

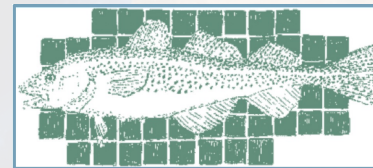
# Issues Surrounding Markets for Redfish 2024

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Province of New Brunswick  
March 27, 2024



# Background

- 40+ 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




# Outline for today

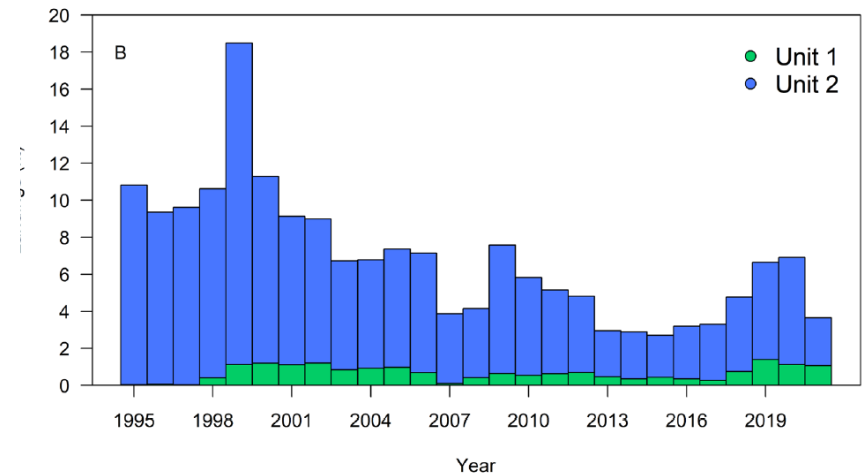
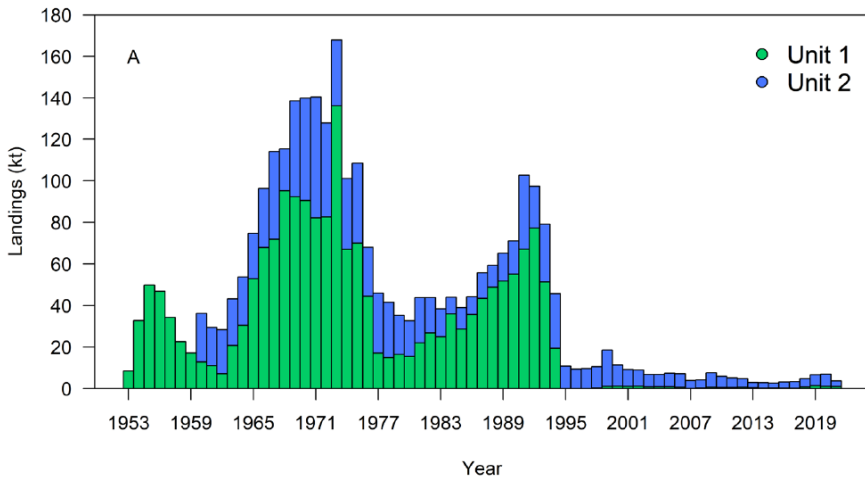
- Redfish stocks
- Redfish Characteristics
- Market Issues with Redfish
  - Whole fish
  - Heads
  - Fillets
- Experience of Iceland
- US Market History
- Options for fishery development



# Redfish stocks growing

**Fishery in unit 1 was  
40,000 to 80,000 MT in  
1980's**

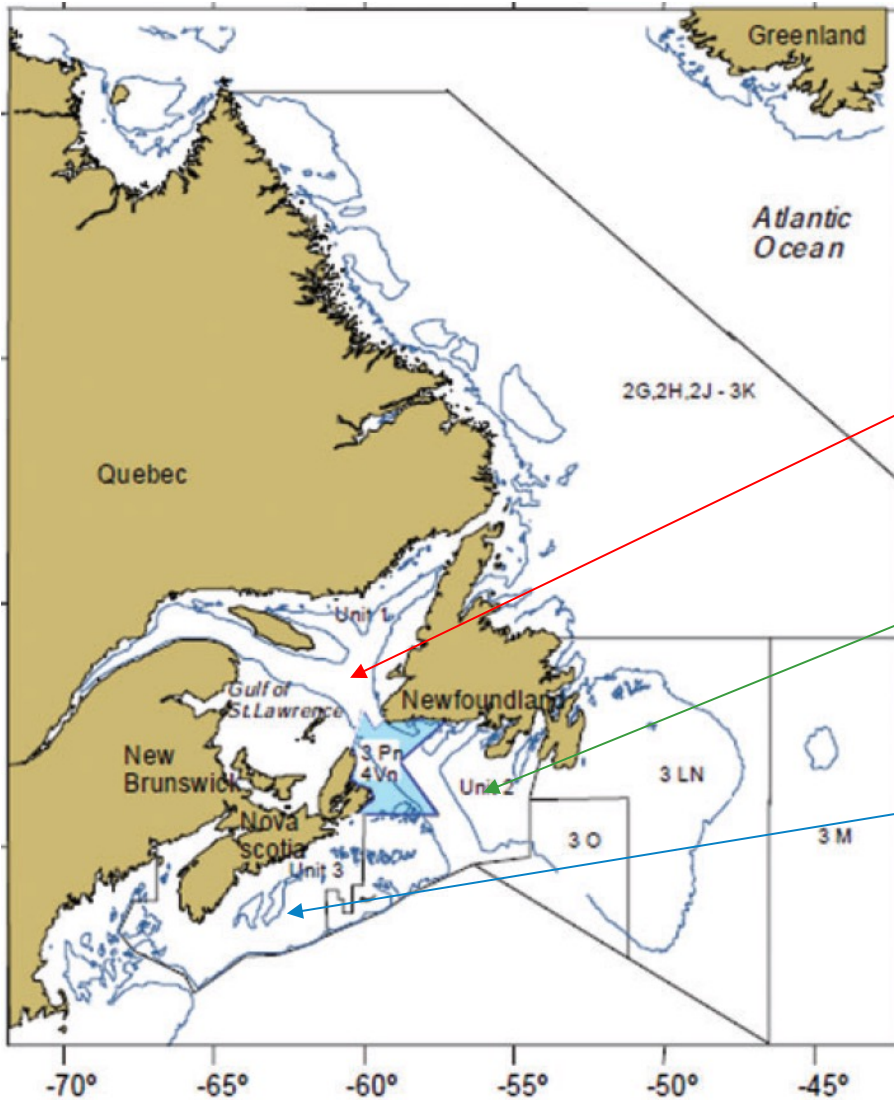
**In recent years fishing was  
from Unit 2; around 5000  
MT per year**



**2024 DFO says 25,000 ton quota  
(with possible increases subject to advisory ctte)**



# Redfish fisheries units



1

2

3



# DFO set Unit 1 quota at 25,000 mt

Gear Type	Percentage of Allocation (%)	Metric Tons of Allocation
Offshore Mobile Gear Fleet (>100 feet)	58.69	14,672.5
Inshore Mobile Gear Fleet (<65 feet)	14.84	3,710.0
Midshore Mobile Gear Fleet (65-100 feet)	5.72	1,430.0
Inshore Fixed-Gear Fishermen (Bycatch)	0.75	187.5
Estuary and Gulf of St. Lawrence Shrimp Harvesters	10.00	2,500.0
Indigenous Communities	10.00	2,500.0

NB will get around 11% of TAC, divided among various stakeholders

Province	Percentage of Allocation (%)	Metric Tons of Allocation
Newfoundland and Labrador	19	4,750.0
Nova Scotia	33	8,250.0
New Brunswick	11	2,750.0
Prince Edward Island	5	1,250.0
Quebec	32	8,000.0

