



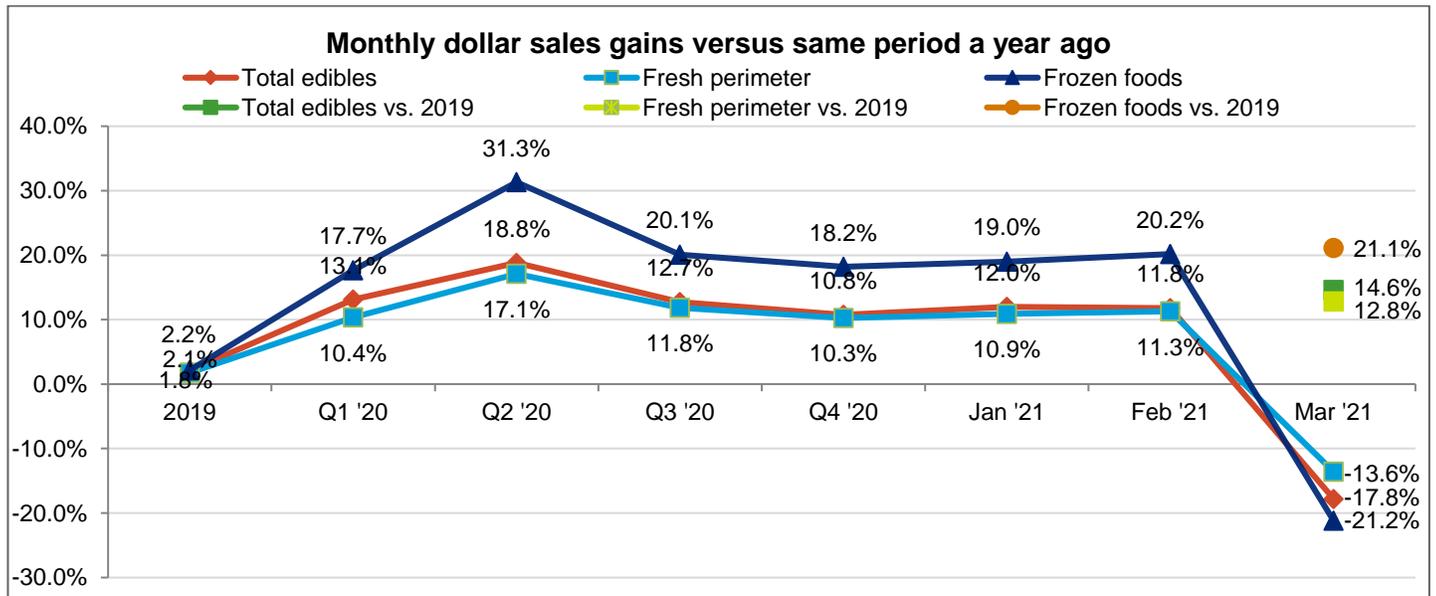
Boosted by Lent Sales, Fresh Seafood Remains Ahead of 2020 Spikes

By Anne-Marie Roerink, President, 210 Analytics

March 2020 saw the biggest spikes in the history of grocery retailing as the nation bought supplies to fill their freezers, fridges and pantries in preparation for sheltering in place. After an initial flurry of trips, the number of store visits fell far below year-ago levels, whereas the average basket ring came in well ahead of the pre-pandemic normal. While initially people may have switched over due to out-of-stocks in meat and poultry, seafood quickly became a powerful area of growth in its own right. Seafood, particularly fresh and frozen seafood, has been a pandemic powerhouse. However, starting in March 2021, sales began to lap the enormous spikes of 2020, and the comparison to year-ago levels turned negative for most areas even though the demand stayed well ahead of the 2019 baseline. 210 Analytics analyzed performance data provided by IRI and made possible by Elanco.

Total Store Sales

In March 2021, reflecting the four weeks ending between March 7 and March 28, sales of all food and beverage-related items dropped to -17.8% below the 2020 sales spikes. However, total food and beverage sales remained highly elevated from the 2019 baseline, at +14.6%. All areas of the store paced behind the massive gains of March 2020 on a year-over-year basis, with the fresh perimeter coming closest, at -13.6%. Frozen foods had been outpacing the rest of the store by a wide margin, but that also meant frozen fell behind further once it went up against those same spikes. However, frozen foods remain highly elevated versus pre-pandemic 2019 levels, at +21.1%.



