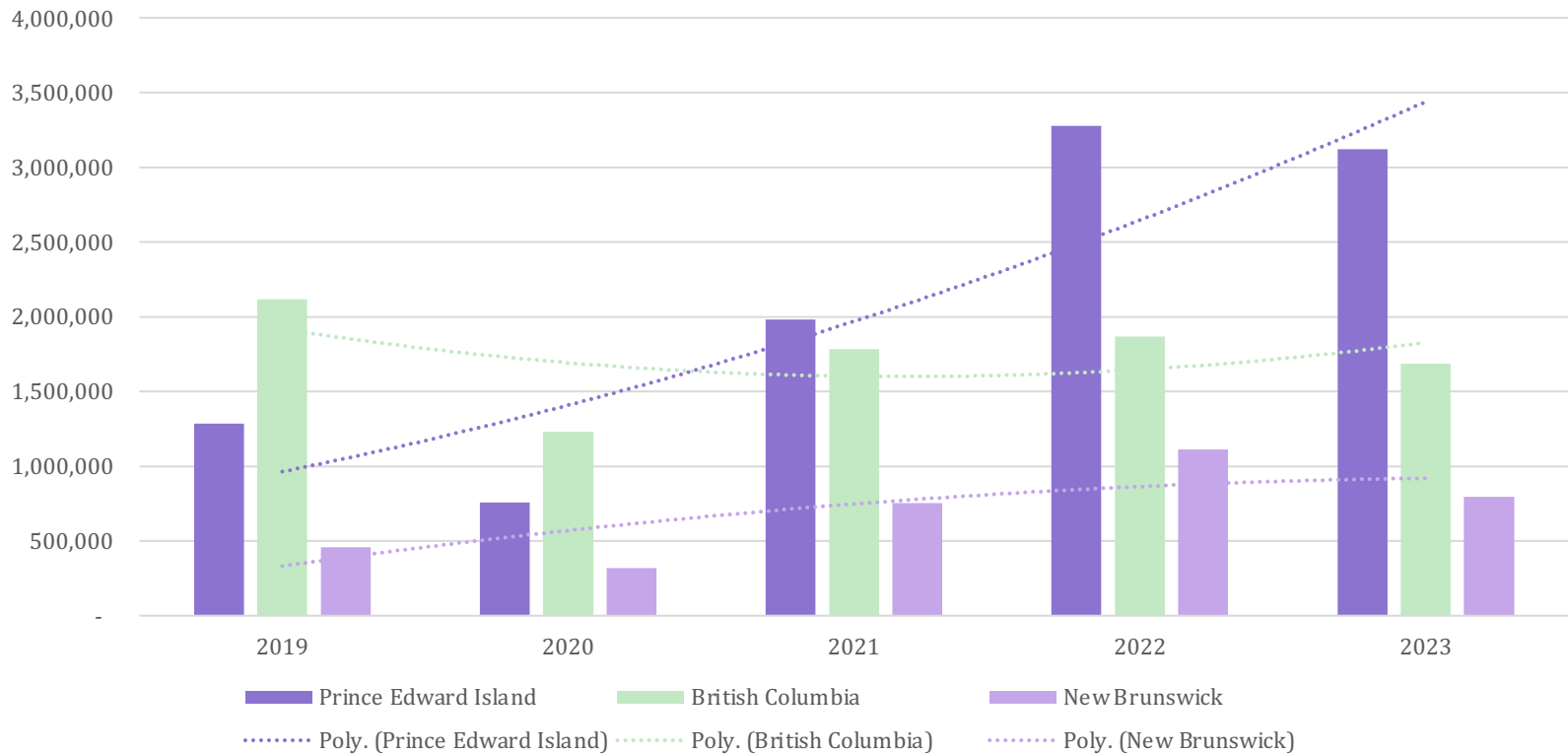

Questions for today

- Oyster market is healthy
- Increase in NB and PEI exports
- Increase in US farmed oysters
- Retail distribution of oyster sales
- Regional consumption patterns
- Farmed vs Gulf oysters at retail
- Is there room for additional expansion
- Environmental factors
- 2024 outlook



Expansion in PEI and NB has been driver of increased exports*

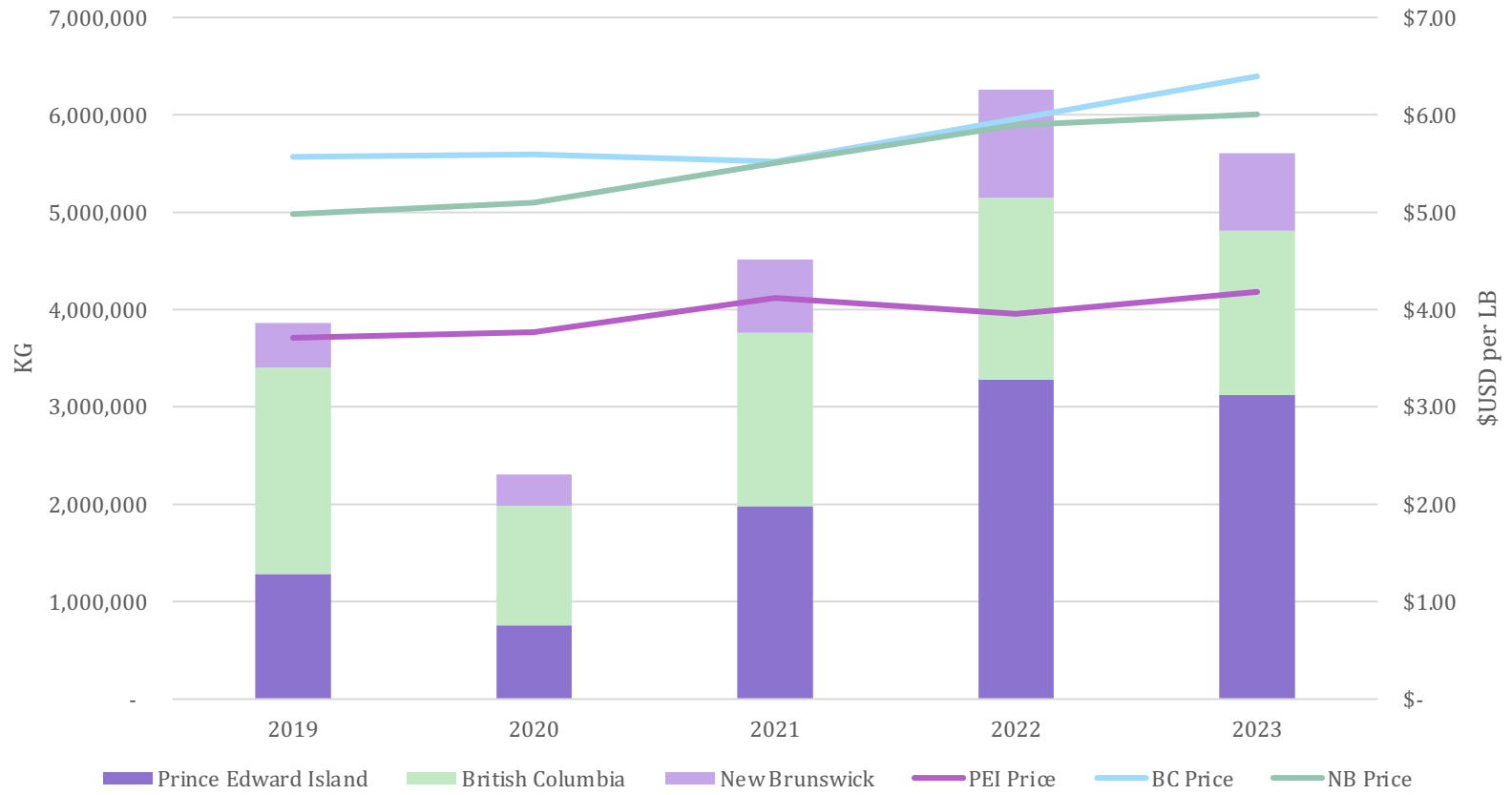
Live Oyster Exports



*Some PEI Mussel Data is actually New Brunswick Oysters sold through a PEI company



