

Dining Out Became Dining In

How nation change the culture overnight



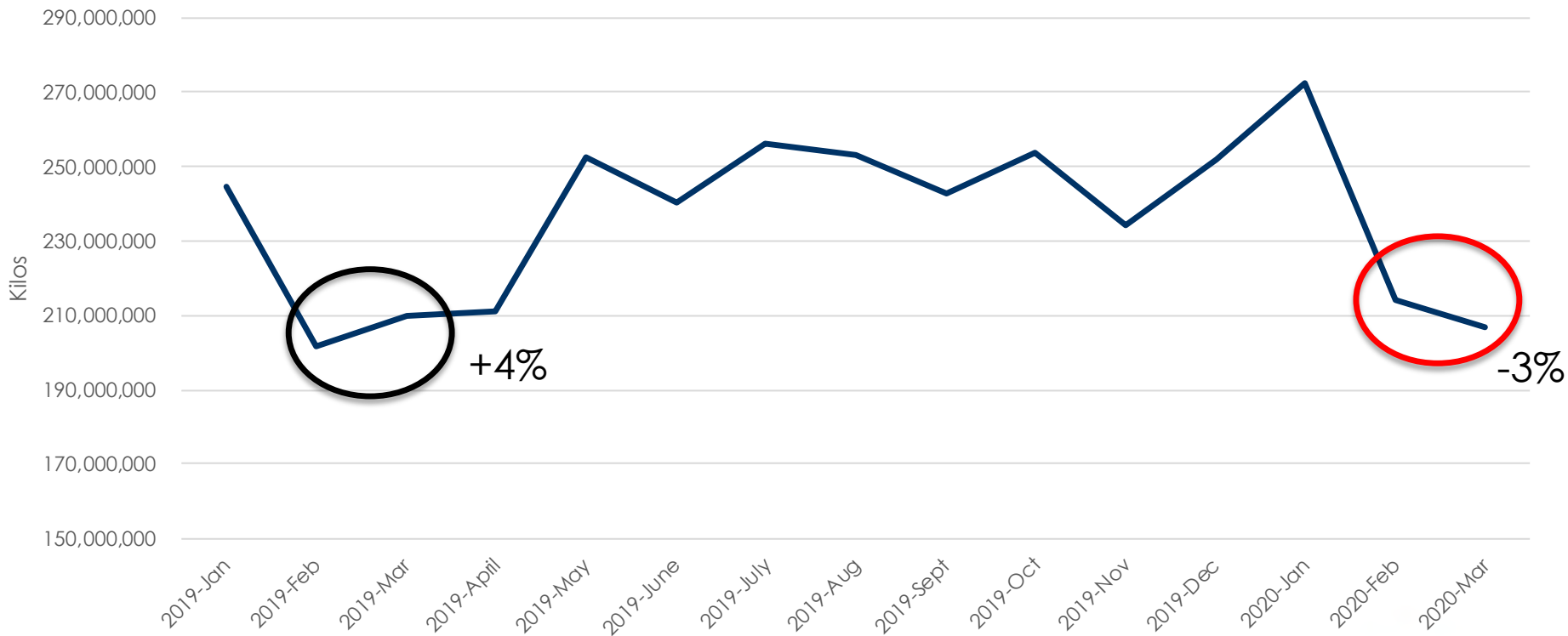
INTERNATIONAL

Dan Murphy



From the desk of Bob Brennan CEO Sea Watch International : I am pleased to announce the addition of Dan Murphy to the newly created role of Chief Commercial Officer of Sea Watch International in Easton, MD. Dan is joining us after spending 9 years as Executive Vice President Sales at Trident Seafoods. Prior to that Dan spent 15 years as EVP Sales at Icelandic USA. The owners of Sea Watch have known Dan for many years and are happy to have him as an executive of the company. Dan will office in Easton, MD. and will oversee the sales, marketing and R&D and product development.

