

SUPPLY

Landings were limited this week. Weather has played a significant factor in bunching up the fleet resulting in a bit of a rollercoaster cycle of feast or famine. This combined with diminishing days at sea remaining, this has resulted in a limited fishing effort. We estimate 80% completion for the current fishing year (March 1st 2010 - Feb 28th 2011) and that approximately 10 million pounds remain to be harvested. Our dedicated vessels have a better than average number of days remaining, ensuring supply over the next 4 months.

On the brighter side, quality is constantly improving as the weather and waters cool. Completion seasonal has resulted in a firmer scallop with high protein levels.

The predominant sizes being landed are smaller 10/20's and 20/30's. Landings of U/10 and U/12 have been extremely limited.

PRICE

Prices continue at record levels. Boat prices have been in the \$12-\$13 range for U/10's, with U/12's slightly lower. 10/20's and 20/30's have been over \$10/lb to the boats, due to the limited production.

Despite some market resistance, limited production in Japan and China has resulted in increased demand to fill the void from the available domestic sea scallop supply. The weakness of the US Dollar against the Euro and Yen has dramatically strengthened offshore buyer's purchasing power. Unfortunately, it looks like these higher prices will remain sustain. The next significant supply event will be the start of the new fishing year in March, 2011.

THE WEEKS AHEAD

With a little help from Mother Nature, we hope to see increased landings as the Holidays approach. The Delmarva area is yielding high quality 10/20's and 20/30's. The Channel and Georges areas are seeing the same with a few larger scallops. The Elephant Trunk area fishing is reported as very slow.

Pent up demand is surfacing as markets recognize that pricing will continue to be strong until at least March. Frozen buyers are placing orders for Christmas and Chinese New Year.

The local Bay Scallop season is underway with Martha's Vineyard and Cape Cod producing limited quantities of this seasonal delicacy. Prices have been in the \$20 range to wholesalers. It appears that Nantucket's harvest will be considerably smaller than usual with reports of algae causing mortality problems.

2011 SEASON

Initial estimates for the 2011 Season indicate a reduction from 38 to 32 open area days at sea per permit, along with 4 closed area trips. Expected yield is 50 million pounds, approximately a 10% reduction compared to 2010. The Closed Areas trips are expected to be 1 each in Delmarva, Hudson Canyon, Area 1 and Area 2. Elephant Trunk is expected to be closed for a few years in order to let the stocks rebuild.

The opening of Area's 1 and 2 on Georges Bank should mean a higher percentage of larger (U/10, U/12 and 10/20) scallops than were harvested from Elephant Trunk farther south the last couple of years.