



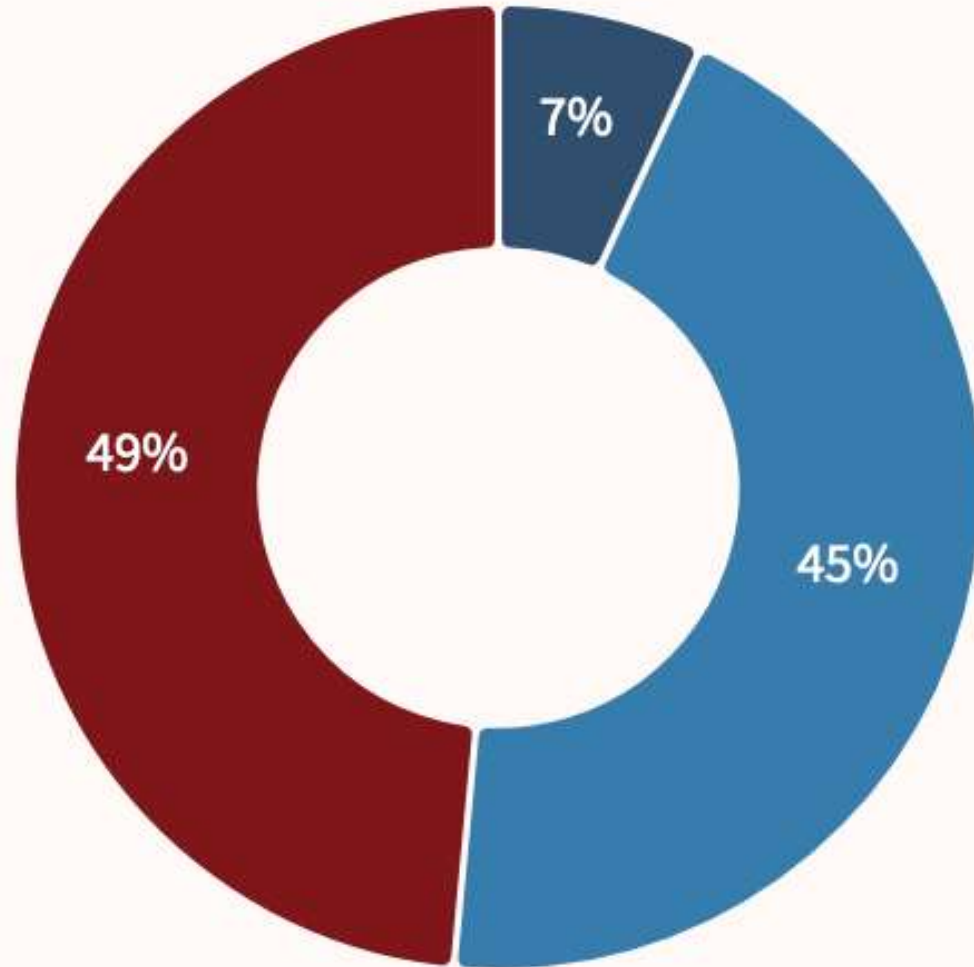
# COVID-19 IMPACT ON SEAFOOD

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## How much impact has the coronavirus crisis had on your business so far?

