

U.S. FOODLINK

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Sustainability Key as Companies Put **Increased Emphasis on Seafood Offerings**

Both foodservice and retail companies are increasing their focus on sustainably-sourced seafood, representing one part of the overall trend of sustainable foods. At the same time, many grocery chains are adding additional seafood options to their prepared food sections as they expand their offerings.

Publix, Winn-Dixie and other grocers, as well as Darden Restaurants, have launched their own sustainable seafood campaigns, similar to initiatives launched for terrestrial food at many other chains, reported *Orlando Sentinel* (Feb. 10). The rise of these programs is an outgrowth of consumer demand for clean and sustainable products, according to University of Florida Miller Retail Center lecturer Steve Kirn.

“Activist groups are trying to highlight issues, and there is no question they have put a spotlight on questionable practices,” Kirn said. “And a lot of companies want to do the right thing, but you have to develop a supply chain that’s completely different from the one that exists right now.”

The changes are interconnected. Red Lobster supplier Trident Seafood is pushing its customers toward sustainable seafood. As the largest seafood supplier in the U.S., Trident’s other customers include retailers such as Costco, and CEO Joe Bundrant noted that consumers want transparency.

Albertsons Cos. is continuing to expand its Responsible Seafood Program, adding a “Top 5 By 2022” component, reported *Progressive Grocer* (Jan. 23). Under the terms of the commitment, the top five wild and farm-raised seafood species used for Albertsons’ sushi must meet the standards set by the company’s Responsible Seafood Policy by the end of 2022. The grocer’s top 20 wild and farmed seafood items will meet the standards by 2022 as well.

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Increased Emphasis on Seafood Offerings *Continued*

The changes go beyond the suppliers and retailers themselves. The Monterey Bay Aquarium's Seafood Watch program is used by hundreds of retailers and grocers, while nonprofit A Greener World created an "Animal Welfare Approved" label for farms that were audited for their animal care practices. The startup HowGood raised \$4.2 million for an app that rates products based on sourcing and ingredients.

"Consumers are becoming more aware of where their food comes and they react when there is something they don't think is right," said Kirn. "It may be coming slowly, but this is the new reality if you want to sell food."

Interest in blockchain is touching sustainable seafood as well, with Viant and the World Wild Fund for Nature launching a seafood tracking system to verify sustainable fish, reported *Fortune* (Jan. 3).

The certification allows for flexibility in how customers track fish through the supply chain, according to Viant co-founder Tyler Mulvihill. Participants can decide what they want to upload to the blockchain and how they want to track it, such as whether to start with actual

video of the fish being caught, while distributors can use options such as RFID or QR code to access the ledger where the information is stored.

Even some places where seafood is caught are receiving their own certifications. The Alaska Seafood Marketing Institute (ASMI) created the Alaska Responsible Fisheries Management, which recently certified five crab fisheries in the Bering Sea and Aleutian Islands, reported *The Cordova Times* (Jan. 25). The certification follows UN Food and Agriculture Organization guidelines to ensure buyers their crab is sourced from responsibly managed and sustainable fisheries. ASMI's model is based on the UN's code and guidelines for credible certification, with assessments performed against the most well known internationally agreed upon set of principles for responsible fisheries management.

Eastern Bering Sea Tanner crab and Aleutian Islands golden king crab received their first certifications, while Bristol Bay red king crab, St. Matthew Island blue king crab and Eastern Bering Sea snow crab were recertified.

The growing number of seafood certification organizations comes as more retailers expand their seafood offerings. Seafood is among the categories being given

greater emphasis in Albertsons' remodels, reported *Idaho Statesman* (Jan. 20).

Kroger Co. recently expanded its selection of Easy for You quick-prepare seafood and added a self-serve feature, reported *Cincinnati Business Courier* (Feb. 5). The service offers a variety of seafood and sides in a large case, with selections including salmon ravioli, shrimp and sausage roll, shrimp scampi, Thai green curry shrimp, shrimp tikka masala and creamy pesto shrimp. The items are priced by weight and can be brought home in a disposable case, and only need to be heated in a covered skillet for eight to 12 minutes before serving.

Beyond pleasing customers, Alaska is looking to improve profits by using every kind of fish, and every part of the fish, reported *The Cordova Times* (Jan. 15). While most of these products aren't being marketed to consumers in the same form as traditional seafood, the efforts could improve sustainability by reducing waste.