Prices rose slightly in 2023

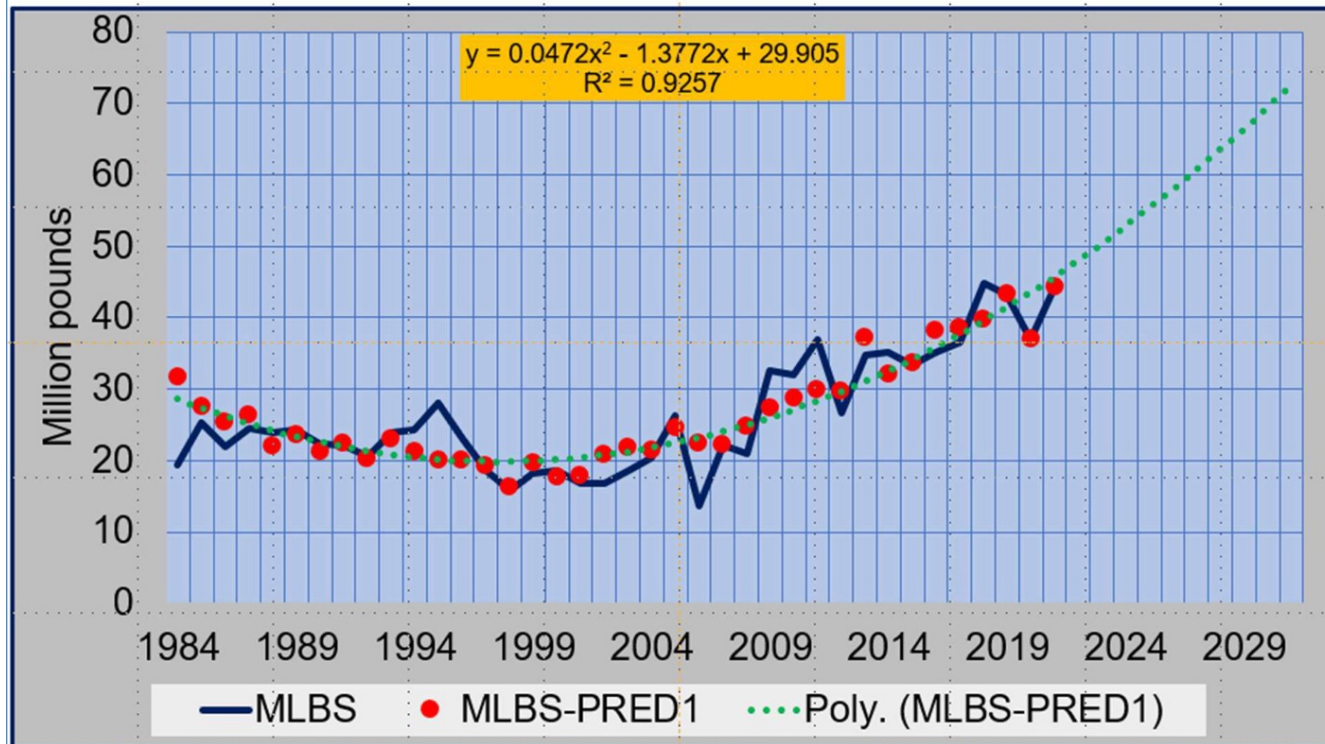


Mexico is also a significant supplier of live farmed oysters



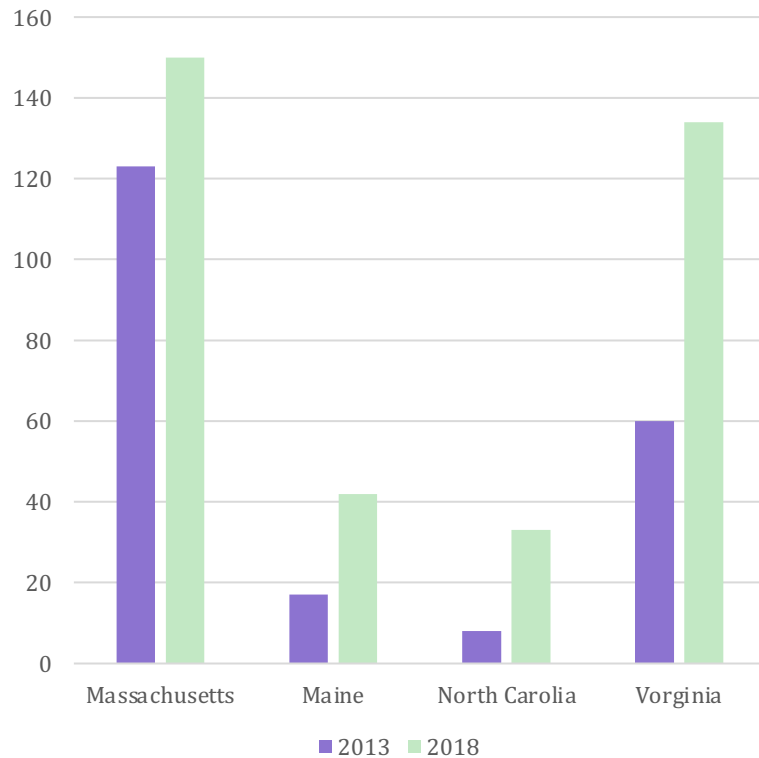
US oyster production is continuing to grow

Fig. 1. U.S. Oyster Aquaculture Production
Values beyond 2019 are predicted.