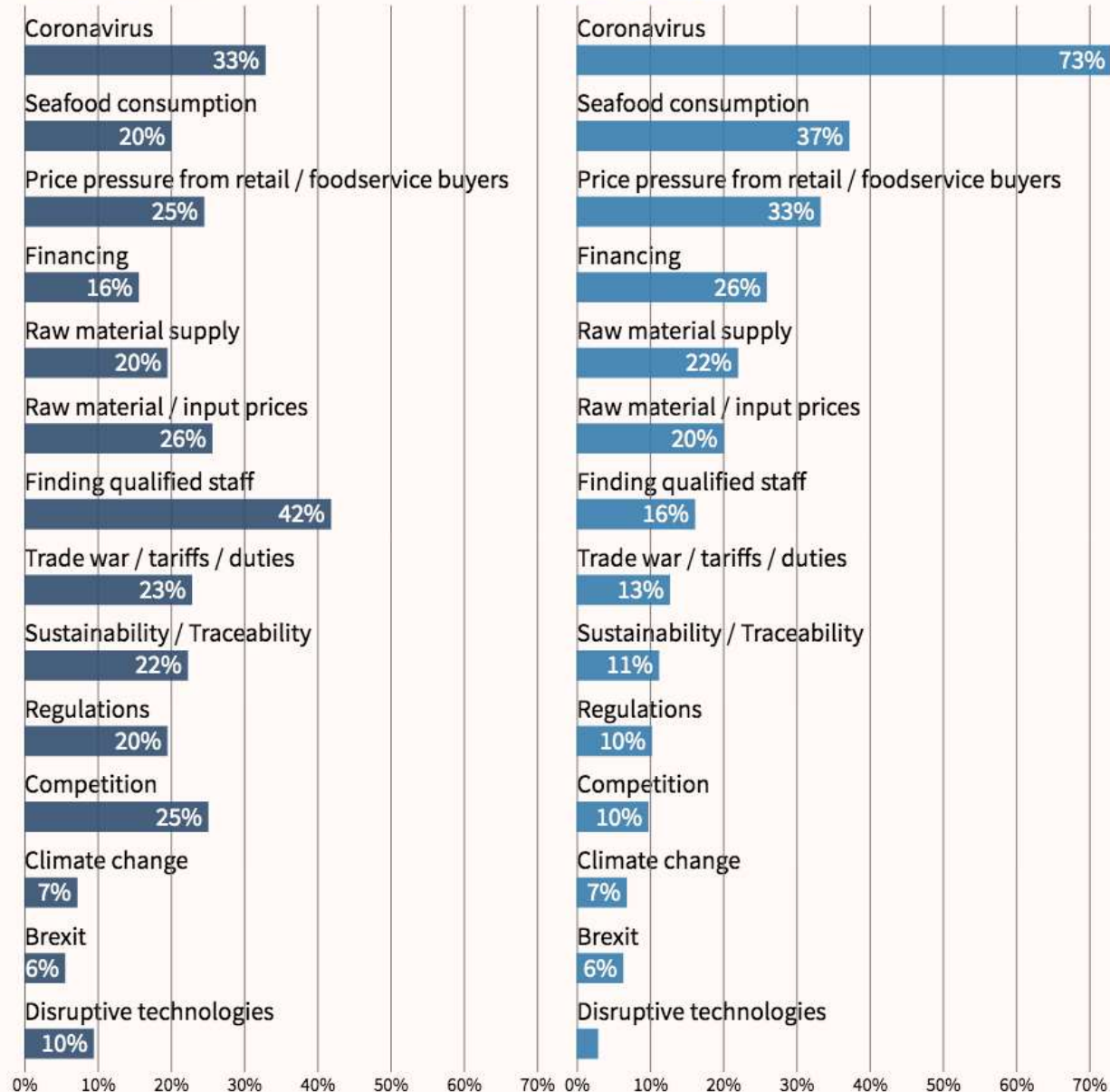
Nearly half the seafood executives surveyed said the coronavirus has had a severe impact on their business.

