
UrnerBarry

MARKET PRICES, NEWS, AND ANALYSIS

PRICE REPORTING METHODOLOGY: FINFISH MARKET

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INTRODUCTION

Urner Barry's goal is to provide timely, accurate and unbiased price assessments and market information to clients which are reliable indicators of market values, free from distortion and representative of the market that they relate. This is an explanation of methods used by Urner Barry to gather, evaluate and report market activity. This explanation will include necessary background information to provide a clear understanding of how Urner Barry market quotations are established.

TIMEFRAMES OF INFORMATION COLLECTION

While trading information can be submitted to Urner Barry reporting staff at any time, Urner Barry's market reporting staff is actively soliciting information from approximately 8:45 a.m. to 5:00 p.m. E.S.T. or E.D.T., every business day.

PUBLICATION DATES

Urner Barry publishes price quotations across a variety of commodities. Information on specific publication dates are included on market-specific methodology documents.

ESTABLISHMENT OF QUOTATIONS

Reporters start gathering information for their next report immediately after filing the closing quotations for the reporting period.

Information is collected via numerous channels including phone interviews, face-to-face meetings, email, instant messaging platforms, fax, and online through Urner Barry's website. Submitters of market data are encouraged to provide transactional data from back office functions and to provide all of their market data that falls within Urner Barry's criteria for the markets covered. Reporters contact stakeholders throughout the value chain, including processors, retailers, wholesalers, distributors, exporters, importers, traders, and brokers to keep current on present price levels and market conditions.

Information collected includes when a transaction was initiated, what products have been traded, what levels are being bid on each product, who is bidding or offering at said level, when the product will ship, and how the product is packed. Urner Barry's market sources and information submitted remains confidential.

Urner Barry follows a hierarchy of priority when establishing quotes based on information gathered as follows:

- *bona fide* trades
- offers and bids
- additional market information, including trading relationships to related items
- market participant assessments and indications of prevailing values

If higher bids or lower offerings come into the market after the last recorded trades, the final price assessment may be adjusted accordingly if the reporter finds sufficient justification for such an action. Offering prices cannot be used to move prices upward, nor can bid prices be used to move prices downward.

Urner Barry takes care to be sure transactional data is *bona fide*, which indicates the transaction be either completed or prepared to be completed between two parties not influenced by a conflict of interest. Urner Barry's reporters make it their goal to clearly identify factors and circumstances surrounding reported trade and will use available information and methods in their price assessment. The forthrightness of reports can be tested using other participants as a check and balance system.

Some transactions may receive additional scrutiny from market reporters to ensure that their inclusion in the final price assessment results in a quote that is a reliable indicator of commodity market values. Such transactions that can receive additional scrutiny include packaged transactions where it appears the price of one item is affecting the price of other items in the transaction; trades that occur as a transfer within the same company; transactions comprised of multiple deliveries where the entire delivery period does not fall into the stated guidelines reflected in the market report; conflicting or inconsistent information by the counterparty; transactions where buyers and sellers fail to act in a logical manner; transactional data that is significantly different from other data collected during that time period.

MARKET REPORTERS

To ensure that a high quality is maintained in Urner Barry's price assessments and market commentary, market reporters undergo rigorous training before they are eligible to engage with sources to collect information and develop Urner Barry's proprietary price assessments. Rookie market reporters, called "market researchers" work closely under veteran market reporters and editors to become familiar with the methodologies listed here, supply and demand dynamics associated with the markets that they cover, the parties submitting market information. For each market that Urner Barry covers, there are multiple market reporters who are trained to conduct price assessments and

commentary. Adherence to these reporting methodologies, oversight by senior reporters and editors and continued education across the market reporting staff results in consistency of price assessments across assessors reporting the same market.

Urner Barry's reporters are trained to utilize judgment when gathering and reporting data. Judgment can be exercised during periods including but not limited to those where limited negotiations, low liquidity in the market, or anomalous transactions could otherwise lead to inaccurate or erroneous price reporting.

ACCEPTABLE PRODUCTS AND MARKET CONDITIONS

For a transaction to be considered for assessment, certain criteria must be met. With exceptions noted in market-specific documentation, product must:

- be offered by or on behalf of the original producer
- meet standard specifications for the industry unless otherwise indicated
- be in acceptable condition
- not be distressed, or offered or bought under distressed conditions
- be delivered in a timeframe considered standard for the market

Only trades and trading information from participants who are free to conduct business with a variety of market participants are acceptable. When trade that is or could be construed as a transfer between an individual company's divisions or departments occurs, it falls to a reporter's judgment to determine if the transaction is repeatable on the open market. Based upon this judgment, such transactions may or may not be considered in the final determination of Urner Barry's quotes.

The volume basis for Urner Barry's quotations varies and is generally the standard commercial quantity for a given item. These units are outlined in market-specific methodology documents.

Most of Urner Barry's market quotations reflect spot negotiations and exceptions are indicated in market-specific methodology documents. Contractual or market-related transactions are not used in the final quote determination but rather as indicators of need and ability to sell at a predetermined level.