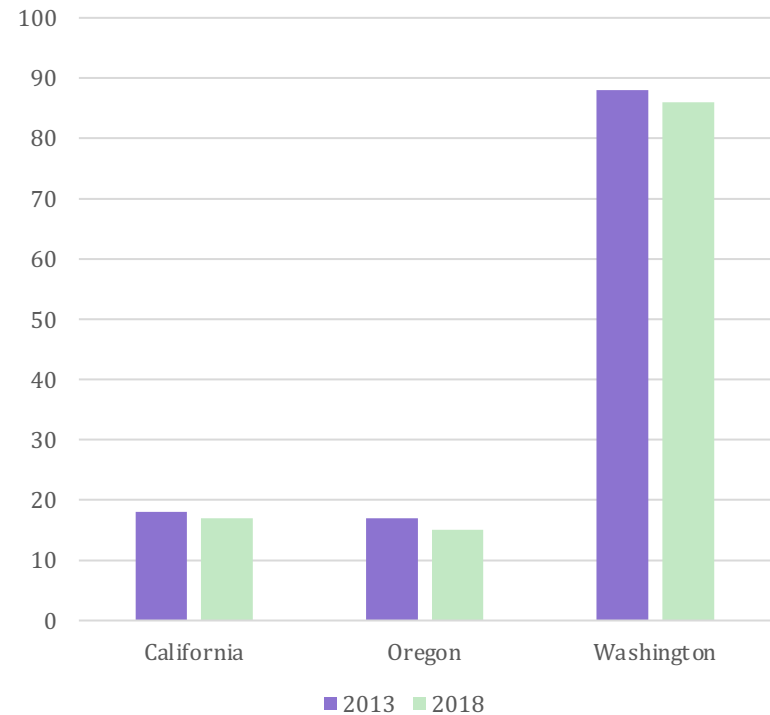


East Coast Farms Increasing West Coast Farms are Not

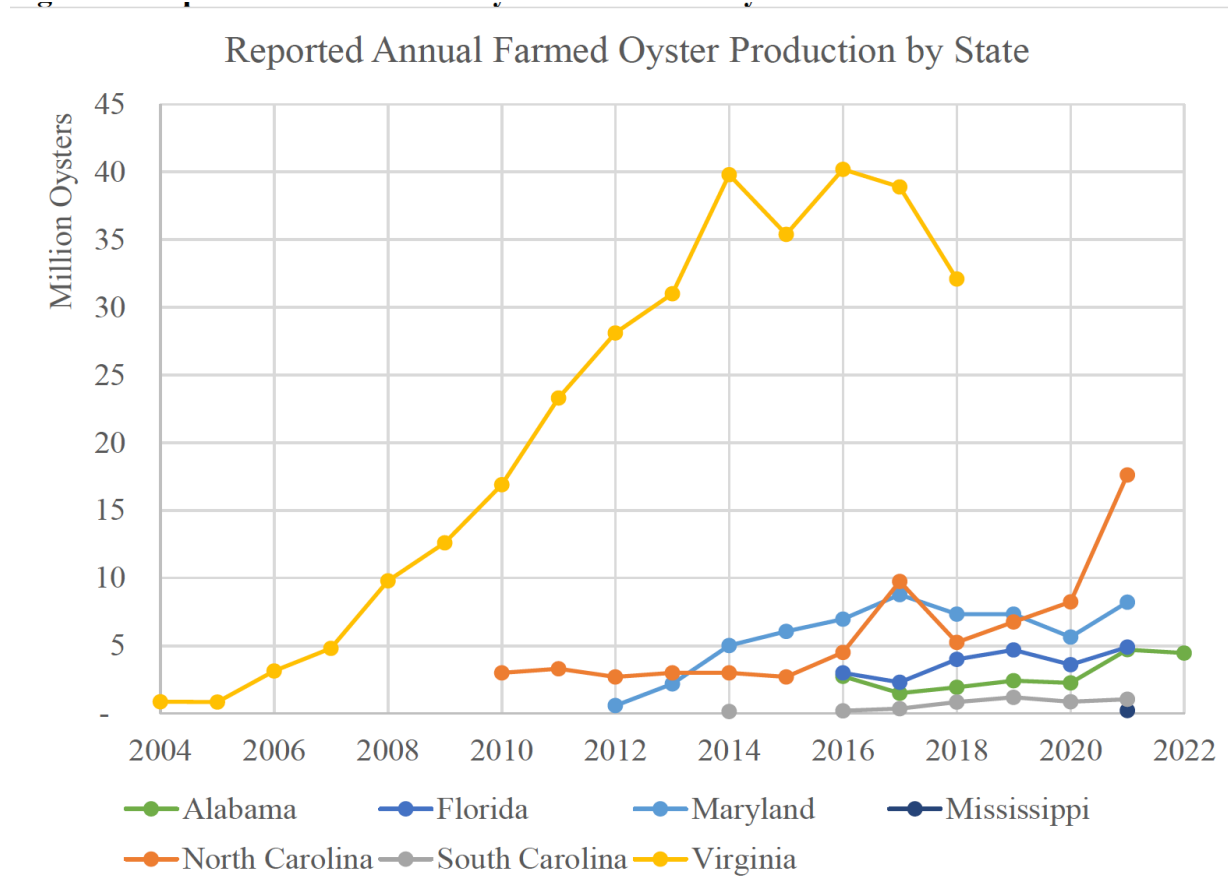
Change in Oyster Farms 2013-2018



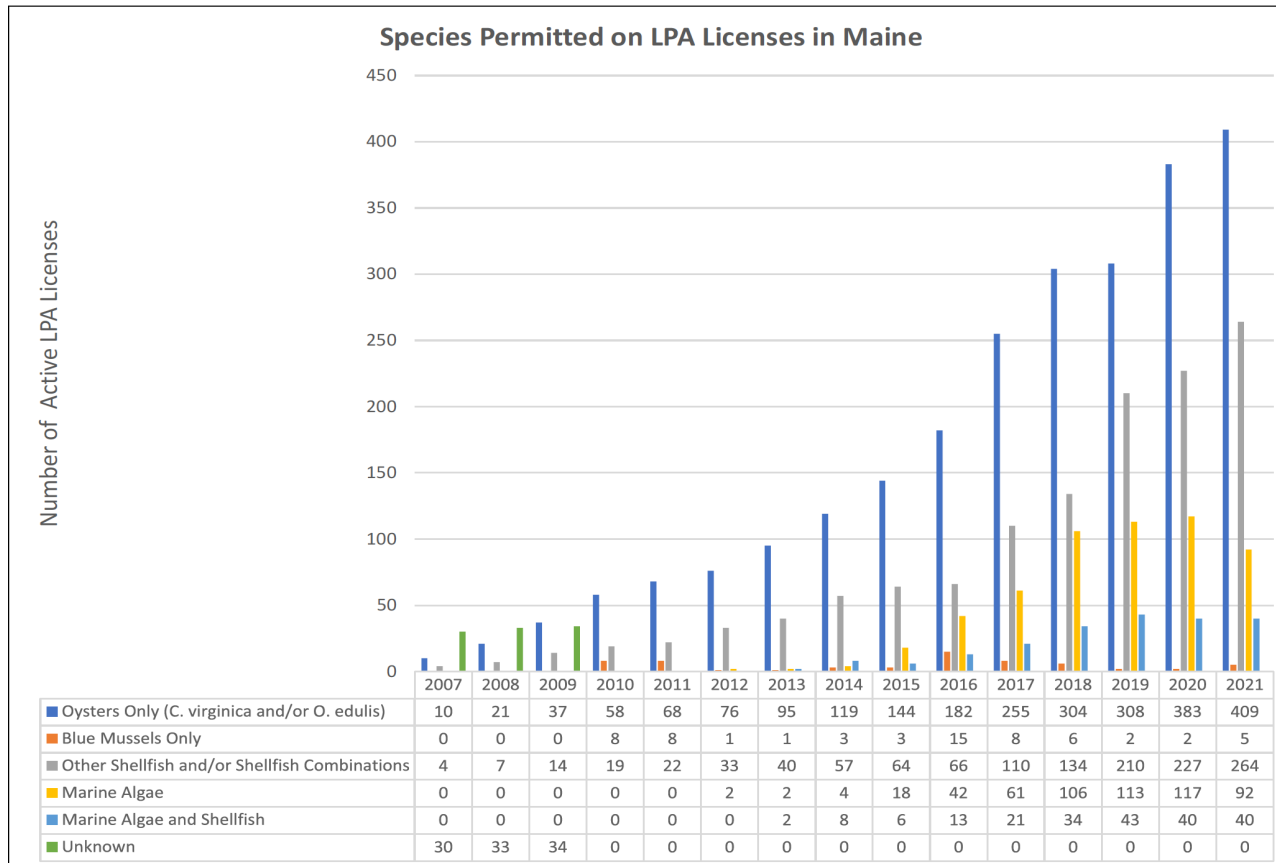
Change in No. of Oyster Farms 2013-2018



Southern States are increasing their investment in off-bottom culture



Active Oyster Leases Continue to Grow in Maine