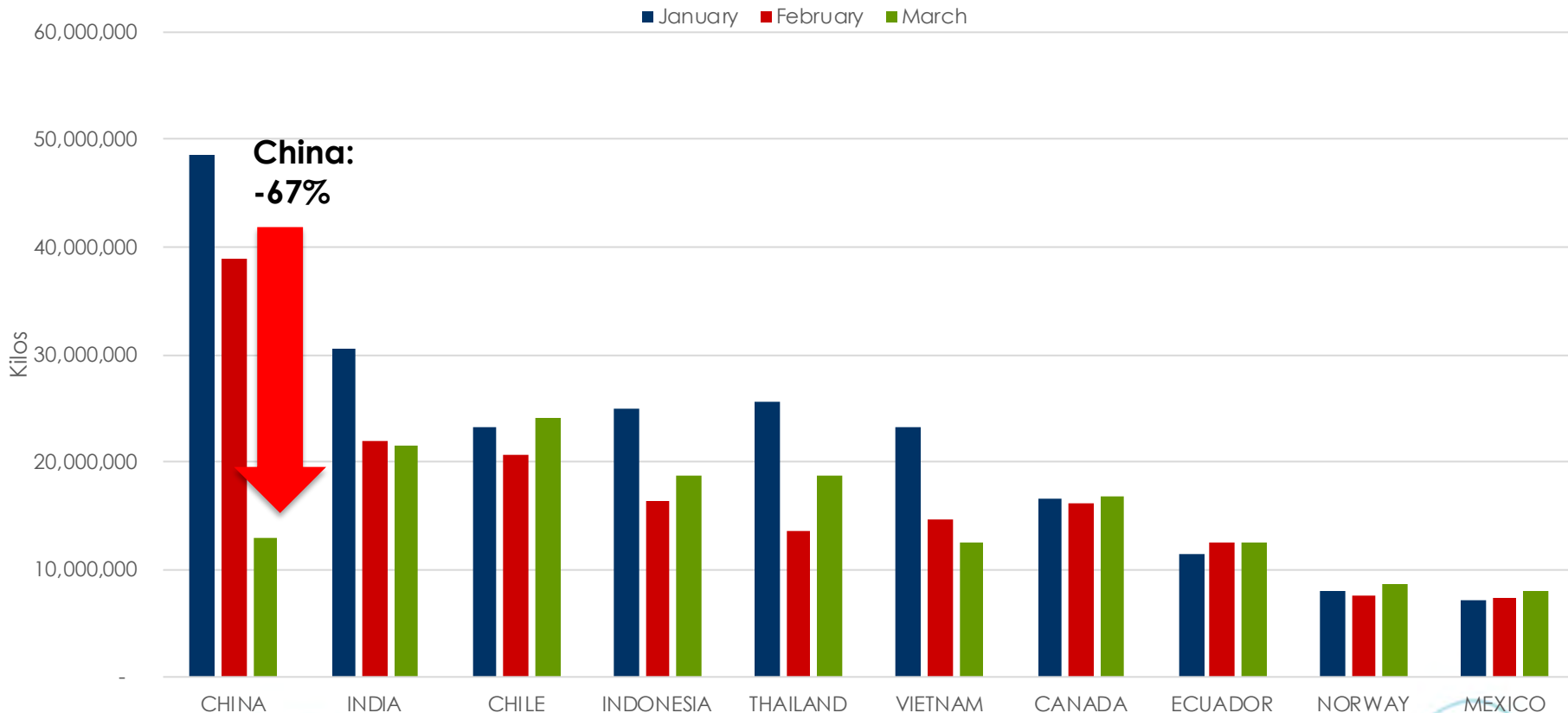
US monthly seafood imports



Source: NOAA



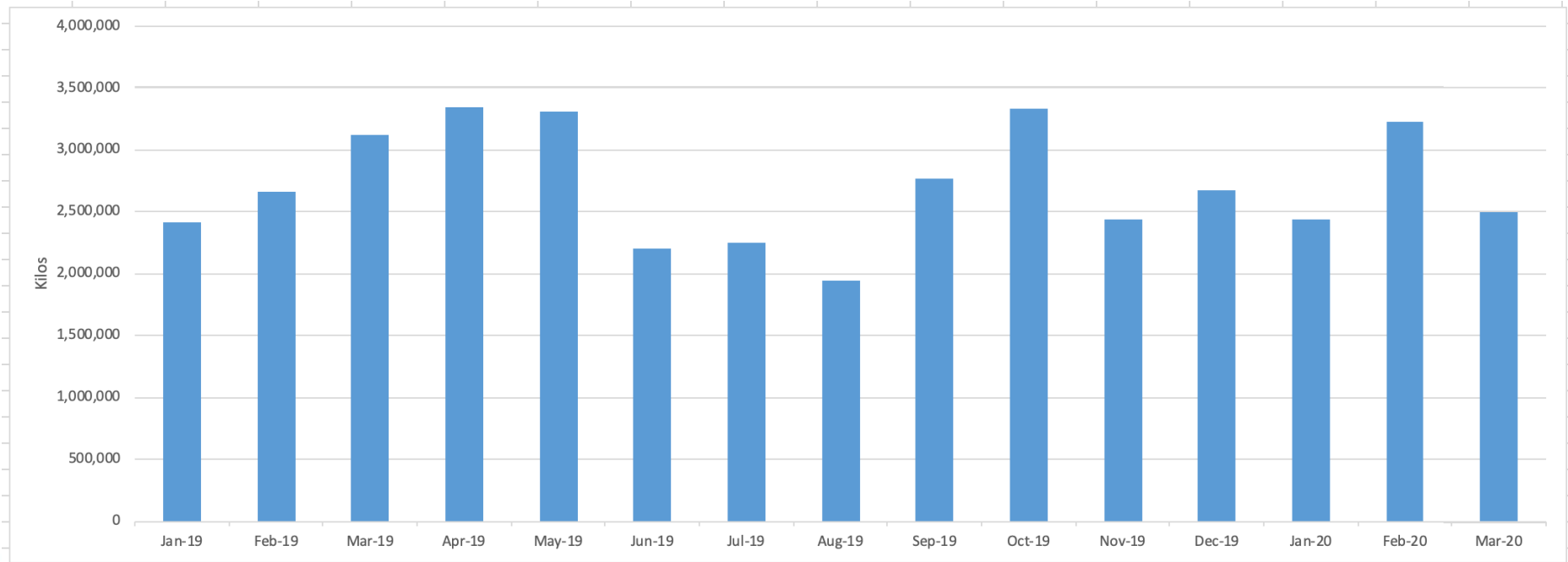
2020 Seafood Imports by Country



Source: NOAA



US Imports to Iceland



India shrimp exports to US

Export From India to USA

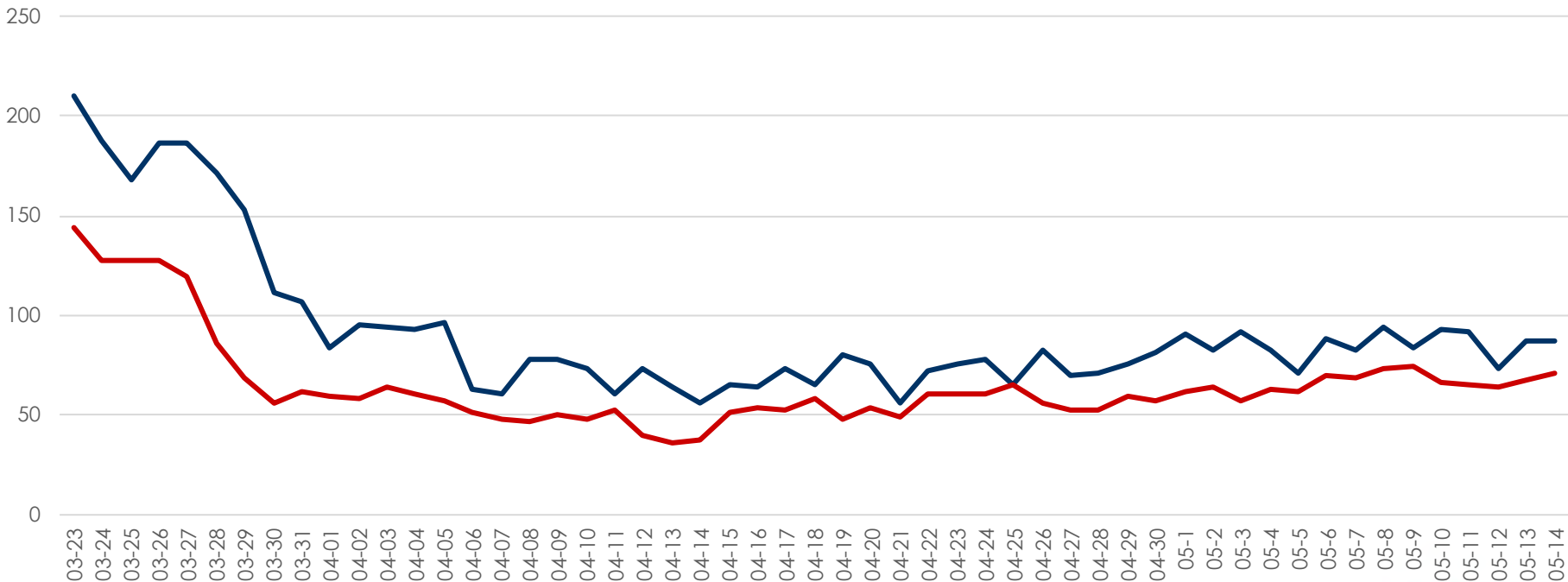
Monthly Export to USA	2019 (Million lbs)	2020 (Million lbs)	Growth
Dec	55		
Jan	35	40	12.7%
Feb	38	*38	0.0%
Mar	44	*31	-30.0%
Apr	37	*15	-60.0%
May	48	*31	-35.8%