There is no minimum quota for the volume of transactional data needed to establish a market quotation, but rather a requirement for a preponderance of evidence that the bulk of trade is occurring at the new price. Where a small number of participants represent a significant percentage of the periods transactional data, market reporters will collaborate with senior reporting staff and/or editors to ensure the assessment for that period accurately reflects the market, otherwise the quotation can be paused or unquoted until transactional data from more participants becomes available.

UNQUOTED MARKET LISTINGS

In some markets where trading is in limited volume, stagnant, or infrequent, an item may become unquoted. Unquoted markets in no way reflect prices moving higher or lower, but merely indicate that a closing price could not be determined.

In other cases, such as those markets that are ordinarily active on a seasonal basis, the last recorded trading information will persist in publication until trade resumes and new information becomes available.

Detailed information on situations where markets may become unquoted are available in market-specific methodology documents.

CHANGES TO REPORTING METHODOLOGY

Urner Barry will provide advanced notice of potential changes in reporting methodologies and subscribers will be provided the opportunity to provide feedback during a comment period of at least 14 days. After reviewing client feedback Urner Barry will enact the changes typically within no more than 30 days of the closing of the comment period or take a different action based on customer feedback. Subscribers comments and Urner Barry's response to those comments will be published unless where the commenter has requested confidentiality.

REVIEW OF METHODOLOGIES

Urner Barry's Management, in consultation with clients from affected areas of the value chain and the Urner Barry Advisory Board, will review and evaluate current and proposed market reporting procedures and methodologies with the purpose of making recommendations on the following:

- A) To assess effectiveness, integrity and independence of the Urner Barry methodologies used to establish quotations so that they best communicate the commodity values they are designed to reflect.
- B) To guide quality improvement of Urner Barry market information and give guidance in developing implementation tactics or strategy.
- C) To ensure reporting methodology remains compliant with existing laws.
- D) To assess the effectiveness of suggested changes to quotations and/or other Urner Barry benchmarks.

MARKET SPECIFIC DEFINITIONS, TERMS, AND METHODOLOGIES

Market coverage on finfish reflects wholesale negotiated trading activity of fresh and frozen finfish for the distribution through US domestic channels.

ACCEPTABLE ORIGINS

<i>Category</i>	<i>Points of Origin</i>
Mahi-Mahi C & SA	Brazil, Costa Rica, Ecuador, El Salvador, Guatemala, Nicaragua, Panama, Peru, Venezuela
Mahi-Mahi Asia	China (Taiwan), Vietnam
Mahi-Mahi (fresh whole fish)	United States
Orange Roughy	Australia, New Zealand
Whiting	Argentina, Uruguay
Cape Capensis	Republic of South Africa
Sea Trout	Argentina, Uruguay
Hoki	New Zealand
Tuna, Yellowfin	Sri Lanka, Philippines, Maldives Islands, Trinidad and Tobago, Venezuela, Mexico, Suriname, Fiji, Panama, Grenada, Costa Rica, Vietnam, Australia, Brazil, Ecuador, French Polynesia, Seychelles, Indonesia
Chilean Sea Bass	Chile, Argentina, Uruguay, Spain, Turkey
Dover Sole	Netherlands
Halibut	Canada, United States
Grouper, Atlantic	United States, Mexico, Panama
Grouper, Pacific	Gulf of California to Peru
Weakfish (Corvina)	China, Venezuela, Indonesia, El Salvador, Uruguay, Indonesia, Guatemala, Ecuador, Nicaragua, Colombia
Snapper	United States, China, India, Vietnam, Indonesia, Thailand, Ecuador, Chile, American Samoa, South Korea, China (Taiwan), Peru, Iceland, Canada, Norway, Argentina, Spain, Thailand
Shark	United States, New Zealand, Pakistan, Spain, France, Argentina, Canada, Portugal, Sri Lanka, United Kingdom
Swordfish	United States, China (Taiwan), Spain, Japan, Italy
Ling Cod	Canada, United States
Rockfish	Canada, United States
True Cod	Canada, United States
Sole (Dover, English, Petrale)	Canada, United States
Bluefish	United States
Cusk	United States
Hake	United States
Mackerel	United States
Monktail	United States
Porgies, Scup	United States
Sea Bass	United States

QUOTATION PERIOD

Quotations are released Tuesday and Thursday after 5:00 PM Eastern Time. Information collected after the closing report is considered in the following market assessment.

QUOTATION FORMAT

Unit(s) of Measure for Quotation: \$/lb.

The \$/lb. is the most commonly used unit for price negotiation in this market and is the unit of measurement reflected in the quote series for Finfish.

Urner Barry's finfish quotation series reflects "less than truckload" LTL quantities of material which is defined as lots that represent a sale between 1,500 and 2,500 pounds or where industry norms dictate otherwise. In some instances, buyers and sellers will negotiate a transaction based on an LTL trade but the lot will be comprised of multiple items or multiple sizes of product. This transactional data can also be used in the price assessment for LTL pricing.