Source: IRI, Integrated Fresh, Total U.S., MULO, % change vs. a year ago

Ambient, Fresh and Frozen Seafood

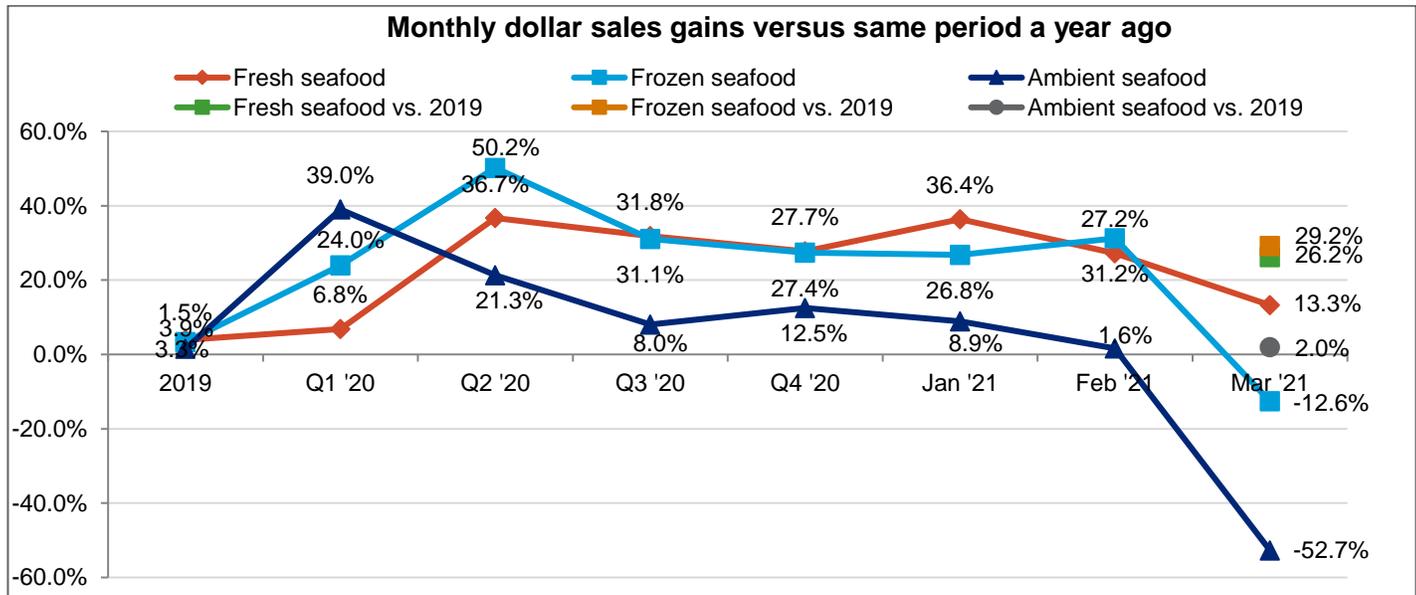
In the year-over-year look, fresh seafood managed an increase in March 2021, likely boosted by the earlier Easter holiday that fell on April 4 this year versus April 12 in 2020. Fresh seafood includes fixed and random weight items commonly merchandised in the perimeter department versus freezer doors. Fresh seafood also managed unit and volume sales increases, albeit slightly smaller figures, at +5.4% and +6.6% versus a year ago. Frozen and ambient seafood lost ground versus the enormous spikes of 2020. However, in actual dollars, frozen seafood sales were still bigger than fresh by about \$43 million.



March 2021	% sales change versus a year ago			
	Dollar size	Dollar sales	Unit sales	Volume sales
Frozen seafood	\$591M	-12.6%	-16.6%	-17.8%
Fresh seafood	\$548M	+13.3%	+5.4%	+6.6%
Ambient (shelf-stable) seafood	\$204M	-52.7%	-53.1%	-53.5%

Source: IRI, Integrated Fresh, Total U.S., MULO, % change vs. a year ago

When compared to the 2019 pre-pandemic baseline, sales of frozen, fresh and ambient seafood track ahead. In March 2021, frozen seafood was 29.2% ahead of March 2019. Fresh gained 26.2% over 2019 levels and ambient 2.0%.



Source: IRI, Integrated Fresh, Total U.S., MULO, % change vs. a year ago

Fresh Seafood

The big spikes in 2020 took place the weeks ending March 15 and 22. Fresh seafood managed to track ahead of year-ago levels even during those weeks. The earlier Easter boosted fresh seafood levels to +30.2% in the final week of March. Compared with 2019, dollar gains paced about 30% ahead most weeks.

