



# Heartland Catfish Company Mid-Year Report, July 2021

Mid-Year 2021:  
Market Check-In



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# CONTENTS

- 03 **INDUSTRY-WIDE PRODUCT SHORTAGE CONTINUES**
- 04 **2021 BY THE NUMBERS**
- 05 **PROCESSING CHALLENGES**
- 06 **HIGHER PRICING**
- 07 **LOOKING AHEAD**





## HIGHER PRICING CONTINUES AND STILL EXPECTED FOR REMAINDER OF 2021

As the first half of 2021 ends and we wrap up Q2, we celebrate some successes we've seen as an industry while also confirming some of the predictions our team made about the market at the beginning of the year. Though impacts of COVID-19 are decreasing in some sense, labor shortages and slower production cycles have created a high-demand, low-supply environment in the U.S. farm-raised catfish industry.





# 2021 BY THE NUMBERS, JANUARY-JULY

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## *Feed: Flat, Up 0.5% from 2020*

This number indicates there is a similar amount of fish available to kill this year compared to last year.

## *Processing: Down 8% from 2020*

Labor continues to hinder opportunities to increase processing capacity, despite having more fish available to kill.

## *Sales: Down 11.4% from 2020 (mostly frozen)*

A tight fish supply leads to fewer opportunities for processors to acquire new customers.

## *Inventory: Frozen inventory is down*

Higher demand and lower supply of fish means there is less “surplus” product to stock freezers with extra inventory.



# PROCESSING CHALLENGES CONTINUE

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Though the situation is improving, the industry continues to see a shortage of catfish. Additionally, the labor shortage persists, so processors continue to work with more standard cuts and relevant substitutions for customers. This has and will continue to pose challenges as fish supply loosens, and production cannot keep up with supply and demand.





# HIGHER PRICING REMAINS

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Though fish supply has increased in Q2, the ongoing labor shortage and increased costs of standard production and processing supplies maintains Heartland's prediction of higher prices for U.S. farm-raised catfish continuing throughout the year.



# LOOKING AHEAD

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As we approach the second half of 2021, we continue to predict short supply and higher prices. The labor market remains uncertain, but we are hopeful that as more people are employed in the processing plant over the coming months, we'll have more products to distribute to our customers.

Transparency and communication with our customers are always priority, especially when inventory is tight and the market continues to shift. We look forward to supporting our customers through whatever is to come throughout the remainder of 2021, and will navigate industry changes alongside them.