*Estimate

- Feb 2020 exports are estimated to be on par with Feb 2019.
- Exports to USA in April are expected to down by over 50% as most exports from India during this month were shipped to China.
- We could see low shrimp imports from India in the first 3 weeks of May.
- Exports to USA during May are expected to pick up as production started to stabilize.
- Average transit time for containers from India to the US is 35 to 40 days.

Fresh Norwegian salmon impacted by flight reductions

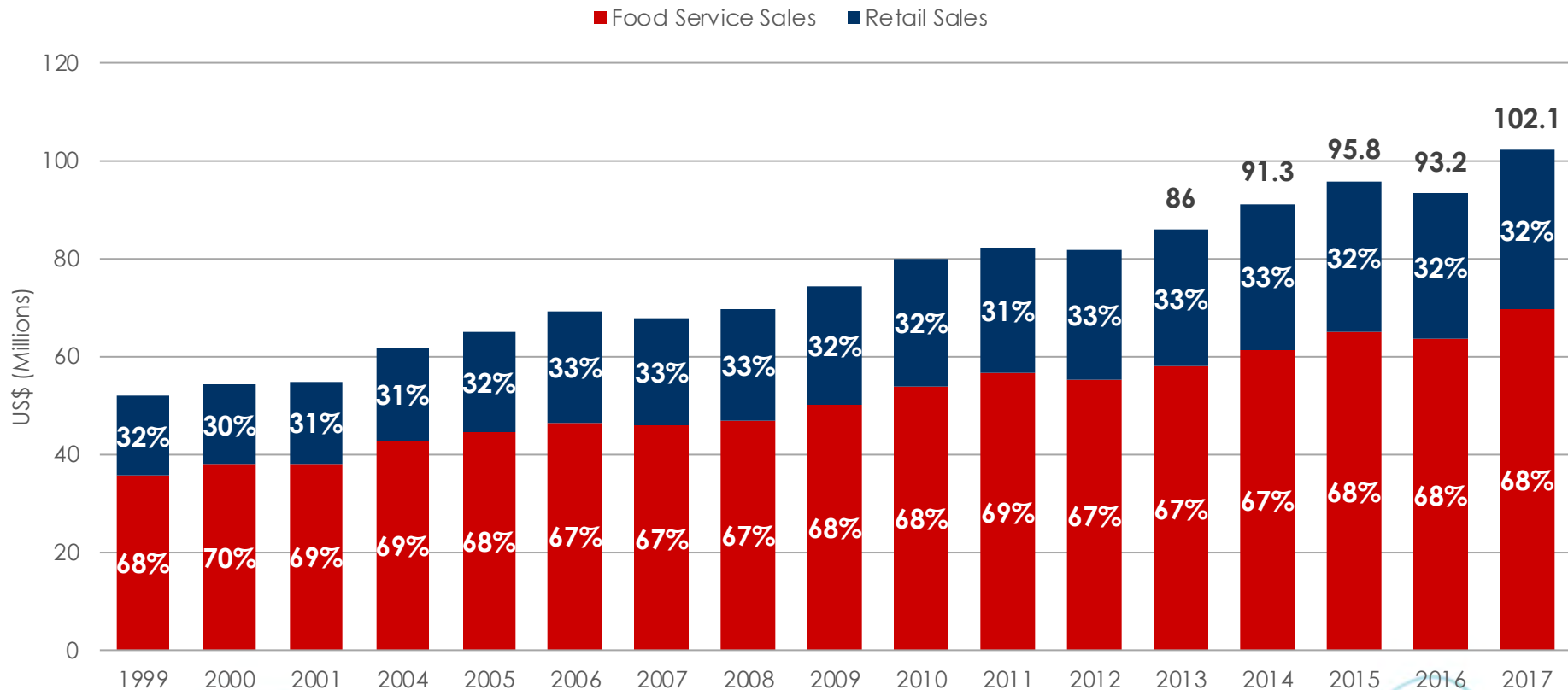
— London Heathrow Airport — Amsterdam Schiphol Airport



