



Inflation Boosts Shelf-Stable Sales, But Frozen and Fresh Seafood Still Struggle

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The January Marketplace

January brought a host of New Year’s resolutions with 40% in the IRI primary shopper survey planning to eat healthier, 24% aiming to get more sleep and 23% wanting to spend more time with friends and family. However, saving more money was the second highest resolution, at 35% — demonstrating that inflation continues to make its mark. To understand the impact on seafood sales in fresh, frozen and shelf-stable, IRI, 210 Analytics and Elanco will continue to team up in 2023 to bring the latest trends.

In-store shopping remained prevalent, at 85% of trips. Two-thirds of shoppers exclusively buy in-store, whereas 11% buy most or all groceries online. Nine in 10 consumers perceive the cost of groceries and everyday household items to be much (67%) or somewhat (22%) higher than last year, according to the IRI survey. Eggs continue to lead the list of examples cited by consumers for being more expensive, followed by milk, beef/pork, fresh produce, poultry and bread. Inflationary pressure on income is real, with 96% being concerned over the high cost of groceries.

- This is prompting continued money-saving measures when buying groceries among 79% of Americans, such as buying what’s on sale (49%), cutting back on non-essentials (41%), looking for coupons (33%) and switching to store brand items (31%).
- At the same time, consumers continue to report that they are seeing fewer items on sale (54%) and the items on sale not being discounted as much (45%).
- 45% stock up on certain items out of concern that prices may rise further, or they might not be available.

Special occasions remain a big opportunity for food retail in 2023. During the pandemic years, several foodservice holidays, such as Valentine’s Day and Mother’s Day, turned home centric. This moved significant spending into retail, adding to holidays that were already mostly celebrated at home, such as Labor Day and the Fourth of July. Holidays typically boost spending far above a normal week with opportunities for departments around the store.

- The January IRI survey found that 55% of shoppers planned to watch the Super Bowl this year of which only 2% were planning to watch it at a bar or restaurant. Households celebrating in at-home settings estimated that they would spend around \$42 on food and beverages for the event, up from \$34 last year. Super Bowl is the largest selling occasion for items like avocados and chicken wings.
- Fifty percent of Americans plan to celebrate Valentine’s Day, with 19% planning to cook a special meal at home and 15% planning to go out to a restaurant. Sixteen percent of consumers are staying home specifically to save money.

Following the typical December uptick in the estimated share of meals prepared at home (81.5%), consumers estimated that 80% of meals were prepared at home in January. Restaurant engagement was fairly steady with 78% of households having purchased restaurant food at least once, according to the January survey.

Inflation Insights

The price per unit across all foods and beverages in the IRI-measured multi-outlet stores, including supermarkets, club, mass, supercenter, drug and military, increased +13.2% in January (the four weeks ending 1/29/2023), which was up from +12.8% in December. Compared with January 2020, prices across all foods and beverages were up +30.3%.

Average price/unit vs. YA	2018	2019	2020	2021	2022	Q4 2022	Jan 23
Total food & beverages	+1.5%	+2.0%	+5.1%	+5.4%	+12.5%	+13.5%	+13.2%

Source: IRI, Integrated Fresh, Total US, MULO, average price per unit and % gain versus YA

Fresh seafood prices had just a small uptick in January 2023 versus January last year. Over the latest 52 weeks, seafood prices increased +8.2%, which was far below the rate of inflation for total food and beverages. Frozen and shelf-stable seafood (cans and pouches) also had relatively mild inflation.



	January 2023			Latest 52 weeks ending 1/29/2023		
	Average price per unit	Change vs. YA	Change vs. 3YA	Average price per unit	Change vs. YA	Change vs. 3YA
Total fresh seafood	\$8.95	+3.3%	+21.9%	\$8.99	+8.2%	+21.3%
Fresh finfish	\$6.26	+1.1%	+23.3%	\$6.39	+3.1%	+23.0%
Fresh shellfish	\$9.57	+6.5%	+25.6%	\$9.52	+15.0%	+25.9%
Total frozen seafood	\$10.44	+6.3%	+24.0%	\$10.42	+10.1%	+22.6%
Total shelf-stable seafood	\$2.14	+7.4%	+20.4%	\$2.11	+10.6%	+17.5%

Source: IRI, Integrated Fresh, Total US, MULO (not shown: other items in the seafood department)

Fresh salmon price increases are starting to moderate in January 2023 but prices were up +11.2% for the full-year view. Crab and lobster experienced deflation. Inflation among the top five sellers was highest for catfish.