■ Minimal   ■ Some impact   ■ Severe impact

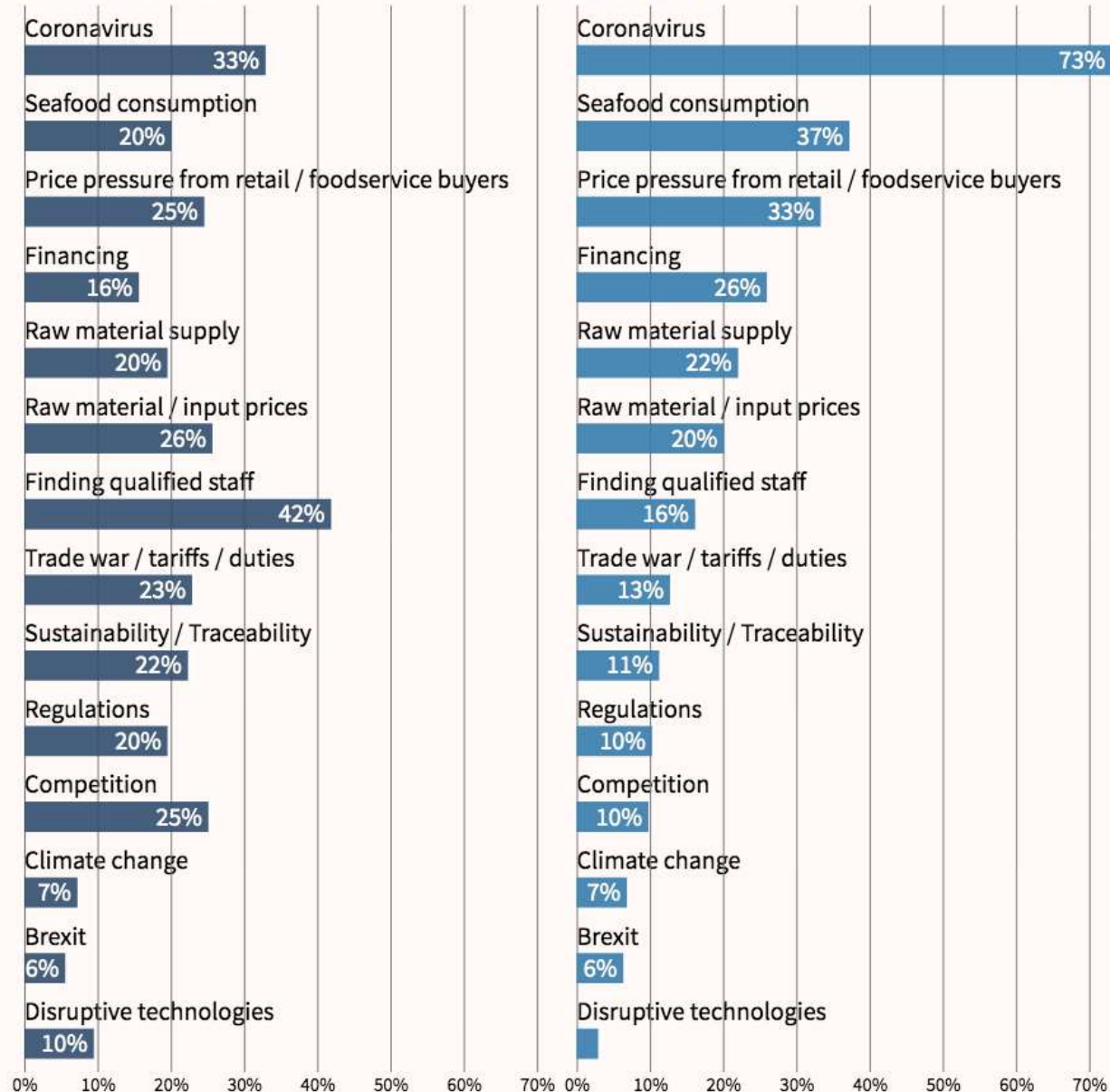


## What will be your three most pressing challenges over the next 12 months?

### February responses



### April responses



# Shifting Trends

## 1. Reshoring

- Due to COVID-19 forcing countries to shut their borders, many fish buyers have been re-thinking how seafood gets processed.
- Investments are ploughed into domestic or close-by processing as we see this new level of conservatism on the entire supply chain.