Fresh seafood	Dollar sales	Dollar gains vs. 2019	Dollar gains vs. 2020
w.e. 3/7/21	\$137M	+11.7%	+14.6%
w.e. 3/14/21	\$138M	+31.5%	+3.0%
w.e. 3/21/21	\$137M	+33.3%	+9.0%
w.e. 3/28/21	\$137M	+30.8%	+30.2%

Source: IRI, Integrated Fresh, Total U.S., MULO, % change vs. a year ago

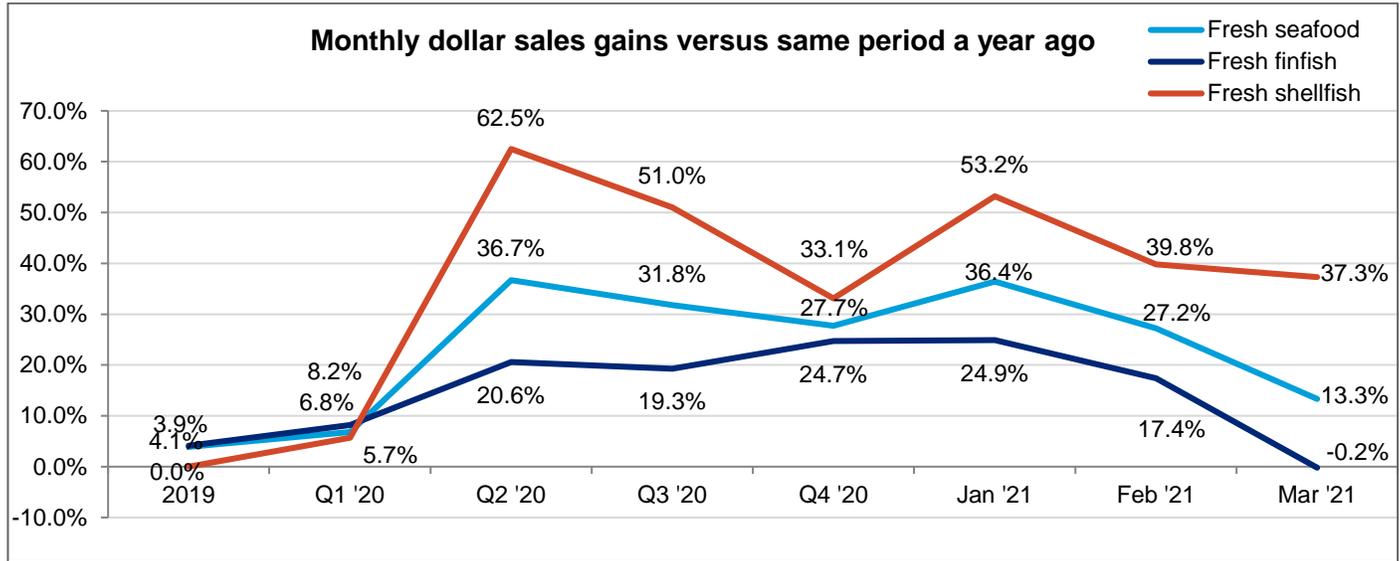
Within fresh seafood, shellfish drove all the growth in March 2021, at 39.8% over year-ago levels, while fresh finfish sales were flat versus a year ago. Volume gains were slightly lower than dollar gains, indicating inflationary conditions.

March 2021	% sales change versus a year ago			
	Dollar size	Dollar sales	Unit sales	Volume sales
Total fresh seafood	\$548M	+13.3%	+5.4%	+6.6%
Fresh finfish	\$303M	-0.2%	-4.3%	-5.1%
Fresh shellfish	\$224M	+37.3%	+21.5%	+26.5%

Source: IRI, Integrated Fresh, Total U.S., MULO, % change vs. a year ago



Shellfish has consistently outgrown finfish, with the highest gains in the second quarter of 2020. Additionally, shellfish gains have been fairly consistent versus a slowly declining trend line for finfish.



Source: IRI, Integrated Fresh, Total U.S., MULO, % change vs. a year ago

Retailers continue to invest in a broader fresh seafood assortment. The average number of items per week per store increased from 42.2 in March 2020 to 43.2 in March 2021. In contrast, the average item count in the meat department continues to be down relative to pre-pandemic levels.