Price per pound	January 2023			Latest 52 weeks ending 1/29/2023		
	Average price per unit	Change vs. YA	Change vs. 3YA	Average price per unit	Change vs. YA	Change vs. 3YA
Fresh salmon	\$10.52	+7.6%	+13.7%	\$10.48	+11.2%	+13.9%
Fresh crab	\$8.68	-9.2%	+12.0%	\$9.44	-9.9%	+14.3%
Fresh shrimp	\$7.33	+2.5%	+16.0%	\$7.31	+9.5%	+15.8%
Fresh lobster	\$14.58	-4.6%	-5.8%	\$13.48	-13.1%	-10.4%
Fresh catfish	\$6.51	-1.7%	+41.4%	\$6.54	+14.6%	+45.3%

Source: IRI, Integrated Fresh, Total US, MULO (not shown: other items in the seafood department)

In frozen, price patterns were very different. Salmon and pollock price increases remained in the double digits, whereas frozen shrimp prices were fairly unchanged from year ago levels.

Price per pound	January 2023			Latest 52 weeks ending 1/29/2023		
	Average price per unit	Change vs. YA	Change vs. 3YA	Average price per unit	Change vs. YA	Change vs. 3YA
Frozen shrimp	\$10.28	+0.9%	+15.1%	\$10.58	+7.0%	+15.8%
Frozen salmon	\$13.60	+19.3%	+41.8%	\$13.04	+22.6%	+37.3%
Frozen pollock	\$7.27	+19.0%	+36.4%	\$6.58	+14.7%	+26.0%
Frozen tilapia	\$10.67	+3.1%	+31.3%	\$11.04	+22.5%	+38.8%
Frozen crab	\$23.10	-15.7%	+40.0%	\$25.44	+1.0%	+57.5%

January 2023 Sales

The four January 2023 weeks brought \$57.9 billion in total food and beverage sales, substantially less than the \$64.4 billion in the four December weeks — illustrating the holiday boost of retail sales. Dollars were up +6.6% versus year ago levels in January, but unit sales dropped nearly -6% behind and trailed January 2020. Perishables, including produce, seafood, meat, bakery and deli, had a slightly below-average dollar performance that was largely related to below-average inflation. Center store item sales increased +8.5%. Frozen food had strong dollar growth, but also the highest year-on-year declines in units, at -8.4%. At the same time, frozen was the only area of the store to still trend ahead in units versus pre-pandemic January 2020 levels and remained +4.4% ahead when regarding the latest 52 weeks.

	January 2023 % change					Latest 52 weeks % change			
	Dollar size	Dollars vs. YA	Dollars vs. 3YA	Units vs. YA	Units vs. 3YA	Dollars vs. YA	Dollars vs. 3YA	Units vs. YA	Units vs. 3YA
Total food & beverages	\$57.9B	+6.6%	+27.8%	-5.8%	-1.9%	+8.9%	+27.0%	-3.5%	+1.2%
Total perishables	\$26.1B	+5.5%	+25.6%	-4.9%	-1.4%	+8.2%	+25.4%	-3.1%	+1.6%
Total grocery (center store)	\$28.8B	+8.5%	+32.3%	-6.6%	-2.1%	+10.7%	+30.5%	-3.7%	+0.9%
Frozen foods	\$5.8B	+5.1%	+34.6%	-8.4%	+0.9%	+8.5%	+34.6%	-5.6%	+4.4%