# Shifting Trends

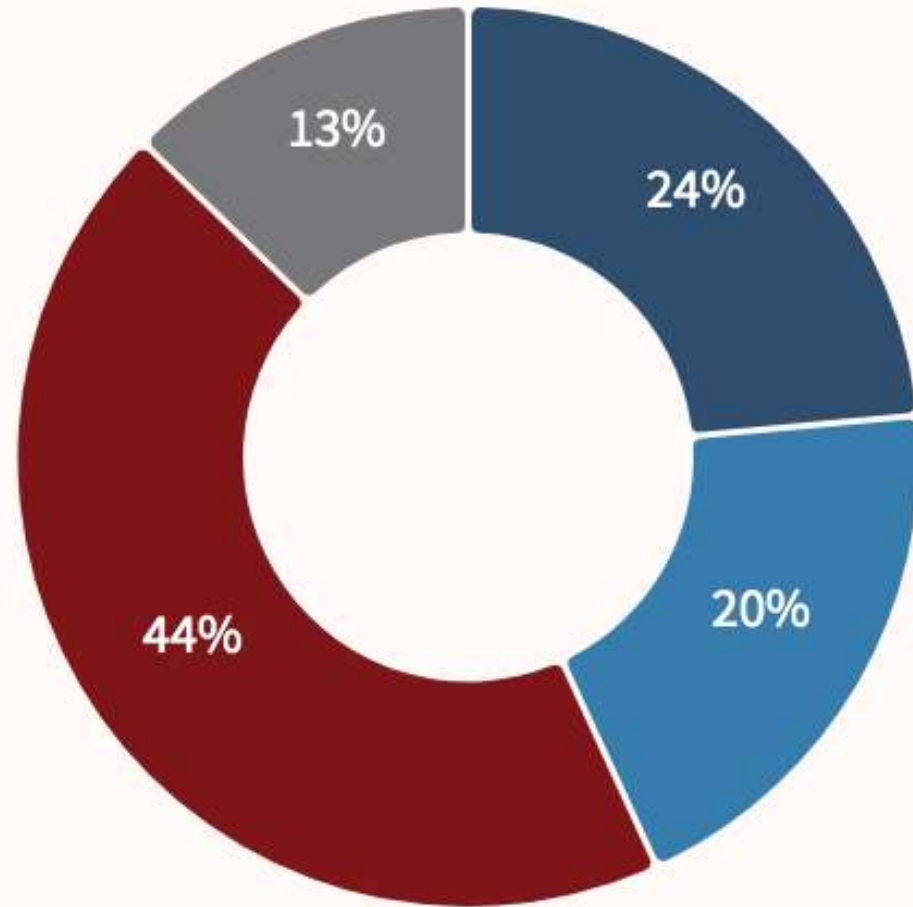
## 2. China

- Seafood processors were already decreasing their dependence on China, however, COVID-19 has accelerated the process.
- Where will the processing hub be? Potentially other Asian or/and Eastern European countries.

## What aspect of the logistics supply chain has been hit hardest?

Air and sea shipping are causing the most problems for seafood executives as they try to supply customers during coronavirus restrictions.

