



**Seafood is catching on in the U.S.** In 2016, the U.S. fish and shellfish market topped \$17B (up 14% since 2011), and is now predicted to hit \$18.4B by 2021.<sup>1</sup> In 2015, U.S. per-capita consumption increased by 0.9 lbs from 2014, to 15.5 lbs per year,<sup>2</sup> which was still relatively low compared with other countries. Fresh refrigerated seafood sales (the largest segment at \$10B) drove market growth (up 7.2% from 2014 to 2016). Conversely, the frozen segment held steady (up only 0.2%), and the shelf-stable segment continued its long-term decline (down 8%)<sup>1</sup>. These numbers underline the general trend toward fresher, less-processed foods.

**The trends of healthy eating and ethical consumerism are driving seafood sector growth.** The decade-old “healthy eating” trend has turned its focus to the benefits of protein, especially “clean proteins”, among which seafood has an inherent advantage. Moreover, sustainability messaging is particularly relevant in the seafood category. In 2016, 61% of all new seafood product launches carried a sustainability claim,<sup>1</sup> which is double the grocery industry average.<sup>4</sup>

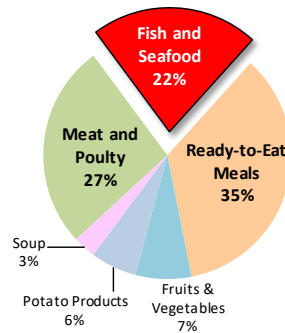
**From restaurants to homes, seafood consumption is becoming more adventurous.** Frequently used in trending cuisines such as Japanese, Hawaiian, and Cajun, seafood and seaweed are increasingly being enjoyed by foodie restaurant-goers. Inspired by these restaurant trends, successful packaged seafood launches have brought more exotic flavors, diverse species, and formats into American homes. Home cooking is on the rise, a trend that is being driven by men, millennials, and Gen Xers.<sup>3</sup>

**Smaller players are nipping at the tail fins of Big Food.** As in other grocery categories, big seafood brands have posted sales declines, while many smaller players are growing.<sup>1</sup> Big brands, which often specialize in processed or shelf-stable products, seem to be struggling to engage today’s consumers, who are looking for seafood that is less processed, more authentic and responsibly sourced. Smaller brands are doing a better job of communicating their products’ stories, quality, and sustainability, and are now seen as more inherently trustworthy — 49% of consumers say they trust small companies to do the right thing vs. 36% for big companies.<sup>4</sup>

## Global Frozen Food Market by Product

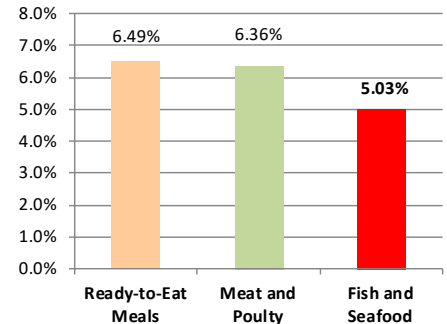
### Market Share

2016



### Growth

2016-2021 Compound Annual Growth Rate



Source: Fish 2.0, adapted from BusinessWire on Global Frozen Food Market 2017-2021

## Areas of Opportunity

### Home cooking made simple

Home cooking — believed to be healthier, quicker, and more affordable — is on the rise. Many home cooks, however, lack experience, especially in cooking seafood, and they have high expectations of restaurant-like quality, flavors, and variety. Products that can resolve this tension and make high-quality home cooking easy are positioned to gain market share. Solutions that are healthy and affordable, such as pre-seasoned seafood, partially prepared meal options, full-meal kits, and seasoning kits/sauces, have gained notable traction.

### Category makeover

The frozen-food aisle — traditionally a mainstay of highly processed pizzas, microwaveable meals, and breaded fish sticks — is getting a makeover. New brands have correctly spotted trends toward healthy nutrition, sustainability, and foodie adventurousness, and are launching premium frozen products that are tasty, convenient, and based on traceable ingredients. Similarly, new products are disrupting the smoked seafood category, with new species, interesting flavors, and innovative packaging.

### Feeding a protein obsession

Seafood is uniquely positioned to satisfy America’s new “clean protein” obsession. In a Mintel survey,<sup>1</sup> consumers said they eat seafood “for heart health” (37%), “to increase their omega-3 consumption” (37%), and because it’s “healthier than other proteins” (34%). Prominent trends in meat consumption are on the verge of spilling over into seafood as well, giving beef and poultry a run for their money. New salmon or squid jerkies are tasty, healthier alternatives to beef jerky. Likewise, fishbone broth could tap into the recent health craze for collagen- and protein-rich bone broths.

### Algae is the new kale

High in protein, antioxidants, omega-3, and numerous vitamins and minerals, algae are a veritable superfood that fit well in healthy, protein-rich, clean diets. Spirulina, chlorella, and other algae powders are increasingly being used as boosters in juices and smoothies — and even in pasta. Seaweed, no longer confined to sushi, is becoming popular as fresh salad, dried snacks, and as a salt alternative for fries, chips, and popcorn (e.g., Furikake).

\*CPG = Consumer Packaged Goods

Sources:

<sup>1</sup> Mintel, *Fish & Shellfish Report*, November 2016., <sup>2</sup> NOAA, *FUS2015*, September 2016,

<sup>3</sup> Mintel, *Home Cooking Report*, November 2016. <sup>4</sup> Mintel, *Ethical Consumerism Report*, November 2015.

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