Source: Flightradar24



Seafood Consumer Expenditures

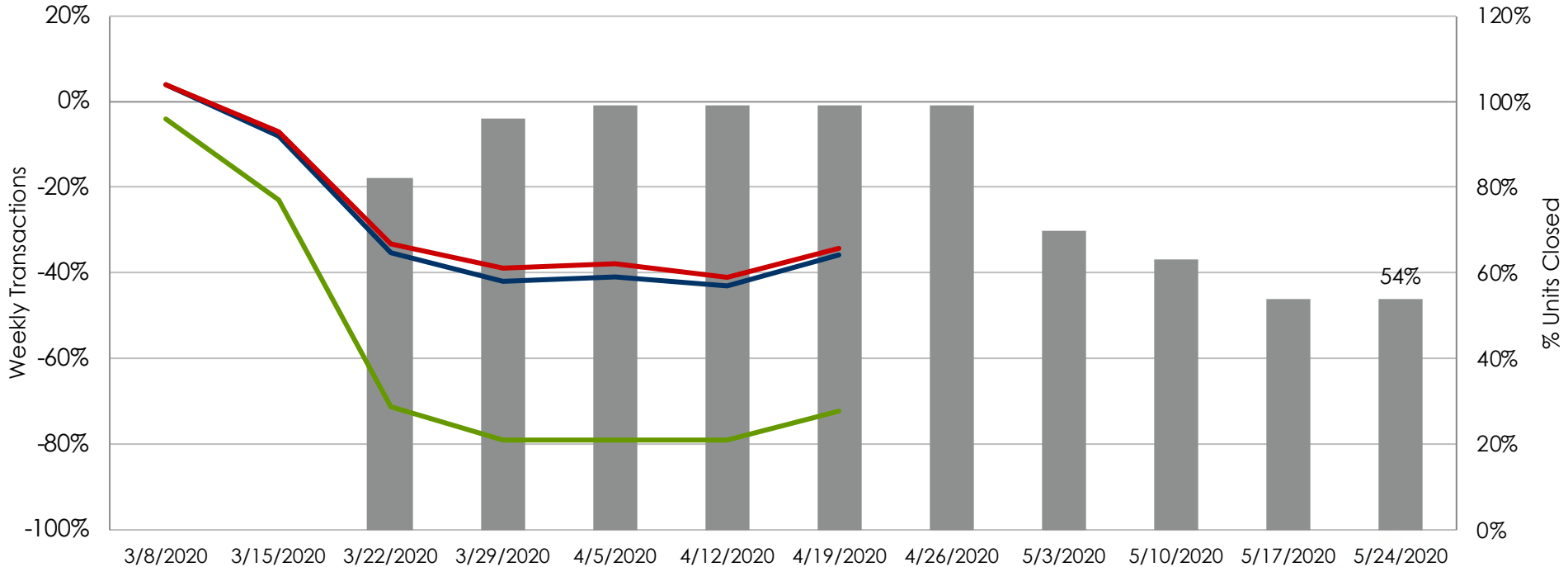


Source: NMFS Fisheries of the United States 1999-2017



U.S. Restaurant Weekly Transactions PCYA % of Restaurant Units Under Closure Orders (est)

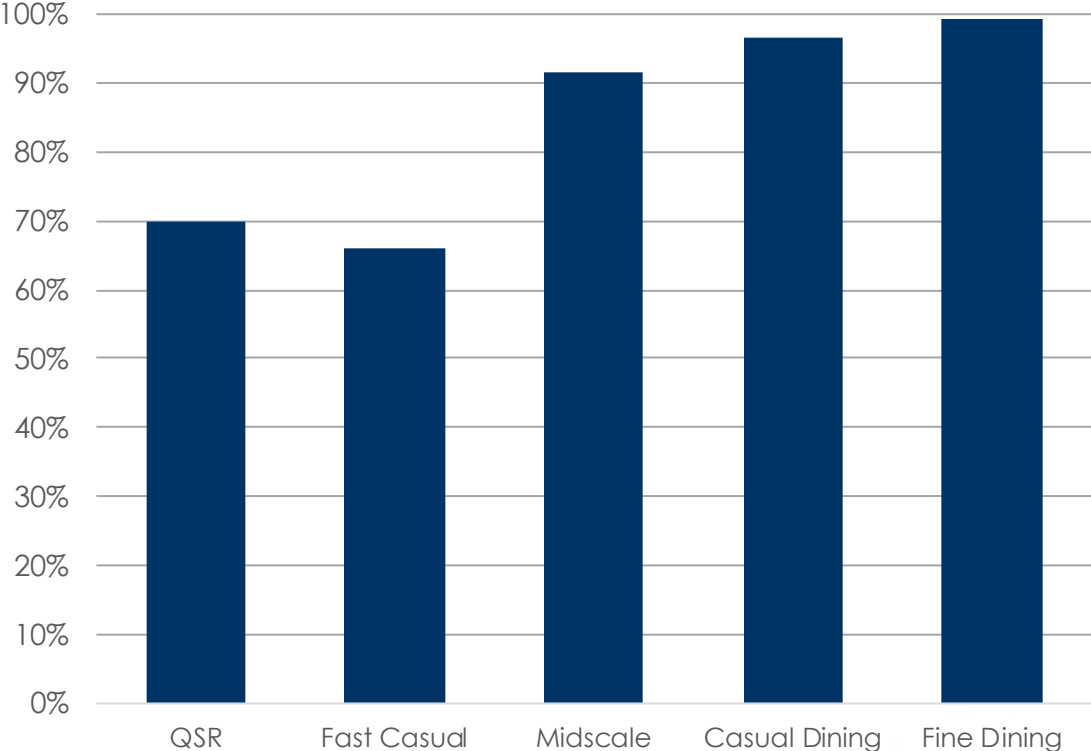
■ % Restaurants Closed — Total — QSR — FSR