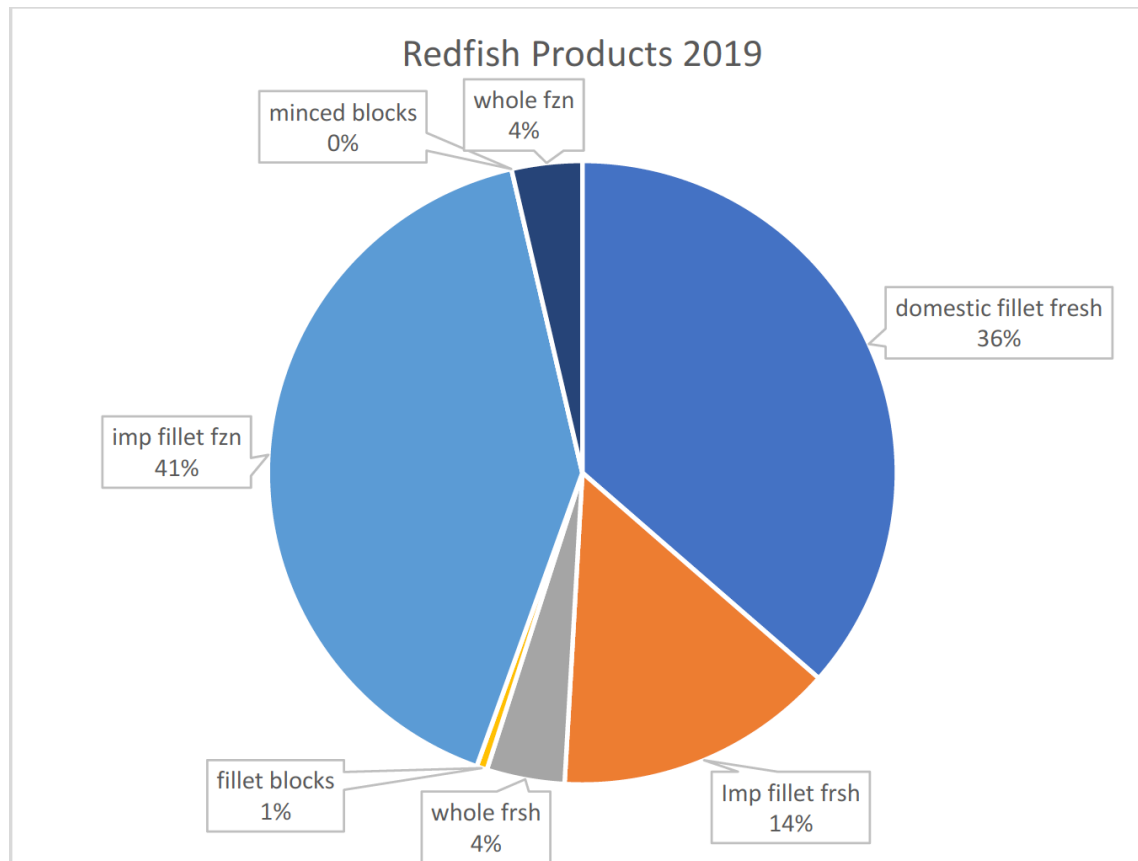


# **Increases in volume of redfish will be difficult to market**

- Primary usage has been lobster bait
- Most valuable usage is fresh and frozen fillets.
- There is a very small US market for whole fish.
- Iceland successfully exports whole fish.
- It will take several years to begin to find the right markets that will make it profitable to fish