Source: IRI, Integrated Fresh, Total US, MULO



January 2023 Seafood Across the Store

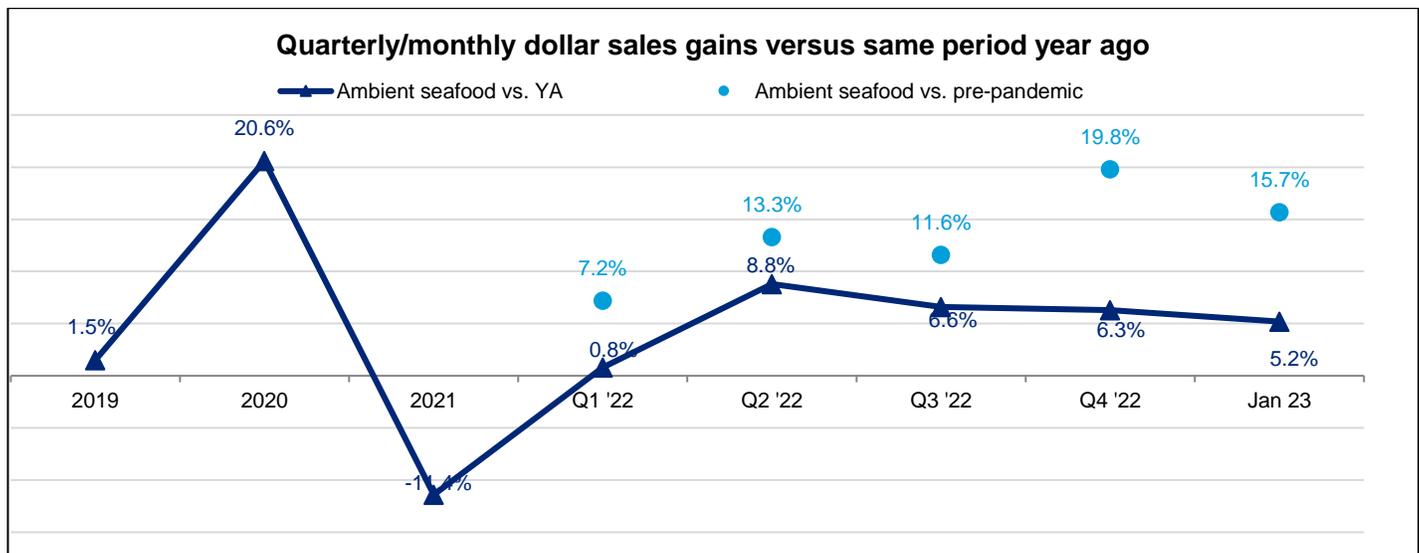
Shelf-stable seafood remained the only area with dollar gains in January 2023. Fresh slightly outperformed frozen in dollar gains, but frozen seafood was easily the biggest seller. All three areas lost in unit sales when compared to January 2022 levels. Compared to pre-pandemic, frozen seafood remains far ahead, whereas fresh and shelf-stable have fallen behind.

	January 2023 % change					Latest 52 weeks % change			
	Dollar size	Dollars vs. YA	Dollars vs. 3YA	Units vs. YA	Units vs. 3YA	Dollars vs. YA	Dollars vs. 3YA	Units vs. YA	Units vs. 3YA
Frozen seafood	\$548M	-5.3%	+31.4%	-10.9%	+5.9%	+3.1%	+36.6%	-12.0%	+11.4%
Fresh seafood	\$484M	-1.8%	+21.5%	-4.9%	-0.3%	-7.9%	+19.8%	-14.9%	-1.2%
Shelf-stable seafood	\$219M	+5.2%	+15.7%	-2.0%	-3.9%	+6.3%	+13.7%	-3.9%	-3.2%

Source: IRI, Integrated Fresh, Total US, MULO

Ambient Seafood

Ambient seafood sales have been growing since the fourth quarter of 2021, but growth peaked in the second quarter of 2022. In January 2023, dollar sales grew +5.2%, continuing this trendline.



Source: IRI, Integrated Fresh, Total US, MULO

In January, ambient seafood in cans and pouches reached \$219 million in sales, which was a +5.2% year-on-year increase. On an annual basis, seafood cans and pouches reached \$2.7 billion, a new record. Pounds were down slightly both in January and the entire calendar year. Tuna is the big seller, accounting for \$2.0 billion in 2022.