■ Ocean freight ■ Trucking ■ Air Cargo ■ Cold Storage

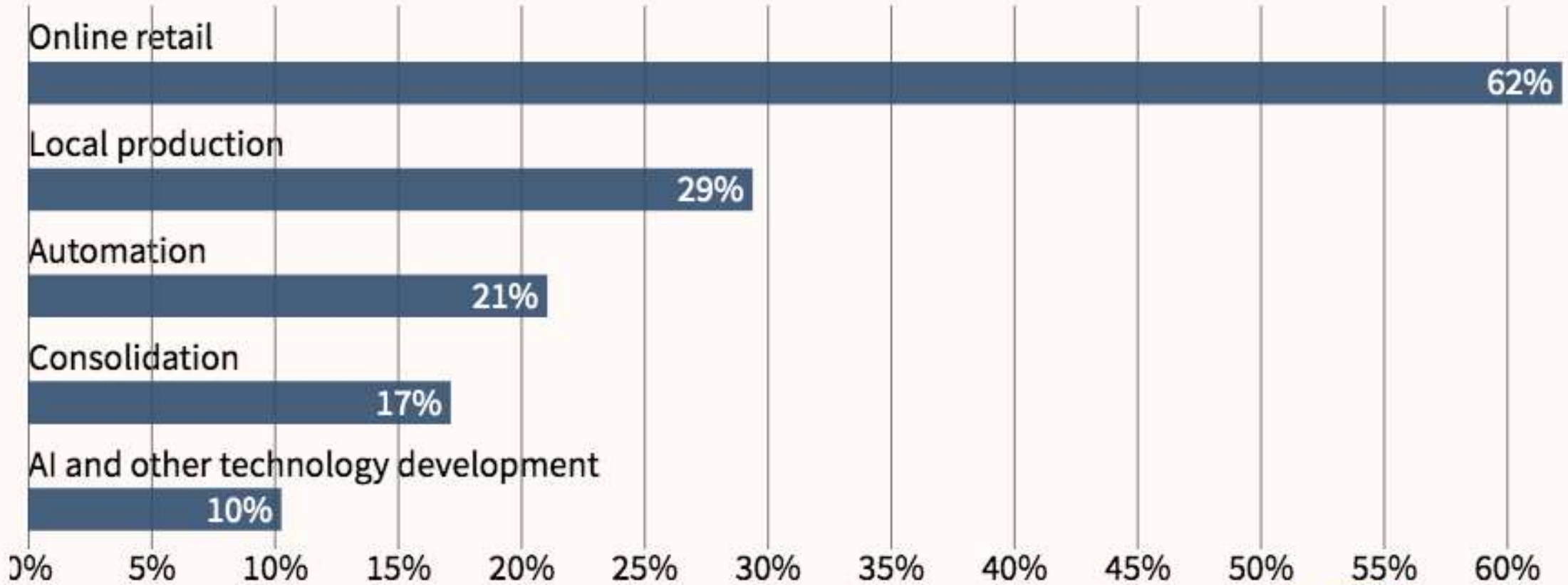


# Shifting Trends

## 3. Online Retailing

- We've already seen a massive uptick in online shopping as shopping in-store was halted.
- Many seafood processors/producers are now exploring the option to go online, reducing costs on various levels.
- Massive overhaul in how seafood is sold as well, from packaging to messaging to product forms.

## Of the following trends, which will the coronavirus crisis accelerate the most?





# Shifting Trends

## 4. Fresh Seafood

- As more and more retailers shut down their fresh fish counters, producers are looking at ways to revolutionize fresh seafood products.
- Pre-packed fish will continue to deliver people the freshness they desire from seafood, but in a more reassuring way.

# Shifting Trends

## 5. Foodservice

- 100,000 restaurants closed six months into pandemic in the United States, acc to National Restaurant Association
- Consumer spending in restaurants remained well below normal levels in August. Overall, sales were **down 34%** on average.
- The majority of seafood in the west is eaten out of the home, with the US leading the pack. No diners, no seafood consumption.

# Shifting Trends

## 6. Domestic Markets

- Whether its Alaska pollock producers or the world's salmon farmers, squeezing more out of home markets -- or at the very least neighboring markets -- will become even more important than ever before.
- Capitalizing on the local is the new global.

# Shifting Trends

## 7. Land-based Aquaculture

- Investors are increasingly interested in this production method thanks to its proximity to the market
- Logistical advancements