Source: NPD Group



Seafood menu penetration by segment

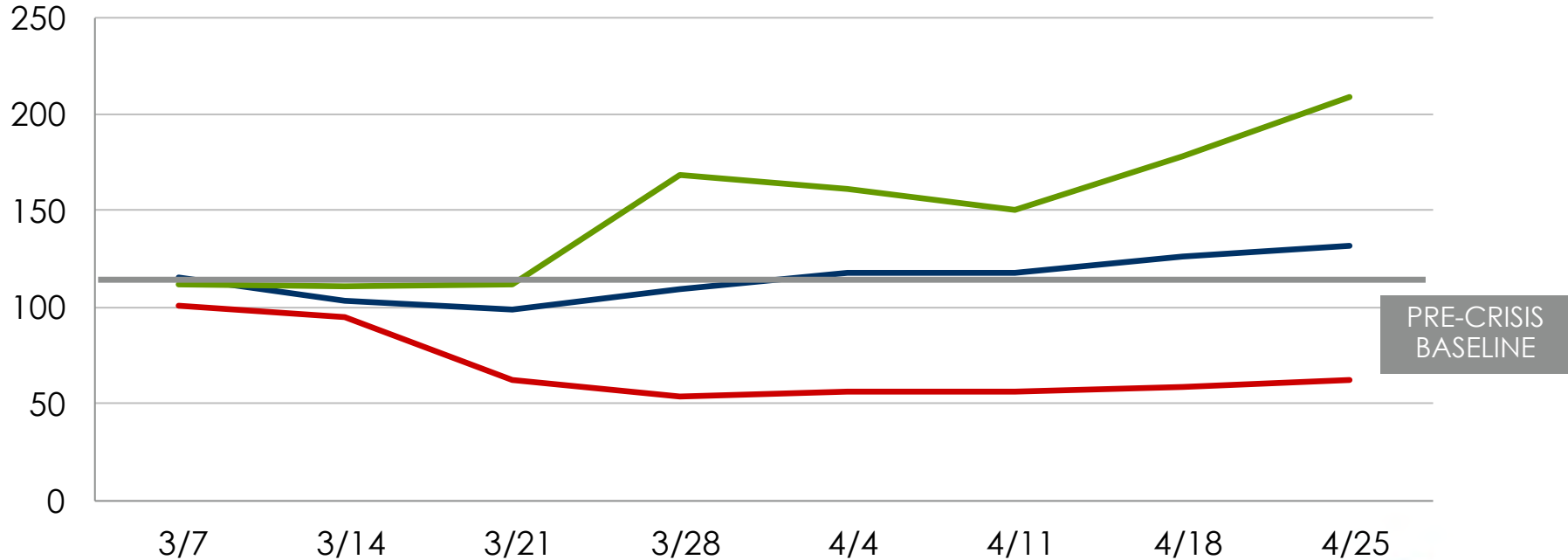


Source: Datassentials

Digital restaurant orders increasing

Restaurant per Capita Receipt Index

— On Line — In Store — Third Party Restaurant Delivery



Source: NPD Group

U.S. Consumption by Product Form



**Fresh and Frozen
Finfish**

6.3 pounds

**Fresh and Frozen
Shellfish**

6.0 pounds

**Canned fishery
products**

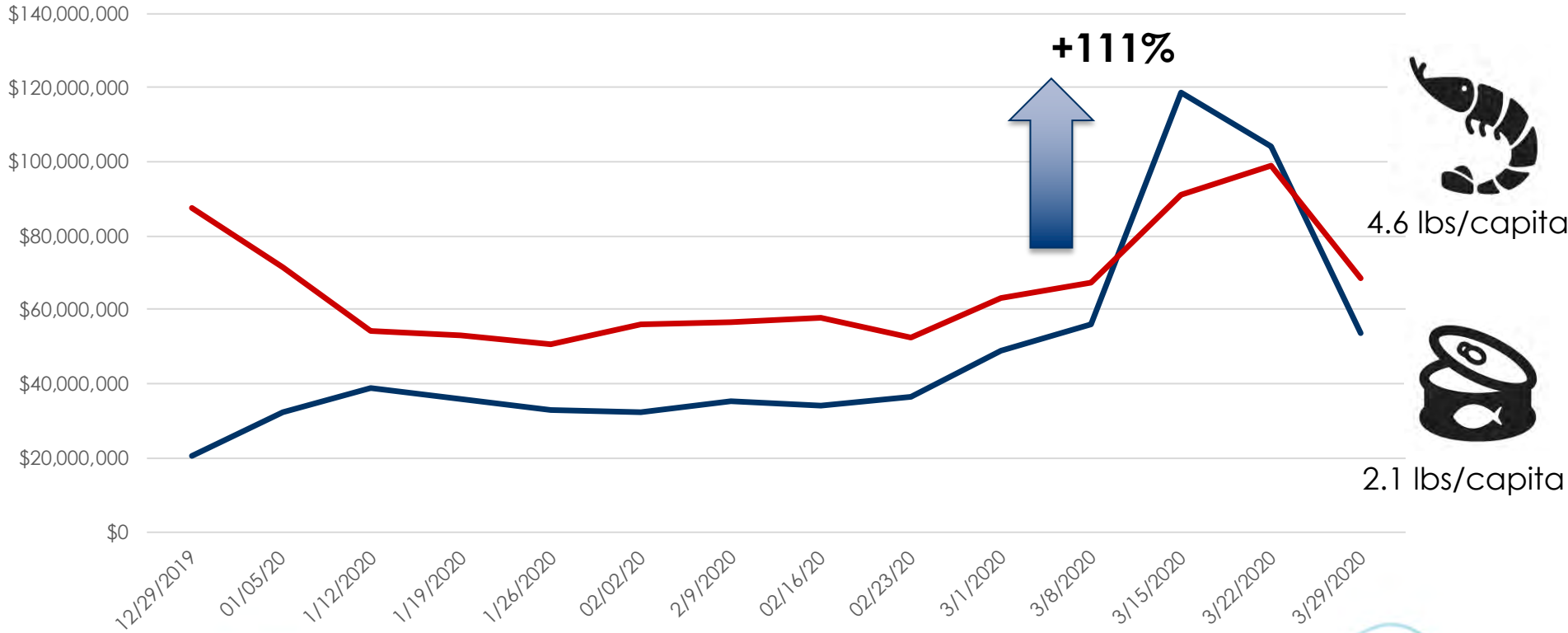
