

Retail Promotional Prices for Sockeye & Atlantic Salmon, 2011-2020

Note: Data covers January 2011 - July 2020

Data Source: Urner Barry Weekly Retail Features Database (based on monthly average of available retail promotion prices).

<u>Sockeye Fillets</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Q1	\$8.78	\$9.32	\$9.94	\$10.50	\$10.43	\$8.97	\$9.71	\$10.11	\$11.20	\$11.04
Q2	\$9.49	\$9.69	\$10.97	\$11.81	\$10.65	\$10.91	\$11.29	\$10.22	\$11.51	\$11.81
Q3	\$9.50	\$10.45	\$11.06	\$11.13	\$9.91	\$10.33	\$11.46	\$12.02	\$11.82	\$12.69
Q4	\$9.42	\$9.61	\$10.67	\$11.22	\$9.22	\$9.94	\$10.66	\$11.32	\$11.18	
CY	\$9.34	\$9.77	\$10.67	\$11.19	\$10.08	\$10.04	\$10.77	\$10.93	\$11.43	\$11.59
HY	\$9.51	\$10.10	\$10.82	\$11.00	\$9.63	\$10.46	\$10.84	\$11.43	\$11.42	\$12.67
Base EV Price for BB Sockeye	\$1.00	\$1.00	\$1.50	\$1.20	\$0.50	\$0.76	\$1.02	\$1.26	\$1.35	\$0.70
Final/Avg. EV Price	\$1.16	\$1.17	\$1.61	\$1.34	\$0.64	\$0.96	\$1.31	\$1.60	\$1.54	
Retail - Raw Material Final Price (Retail price - 0.5*Final EV Price)	\$7.18	\$7.76	\$7.61	\$8.32	\$8.36	\$8.54	\$8.22	\$8.23	\$8.34	\$12.67
<u>Atlantic Fillets</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Q1	\$8.11	\$6.90	\$6.73	\$7.92	\$7.72	\$6.81	\$8.56	\$8.24	\$8.65	\$8.80
Q2	\$8.50	\$6.84	\$7.62	\$8.12	\$7.28	\$7.81	\$9.24	\$8.86	\$8.66	\$7.65
Q3	\$8.13	\$7.00	\$8.05	\$8.24	\$6.94	\$7.80	\$8.62	\$8.83	\$8.56	\$7.26
Q4	\$7.66	\$6.70	\$7.85	\$8.04	\$6.82	\$8.24	\$8.22	\$8.89	\$8.55	
CY	\$8.03	\$6.86	\$7.56	\$8.08	\$7.19	\$7.67	\$8.66	\$8.71	\$8.60	\$8.09
HY	\$7.91	\$6.95	\$7.95	\$7.93	\$7.00	\$8.35	\$8.49	\$8.80	\$8.52	\$7.26
Base Price	\$1.00	\$1.00	\$1.50	\$1.20	\$0.50	\$0.76	\$1.02	\$1.26	\$1.35	
<u>Sockeye-Atlantic Difference</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Q1	\$0.67	\$2.42	\$3.21	\$2.57	\$2.71	\$2.16	\$1.16	\$1.87	\$2.56	\$2.24
Q2	\$0.99	\$2.86	\$3.34	\$3.68	\$3.36	\$3.10	\$2.05	\$1.35	\$2.85	\$4.16
Q3	\$1.37	\$3.45	\$3.01	\$2.89	\$2.97	\$2.53	\$2.84	\$3.19	\$3.27	\$5.43
Q4	\$1.76	\$2.91	\$2.82	\$3.18	\$2.40	\$1.70	\$2.44	\$2.43	\$2.62	
CY	\$1.31	\$2.91	\$3.10	\$3.11	\$2.88	\$2.37	\$2.11	\$2.22	\$2.83	\$3.51
HY	\$1.60	\$3.15	\$2.87	\$3.08	\$2.63	\$2.12	\$2.35	\$2.63	\$2.90	\$5.41

█ = Regional Bristol Bay Sockeye branding program begins.

CY = Calendar Year Average

HY = Bristol Bay Sockeye Harvest Year basis: June - following May

EV = Ex-Vessel price

Summary of the Data

- The spread between sockeye and Atlantic salmon is growing in recent years. Why is there an expectation that it will return to such a low figure?

Retail Promotional Prices for Sockeye Fillets, 2011-2020

Notes: Data covers January 2011 - July 2020. CY = calendar year basis. HY = harvest year basis (June-May). EV = ex-vessel basis.
Data Source: Urner Barry Weekly Retail Features Database (based on monthly average of available retail promotion prices).