Type	January 2023 % change			Latest 52 weeks % change		
	\$ sales	\$ vs. YA	Lbs vs. YA	\$ sales	\$ vs. YA	Lbs vs. YA
Ambient seafood	\$219M	+5.2%	-2.8%	\$2.7B	+6.3%	-1.9%
Ambient tuna	\$162M	+6.6%	-2.2%	\$2.0B	+7.2%	-1.4%
Ambient all other	\$17M	+5.3%	-6.0%	\$226M	+2.8%	-7.7%
Ambient salmon	\$20M	-4.1%	-10.1%	\$251M	+1.3%	-3.5%
Ambient sardines	\$13M	+9.3%	+7.0%	\$163M	+9.8%	+2.4%

Source: IRI, Integrated Fresh, Total US, MULO



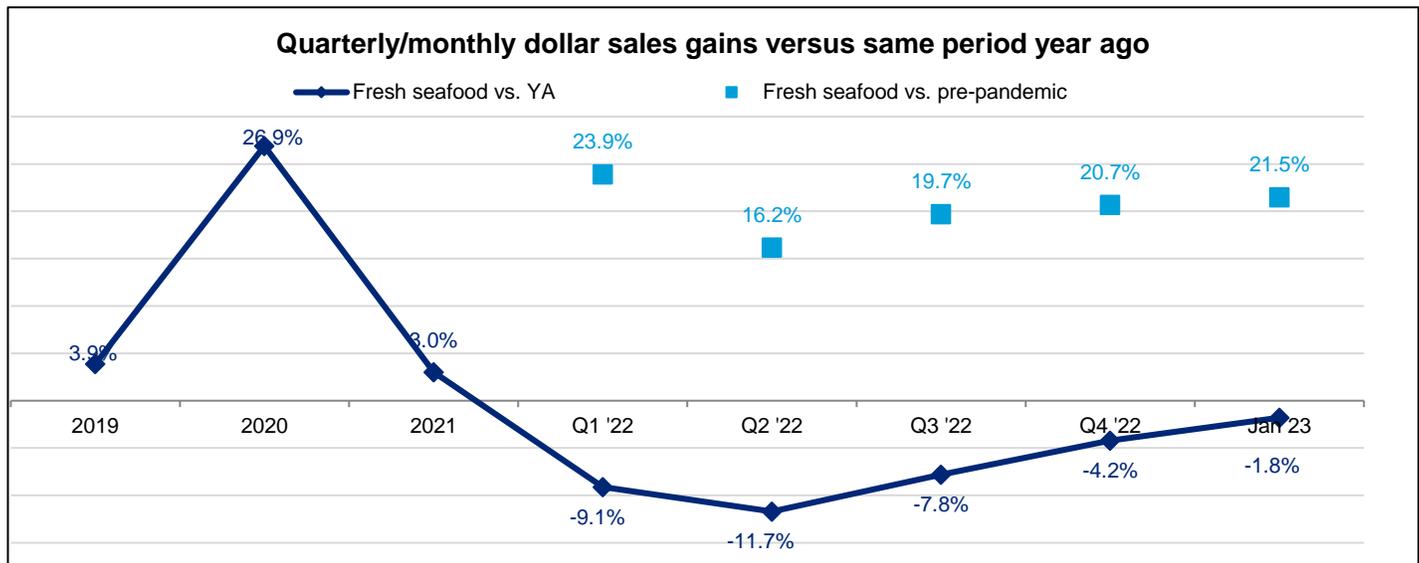
Fresh seafood

In January 2023, fresh seafood generated \$484 million in sales and the entire year brought in \$6.5 billion. Despite the rate of inflation moderating, units and volume demand did not rebound to prior year levels. In the past year, finfish had a slight dollar gain, but shellfish sales were down in dollars and pounds.

Type	January 2023 % change			Latest 52 weeks % change		
	\$ sales	\$ vs. YA	Lbs vs. YA	\$ sales	\$ vs. YA	Lbs vs. YA
Total fresh seafood	\$484M	-1.8%	-4.5%	\$6.5B	-7.9%	-13.9%
Fresh finfish	\$301M	+0.9%	-5.1%	\$3.8B	+0.6%	-11.6%
Fresh shellfish	\$160M	-5.1%	-1.9%	\$2.3B	-19.1%	-17.4%

Source: IRI, Integrated Fresh, Total US, MULO (not shown: other items in the seafood department)

Fresh seafood declines bottomed out in the second quarter of 2022. While still down year-on-year, the January performance was significantly better and is getting very close to year ago levels.



