



Heartland Catfish Company 2022 Recap

Market Check-In



JONATHAN MILLS,
VP OF SALES AND MARKETING

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2022 RECAP: MARKET CHECK-IN

As 2023 begins, Heartland Catfish Company is reviewing current market numbers, as well as supply and demand throughout the industry. As impacts of supply-chain challenges linger, ongoing labor shortages and changing production cycles continue to create disparities in inventory types and numbers as we move through 2023.



2022 BY THE NUMBERS

Feed: Down 1.3% from 2021

Overall feeding in 2022 was down 1.3% from what was fed in 2021, and up 3.92% from what was fed in 2020. This indicates there will be slightly less fish grown to harvest size in 2023. Supply of live fish will tighten significantly during the spring and early summer. Once farmers turn over more feed during 2023, the live fish supply should strengthen. Feed is likely to positively impact fish supply in late summer through early fall of 2023.

Processing: Up 4.72% from 2021

In 2022, processing was up 4.72% from 2021, and up 1.58% from 2020. Processing increased in the latter half of 2022 and included mostly larger fish. These larger fish created the current oversupply of frozen large fillets. This makes up a large portion of the current frozen inventory.

Sales: Flat from 2021

In 2022, sales were flat compared 2021 and down 8% from 2020. Overall, sales have not yet recovered from 2020 industry losses. Early-season shortages of live fish as well as other vital products in the supply-chain contributed to these numbers.



2022 BY THE NUMBERS

Inventory: Frozen Inventory Up

It is important to note the majority of frozen inventory growth can be attributed to higher numbers of less popular cuts such as large fillets and nuggets, as well as irregular cuts. The inventory levels for high-demand cuts continue to be less than desired across the industry.

Frozen inventory at the end of 2022 was up 148.7% compared to 2021. As of December 31st 2022, frozen inventory levels reached 11,091,000 lbs compared to 4,459,000 lbs at the end of 2021.

Labor: Consistent Industry Challenge

Labor was an ongoing challenge in 2022. The demand for labor remains high while the availability of employees remains low, as we have seen over the past few years. Everyone in the industry is continuously researching and implementing ways to recruit and retain enough employees to staff plants and meet product demands.



SUPPLY AND DEMAND CHALLENGES

Supply Chain

There have been supply-chain challenges since the pandemic, however, many issues are continuing to improve overtime. Supply price increases though still a challenge, have begun to slow. Heartland Catfish Company is sourcing supplies and have adjusted ordering plans to cater to supply-chain uncertainty and ensure our ability to maintain processes even in the event of unforeseen challenges. Despite these nation-wide hardships, Heartland Catfish Company continues to work through the challenges of both meeting customer demand and filling in short orders from across the industry. The team is committed to working closely with each customer to meet their needs.



LOOKING AHEAD

There is lingering uncertainty in the industry regarding labor, supply-chain and inventory. Ongoing labor shortage and increased costs of standard production and processing supplies indicate continued shifts in inventory numbers and inventory cut types in the U.S. Farm-Raised Catfish industry. In the face of challenges, we are happy to work with our customers to offer solutions to meet their needs while navigating these industry-wide challenges. Transparency and communication are always our top priority, especially when inventory is tight, and the market continues to shift. We will support our customers through whatever is to come in 2023.