Location of Oyster Farms in Maine



Retail oyster sales vary by state

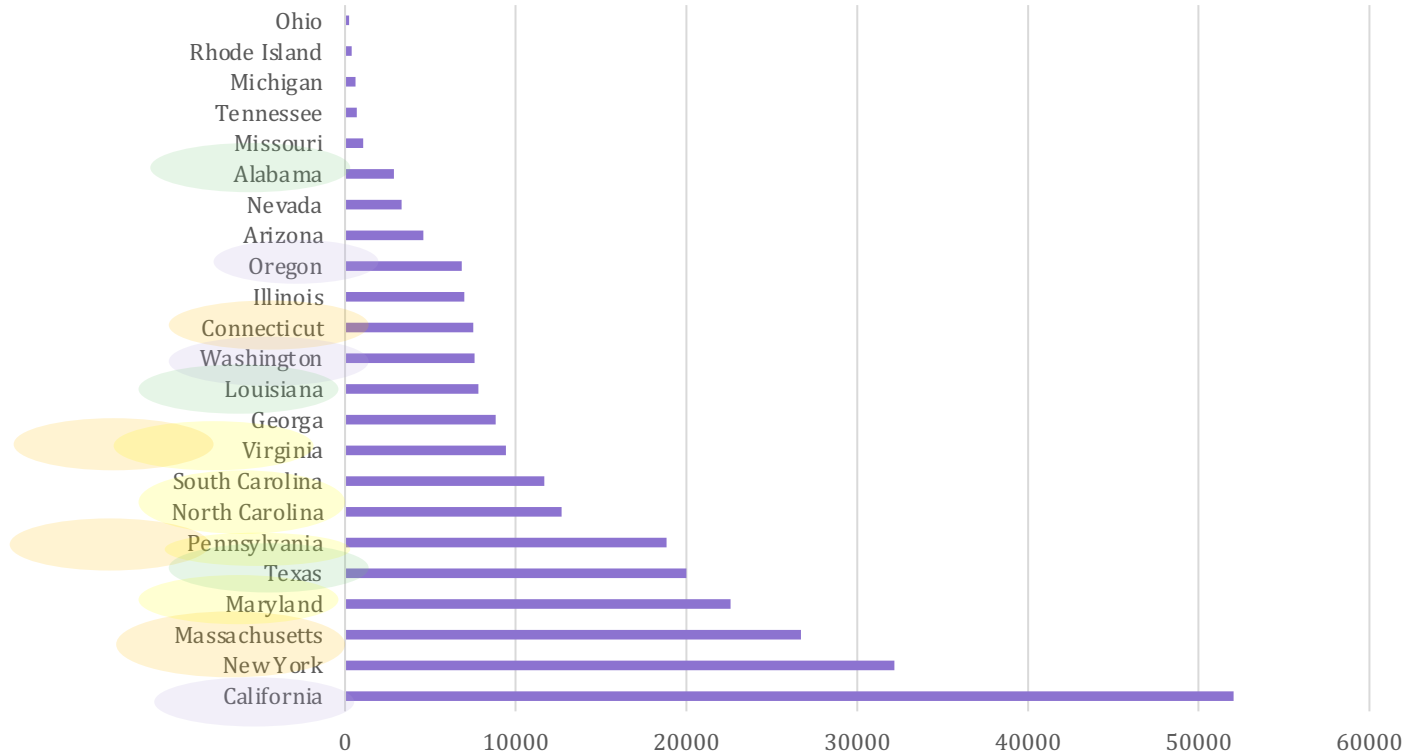
Mostly farmed Atlantic

Chesapeake

Gulf

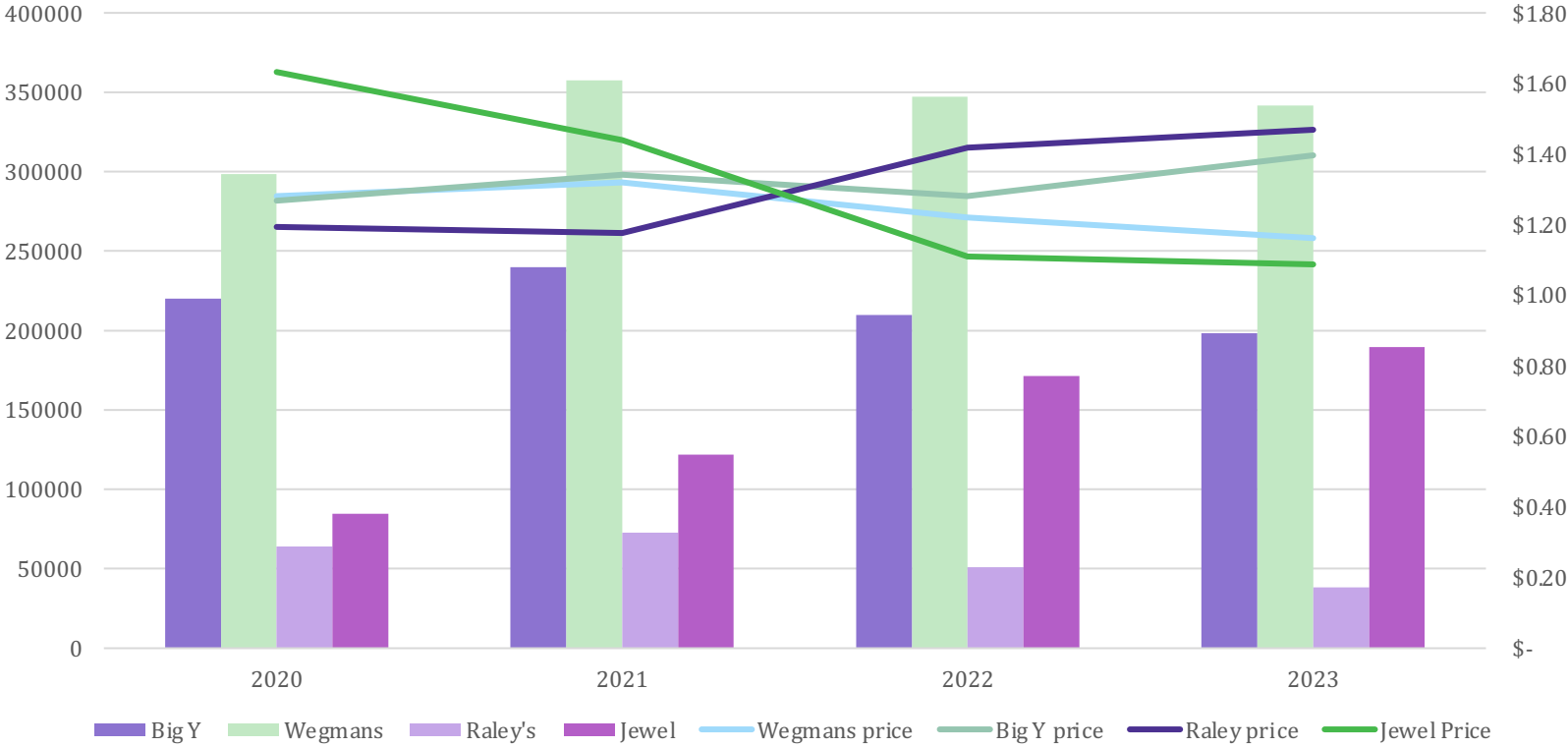
Pacific

2023 Oyster Retail Sales by State

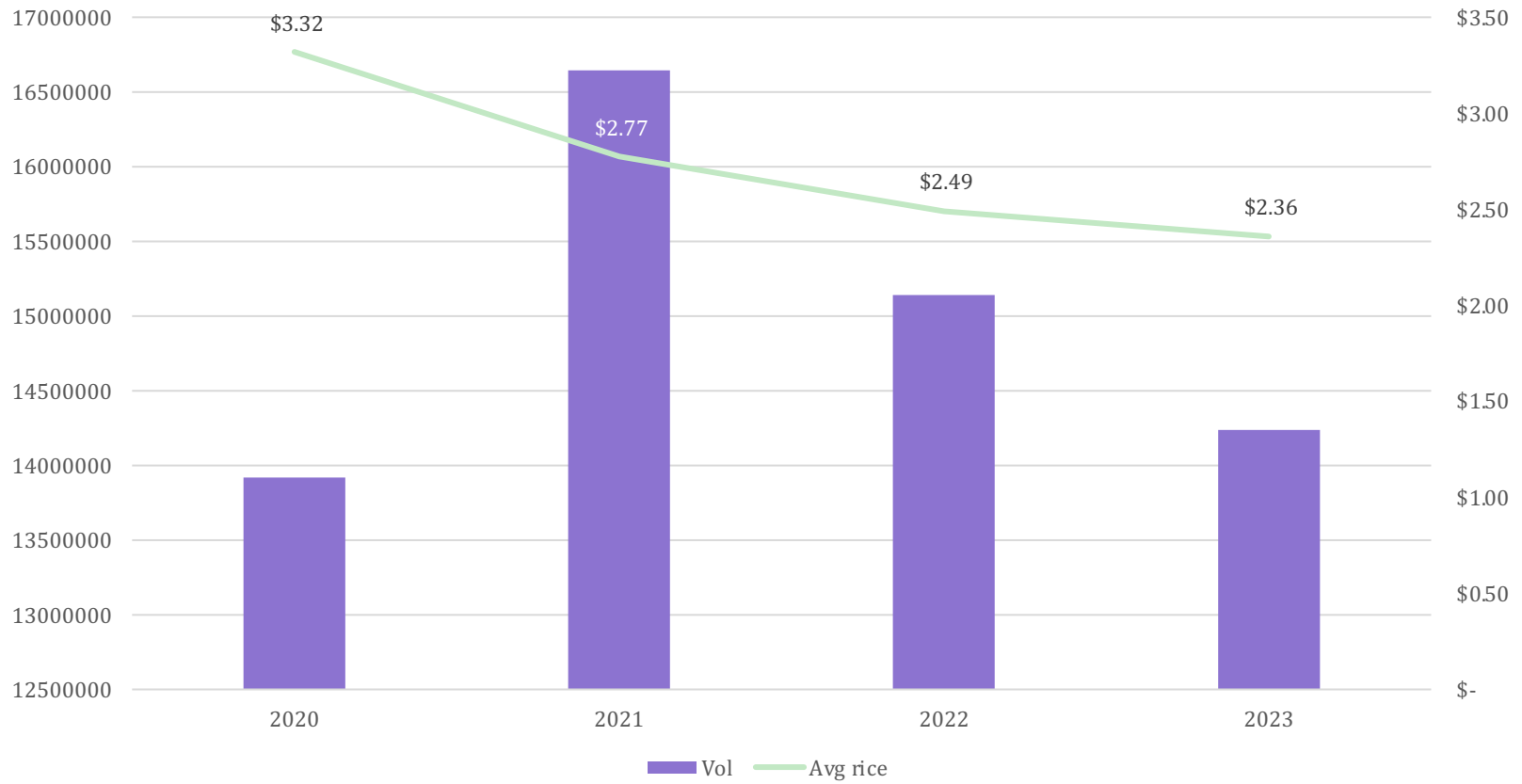


East Coast Grocery sells by the piece

Retail Sales at 4 stores