Items/store	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Jan '21	Feb '21	Mar '21	Mar vs. '20
Total fresh seafood	40.6	42.2	40.1	42.4	42.8	43.6	43.7	43.2	+2.2%
Fresh finfish	20.6	21.5	20.8	21.9	21.8	22.2	22.4	22.6	+2.1%
Fresh shellfish	16.8	17.1	16.5	16.8	17.4	17.8	17.7	17.1	+2.6%

Source: IRI, Integrated Fresh Total U.S., MULO, average weekly items per store selling

Salmon — The Pandemic Powerhouse

Salmon is, by far, the biggest seller within fresh seafood, with March sales of \$184 million. Between many meal occasions still being prepared and consumed at home and the Easter holiday, all premium categories, including crab and lobster, did extremely well. All top 10 fresh seafood types ranked by sales grew in March 2021 versus the pre-pandemic 2019 normal, with the exception of tilapia. Many also grew year-over-year, with a few more exceptions in salmon, catfish and tilapia that could not quite match the sales spikes seen in 2020.

Fresh seafood \$ growth	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Jan '21	Feb '21	Mar '21	Mar vs. '19	Mar vs. '20
Total fresh seafood	+3.9%	+6.8%	+36.7%	+31.8%	+27.7%	+36.4%	+27.2%	\$548M	+26.2%	+13.3%
Salmon	+6.3%	+10.5%	+23.3%	+19.1%	+28.1%	+27.6%	+19.7%	\$184M	+20.2%	-1.3%
Crab	+13.4%	+14.0%	+117.8%	+88.2%	+47.1%	+68.7%	+62.2%	\$96M	+74.3%	+47.2%
Shrimp	-1.3%	-1.6%	+19.9%	+17.2%	+11.0%	+21.6%	+16.5%	\$71M	+10.3%	+18.5%
Lobster	-3.4%	+2.3%	+87.5%	+65.5%	+66.5%	+118.9%	+64.7%	\$26M	+77.8%	+65.5%
Cod	-0.1%	+0.4%	+6.1%	+7.8%	+13.8%	+20.2%	+8.7%	\$21M	+5.0%	+2.1%
Catfish	+5.9%	+7.3%	+36.7%	+28.2%	+26.9%	+27.6%	+11.4%	\$19M	+15.9%	-3.9%
Tilapia	-2.6%	+5.0%	+23.9%	+16.9%	+14.5%	+9.8%	+4.3%	\$18M	-3.4%	-12.2%
Scallop	-0.9%	-0.6%	+12.5%	+10.7%	+17.3%	+34.1%	+13.2%	\$10M	+15.2%	+22.2%
Tuna	+9.3%	+11.2%	+5.3%	+25.7%	+30.7%	+29.3%	+26.2%	\$9M	+43.3%	+30.6%
Trout	+0.2%	+5.8%	+4.2%	+11.0%	+8.9%	+10.5%	+14.4%	\$8M	+14.1%	+1.1%

Source: IRI, Integrated Fresh Total U.S., MULO, % increase in \$ growth versus a year ago



Frozen Seafood Sales

Having benefitted from increased household penetration, increased trips and an increased spend per trip, frozen seafood was a sales growth leader in the frozen food space throughout all of 2020, up 37.2% versus a year ago. The start of 2021 was equally strong, but come March 2021, frozen seafood sales had to go up against the pandemic sales spikes of March 2020. While sales remained up 29.2% versus the pre-pandemic 2019 levels, frozen seafood sales decreased 12.6% versus year-ago levels. Much greater declines were seen in frozen meat and poultry.

	% Dollar sales change vs. a year ago								Mar vs. '19	Mar vs. '20
	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Jan '21	Feb '21	Mar '21		
Frozen food department	+2.2%	+17.7%	+31.3%	+20.1%	+18.2%	+19.0%	+20.2%	\$5.0B	+21.1%	-21.2%
Meals	+1.5%	+14.9%	+20.5%	+14.1%	+13.4%	+15.7%	+16.8%	\$1.8B	+16.0%	-24.3%
Breakfast food	+2.9%	+15.4%	+23.3%	+18.0%	+17.7%	+18.4%	+17.8%	\$348M	+30.2%	-12.5%
Dinners/entrees	+0.9%	+11.9%	+13.8%	+11.1%	+11.0%	+15.7%	+13.3%	\$841M	+14.1%	-21.1%
Pizza	+3.1%	+22.0%	+32.2%	+17.8%	+16.0%	+14.7%	+24.8%	\$450M	+16.9%	-34.4%
Meat/poultry/seafood	+3.3%	+24.0%	+50.2%	+31.1%	+27.2%	+26.8%	+31.2%	\$1.3B	+29.2%	-23.2%
Seafood	+5.1%	+19.8%	+55.8%	+42.2%	+32.4%	+37.9%	+36.1%	\$591M	+29.2%	-12.6%
Processed poultry	+3.7%	+27.7%	+49.5%	+32.5%	+31.6%	+24.8%	+32.8%	\$286M	+38.6%	-23.6%
Meat	+2.5%	+28.1%	+39.5%	+18.7%	+18.4%	+18.7%	+21.9%	\$223M	+29.5%	-29.5%
Poultry	-0.4%	+25.7%	+52.1%	+18.8%	+18.8%	+11.4%	+25.5%	\$171M	+15.9%	-40.6%