3.5 pounds

Cured Fish

0.3 pounds

Surge in shelf stable products at retail

— Canned TUNA — SHRIMP



4.6 lbs/capita

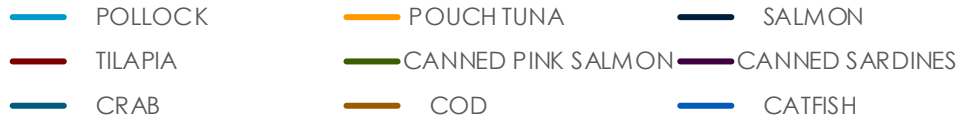


2.1 lbs/capita

Source: IRI, NOAA FUS 2018



Shelf stable surpassing finfish items



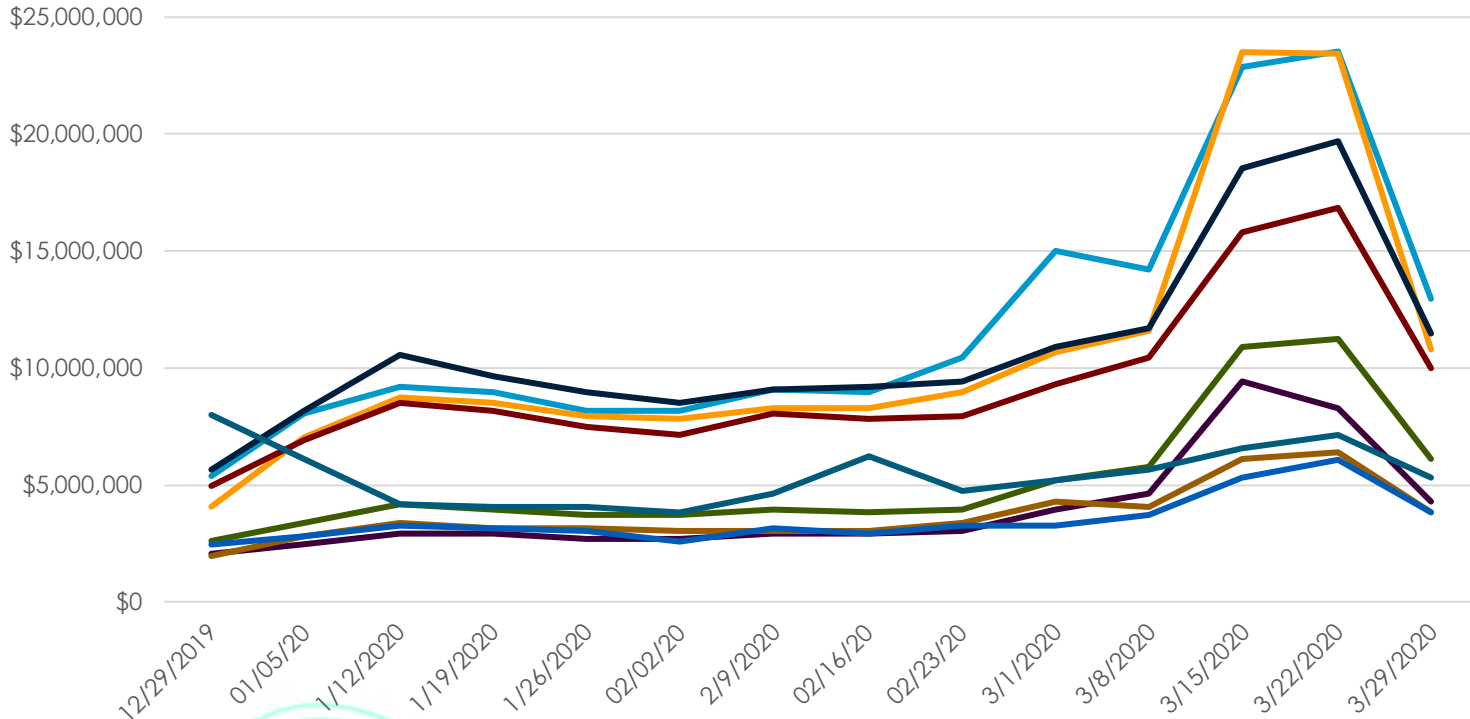
Pouched tuna
+104%



Canned pink
salmon +87%



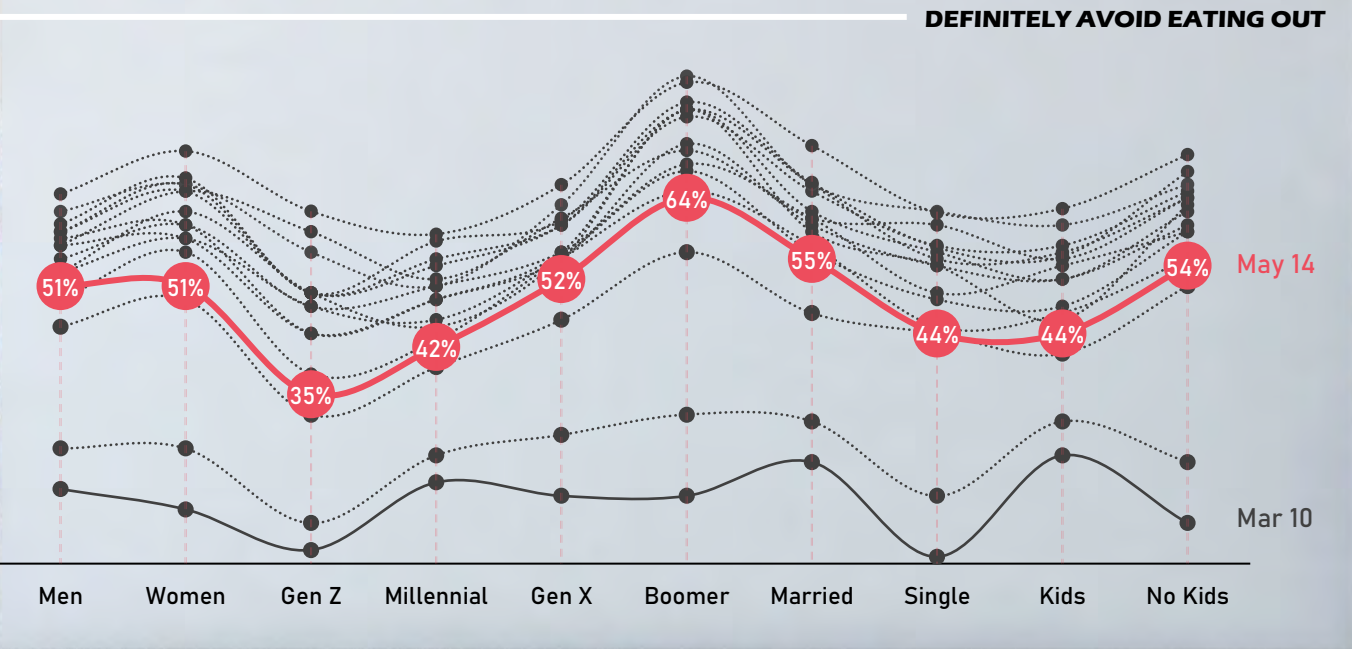
Canned
sardines +106%



Source: IRI

Avoidance of eating out is starting to decline.

