

Blue crab prices through the roof as perfect storm hits Asia



Blue crabs, Chesapeake Bay. Photo: Alicia Pimental

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Jeanine Stewart

Heavy rain in Indonesia, a drought in Thailand and the lingering impacts of last year's typhoon in the Philippines are casting a long shadow over blue swimmer crab (*Portunus pelagicus*) supply this year, sending prices higher than seen in recent history.

"I've never seen it this high in my 25 years of doing this," Paige Tilghman, vice president of US crab supplier Twin Tails, told *Undercurrent News*.

"It's an extremely unusual year," said John Baxter, vice president of sales and marketing for Philips Foods retail division.

Urner Barry (UB) shows prices sailing above any level seen in available records dating back to 2002.

As of Thursday morning, May 29, the most recent UB price on blue crab, in jumbo lump, was \$24.75/lb. to \$25.25/lb.

That is up about 31%, from \$18 to \$20 last year, a buyer at a Midwest wholesale company told *Undercurrent*. It also smashes the previous decade-high, which was \$20.60/lb in 2008, UB shows.

Price data for the past decade show price peaks on the species typically come every three years, and the last peak in 2011 saw prices swing to \$20.25/lb.; putting the market on track for a peak this year, although not necessarily as high of a peak as importers are experiencing now.

Yet Tilghman and Baxter see no end in sight to the price increases, with more already slated to come. Last week, prices rose \$0.50/lb. at the docks, and the price bump will hit in a few weeks, Baxter said.

Weather disasters spoil fishing

Down supply from poor fishing is the main cause of the price increase. Blue crab comes primarily from Asia, where inclement weather and natural disasters seems to be increasing in recent years, and this year is no exception.

“Catches were really weak”, the source at a Midwest wholesaler told *Undercurrent*.

Tilghman and Baxter said the reason was a series of climate woes.

“In the past 12 months, there’ve been floods, there’ve been droughts and there’ve been floods again,” Baxter said.

In Thailand, media outlets [such as Vietnam Plus](#) report the worst drought in decades as of February, with the *Bangkok Post* reporting it is the [worst drought in eight years](#).

Yet Thailand as a supply source has become problematic even without the weather issues, considering domestic demand for blue crab is growing, said Tilghman.

His company Twin Tails now sources 80 to 85% of its crab from Indonesia, but the situation there is also problematic due to rainy weather.

“The fresh water runs into the shallow estuaries, and the crabs want salty water, so they go further out,” he said. “You’ve got local fishermen that go into the small estuaries, and they don’t have the boats to go out in the waters. They aren’t getting anywhere near the crab they normally do.”

In addition to the low amount of crabs is the low meat content. Tilghman is seeing crabs with 75% the normal meat content for crabs of the same size.

“You’ve basically taken almost 25% of production out of play for multiple months, and they’re still not recovering,” Tilghman said.

In the Philippines, last year’s typhoon continues to haunt the industry. Although a relatively small piece of the US blue crab supply picture, it is also having an impact due to a severe drop in fishing effort. More than 3,500 boats that were used to fish for anchovies, blue crab, herring and sardines were damaged or destroyed in Concepcion last year, and fishermen are still suffering as a result, reports the United Nations Office for the Coordination of Humanitarian Affairs.

Baxter points to a volcano eruption outside of Java, Indonesia as another factor.

The blast sent 76,000 people fleeing from five cities surrounding the volcano, reports [Euro News](#).

As if climate issues weren’t enough, Tilghman attributes some of the price bump to a poor exchange rate in Indonesia.

Baxter adds to that growing global demand.

“You’ve got a burgeoning middle class [in Asia],” said Baxter. “So you’re not getting as much product being produced getting into the US.”

Another factor limiting supply is a lack of product meeting the National Fisheries Institute (NFI) Crab Council’s sustainability standards, said Baxter.

“You've got continuing sustainability issues, where Philips and all of our competitors are all involved in the NFI and [its] Crab Council to work to enforce the guidelines that are set forth, and that continues to be a challenge,” Baxter said.

US demand outstripping supply despite high prices

Despite the high prices, demand continues to be strong, all three sources quoted here said.

“There are a lot of new customer inquiries, and there are people who want more than we’re able to sell them because the product that we have is going out the door,” Tilghman said.

Blue crab is seen as the go-to raw material for crab cakes, the Midwest-based wholesaler said. Many steak houses in Chicago use the product for crab cakes, he said.

At this point, the supply limitations are worse than the price increase, and right now, “the goal on my side is not to run out of product,” the source said.

The closest substitute to jumbo lump blue crab is red swimmer crab (*Portunus haanii*), which is lower in quality, and neither the midwest-based wholesaler nor Philips sells it or plans to do so now.

Yet this rosy demand picture does not solve the supply problem. The sales that are lost now due to lack of supply will not be made up, Tilghman said.

“You can’t make it up later,” Tilghman said. “It’s not like they don’t eat it and then they come back to eat crab cakes next time — you get to a restaurant or a beach somewhere like that, and you’re going to get a steak or a chicken or whatever, and that sale is gone.”

The demand situation is particularly strong considering the most popular product — jumbo lump — is in short supply due to lack of meat in the crabs.

Red crab has also increased in price, according to UB, leaving it out of the running as a strong alternative.

Dungeness crab prices, meanwhile, are “through the roof” and even higher than blue crab, leaving it out of the running as a substitution, said Baxter.

He said it is possible jumbo lump could rise in price to \$40 by Christmas, although does not suggest that price would hold.

“At some point there will be a shift in the supply and demand because the demand is going to diminish based on the consumers thinking about where they're going to spend their money,” he said.

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