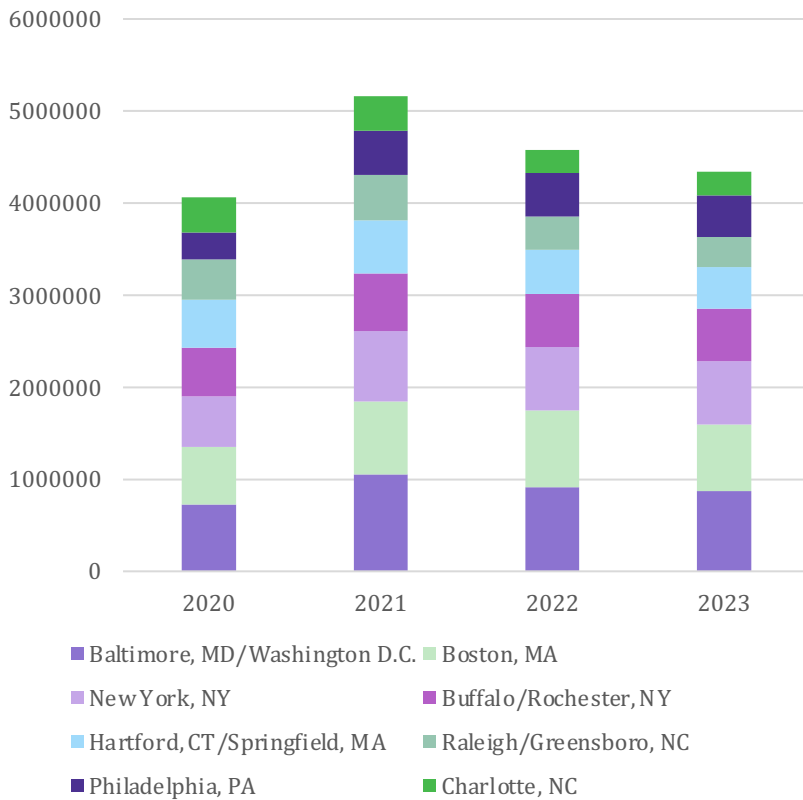


Summary of retail price and volume data

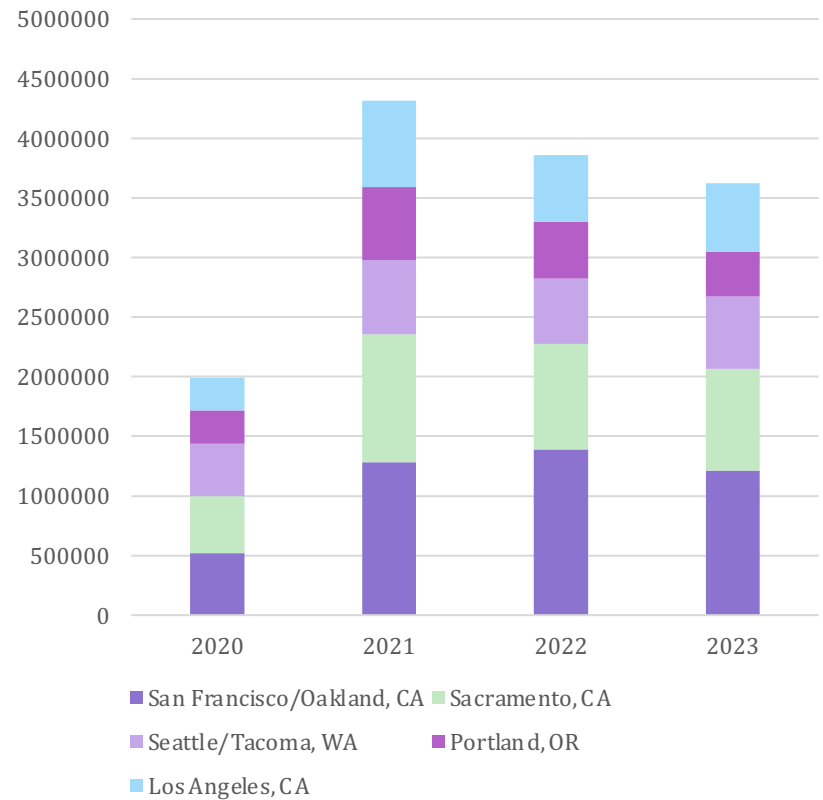


East and West Coast trends by Major Market

East Coast Trend by Market

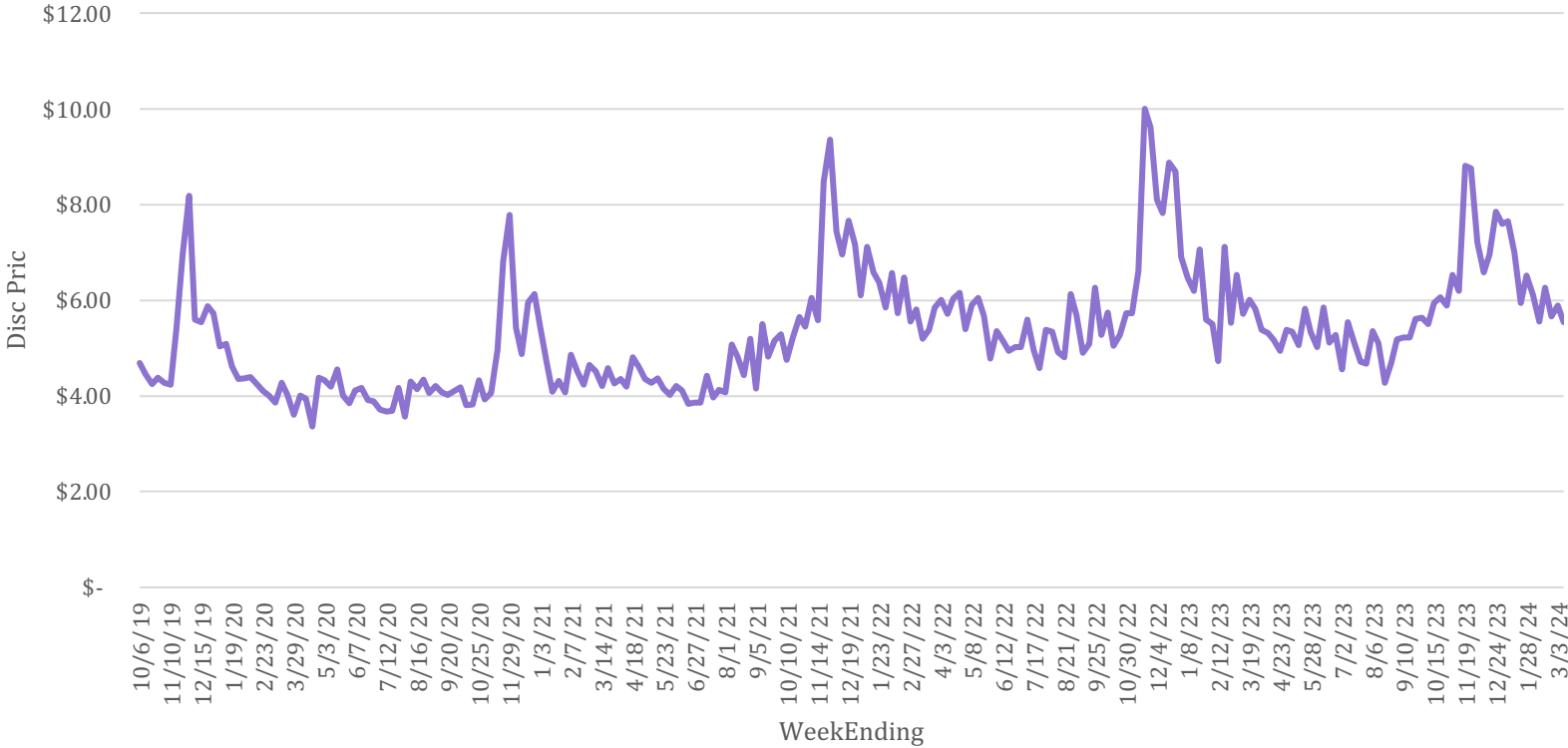


West Coast Trend by Market



Seasonal price pattern in evidence for retail sales

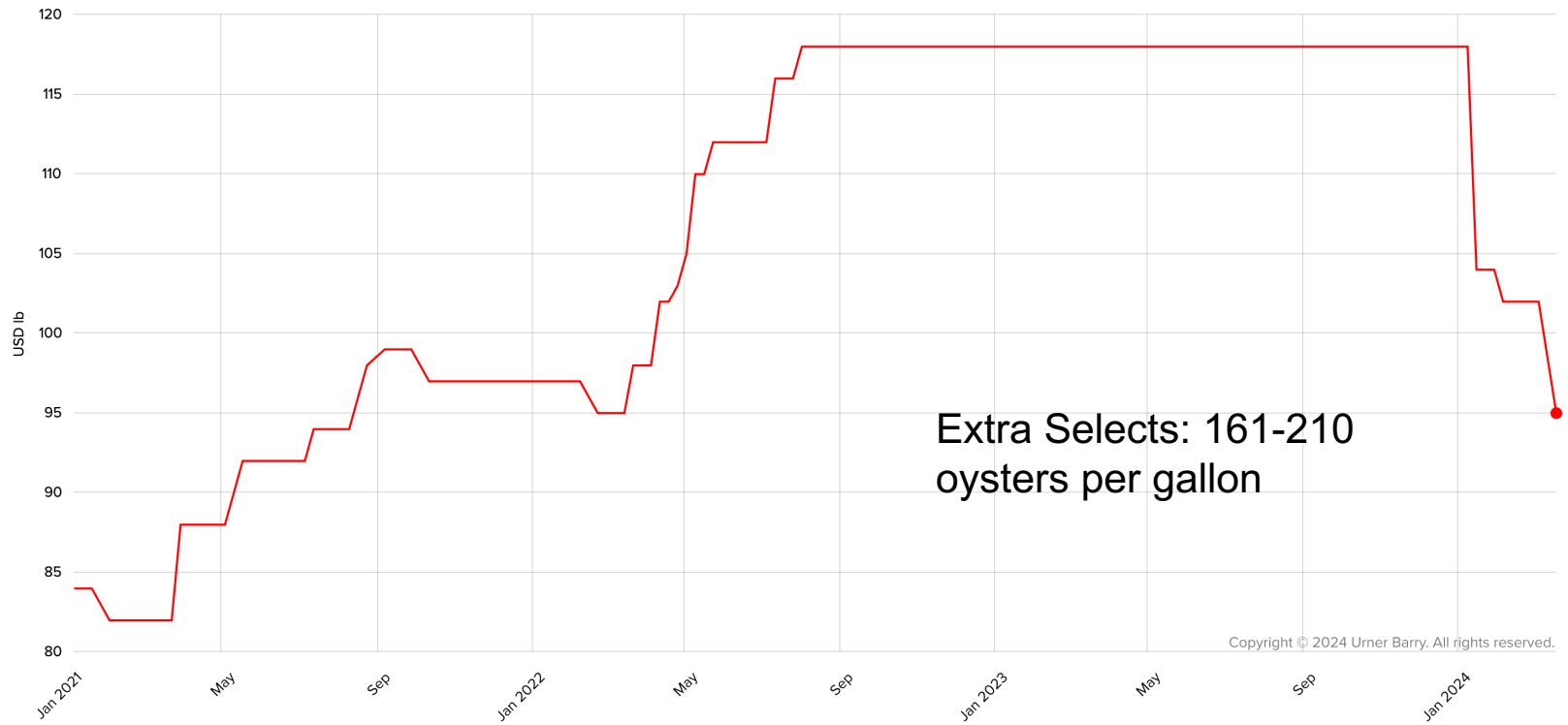