A few weeks into the reopening of dining rooms in some states, avoidance of eating out is starting to decline, down 4 points in just one week. All demographic groups are showing decreases as well, with some of the largest drops among women and Gen Z.



People are most excited to reconnect over food.

More likely among women (45%)



which aspects of dine-in service are you most excited to get back to once your favorite places fully reopen?

More likely among Boomers (28%)



Socializing with friends/family	39%
Variety (different from what I normally cook)	30%
Convenience	28%
Food that's freshly made	28%
Food that's hard to make at home	26%
The atmosphere/scenery	24%
Service (someone cooks for me/waits on me)	22%
Food is more flavorful	20%
Meeting/socializing with new people	13%
Getting dressed up to go out	12%
Seeing what foods are new and trendy	10%
Being part of a crowd/people watching	10%
Staff recommendations/expertise	6%
None	11%

Diners already know what they want.

On their first trip back for dining in, people won't be mulling over menus for something new or asking their server for recommendations. Americans will stick to the menu favorites they've missed while sheltering in place. Boomers are most likely to stick with the tried and true, while households with kids are more up for something new. One in three will express their gratitude to restaurant staff with larger than normal tips and "thank yous" for being open.

which of the following are you likely to do the first time you go back out and dine in at a restaurant?

Order your favorite item from the menu	46%	←	More likely among Boomers (61%)
Thank restaurant staff for being open	37%	←	More likely among Boomers (49%)
Leave larger tip than would have before COVID	34%	←	More likely among Boomers (43%)
Stay longer-enjoy my time out	29%		
Order something new	20%	←	More likely among households with kids (27%)
Splurge on the meal	19%		
Grab a drink at bar before or after meal	19%		
Order from the "daily specials" menu	17%		
Order extra food so I can take home leftovers	16%		
Eat faster/get in and out as quickly as possible	12%		
Order an extra meal for next day	10%		
Leave a review (Yelp, Google, Facebook)	8%		
Ask for menu recommendations from staff	8%		



Family meals should offer flexibility.

One of the many benefits of ordering carryout is that family members have freedom of choice. Consistent with findings from Datassential's "Reinvention" report, in which build-your-own meals generated strong appeal, consumers are most interested in family meal bundles that offer flexibility with mix-and-match choices or foods that are customizable. As Americans become more price conscious, they'll also appreciate family meals that offer value, with enough food for multiple meals.

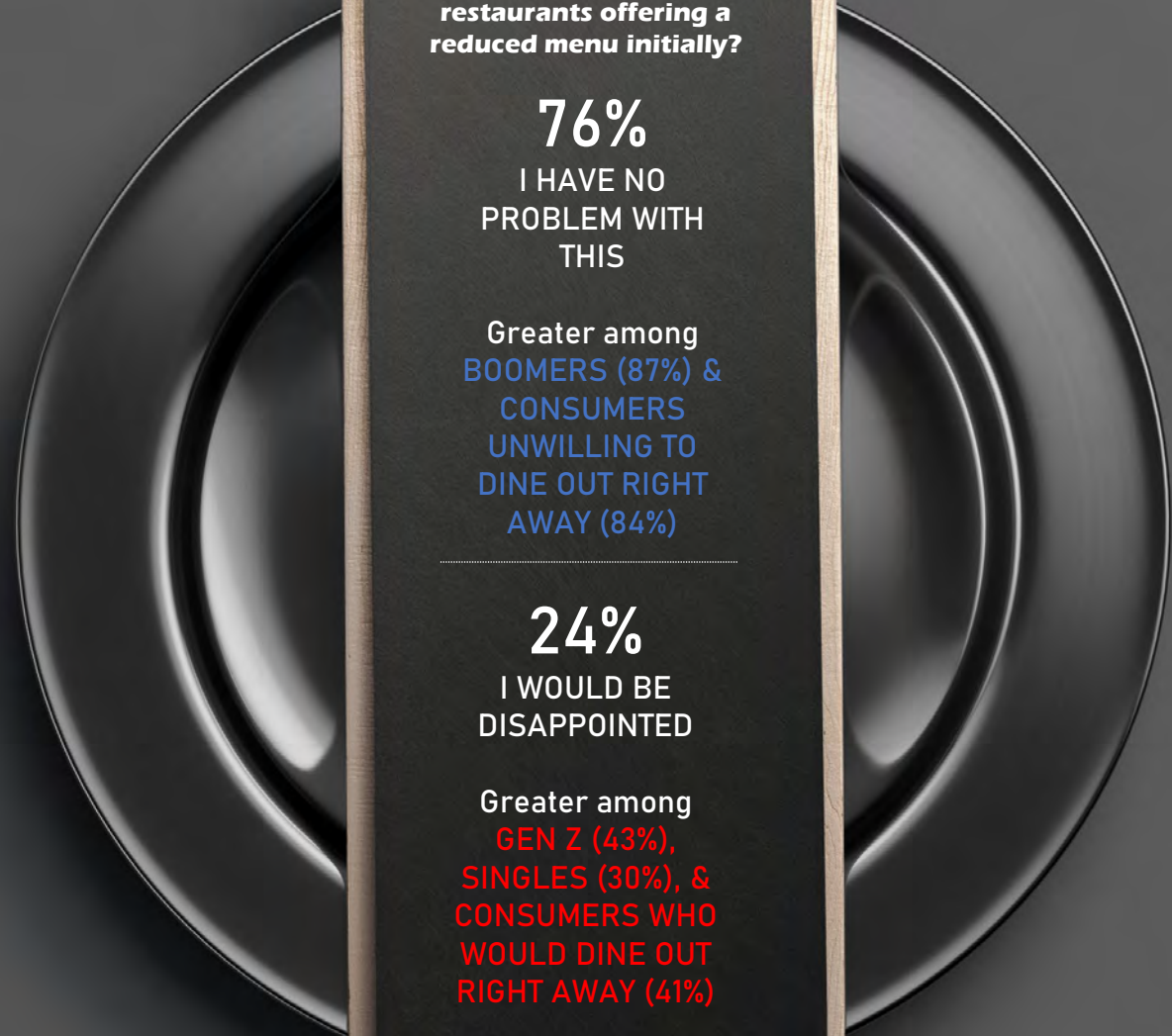
	Extremely Interested	Somewhat Interested	Not Interested
Family meals with mix-and-match options	34%	37%	29%
Family meals you can customize for each person	31%	36%	33%
Family meals with two entrees, for choice	30%	41%	29%
Family-size portions of single dish for multiple meals	30%	39%	32%
Multiple individual servings to eat over several days	29%	38%	33%
Family meals: one large entree and small side dishes	29%	39%	32%
Heat & Eat / Take-and-Bake meals	29%	39%	33%
Full multi-course meals	27%	35%	38%
Restaurant meal-kits	22%	35%	43%
Family meals for breakfast / brunch	20%	32%	48%