# Salmon Market Impact

## **A \$4.3 billion massacre:**

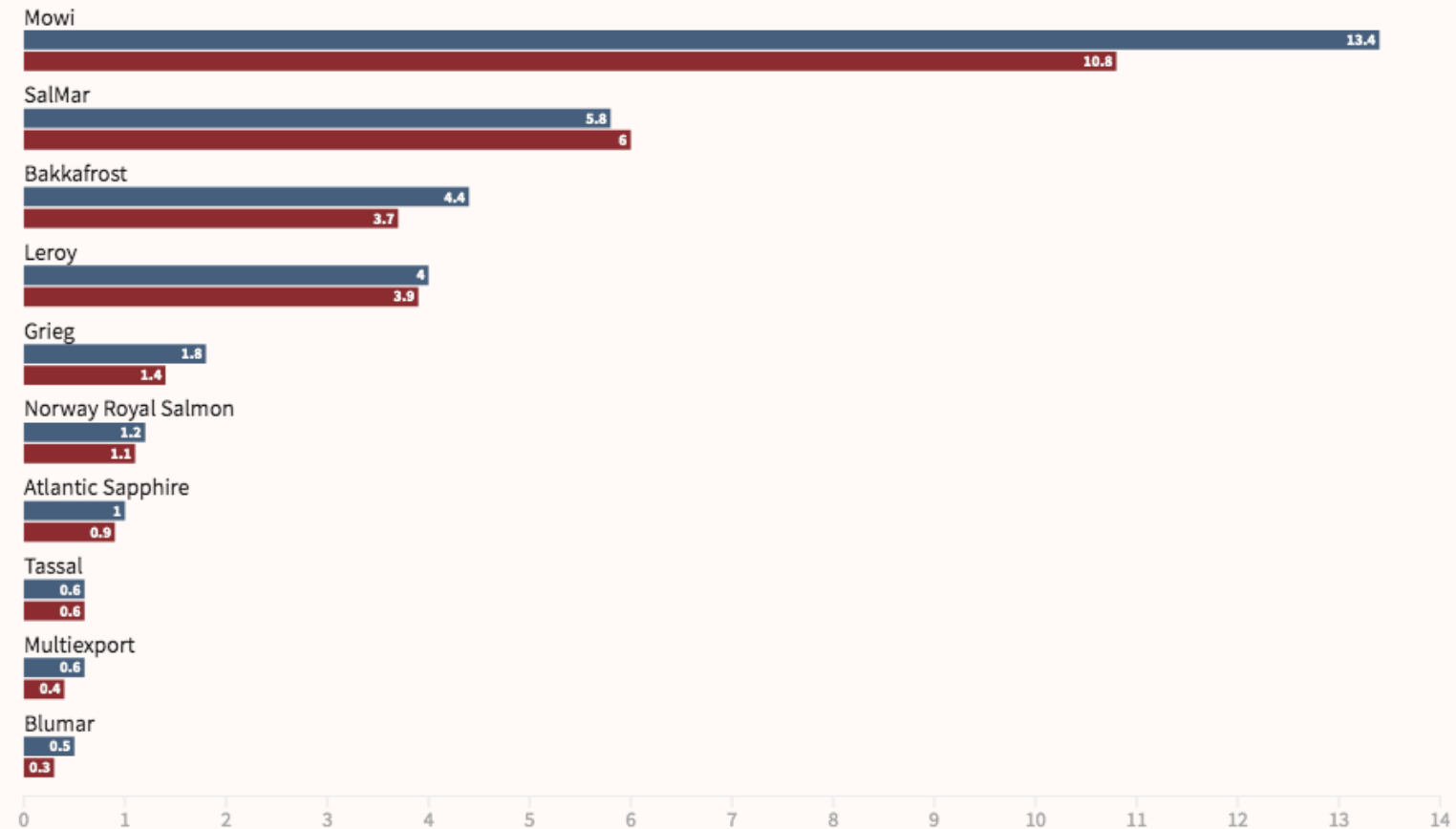
- 9 out of 10 of the producers are yet to recover from the losses, with poor salmon spot prices and high costs leaving a lasting stain on investor confidence.
- Analysts and producers are confident of a sunnier future ahead, with increasing demand pushing prices to new highs in 2021.

# Salmon Market Impact

## Shrinking salmon company values reveal COVID devastation

Change in market capitalization (\$ billions)

■ Market cap. Jan 01 ■ Market cap. Aug. 17



# Salmon Image Tainted

- From lockdowns to "[chopping board-gate](#)" to last week's [research paper on chilled salmon's ability to sustain the COVID-19 virus](#), not a month has passed without some new turn of fate for Norwegian seafood imports.
- Salmon imports were halted, retailers removed product from their shelves and the Chinese webosphere was filled with concern over the effects of eating salmon or feeding it to their children.
- Since then, after numerous reassurances, things appear to be picking up again.