# US Market wants fillets; most production not suitable for fillets



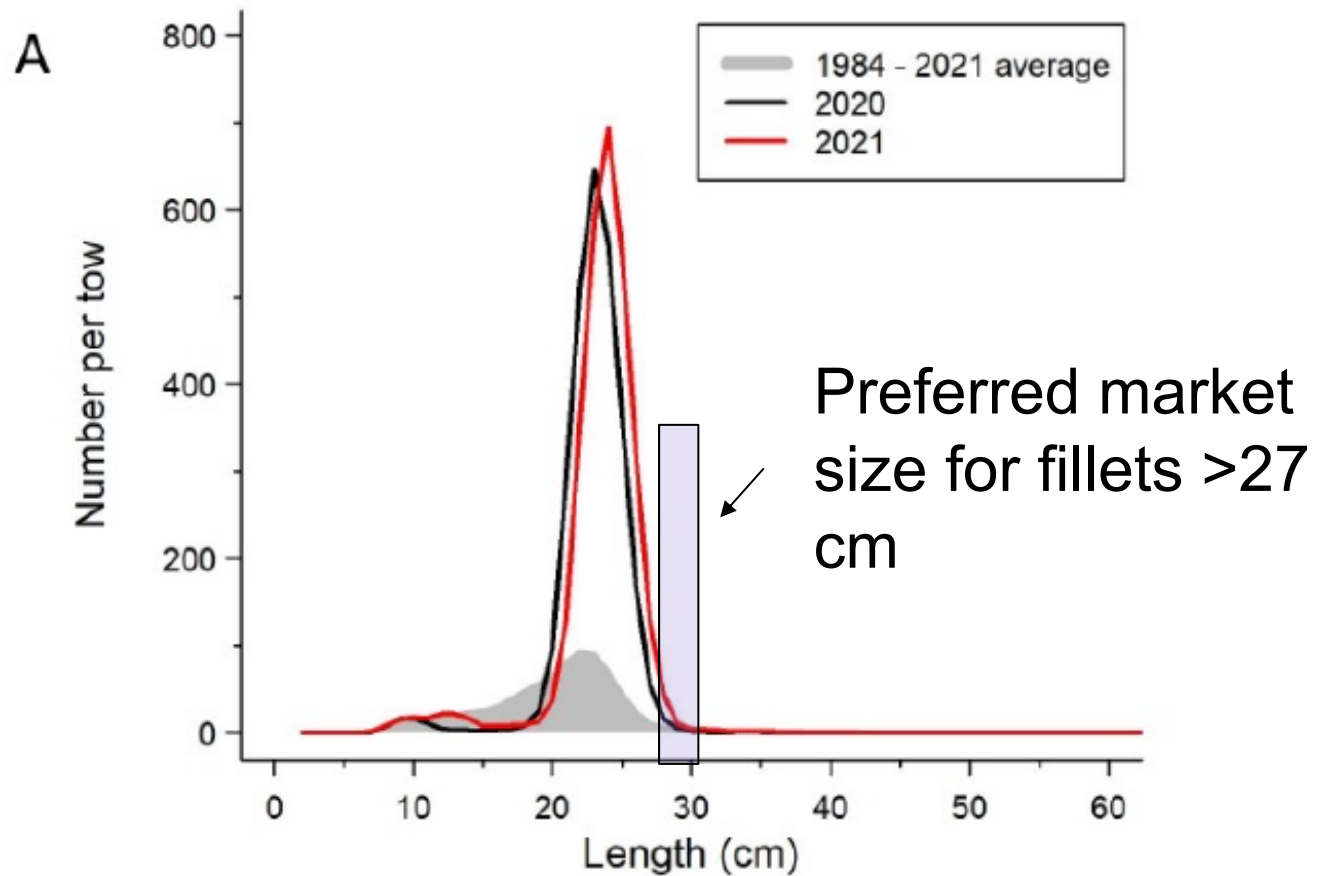


# Redfish Characteristics

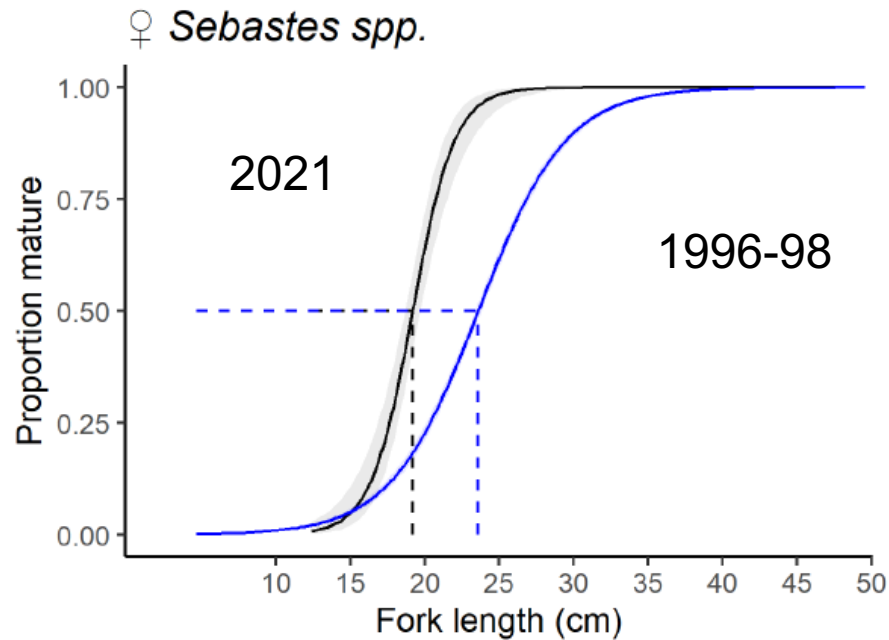
- Long-lived and slow growing
- Current stocks show slower growth curve compared to 1980
- Minimum regulatory size is 22 cm, model size in 2024 is 24-25 cm
- This is mostly for bait and whole fish markets. Expensive to fillet with this size fish.
- Higher value fillet markets require larger fish 27 cm or higher.



# Length frequency from DFO 2021 survey



# Redfish maturing at smaller size compared to 1990's



# Market size requirements in US

- Whole fish: 300-500 gram
- Fillets 4-6 (75-100 gram) or 6-8 (55-75 gram) count/lb preferred
- Retail wants fish 27 cm (11 inches) or larger for fresh fillets.



# Redfish (ocean perch) competes with West Coast rockfish

- West coast rockfish/ocean perch is around 60,000 tons per year
- US redfish is less than 10% of that volume.
- West coast rockfishes are much larger than Acadian redfish



# Buyer survey conducted in 2019

- Redfish is seen as minor part of whitefish complex
- Boneless fillets are most important product form, skinless or skin on
- Fresh is preferred over frozen
- East North Central US is primary market, accounting for 44%.
- Clear demand for MSC certification
- Pricing falls between tilapia/pangasius and cod/haddock

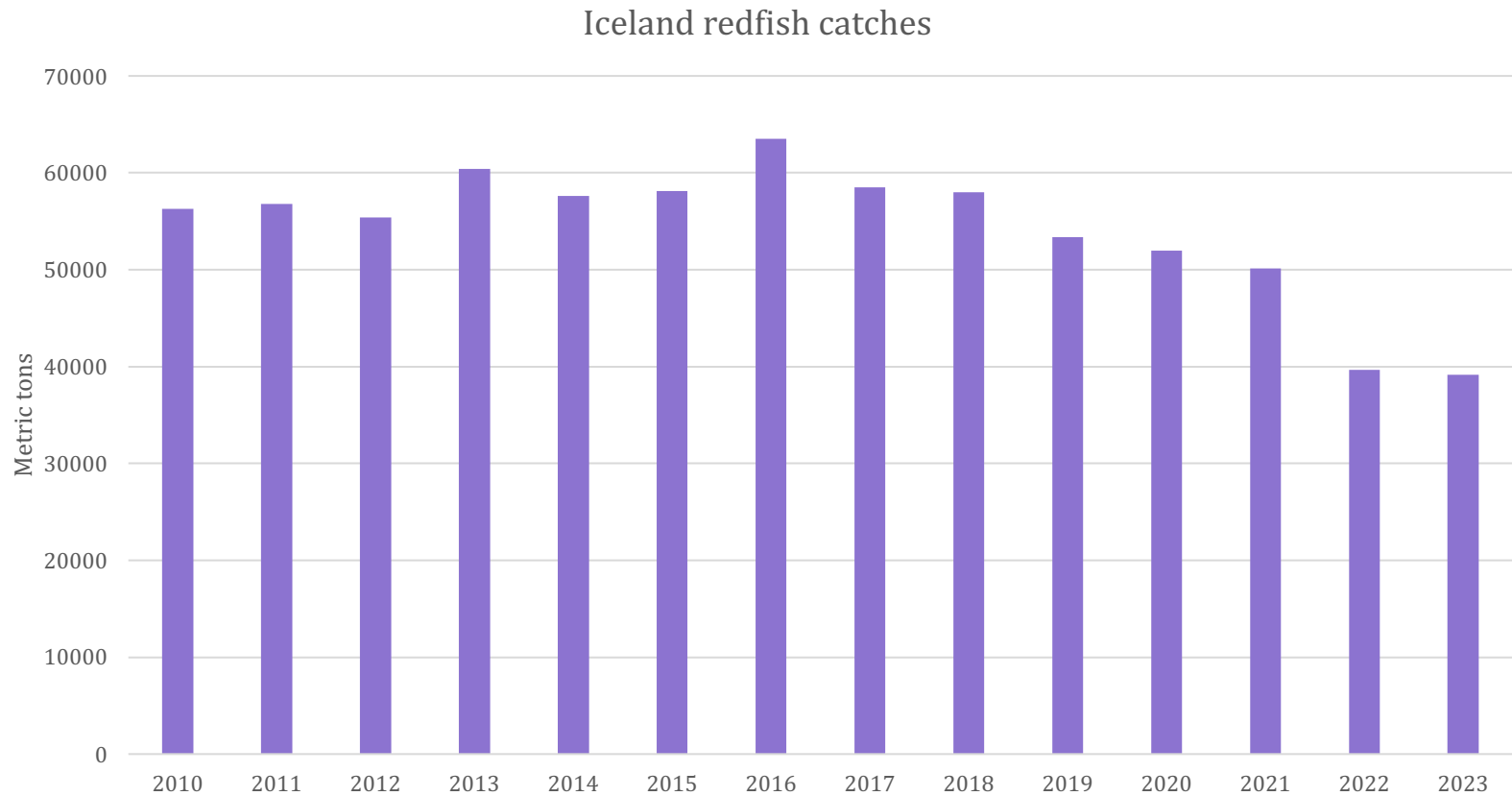


# Canadian redfish does not conform to market demands

- Most redfish volume too small for fillets.
- Most redfish will go to whole fish or headless, but market wants fillets.
- Bait market already takes redfish; may not absorb a big increase.
- Bait market preference is for racks from filleted fish.