Alaska's annual seafood catch is valued at \$2 billion at the docks and \$4 billion after processing, and an additional \$700 million could be made by selling "specialty" products such as fish heads, oil, meal, internal organs, crab products, roe, herring fillets, arrowtooth flounder, spiny dogfish and skates, and selling more of them could add up to \$100 million in sales, according to a report compiled for ASMI.

The state produces about 1.0 billion-lbs. of fish heads every year, with only 1% frozen. However, salmon heads sell for up to \$5 a pound in China. Much of the more than 90,000 tons of fish oil produced is already burned as an alternative to diesel, but the ASMI report found refined fish oil for supplements could sell for over \$30 million each year.

Pest fish such as arrowtooth flounder, which compete with halibut but are themselves not appealing as food, could be used to provide a high-protein ingredient for the pet food, aquaculture and livestock feed markets.

The main issue preventing increased sustainability is logistics, caused by the combination of industrial-scale production costs, additional labor, freezer/storage capacity, transportation and marketing. However, Wink Research and Consulting economist and research analyst Andy

Wink noted co-ops could share costs and bring down the breakeven points on such projects.



EVENT CALENDAR

APRIL

24-27: FHA (Food & Hotel Asia) 2018

Singapore
Singapore Expo & Suntec
foodnhotelasia.com/

24-26: Seafood Expo Global

Brussels, Belgium
Brussels Expo
seafoodexpo.com/global/

30-May 04: Seoul Food & Hotel

Kintex, Seoul, South Korea
Korean International Exhibition Center
seoulfoodnhotel.co.kr

MAY

2-4: SIAL Canada

Montreal, Canada
Palais Des Congres
imexmanagement.com/shows/sial-canada-2018

16-18: SIAL China

Shanghai, China
Shanghai New International Expo Centre – SNIEC
sialchina.com

JUNE

5-8: Alimentec

Corferias, Bogotá, Colombia
feriaalimentec.com

25-28: IFT (Institute of Food Technologists)

Las Vegas, Nevada – USA
Sands Expo
iftevent.org

SEPTEMBER

4-6: Seafood Expo Asia

Wanchai, Hong Kong
Hong Kong Convention & Exhibition Centre
seafoodexpo.com/asia/

17-19: SEAFEX 2018

Dubai, United Arab Emirates
Dubai World Trade Centre
speciality.ae/seafex-seafood-aquaculture



Discover Fish and Shellfish Products FROM THE NORTHEAST USA

A long history of responsible fishing and good, science-based, conservation management practices have produced sustainable and profitable fish and shellfish resources. The seafood suppliers of the northeastern United States have a strong reputation for providing quality fish and shellfish products at competitive pricing to buyers worldwide, including:



AMERICAN LOBSTER

Homarus americanus

HARVESTING METHOD

Traps

PRODUCT FORMS

Live, raw meat, fresh cooked meat, and frozen

DISTRIBUTION CHANNELS

Restaurants and retail

AVAILABILITY

Year-round



U.S. ATLANTIC SEA SCALLOPS

Placopecten magellanicus

HARVESTING METHOD

Dredges and trawl nets

PRODUCT FORMS

Fresh and frozen meats

DISTRIBUTION CHANNELS

Restaurants, retail, and processing

AVAILABILITY

Year-round



MONKFISH

Lophius americanus

HARVESTING METHOD

Trawl nets and gillnets

PRODUCT FORMS

Whole fish, tails, fillets, livers and stomachs, fresh and frozen

DISTRIBUTION CHANNELS

Restaurants and retail

AVAILABILITY

Year-round



ATLANTIC HERRING

Clupea harengus

HARVESTING METHOD

Mid-water trawl nets

PRODUCT FORMS

Land-frozen and sea-frozen

DISTRIBUTION CHANNELS

Retail and processing

AVAILABILITY

Year-round



ATLANTIC MACKEREL

Scomber scombrus

HARVESTING METHOD

Mid-water trawl nets

PRODUCT FORMS

Land-frozen and sea-frozen

DISTRIBUTION CHANNELS

Retail and processing

AVAILABILITY

November/December through April/May



DOGFISH

Squalus acanthias

HARVESTING METHOD

Bottom gillnets, trawl nets, and hook gear

PRODUCT FORMS

Fresh and frozen—backs, belly flaps, and fins

DISTRIBUTION CHANNELS

Restaurants and retail

AVAILABILITY

Year-round



SKATE

Raja spp.