'Disc Pric' by 'WeekEnding' for 'Segment' 'FRESH OYSTER'



Significant portion of Gulf and Chesapeake oysters are shucked

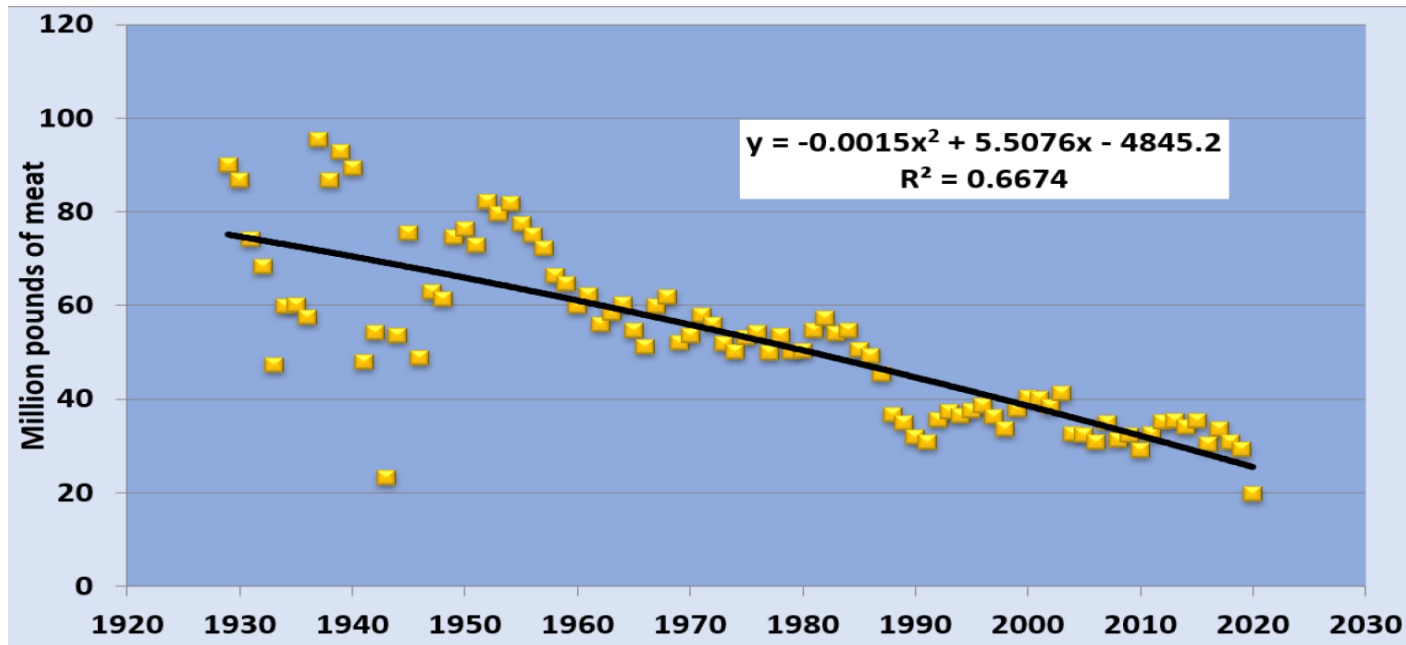
UB Oysters, X-Sel., gal., FOB Mid-Atlantic

Monday, January 4, 2021 - Monday, March 18, 2024



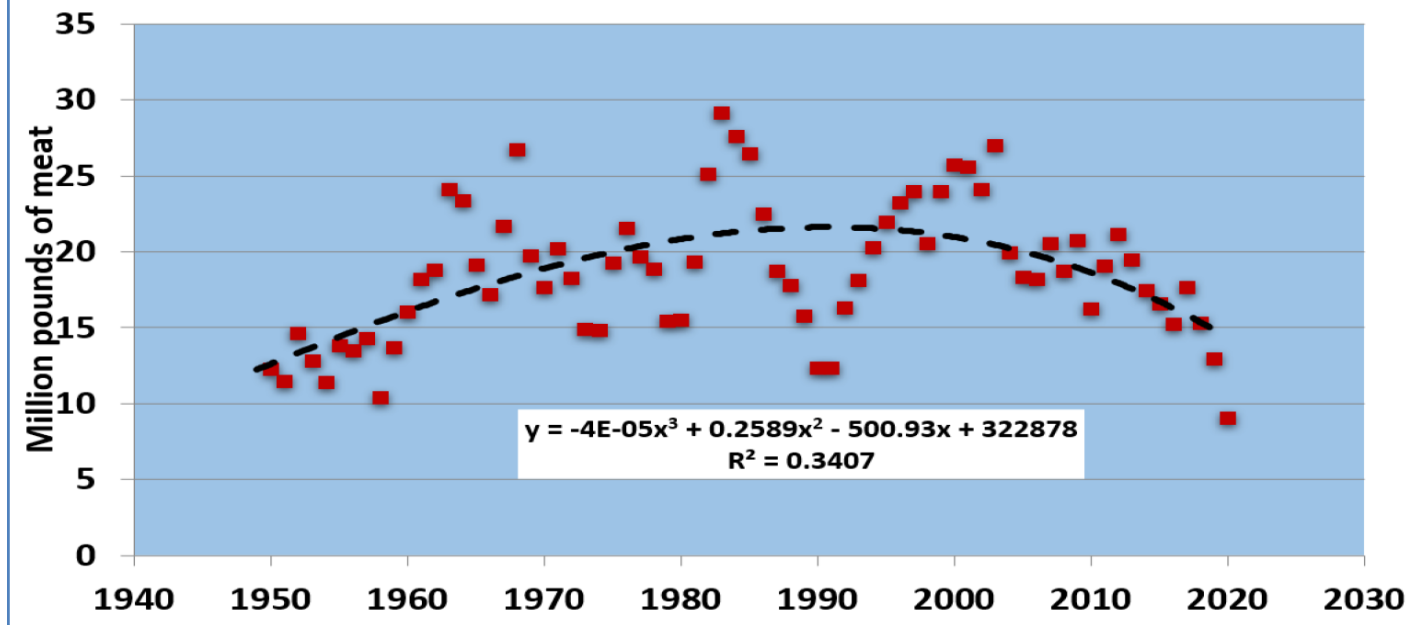
Overall Commercial oyster production in US is declining