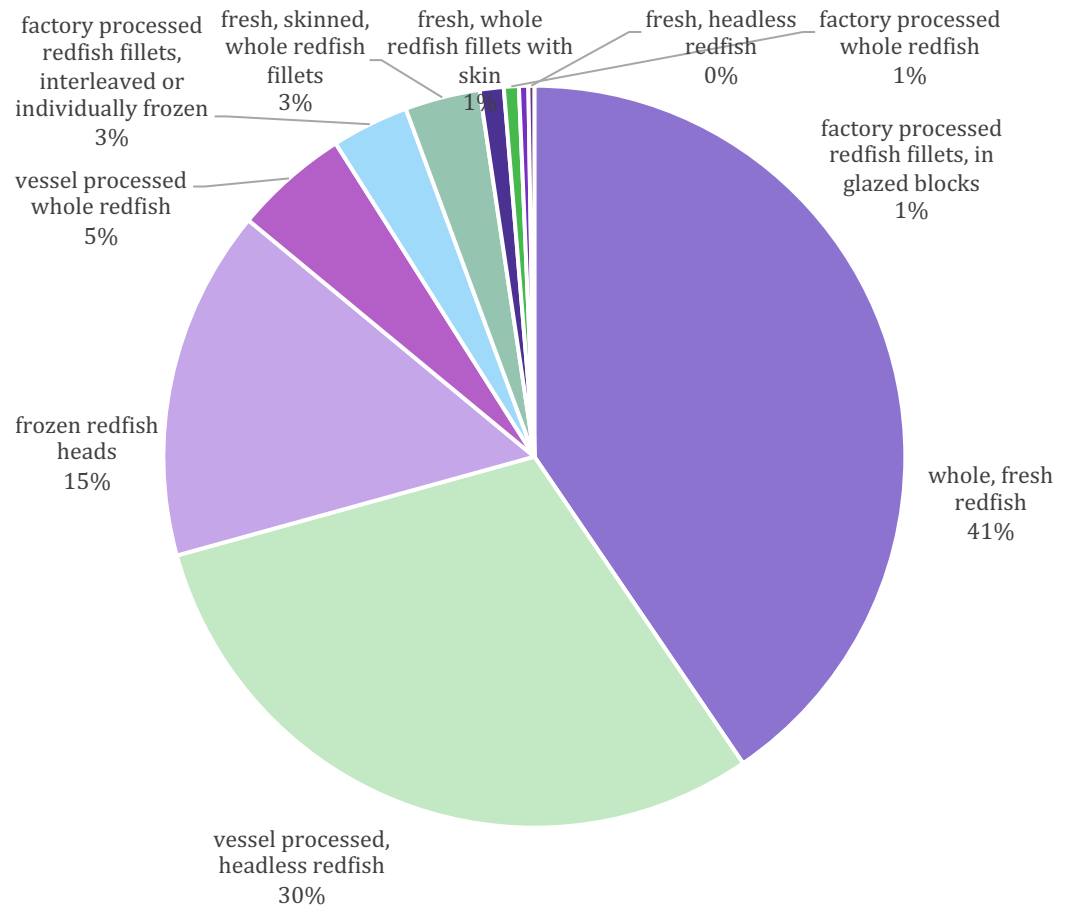
# Iceland exports can provide clues to global market





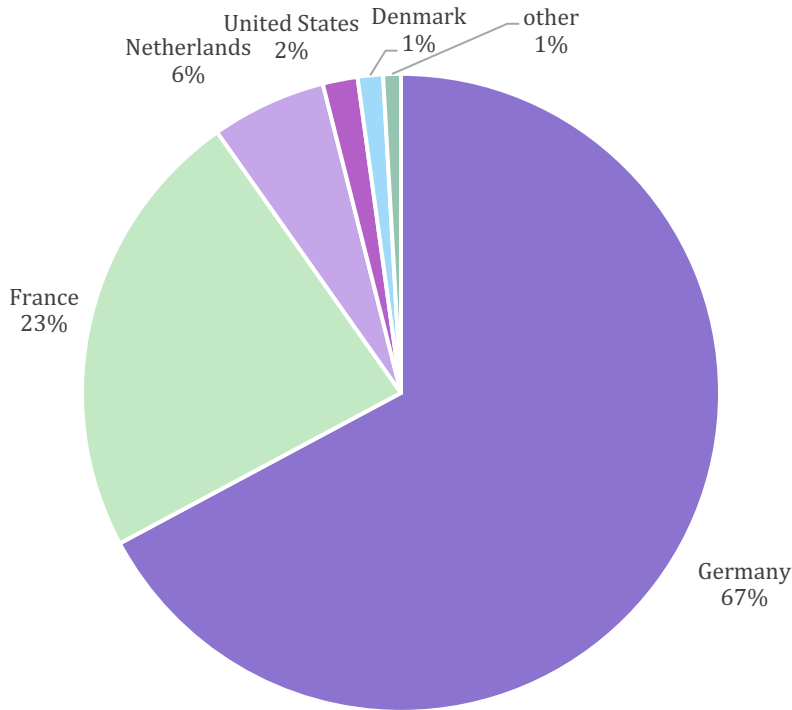
# Detailed Icelandic Exports

item	2022	2023
whole, fresh redfish	13392747	11567012
vessel processed, headless redfish		
frozen redfish heads	9403193	8633594
vessel processed whole redfish	4682642	4367898
factory processed redfish fillets, interleaved or individually frozen	860592	1430864
fresh, skinned, whole redfish fillets	1580338	959935
fresh, whole redfish fillets with skin	1226286	935730
factory processed whole redfish	462939	298234
factory processed redfish fillets, in glazed blocks	2622	186012
fresh, headless redfish	171324	116289
fresh, skinned, portioned redfish fillets	126535	73823
factory processed, headless redfish	105205	67787
vessel processed redfish fillets, interleaved or individually frozen	255592	64007
fresh, unskinned, portioned redfish fillets	7685	29252
frozen redfish mince	23892	20292
vessel processed redfish fillets, in glazed blocks	2503	14256
fresh redfish mince	5025	7560
frozen redfish fillets in unskinned portions		5637
frozen redfish fillets in skinned portions	11340	4039
fresh, strained redfish		2675
		400

