

US seafood distributors forecasting more than \$100 million in losses this year

Survey of 15 leading distributors details the financial pain resulting from the coronavirus pandemic.

A portion of America's leading seafood distributors are forecasting they will each lose an average of more than \$113 million (€100 million) in 2020 because of business impacts resulting from the coronavirus pandemic.

The 15 distributors surveyed in mid-April by the National Fisheries Institute (NFI) said they expected sales to slip by more than 40 percent.

The suppliers polled rely primarily on sales to foodservice outlets, which have largely been closed or offering limited take-out service since lockdown measures took hold in March across much of the United States. In June, however, many states began to allow restaurants and other businesses to reopen.

The foodservice sector accounts for nearly 70 percent of seafood dollar sales. US consumers spent an estimated \$102.2 billion (€90.7 billion) for fishery products in 2017, according to federal government statistics. The total includes \$69.6 billion (€61.9 billion) in spending at foodservice establishments and \$32.5 billion (€28.9 billion) in retail sales for home consumption.

"The industry is the tale of two channels – those focused on retail rocketed sales to about 50% higher year-on-year. Those seafood companies supporting foodservice have seen sales plummet. Thank heavens we have heard of no one going bankrupt at this point," NFI President John Connelly told IntraFish.



An unlevel playing field

The financial pain caused by the coronavirus is spread unevenly throughout the seafood supply chain, he said, noting that processors selling into retail primarily had to add shifts during the past few months to keep up with demand.

But these companies have also incurred greater costs because of measures required to control the spread of the virus among workers.

Norwegian krill harvesting and processing giant Aker BioMarine, for example, has spent around \$6 million (€5.4 million) developing a process to safely change the crews on its three vessels in the Antarctic during the global coronavirus pandemic.

US seafood giants such as Trident Seafoods, Pacific Seafood and others have also spent heavily to protect workers. Nevertheless, the two processors have both had to temporarily suspend some operations to deal with outbreaks, further driving up costs of their COVID-19 response.

US pollock giant American Seafoods, too, has seen a dramatic impact on its fishing operations.

The company's American Dynasty, American Triumph, and Northern Jaeger vessels have returned to the Port of Seattle, after more than 100 workers tested positive for COVID-19 in June when the vessels were offloading Pacific whiting in Bellingham, Washington, north of Seattle. The vessels will be late arriving to Bering Sea fishing grounds for the start of the "B" pollock season, which began June 10.

As for the impact on NFI's bottom line resulting from the financial challenges facing its members, Connelly said the trade group took cost control measures early on in the crisis that have helped it weather the storm.

"We have not seen a negative impact and revenue has remained steady," he said.

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