Source: IRI, Integrated Fresh, Total US, MULO

The four January weeks showed very consistent seafood sales, ranging from \$126 million during the first week of January to \$116 million in the final week. Pound pressure rose throughout the month, peaking at -5.9% versus year ago levels in the final January week.

Fresh seafood	Dollar sales	Dollar vs. 2021	Pounds vs. 2021
January 2023	\$484M	-1.8%	-4.5%
w.e. 1/8/2023	\$126M	-0.6%	-2.7%
w.e. 1/15/2023	\$123M	-2.3%	-5.4%
w.e. 1/22/2023	\$119M	-1.2%	-4.3%
w.e. 1/29/2023	\$116M	-3.1%	-5.9%

Assortment, expressed in the average number of items per store, is still down a little, but in the grand scheme of things, has not changed significantly over the past few years.

Items/store	2020	2021	Q1 22	Q2 22	Q3 22	Q4 22	Jan 23	vs. YA
Fresh finfish	19.3	20.1	19.6	19.8	19.7	19.0	19.0	-2.6%
Fresh shellfish	15.1	14.9	14.6	14.2	13.9	14.0	14.4	-1.1%

Source: IRI, Integrated Fresh Total US, MULO, average weekly items per store selling



Top 10 Species

The consistent market leader, salmon, had a solid January with dollar gains, though pound sales were down year-on-year. Otherwise, only tilapia and crab had positive dollar growth. Crab generated robust pound growth on favorable consumer pricing and catfish moved into positive territory as well.

Fresh seafood \$ growth	2019	2020	2021	Q1 22	Q2 22	Q3 22	Q4 22	Jan 23	\$ vs YA	Lbs vs YA
Total fresh seafood	+4%	+26%	+4.2%	-9%	-12%	-7.8%	-4.2%	\$484M	-1.8%	-4.5%
Salmon	+7%	+20%	+10%	+8%	+9%	+6.8%	+3.2%	\$217M	+2.9%	-4.3%
Crab	+13%	+67%	-4%	-31%	-34%	-15.0%	-5.6%	\$73M	+8.0%	+26.9%
Shrimp	-1%	+12%	+5%	-12%	-18%	-18.0%	-13.5%	\$54M	-12.5%	-15.9%
Lobster	-3%	+57%	-2%	-18%	-29%	-10.7%	-9.9%	\$18M	-12.5%	-9.2%
Cod	0%	+7%	+4%	-3%	-1%	-6.9%	-12.9%	\$16M	-13.4%	-22.5%
Catfish	+6%	+25%	-4%	-16%	-10%	-16.1%	-4.1%	\$16M	-0.4%	+1.6%
Tilapia	-3%	+15%	-6%	-20%	-17%	-22.1%	+5.2%	\$14M	+0.7%	-5.9%
Seafood salad	+8%	+7%	+28%	+26%	+15%	+10%	+1.1%	\$9M	-5.9%	-11.0%
Seafood cakes	-3%	+35%	+14%	-2%	-13%	-15%	-3.7%	\$8M	-12.8%	-15.5%
Trout	+0%	+7%	+6%	+4%	+4%	0%	+5%	\$7M	-5.7%	-10.6%

Source: IRI, Integrated Fresh Total US, MULO

Frozen Seafood Sales

The total frozen food department reached \$5.8 billion in sales in the four January weeks, up +5.1% versus last year. Whereas frozen processed meat/poultry had dollar gains, frozen raw meat/poultry and frozen seafood lost ground.