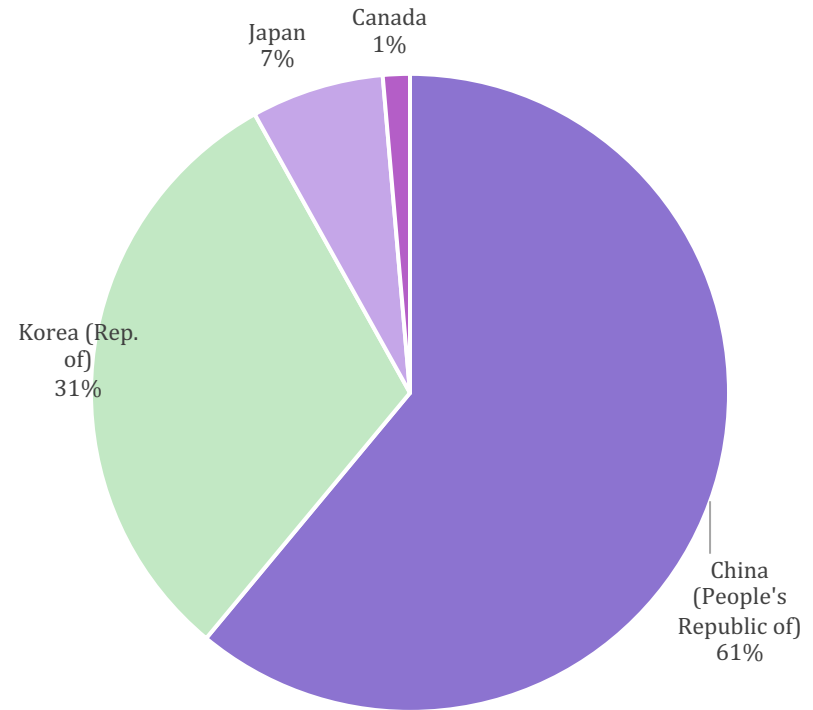


# Fresh whole goes to EU, Fzn whole to China and Korea

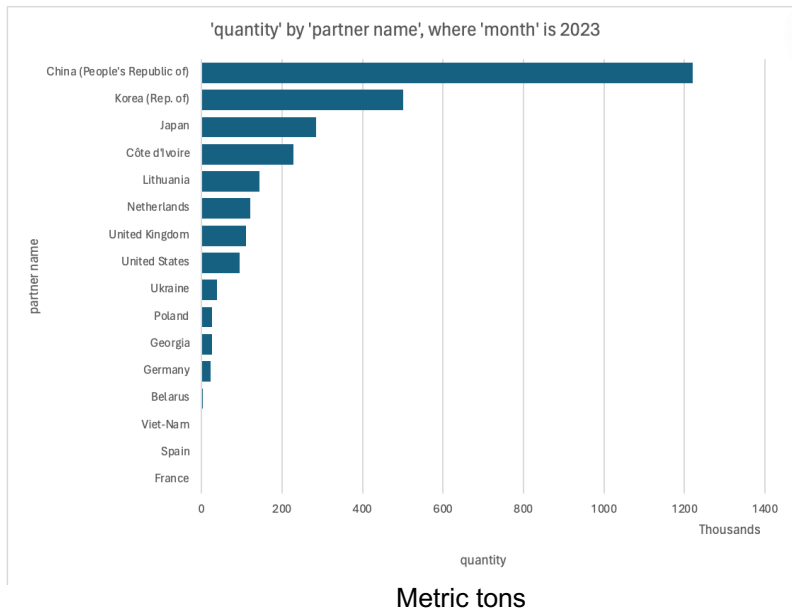
2023 whole fresh redfish



Frozen at sea whole redfish



# Canada's exports of whole frozen redfish

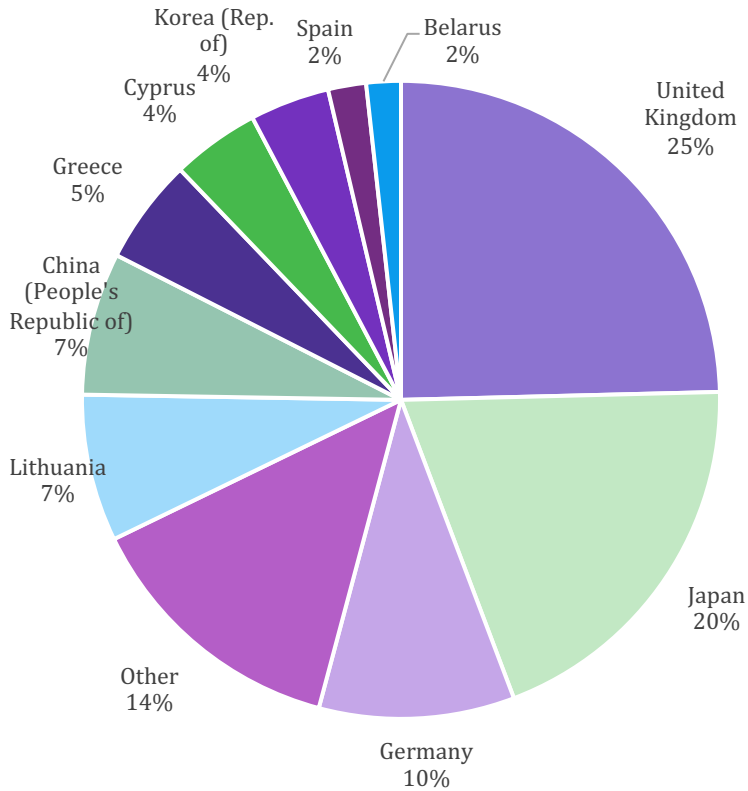


- Similar to Iceland, Canada ships whole fish to China and Korea.
- In 2023 Canada shipped 1200 tons; while Iceland shipped 783 tons
- To Korea Canada also shipped more than Iceland. But Canada was getting \$.64/lb vs \$1.17/lb for Iceland (USD)