U.S. Commercial Oyster Landings



Primarily due to lower landings in the Gulf

Gulf of Mexico Commercial Oyster Landings

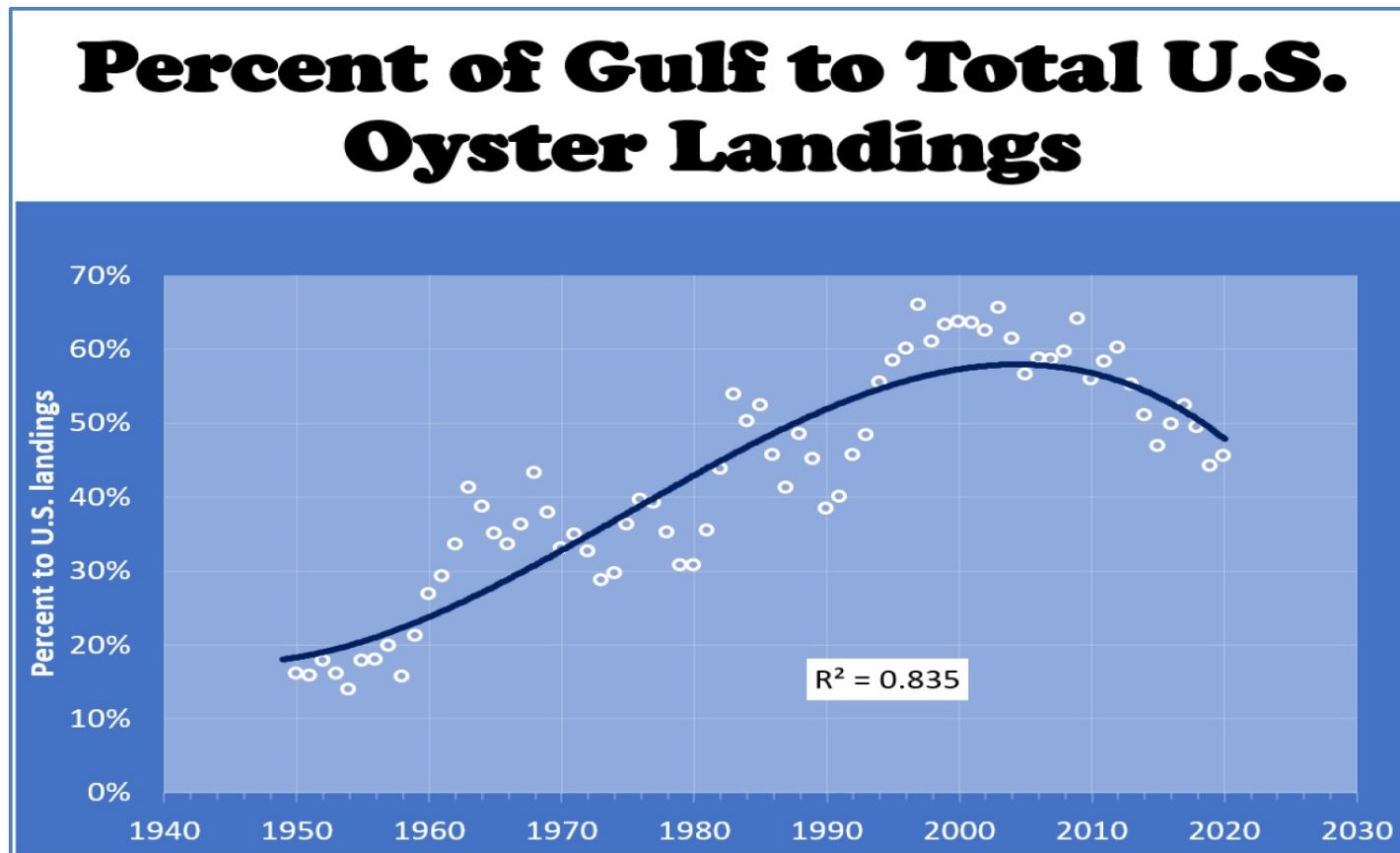


Reasons for Gulf Oyster decline

- Low salinity from Mississippi floods killed oysters in private Louisiana oyster beds.
- Loss of habitat is continuing due to sinking land restoration efforts in some areas.
- Hurricanes have also hurt oyster reefs with debris.



Gulf landings peaked at 68% of total, now down to 48%



Foodservice is area of growth

- Increase in travel and restaurant usage is favorable for oyster consumption.
- However, economic pressures are limiting restaurant visits.
- Top 20% of US Households not experiencing economic pain
- This is where farmed oyster consumption is concentrated.



Expectations are for more farmed oyster production

- Demand is pushing current NB and PEI growers to look for more sites/contract farms.
- Farm expansion in the US is continuing
- West coast production is limited by environmental factors.
- East Coast is not as affected.



East coast farmed oysters primary area of expansion

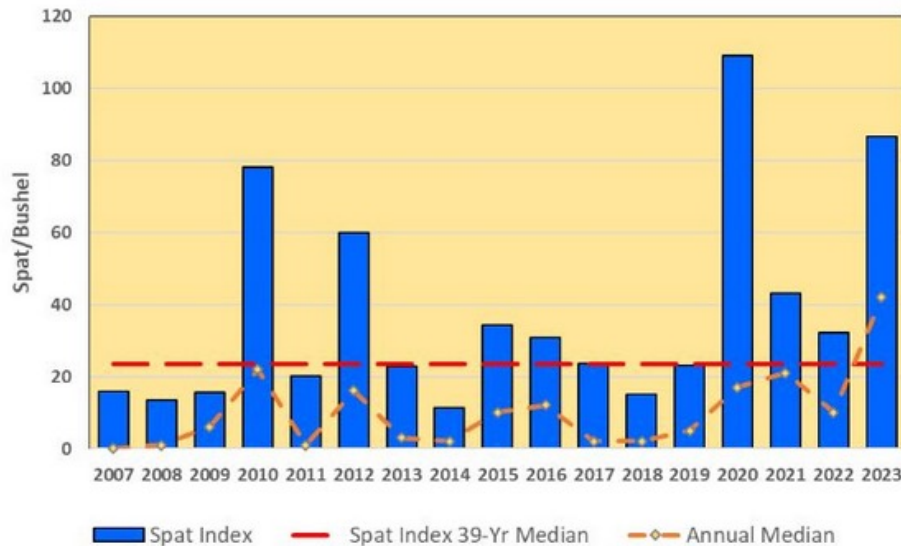
- Pacific production is not increasing.
- Gulf production is declining.
- Chesapeake Bay oyster plantings showing some results.