The range of values reflected in a market assessment depends on the variance of market data collected during the reporting period. Where the market trades at a level and is also offered lower or bid higher during the reporting period, Urner Barry will exercise professional judgment to determine how bids and offers may be reflected in the final quotation.

The quotation can continue to be published unchanged while evidence supports a steady market trend. When information suggests that the market has moved from the last quote, but new and/or reliable market data has not surfaced to reflect a new market value, the quotation will be removed from the sheet until a new quote can be established.

TERMINOLOGY

Certain quotations may be appended by suffixes or other marks. These are as follows:

<i>Term</i>	<i>Significance</i>
Ex-warehouse	Agreement between a buyer and seller where the seller delivers a good at his own expense and risk, to a certain warehouse. Once the good arrives at the warehouse, expense and risk transfers to the buyer
LTL	Less than truckload (40,000 pounds)
F.O.B.	Free On Board specifies at what point respective obligations, costs, and risk involved in the delivery of good shift from seller to buyer
1-3 lbs. ... 100 lbs. and up	1 to 3 pounds ... 100 pounds and up is the weight of the individual fish or fillet in the box
2-4 oz. ... 12 oz. and up	2 to 4 ounces ... 12 ounces and up is the weight of the individual fillet or portion of fish in the box
IQF	Individually quick frozen
Natural	Referring to no additional moisture added to the species
Layer/Shatter Pack	Product is put into a carton in layers with a sheet of polyethylene between each layer of product. Shatter pack is all fillets frozen together than need to be shattered to break apart
CO	Carbon monoxide treated
Skin-on	Skin is left on the fillet
Skinless	Fillet is further processed to take the skin off
Bnls/Sknls	Boneless skinless
IVP	Individually vacuum packed
C&SA	Central and South America
Steak	Cut of fish is a cross-sectional slice of the finfish and is cut perpendicular to the backbone
Moisture added	Moisture is added to the species
Dressed whole fish	Whole fish which has its entrails removed and the gills may or may not be present
H & G	Headed and gutted fish
Boxed	A container with a lid, used to ship loose frozen fish, sold at a premium in comparison to toted fish.
Toted	A large open container used to ship loose frozen fish to avoid the added cost of boxing
Bluefish sizes	Graded locally in market from largest to smallest as; jumbo, large, medium, small
Mackerel sizes	Graded locally in market from largest to smallest as; Large, medium
Monktail sizes	Graded locally in market from largest to smallest as; large, small
Porgies sizes	Graded locally in market from largest to smallest as; jumbo, large, medium
Sea bass sizes	Graded locally in market from largest to smallest as; jumbo, large, medium

DELIVERY BASIS

The fresh finfish market is quoted FOB Seller's dock in a regional format throughout the domestic market. The frozen finfish market is quoted on an ex-warehouse basis throughout the domestic market. Transactional data for exported product is not considered in the market assessment for finfish.

DELIVERY PERIOD

In order to be considered for inclusion in the market assessment process, fresh and frozen products should be delivered within U.S. borders within 10 days from date of sale, or within a reasonable period to be evaluated as a spot transaction.

PRODUCT SPECIFICATIONS

Product Name	Specifications
Mahi-Mahi C & SA	<i>Coryphaena hippurus</i>
Orange Roughy	<i>Hoplostethus atlanticus</i>
Whiting, Cape Capensis	<i>Merluccius spp.</i>
Sea Trout	<i>Cynoscion regalis</i>
Hoki	<i>Macruronus novaezelandiae</i>
Tuna, Yellowfin	<i>Thunnus albacares</i>
Chilean Sea Bass	<i>Dissostichus eleginoides</i>
Halibut	<i>Hippoglossus stenolepsis</i>
Black Grouper	<i>Mycteroperca bonaci</i>
Red Grouper	<i>Epinephelus morio</i>
Yellowedge Grouper	<i>Epinephelus flavolimbatus</i>
Grouper, Pacific red and black	<i>Epinephelus morio - Red</i>
Weakfish (Corvina)	<i>Mycteroperca bonaci - Black</i>
Snapper	<i>Lutjanidae spp.</i>
Blacktip Shark	<i>Carcharhinus limbatus</i>

Product Name	Specifications
Mako Shark	<i>Isurus oxyrinchus</i>
Swordfish	<i>Xiphias gladius</i>
Ling Cod	<i>Ophiodon elongatus</i>
Rockfish	<i>Sebastes spp.</i>
True Cod	<i>Gadus macrocephalus</i>
Dover Sole	<i>Microstomus pacificus</i>
English Sole	<i>Pleuronectes vetulus</i>
Petrals Sole	<i>Eopsetta jordani</i>
Bluefish	<i>Pomatomus saltatrix</i>
Cusk	<i>Brosme brosme</i>
Hake	<i>Merluccius productus</i>
Mackerel	<i>Scomber scombrus</i>
King Mackerel	<i>Scomberomorus cavalla</i>
Spanish Mackerel	<i>Scomberomorus maculatus</i>
Monktail	<i>Lophius americanus</i>
Porgies, Scup	<i>Stenotomus chrysops</i>
Sea Bass	<i>Centropristis striata</i>

CONTACT US

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