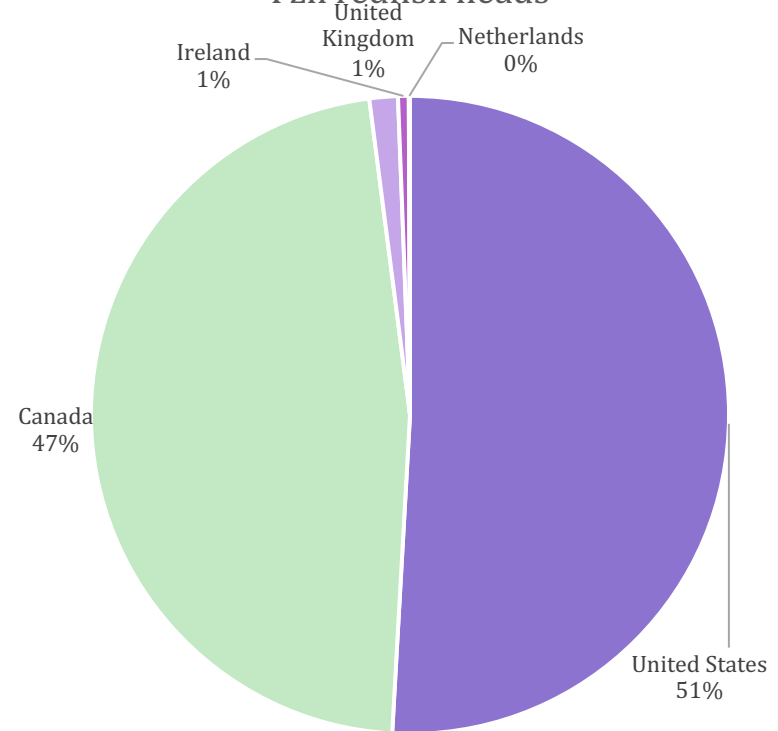


# Headless redfish and frozen redfish heads

Vessel Processed Headless Redfish

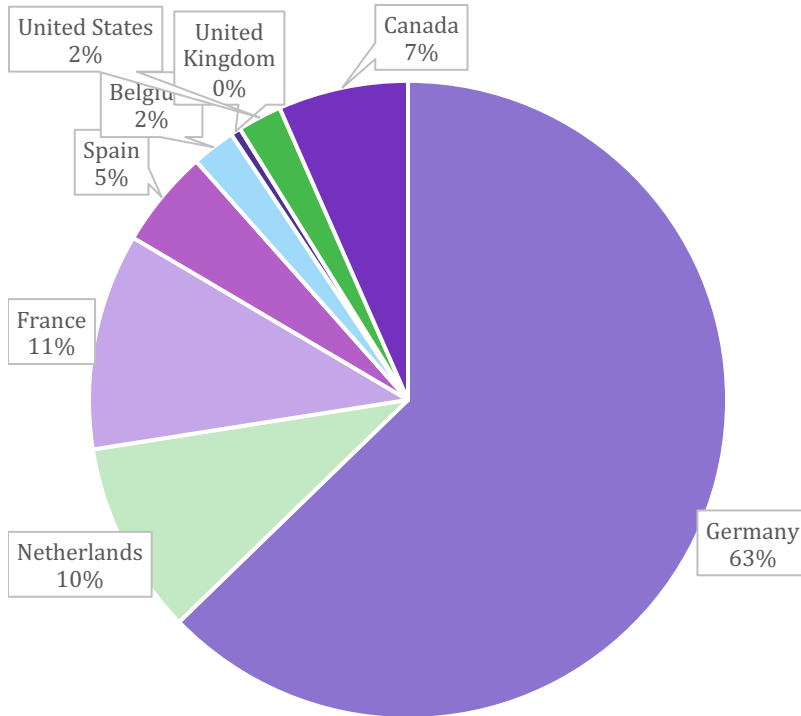


Fzn redfish heads

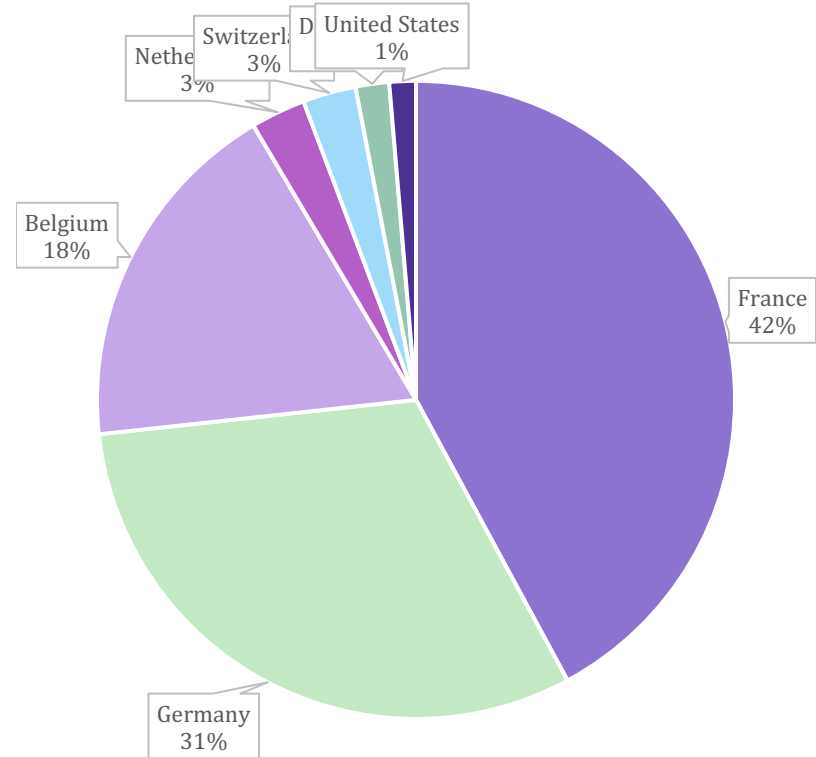


# Skinless fillets: most to EU

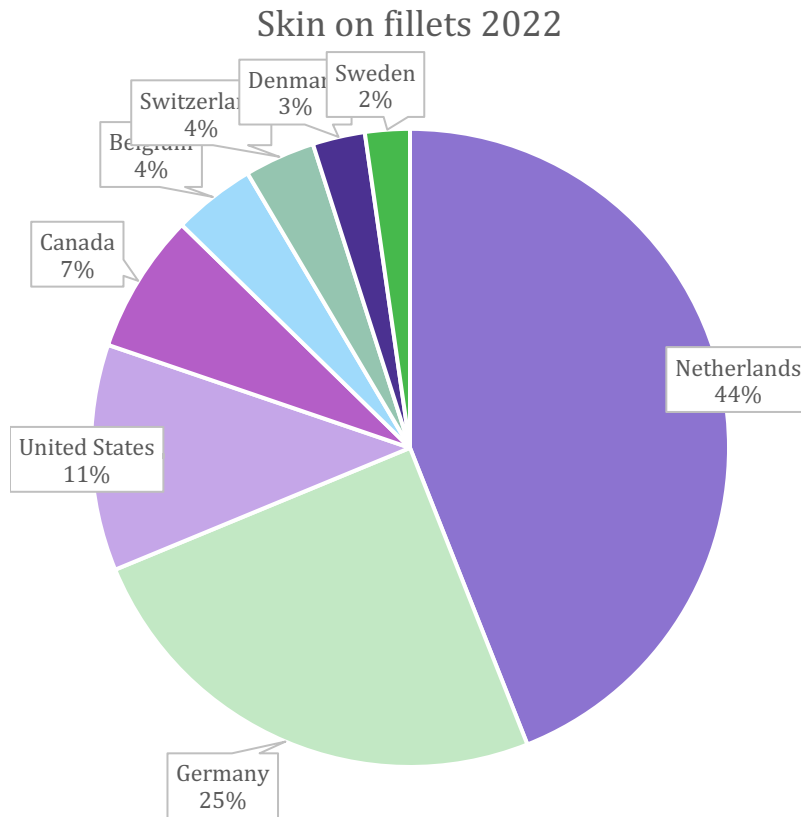
shatterpack fillets shore plant (2022)



shore plant skinned fillets (2022)