if restaurants continue to offer family meal bundles, which types would you prefer?



Diners are all right with a right-sized menu.

For operators needing to pare back their menu offerings because of product shortages, fewer available cooks and servers, or having pivoted to what's best for delivery and carryout, there's some good news: Customers won't necessarily be upset if dining rooms open up with a limited menu at first. It's another opportunity for a restaurant to be transparent about why some quarantine-era changes persist. Consumers will likely appreciate the fact that their local operators are open in more ways than one.



how do you feel about
restaurants offering a
reduced menu initially?

76%

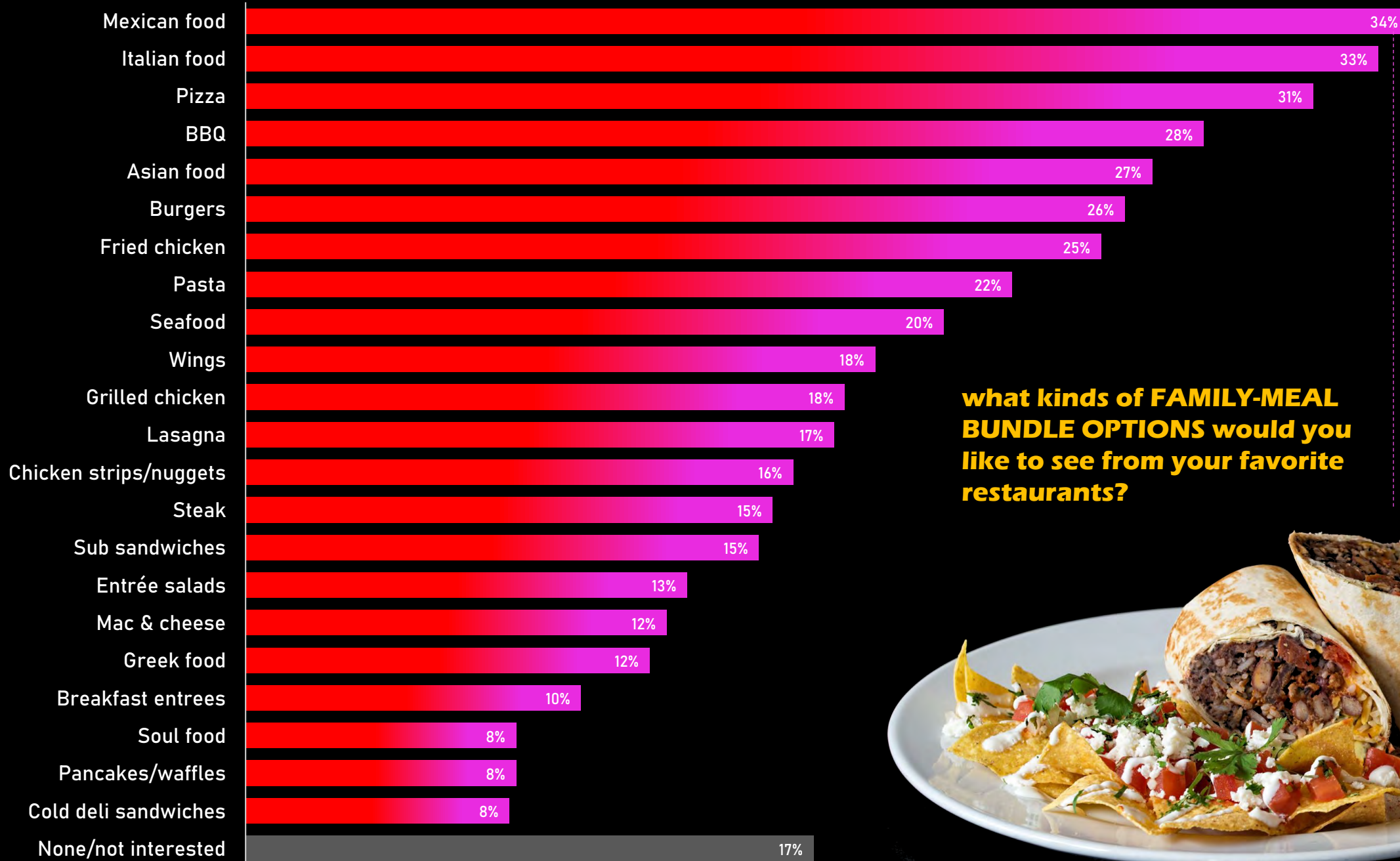
I HAVE NO
PROBLEM WITH
THIS

Greater among
BOOMERS (87%) &
CONSUMERS
UNWILLING TO
DINE OUT RIGHT
AWAY (84%)

24%

I WOULD BE
DISAPPOINTED

Greater among
GEN Z (43%),
SINGLES (30%), &
CONSUMERS WHO
WOULD DINE OUT
RIGHT AWAY (41%)



what kinds of FAMILY-MEAL BUNDLE OPTIONS would you like to see from your favorite restaurants?



Bar Harbor Foods



Sea Watch International

