

Inflation harms fresh seafood sales, but COVID-19 concerns ease

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Record-high inflation impacted U.S. fresh seafood sales in March, but frozen and shelf-stable sales spiked.

The results are partially the result of public concern about the impacts of rising inflation, polling found. But Americans are now much less concerned about COVID-19, a potential boon to the foodservice sector.

Fresh seafood prices rose an average of 12.1 percent from a year ago to USD 8.51 (EUR 7.83) per unit in March 2022, according to new data from IRI and 210 Analytics. In February, they rose by 10.9 percent.

The higher prices led to a 10.4 percent plunge in fresh seafood sales to USD 505 million (EUR 464 million) in March, primarily impacting fresh shellfish sales, which experienced a 27.8 percent decline in sales. Crab, lobster, tilapia, and catfish – down 34 percent, 27 percent, 21.6 percent, and 16.4 percent, respectively – had the biggest sales drops in sales in March.

Seafood prices may spike further following global sanctions targeting Russia in response to its invasion of Ukraine. 210 Analytics Principal Anne-Marie Roerink said the sanctions will have an immediate impact on prices of crab, cod, and Alaskan pollock.

Frozen seafood sales were higher than fresh seafood in March, growing 1.1 percent to USD 605 million (EUR 556 million). And shelf-stable seafood sales also soared 9.2 percent to USD 222 million (EUR 204 million).

“Frozen and canned have two advantages over fresh seafood during inflationary times like these,” Roerink told SeafoodSource. “The number-one advantage is shelf-life – whereas fresh seafood needs to be used or frozen within a few days of purchase, frozen and canned seafood have little to no waste.”

The other primary advantage is price per unit and price perceptions, Roerink said.

“Many consumers believe that frozen is cheaper than fresh. In some cases, this is correct; in other cases, there really isn’t much of a difference, but perception is reality,” Roerink said. “More importantly, frozen and canned have a more favorable unit price, which underscores the idea of it being more price-advantageous. People may decide on a tuna salad sandwich instead of a fresh or frozen cod filet, for instance.”

Inflation is not just a problem affecting seafood. The price per unit across all foods and beverages in the supermarkets, club, mass, supercenter, drug, and military stores that IRI measures increased an average of 10.3 percent in March, according to IRI and 210 Analytics.

“Inflation has reached a 40-year high and consumers are extremely aware,” Roerink said.

IRI’s survey of primary shoppers in March found that 92 percent of consumers believe food prices are somewhat or a lot higher than last year, and 95 percent are concerned about it.

Forty-nine percent say they are “extremely concerned” about food prices, compared to just 27 percent of consumers who are extremely concerned about COVID-19, according to IRI.

“Inflation has a far greater grip on the nation’s food spending than COVID-19 at this point in time,” Roerink said.

FMI – The Food Industry Association reported similar findings from the first in its six-part [2022 U.S. Grocery Shopper Trends](#) series, conducted in partnership with [The Hartman Group](#).

“As of mid-February, shoppers tell us they have the lowest level of concern about COVID-19 since the pandemic began,” FMI President and CEO Leslie Sarasin said in a press release. “However, while shoppers’ concerns about contracting the virus have subsided compared to a year ago, their expressed anxiety regarding food prices has returned to similar levels witnessed during the summer of 2020. Further exacerbating this stress, Americans’ frustration regarding out-of-stocks has not abated.”

Forty-eight percent of shoppers report being extremely or very concerned with COVID-19, FMI found. At the same time, more than half of Americans cite their worries about rising food prices and 45 percent are concerned about out-of-stocks.

Consumers report their weekly grocery spending has gone up by 4 percent compared to early last year, and the majority (72 percent) of those who report increased spending point to rising prices on specific items or brands as the cause of the hike.

The majority (86 percent) of shoppers who are worried about rising food prices are making behavior changes, including looking for deals (59 percent), making substitutions or product changes (58 percent), changing where or how they buy groceries (48 percent) or buying more store brands (35 percent), according to FMI.

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