Sockeye Fillets	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Q1	\$8.78	\$9.32	\$9.94	\$10.50	\$10.43	\$8.97	\$9.71	\$10.11	\$11.20	\$11.04
Q2	\$9.49	\$9.69	\$10.97	\$11.81	\$10.65	\$10.91	\$11.29	\$10.22	\$11.51	\$11.81
Q3 (2020 thru July)	\$9.50	\$10.45	\$11.06	\$11.13	\$9.91	\$10.33	\$11.46	\$12.02	\$11.82	\$12.69
Q4	\$9.42	\$9.61	\$10.67	\$11.22	\$9.22	\$9.94	\$10.66	\$11.32	\$11.18	
CY	\$9.34	\$9.77	\$10.67	\$11.19	\$10.08	\$10.04	\$10.77	\$10.93	\$11.43	\$11.59
HY	\$9.51	\$10.10	\$10.82	\$11.00	\$9.63	\$10.46	\$10.84	\$11.43	\$11.42	
Base EV Price for BB Sockeye	\$1.00	\$1.00	\$1.50	\$1.20	\$0.50	\$0.76	\$1.02	\$1.26	\$1.35	\$0.70
Final/Avg. EV Price	\$1.16	\$1.17	\$1.61	\$1.34	\$0.64	\$0.96	\$1.31	\$1.60	\$1.54	
Retail - Raw Material Final Price (Retail price - (Final EV Price)/0.5)	\$7.18	\$7.76	\$7.61	\$8.32	\$8.36	\$8.54	\$8.22	\$8.23	\$8.34	N/A

FW Frozen BB Sockeye Fillets Price vs. Retail Sockeye Promotional Prices, 2014-2019

Notes: FW = first wholesale basis, CEVP = Chilled Ex-Vessel Price/lb. Net Processing Revenue = Total FW Sales - EV Value
Data Sources: Urner Barry Retail Features Database, ADF&G, and ADOR Alaska Salmon Price Report

	2014	2015	2016	2017	2018	2019	
Chilled Ex-Vessel Price/lb.*	\$1.45	\$0.75	\$1.01	\$1.27	\$1.51	\$1.60	*= Base price + \$0.25/lb.
Raw Material Cost (CEVP/.50)	\$2.90	\$1.50	\$2.02	\$2.54	\$3.02	\$3.20	
FW Frozen BB Sockeye Fillet	\$6.30	\$5.20	\$5.85	\$6.45	\$6.99	\$6.32	
Avg. Retail Promo Price/lb.	\$11.00	\$9.63	\$10.46	\$10.84	\$11.43	\$11.42	
Share of Retail Value (Less Cost of Product) & Harvester/Processor Value							<u>2014-2019 AVG.</u>
Fishermen	26%	16%	19%	23%	26%	28%	23%
Processor	31%	38%	37%	36%	35%	27%	34%
Retailer	43%	46%	44%	41%	39%	45%	43%
Ex-Vessel Value (\$Millions)	\$217	\$123	\$193	\$272	\$345	\$343	\$249
Net Processing Revenue (\$M)	\$76	\$232	\$254	\$265	\$246	\$207*	\$213

*estimate.

Key Takeaways

- Fishermen tend to get a higher share of the retail value when FW/retail prices are higher, which is what we'd expect to see.
- One thing to consider in this data is that the retail prices are only for product sold "on feature" or at a promotional price. Some product will be sold for a higher price, but there is shrinkage which is not accounted for here. Fillets can lose moisture (i.e. weight) and some may simply go unsold. So the average price (including full/sale retail price) could be 5-15% less. BBRSDA is looking into getting more accurate retail pricing data. Also, the retail data includes fresh product and sockeye from other areas, which could have sold for a higher FW price. This would act to compress the net retail share shown above.
- Fishermen actually received a higher share of the retail value during the 2018 harvest year due to adjustments and profit sharing. Some fishermen received roughly \$1.90/lb that year as a final price, which would be equal to 33% of the retail promo price after accounting for lost weight.
- Obviously the 2020 base price does not make sense with recent retail/wholesale pricing trends. However, processors did incur significant costs to prepare/respond to COVID and there is a long way to go before the 2020 harvest year is completed. How it plays out remains to be seen, but thus far the situation does show the risk of fishing on "open tickets".
- Recent retail promo prices suggest strong demand for sockeye fillets, but the price gap between Atlantics has widened a lot.



This document was published by the Bristol Bay Regional Seafood Development Association website on 08/07/2020.