High spat counts seen in fall 2023

Excessive rainfall in fall/winter may impact salinity this year

Maryland Spatfall Index, 2007-2023



Chesapeake Bay



Atlantic Canadian oysters may be more resistant to ocean acidification

- NB and PEI oysters experience big changes in pH during the course of the year due to Ice, river runoff and salinity changes.
- Recent studies have shown measures of acidification stress are seasonal.
- Result is these oysters are more resilient
- They have developed stronger ability to deal with periodic episodes of higher acidification



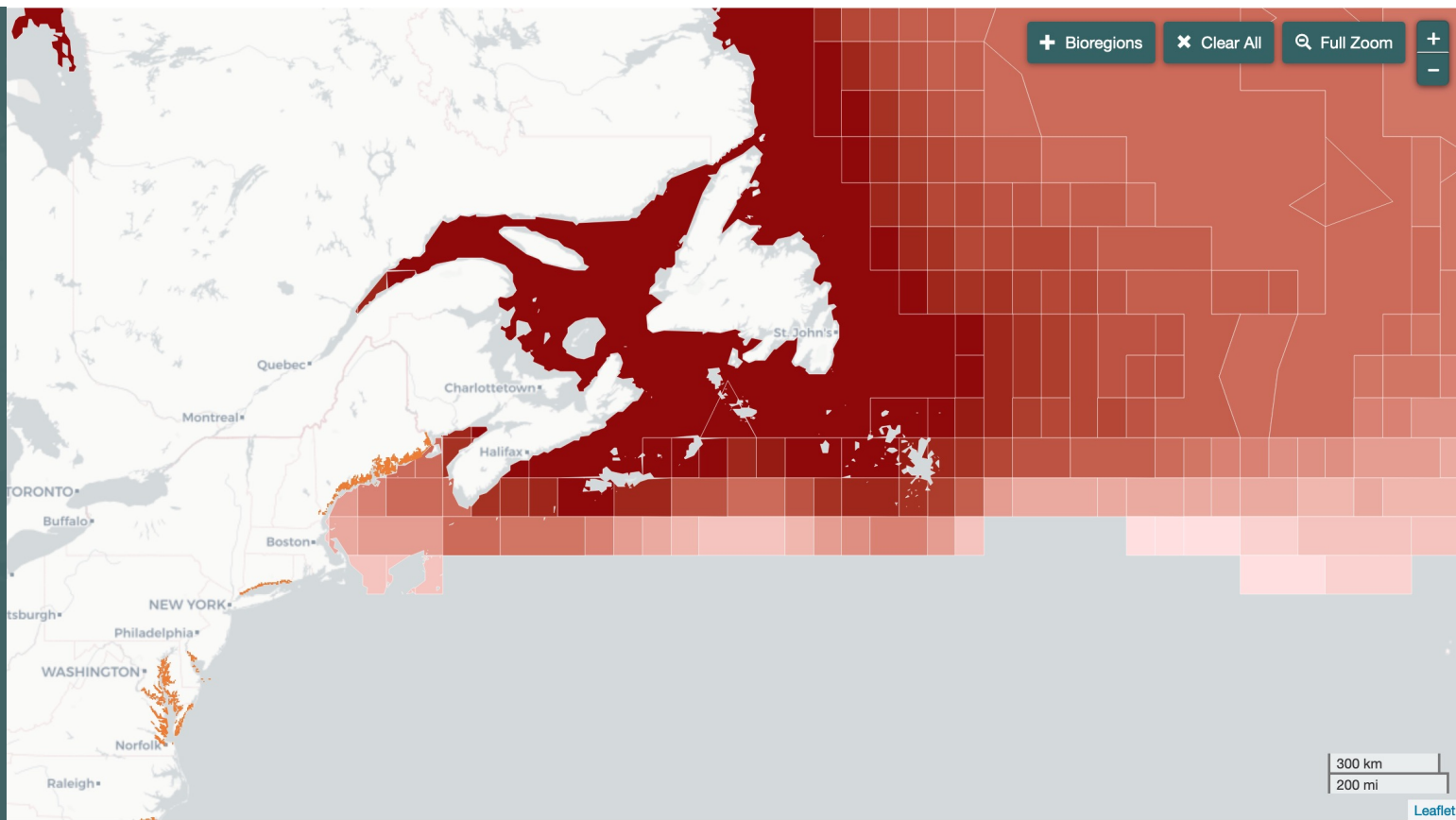
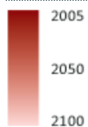
NRDC predictions on acidification

LEGENDS

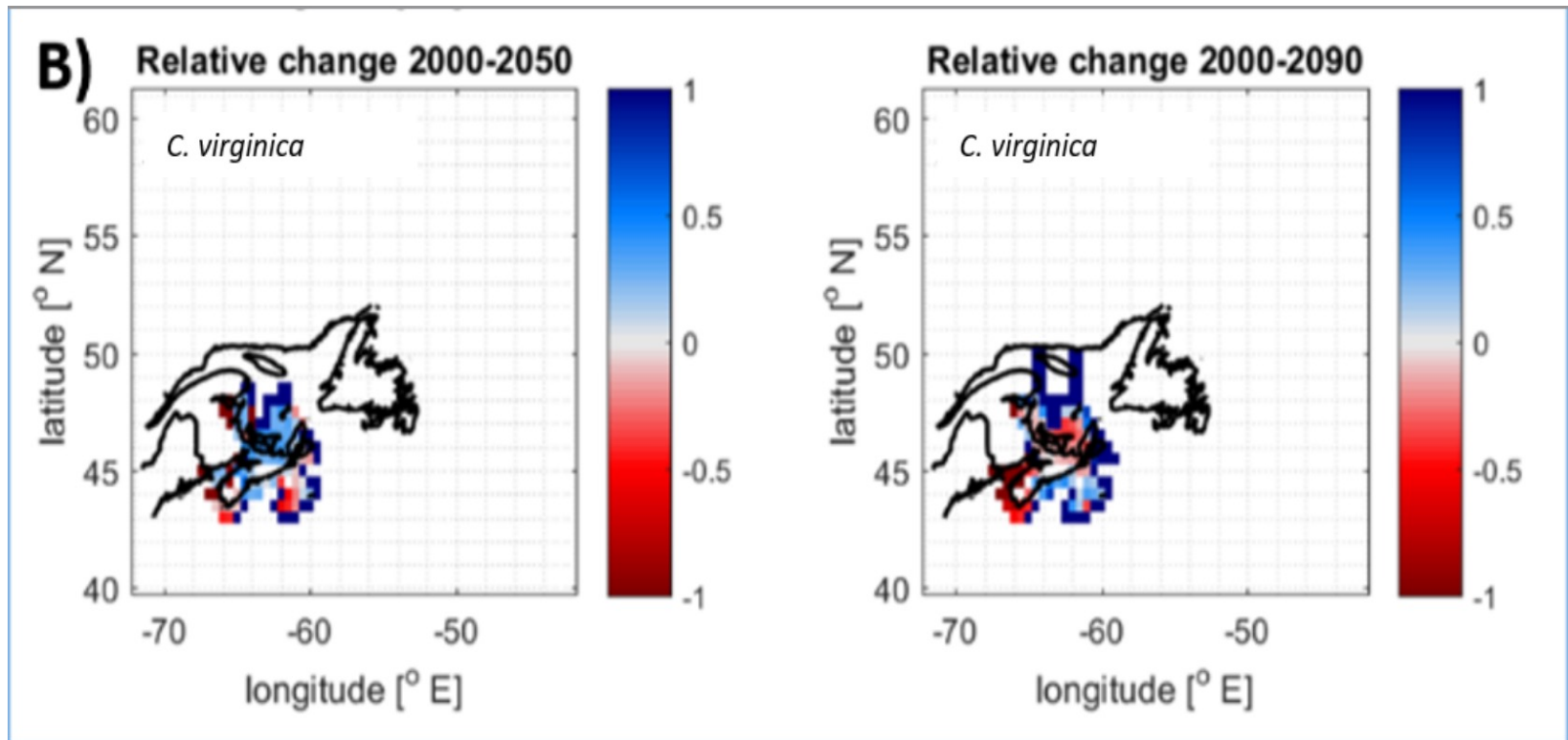
Data Source: <https://www.nrdc.org/oceans/acidification-hotspots/data-source.asp>

Year that surface water reaches chronically stressful water conditions (1.5 aragonite saturation state)

Year



Longer term predictions of impact of acidity on Atlantic oysters are moderate



Lack of Ice this winter will impact growth

- Ice was much thinner than in recent winters.
- Quicker melting provides a longer period of growth for oysters. Adding 2 weeks to spring and fall growing period will result in a significant increase in total lbs.
- Spat Settlement and collection: 2019 and 2020 were poor years for spat collection; impacting harvest in 2023 and 2024



There is conflicting evidence in terms of price outlook for oysters

- Shucked oysters have fallen in price despite cutbacks in production.
- Expansion of farms continues.
- However farm prices continue to remain stable.
- At this time increased demand appears to be absorbing all new production with stable prices.
- The market appears to support continued expansion of demand



In most coastal areas of the US there is a major effort to expand oyster farms

- Rate of growth in Maine has slowed.
- Maryland and Virginia still seeing high levels of growth.
- Gulf off-bottom culture is taking off, but from a very low level, so it will take a long time to have a market impact.
- Gulf oysters lack the taste variety of Eastern farmed oysters.



It is the taste and quality of the oyster that will keep it valued

- The reason for the expansion in demand is that oysters have a great variety of taste and are a natural, unadulterated product.
- The appeal of these qualities to younger people remains strong.





Thank you

**Time for
Questions**

