what’s hot in foodservice?

- Certifiable Sustainable Seafood – 27%
  – Only 19% aren’t using sustainable seafood
- Wild Seafood Products – 27%
- Seafood & Salad / Vegetable Pairings – in response to increasingly health conscious consumers
top selling species

① Farmed Salmon
② Farmed Shrimp
③ Crab
④ Wild Shrimp
⑤ Wild Salmon

Note - Increasingly popular Consumer Buying Guides (e.g. Monterey Bay) recommend against purchasing farmed products - yet farmed is still popular at foodservice level
buying trends

Demanding quality
- for a low price
top challenges for foodservice operators

1) Sustainability
   - over 50% cited as top challenge - vs. 39% in ’08

2) Rising Wholesale Prices – 52%

3) Sourcing / Product Availability – 51%

4) Declining Traffic / Economy – 47%
key trends & topics of discussion

• Sustainability
• Gulf Oil Spill & Restaurant Traffic
• Menu Mix
• Rising Prices
sustainability – a disparity

- A concern for foodservice operators - but not end-consumers
- 23% of operators are removing unsustainable items from product listings
sustainability - why disparity?

• Why are operators concerned about challenges related to sustainability when only 17% of consumers care about sustainability?

  – Consumers receive mixed messages on what is ‘sustainable’
  – Consumers care about sustainability but have a high perceived cost of sustainable seafood – price is more important
  – Awareness is low and often overshadowed by food safety. However, awareness has grown since 2008
  – Sustainability is being driven by company corporate social responsibility – rather than by demand – e.g. company adopts sustainability policy to protect image with environmental groups - rather than to satisfy demand
sustainability - opportunity

• How can operators educate end-consumers on sustainability - thereby creating demand?
  – Simplify information and educate front-line employees
  – Sustainability sourcing policy is required and that must be communicated to front-line chefs - restaurant and retail staff – many operators partner with NGO’s in development of their policy - but they fail to effectively communicate it

• Opportunities:
  – Provide effective education on sustainability to employees who can then transfer information to customers.
  – Create and communicate our own sustainability sourcing policy and align goals with our operators
  – Relying on restaurant staff and chefs isn’t enough – target consumers directly e.g. iPhone App
75% say Gulf oil spill has not impacted traffic
21% say traffic has gone down

Regional Differences:
- Southeast – 44% say traffic is down
- Northeast / Midwest / West – 15% say traffic is down
Despite a sluggish economy and the oil spill - operators are still purchasing seafood

90% of restaurants surveyed are offering more or the same amount of seafood on menus compared to last year

- 26% offering 1-25% more
- 58% offering same amount
- Cafeteria / Institutional & Fast Casual - show greatest increase in seafood offerings
23% are removing unsustainable items

Chilean Sea Bass & Swordfish are being removed – these species are targets of environmental groups
rising wholesale prices

- Always ranks as one of the top 5 challenges to sourcing seafood – 24%
- This year - restaurants are raising menu prices – and increasing wholesale prices are to blame
Operators need to offset rising wholesale prices – but how do they do this in a sluggish economy?
  – By offering **wider price ranges**

In general - 48% say menu pricing **increased** compared to 2009
  – Shrimp - Salmon & Tilapia prices in particular are going up
prices - are they really a sourcing problem?

• Is there a difference between how buyers answer the survey and the real world?
  – The disparity is in what chefs think they are buying and what they actually get
  – Chefs / Purchasers push back on prices saying that “Company X” is offering a lower price – but what they don’t understand is the lower quality product they are getting for that price
  – The disparity is not so much in how buyers answer the survey - but instead in their knowledge of seafood quality and the price it demands
prices – the importance of education

• Demand for low priced seafood is apparent – but adequate education on product quality is the solution to selling more seafood

• Effective education will help combat low prices offered by your competitors