Source: IRI, Integrated Fresh, Total U.S., MULO, one-week view % change vs. a year ago

By cut, frozen fish was the largest category in March, at \$340 million, down from \$291 million in February 2021. The second-largest segment, frozen raw shrimp, was up the most in comparison to pre-pandemic levels, at +56.2%, and managed to stay ahead of March 2020 sales as well, at +5.3%.

	2019	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Jan '21	Feb '21	Mar '21	Mar vs. '19	Mar vs. '20
Frozen seafood	+5.1%	+19.8%	+55.8%	+42.2%	+32.7%	+37.9%	+36.1%	\$591M	+29.2%	-12.6%
Frozen fish/seafood	+4.0%	+21.7%	+51.5%	+41.0%	+35.7%	+34.9%	+29.6%	\$340M	+23.3%	-18.1%
Frozen raw shrimp	+8.2%	+22.0%	+71.5%	+57.5%	+46.9%	+57.7%	+57.4%	\$170M	+56.2%	+5.3%
Frozen cooked shrimp	+4.0%	+14.2%	+47.0%	+28.1%	+15.9%	+24.7%	+27.0%	\$166M	+14.1%	-19.6%

Source: IRI, Integrated Fresh, Total U.S., MULO, one-week view % change vs. a year ago

What's Next?

March seafood sales were boosted by the earlier Easter. While everyday sales are likely to remain highly elevated versus the 2019 pre-pandemic normal, the year-over-year April results will go up against the later Lent/Easter spikes. Additionally, several indicators of consumer mobility — reflecting how much people are moving around to go to school, work, out to dinner, on vacation, to visit family and friends, etc.— are trending up. In March, TSA checkpoint numbers, OpenTable reservations, Apple driving and walking statistics, gasoline sales, the reopening of schools and more are all indicating a higher level of consumer mobility. Increased mobility is also likely to shift from home-centric food spending to greater foodservice engagement but may also drive increased demand for time-saving, convenience-focused seafood solutions, including ambient, fresh and frozen items.

Other pertinent findings from the IRI survey with primary grocery shoppers conducted in March include:

- Working from home continues at highly elevated levels compared to before the pandemic. As of March 2021, 44% of those who work at home some or all days a week believe they will continue to do so after getting the COVID-19 vaccine. This means a continuation of more at-home breakfasts and lunches and less dinnertime commuting.
- As of March 2021, 45% of younger school-aged children are still partaking in virtual education only. This share is slightly higher among teens, at 52%. These numbers continue to change as more school districts are experimenting with partial in-person schedules, impacting breakfasts and lunches.



IRi
Growth delivered.



- More consumers are comfortable in stores, with the share saying they are “relaxed” up from 40% in May 2020 to 61% in March 2021. This goes hand in hand with an increase in the average time spent in the store. This creates a more favorable environment for new item introductions along with robust interest among consumers for meal solutions and meal preparation or assembly.
- The nation’s pent-up demand for eating out at restaurants is translating into 40% expecting to dine out as often or more often as they did before the pandemic. This is up from a low of 19% during July 2020.
- Online sales started spiking a little later than in-person sales in March and April 2020. The generally high satisfaction levels translate into 68% of online grocery shoppers believing they will continue to shop online at similar rates after being vaccinated. An additional 11% believe they may buy groceries online even more often. This bodes well for grocery e-commerce to be able to keep pace with the records set in 2020.

The next report in the performance series by IRI, 210 Analytics and Elanco will be released in mid-May to cover the April 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 12/28/19

Q1 2020: 13 weeks ending 3/29/20

Q2 2020: 13 weeks ending 6/28/20

Q3 2020: 13 weeks ending 9/27/20

Q4 2020: 13 weeks ending 12/27/20

January: Five weeks ending 1/31/21

February: Four weeks ending 2/28/21

March: Four weeks ending 3/28/21