HARVESTING METHOD

Gillnets and trawl nets

PRODUCT FORMS

Fresh and frozen—wings and fillets

DISTRIBUTION CHANNELS

Restaurants and retail

AVAILABILITY

Year-round



SQUID

Long-Finned Boston/Winter Squid
Loligo pealei

Short-Finned Summer Squid
Illex illecebrosus

HARVESTING METHOD

Otter trawl nets, pound nets, and fish traps

PRODUCT FORMS

Sea-frozen squid (whole) and land frozen squid (whole, cleaned tubes and tentacles), size-graded by tube length

DISTRIBUTION CHANNELS

Restaurants, retail, and processing

AVAILABILITY

Year-round

MISSION STATEMENT

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news briefs

Consumers are increasingly visiting retailers specifically to buy prepared food. Roughly 80% of all consumers report purchasing prepared meals at least once a month, and 55% of consumers eat prepared foods within an hour of purchase according to Technomic's *2017 Retailer Meal Solutions Consumer Trend Report*.

Millennials spend more grocery money on prepared foods, pasta and sweets than other generations. However, the portion spent on healthy foods increases with income, and Millennials making \$50,000 to \$99,000 spend more on vegetables than older consumers, according to USDA, reported Bloomberg.



Most Americans will prioritize healthy or socially conscious food purchases in 2018. Nearly half of respondents plan to eat less sugar or buy more "no sugar added" products, according to a survey conducted by Wakefield Research on behalf of Label Insights. Other top purchase factors include 37% of respondents buying products with "no artificial colors or flavors," and 22% shopping for more sustainable products and ingredients.

The average American is expected to eat 222.2 lbs. of meat and poultry in 2018. The total is a record amount and the highest consumption level since 2004, according to USDA. Demand for eggs is expected to reach an all-time high as well, reported Bloomberg.

Certain refrigerated categories could benefit from additional research and development. Sales of refrigerated meals and sandwiches have declined since 2012, but could be revived as supermarkets invest in grocerant offerings, according to The Hartman Group. Product variety in refrigerated dips is limited, and many multi-serve entrees are seen as too highly processed and meat-driven for current trends.

Supermarket bakeries are seeing demand for healthy offerings. Better-for-you baked goods and smaller portion sizes are gaining popularity, and Kowalski's has seen success with its clean-label cookies and is exploring other health and wellness bakery items, including vegan products. Giant Eagle's grain breads have been popular as "consumers

aren't looking to abandon bread," but are looking for healthier versions, according to an NPD Group analyst, reported *Supermarket News*.

How will online shopping shape physical retail? Large weekly shopping trips will be displaced and preferences for prepared foods in the coming years, according to Symphony Retail Ai's *Supermarket 2020* report. The firm predicts stores will have fewer than 10 aisles, an average product range of fewer than 10 highly curated SKUs per category and center store aisles will be removed to make room for prepared foods. Additionally, private labels are expected to represent 40-45% of SKUs.

Five distinct generations of shoppers are now in the grocery aisle. Gen X spends the most on groceries, averaging \$380 per month, while Gen Z and Millennials average the most grocery shopping trips each month according to Acosta's *The Why? Behind The Buy* study. Forty-two percent of Gen Z shoppers indicate they use a digital grocery list, while 60% of Millennial shoppers use mobile apps for grocery coupons or discounts.

Beverage sales are on the rise at convenience stores. The majority of c-store retailers expect their packaged beverage business per store to go up in 2018, with 53.7% predicting an increase in volume and 57.5% predicting an increase in dollar sales, according to the *2018 Convenience Store News Forecast Study*. Consumer demand for healthy or functional beverages is on the rise, including sugar-free or lower calorie beverages, as well as enhanced water, energy drinks and coffee.

Taste is the top reason U.S. adults who eat plant-based proteins do so. Desire for a good taste outranks concerns over diet, animal protection, the environment and health, according to Mintel. Consumers are more likely to seek plant-based protein products with no artificial ingredients, and that are high in protein and fiber and non-GMO. Nearly 50% of Americans agree that plant-based proteins are better for you than animal-based options, and 75% believe plant-based foods are healthy.



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