Dollar sales	2019	2020	2021	Q1 22	Q2 22	Q3 22	Q4 22	Jan 23	\$ vs YA	Units vs YA
Frozen food department	+2%	+22%	%	+7%	+6%	+10%	+11.3%	\$5.8B	+5.1%	-8.4%
Seafood	+5%	+37%	%	-2%	-3%	-4%	-2.8%	\$547M	-5.3%	-10.9%
Meat/poultry	+1%	+28%	%	+13%	+12%	+9%	+5.7%	\$430M	-5.4%	-13.4%
Processed meat/poultry	+3%	+33%	%	+13%	+21%	+25%	+26.3%	\$443M	+20.3%	-0.3%

Source: IRI, Integrated Fresh, Total US, MULO

By type, frozen shellfish (predominantly raw and cooked shrimp) was the largest seller in January 2023, at \$321 million, though sales were down year-on-year. Frozen finfish, at \$203 million, also dropped below year ago levels.

	2019	2020	2021	Q1 22	Q2 22	Q3 22	Q4 22	Jan 23	\$ vs YA	Pounds vs YA
Frozen seafood	+5%	+37%	+3%	-2%	-3%	-4%	-2.8%	\$548M	-5.3%	-6.4%
Frozen shellfish	+7%	+42%	+4%	-5%	-9%	-8%	-5.2%	\$321M	-5.3%	+1.3%
Frozen finfish	+3%	+30%	-1%	+3%	+10%	+6%	+2.4%	\$203M	-4.7%	-13.9%
All other frozen seafood	+3%	+32%	+10%	-4%	-9%	-13%	-26.2%	\$22M	-11.0%	-15.1%
Frozen seafood alternatives	-15%	+19%	+20%	+25%	+27%	+21%	-2.3%	\$0.9M	-12.1%	-25.2%

Source: IRI, Integrated Fresh, Total US, MULO

Top 5 Frozen Species

Shrimp are the frozen seafood powerhouse, with sales of \$3.7 billion in the latest 52 weeks. However, shrimp sales dropped in both dollars and volume, likely related to the above-average level of inflation. Salmon, while the dominant species in fresh, is the second-largest seller in frozen, generating \$645 million in the past year and \$55 million in the month of January 2023.



Top 5 frozen species Type	January 2023 % change			Latest 52 weeks % change		
	\$ sales	\$ vs. YA	Lbs vs. YA	\$ sales	\$ vs. YA	Lbs vs. YA
Total frozen seafood	\$547M	-5.3%	-6.4%	\$7.1B	-3.1%	-7.5%
Frozen shrimp	\$274M	-5.4%	-8.9%	\$3.7B	-4.8%	-11.0%
Frozen salmon	\$55M	-7.5%	-21.0%	\$645M	+0.3%	-18.0%
Frozen pollock	\$46M	-1.5%	-16.5%	\$571M	+9.4%	-4.5%
Frozen tilapia	\$39M	-0.6%	-5.1%	\$502M	+14.8%	-9.6%
Frozen crab	\$21M	+5.7%	+276%	\$257B	-19.5%	+181.3%

What's Next?

The first quarter of 2023 looks to be little different from 2022. Consumers remain worried about inflation and money-saving measures continue to pressure units and volume. While unit sales remain ahead of 2019 for most areas, the year-on-year unit pressure is high. Ingredient inputs, weather and transportation conditions remain areas of concern as prices are lapping the double-digit increases of 2022.

Thinking ahead to the April holidays of Easter or Passover, 28% plan to prepare a special meal for the household and 30% will host or attend a meal with extended family or friends. The typical party size continues to increase, from an average of 7.4 in 2022 to 7.9 in 2023. Shoppers are trying hard to keep spending flat (49%) with only 20% expecting to spend more, which may mean continued pressure on units and volume.

The next report in the performance series by IRI, 210 Analytics and Elanco will be released mid-March to cover the February sales trends.

Please recognize and thank the entire food supply chain for all they do to keep supply flowing.

Date ranges:

- 2019: 52 weeks ending 12/28/2019
- 2020: 52 weeks ending 12/27/2020
- 2021: 52 weeks ending 12/26/2021
- 2022: 52 weeks ending 12/25/2022
- Q1 2022: 13 weeks ending 3/27/2022
- Q2 2022: 13 weeks ending 6/26/2022
- Q3 2022: 13 weeks ending 9/25/2022
- Q4 2022: 13 weeks ending 12/25/2022
- December 2022: 4 weeks ending 12/25/2022