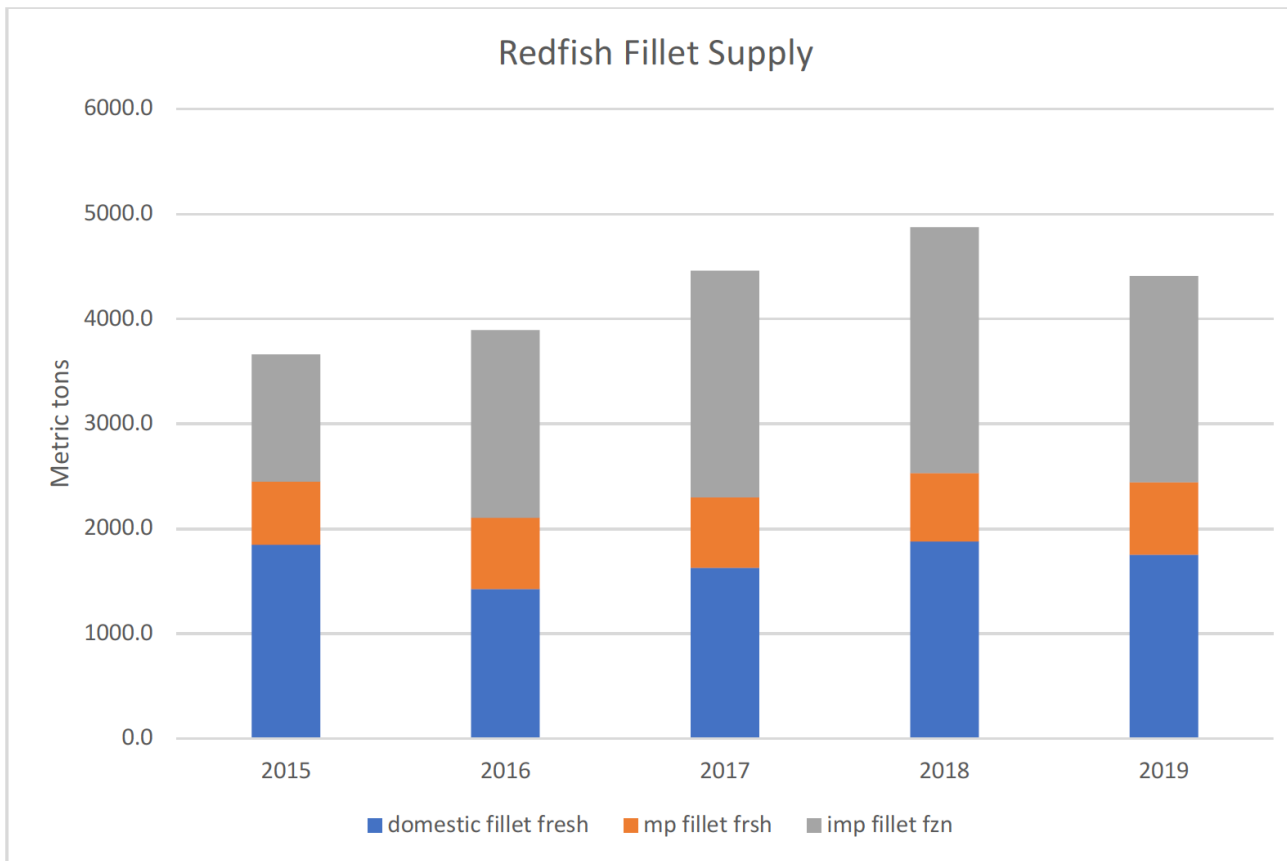
# Skin on filets



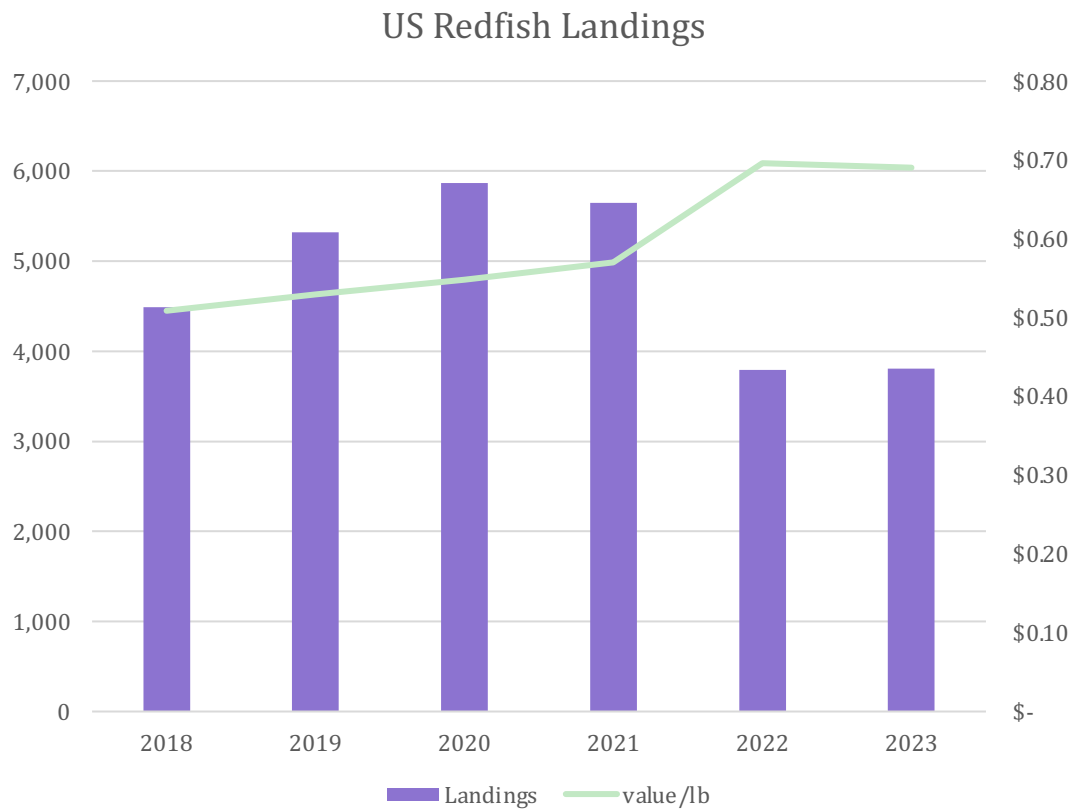
- Canada and US take redfish heads for bait
- EU takes fresh fillets and skinless fzn fillets
- US & Canada take a portion of skin-on fillets
- Frozen whole fish goes to China and Korea



# US uses redfish fillets



# US redfish landings around 4,000 tons

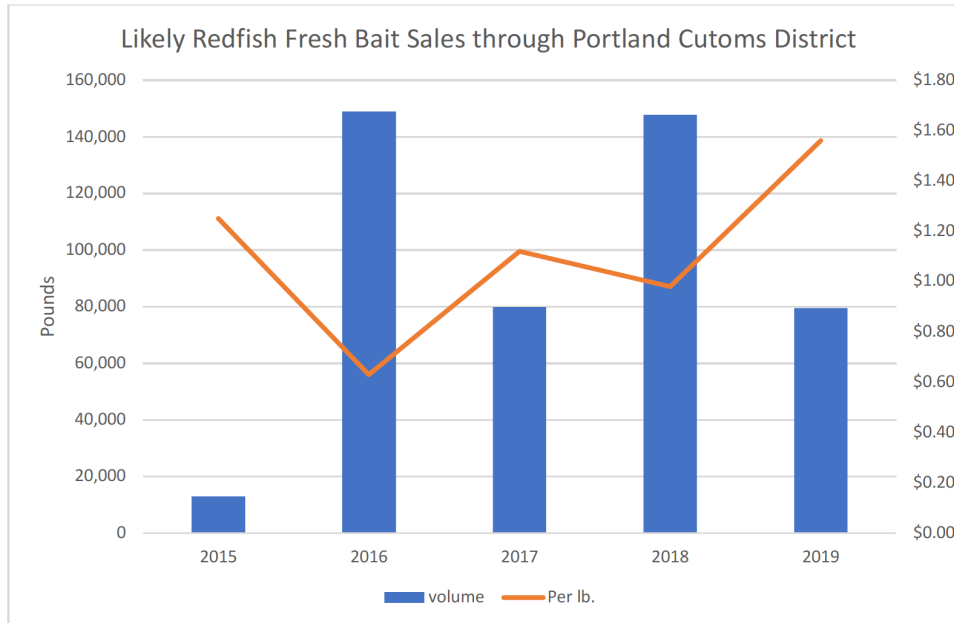


- Most US redfish goes to fresh fillet market
- Harvesters use selective gear to try and maximize size





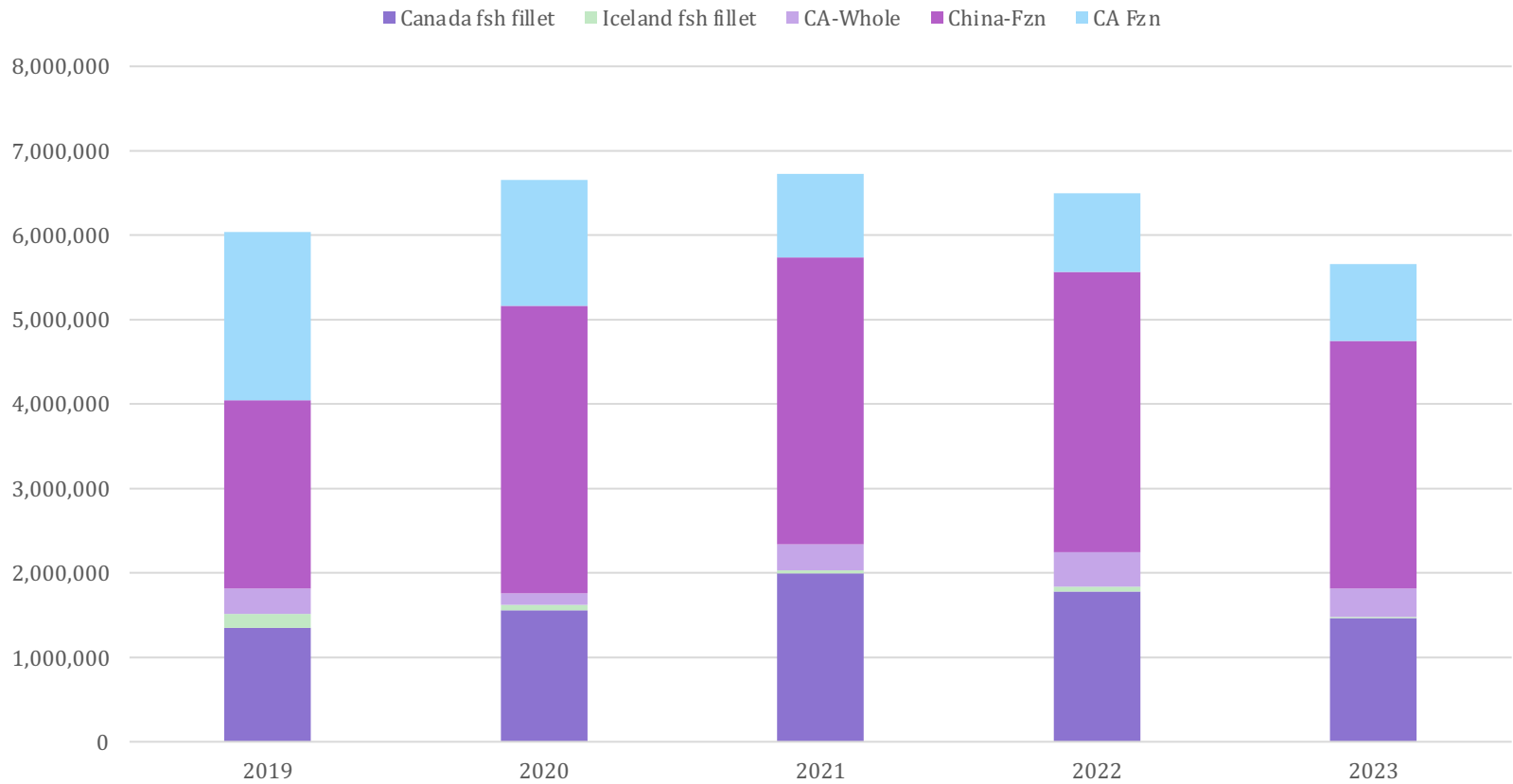
# Bait markets in US



- Three types of bait products:
  - most valuable are racks left over from filleting
  - Redfish heads produced by those using Baader machines for heading are also sold for bait; these are produced in Iceland as well
- Some small redfish are sold whole. These are the least valued

