



fisherking
SEAFOODS



SUPPLY CHAIN, PERISHABLE CARGO AND THE SEAFOOD INDUSTRY

Discussion Points

- State of the industry
- Business overview – Fisher King
- Sourcing – local and global
- Challenges
- 3rd party trucking
- Shipping/Distribution
- Risk Management
- Q&A

Current State

- Snow Crab and Lobster season in full swing
 - Snow Crab – largest in the world, \$200M + industry
 - Gulf Region (NS,NB, PQ, PE) – world renowned for quality
 - Lobster - \$150M + industry
 - Processors sell live lobster first (more profit)
- Pricing is still low vs COVID times, rebounding slowly
- Surplus of 2022 Snow Crab inventory keeping prices down for 2023

Overview — Fisher King Seafood Ltd.

- Top 25 Seafood Company in N.A. (per SeafoodSource.com)
- Primary products:
 - Snow Crab, Lobster, Scallops, Shrimp, Ground Fish
- 30M pounds sold annually
- Sales Channels:
 - 90% US Retail and Foodservice (approx. 50/50 split)
 - 5% Canadian Retail and Food service (approx. 70/30 split)
 - 5% International (Asia, Europe), mostly secondary processors

Sourcing

- 75% Local – i.e. Canadian processors (NS, NB, NL, PE, PQ)
- 15% Asia – Vietnam, Japan, Thailand
- 10% Europe – Norway, Greenland
- Dealing with different fishing seasons, quotas, local governments, etc.



Ocean Freight



- Import 400+ containers from Asia and Norway to US
 - 65% Los Angeles
 - 35% New York/New Jersey
- 2021 partnered with Parsyl for Temp. Data Loggers
 - 3 data loggers/container (back, middle, front)
 - Real-time data to view current temps, out of spec, etc.
 - Data initiates physical inspections upon arrival in US



3rd Party Trucking

- Annual spend approx. \$8M/yr
- 85% Less-than-truckload (LTL), 15% Truckload (TL)
- Capacity varies depending on season (produce in southern US)
- Carrier approval process – min. liability requirements
 - CargoNet (vetting process)
 - Proof of Insurance (verified)
 - Documented carrier approval process
 - Carrier Scorecard (On-time, Claims%)



Storage

- Annual spend approx. \$4M
- Use multiple 3rd party public cold storages in CAN and USA
- BRC Certification (global standards for food safety)
- Online Visibility to inventory 24/7
- Thorough assessment required for approval (annual on-site audits)
- Cold storage only insures buildings, not the contents
- Value fluctuates based on seasonality (May-Sept) – affects total insured amount



Risk Management



- Strict approval process for all suppliers (product, transportation)
- Quality Certifications, HACCP Plans
- Supplier Management: scorecards, on-site audits, doc review
- Temp monitoring on ocean imports

Challenges

- Labor at Processors – temp. foreign workers
- Labor at Cold Storages
- NL Snow Crab Fishery (end of July deadline)
- Cold Storage capacity – reduced demand at restaurants
- US Economy – inflation, rising unemployment
- Prices need to rise

