

Seafood suppliers, traders forced to adapt quickly to shifting demand

Facing a marketplace that has been drastically changed in the span of less than two months by the coronavirus pandemic, U.S. seafood suppliers, distributors, restaurants, and wholesalers are adapting by switching up their sales methods.

A number of larger seafood companies have moved further into retail sales. Others are urging greater industry collaboration and a joint “Buy American” marketing effort. On the more local level, small- to medium-sized seafood suppliers have shifted to a much more significant online presence, offering to ship orders directly to Americans’ homes. Online marketing data group eMarketer projects direct-to-consumer (D2C) ecommerce sales to surge 24.3 percent to USD 17.8 billion (EUR 16.3 billion) in 2020.

Others are shifting their sales from foodservice to grocery chains and even healthcare facilities; adding local delivery options or curbside pick-up, and freezing more products to appeal to a consumer base that is demanding products that can be stored for longer periods of time.

Before the coronavirus hit the U.S., Woburn, Massachusetts-based meat and seafood purveyor Dole & Bailey primarily focused on supplying the foodservice sector. But last month, it quickly set up a home delivery service to consumers. It is now offering a package online that includes swordfish kabobs and sockeye salmon along with pasta, chicken, steak, and sausage, for USD 195 (EUR 180).

“As a truly independent purveyor, we are blessed that we can transform ourselves and adapt quickly to our daily-changing world,” President and CEO Nancy Matheson-Burns told SeafoodSource. “Our focus is for people to receive quality food safely – whether we are supplying ingredients to restaurants for their to-go offerings, or meats and seafood to the local family butchers, healthcare institutions, or our new home delivery service to friends and family.”



While Riverence Holdings, the country's largest trout producer, lost a significant chunk of sales when many of foodservice customers closed their doors or reduced orders, the supplier is looking into healthcare markets and prepping the launch of its individually quick-frozen (IQF) trout fillets.

"We have flash-freezing capability and frozen is especially valuable right now," Riverence Director of Communications Gabe Watkins told SeafoodSource. "We are gearing up for the launch of a new product that is flash frozen fillets, which are individually vacuum-sealed."

Riverence is looking at other "creative" ways to move bulk, frozen trout, Watkins said.

"Can we take care of hospitals? Yes," he said. "We are identifying the people who are taking care of people that we can help."

Kvarøy, which launched its Aquaculture Stewardship Council-certified, open-ocean farmed salmon in the U.S. in early February, is shifting from supplying retailers fresh fish to more frozen product.

"It was our plan to hold a small amount of frozen inventory in the U.S. Now, the demand has increased significantly," Kvarøy Arctic CEO Alf-Gøran Knutsen told SeafoodSource. "We have ongoing containers of salmon arriving with customers ready to receive it."

In some cases, that demand for Kvarøy's salmon from retailers such as Whole Foods Market rose more than 50 percent in the first weeks of the crisis. Now, the producer sales are up nearly 35 percent at retail, Knutsen said. Kvarøy is absorbing the higher cost of shipping and freezing the salmon, rather than passing it on to customers, Knutsen said.

Other seafood suppliers and seafood-focused restaurant chains are adapting to changing consumer demand by finding new retail partners and launching new direct-to-consumer sales initiatives.





Foodservice distributor Performance Food Group signed agreements with 10 new grocery retail partners and is sharing more than 1,000 employees with those retailers. Sysco has made implemented similar measures. Performance Food Group is now distributing groceries to around 480 new grocery locations and is entering into new partnerships to support online ordering for its customers, the company said in a press release.

Luke's Lobster set up an e-commerce shop which features many of the dishes in its restaurants for consumers to enjoy at home. And Biloxi, Mississippi-based Biloxi Freezing & Processing Inc. is selling more than one million pounds of its frozen Gulf of Mexico shrimp at wholesale prices to the public via curbside pickup.

"While retail sales are strong, decreased foodservice sales caused by restaurant closures have led us to open up our sales to the community," the supplier said in an advertisement to customers.

Wholesaler L.D. Armory & Co. in Hampton, Virginia, has also moved to curbside pickup, with its top seller being 10-pound boxes of fish.

"We are trying to adapt to this virus crisis and are changing the way we do some of our business," the company's owner, C. Meade Armory, told The Daily Press of Newport News. "We're certainly hoping it's just temporary."

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