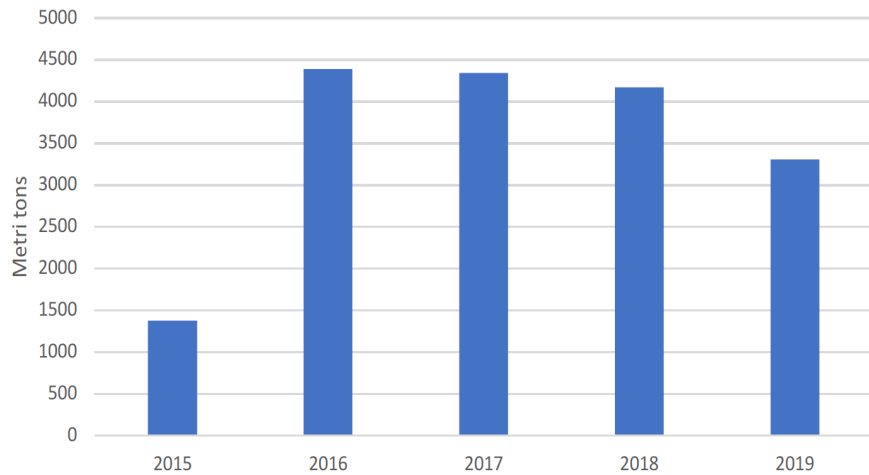


# Product forms into US

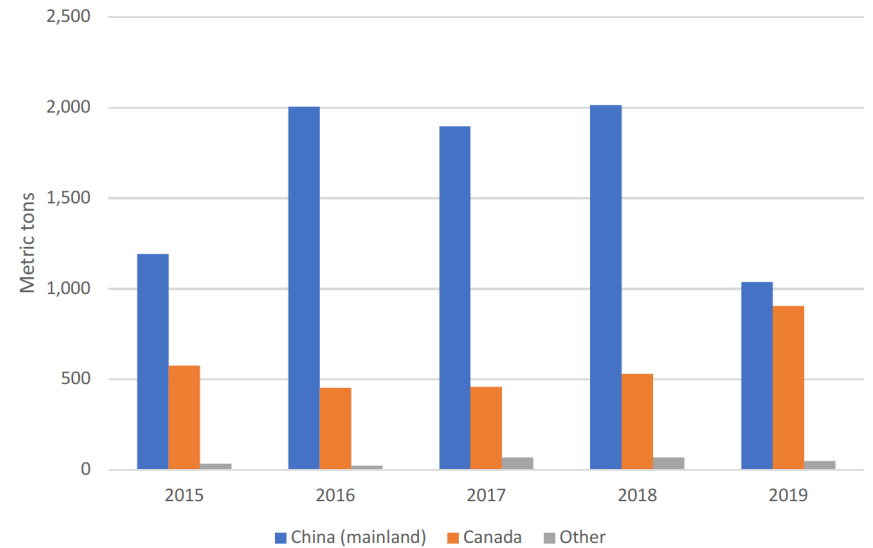


# Fzn fillets are from China via Iceland

Iceland Exports of Whole and Headless redfish to China



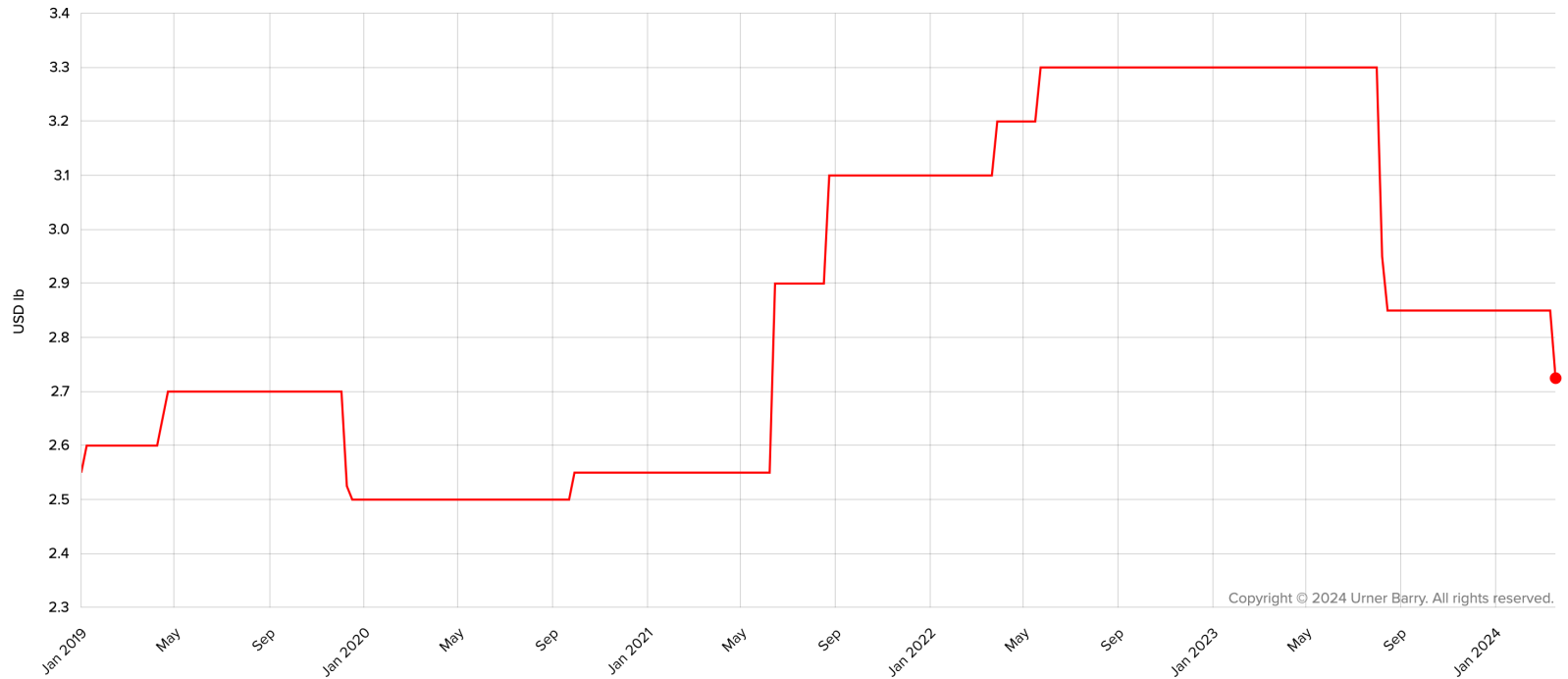
Exports of Frozen Redfish Fillets to US



# US pricing for twice fzn fillets

UB Ocean Perch, Atlantic, Skin-On, Boneless, Shatterpack/IQF, Double Frzn, 4/6 ct..

Monday, December 31, 2018 - Monday, March 18, 2024



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— UB Ocean Perch, Atl, Skn-On, Bnls, Shatt/IQF, 4-6 ct (Low)



# Options for development

- Will need a market for whole fish
- Skin-on fillets acceptable in US market
- Strong preference for boneless
- Redfish heads can be used for lobster bait.
- Headless redfish goes to a variety of countries.
- Asian markets in US for whole fish could be important



# Limited markets available for 25,000 tons.

- Given current redfish markets it is unlikely that the total amount of quota can be caught economically.
- Important to develop some products that can earn sufficient money to make fishing worthwhile.
- Fillets can pay enough for harvesters.
- Lobster bait can take a share of the total catch.



# Outlook continued

- Non-bait markets for whole fish or headless fish will be hard to develop, but they are likely the primary market in the future until fillet capacity has built up.
- Important to experiment with redfish product forms on trade missions and in development with overseas partners.
- US will not ever be a large market for whole fish



# Thank you

- Time for Questions

