

Supply, price change market

Lobster, crab switch popularity places as lobster prices dip

ow lobster prices and increasing crab prices have changed the sales dynamic of many seafood departments across the United States over the past year.

During the 52 weeks ending March 28, the majority of seafood department dollars came from shellfish, which contributed an average of 45.3 percent to department dollars. In the Perishables Group's reporting mechanism, the shellfish category comprises crustaceans (including crab and lobsters), mollusks (including clams, oysters and mussels). The Perishables Group classifies shrimp as its own category within the seafood department and



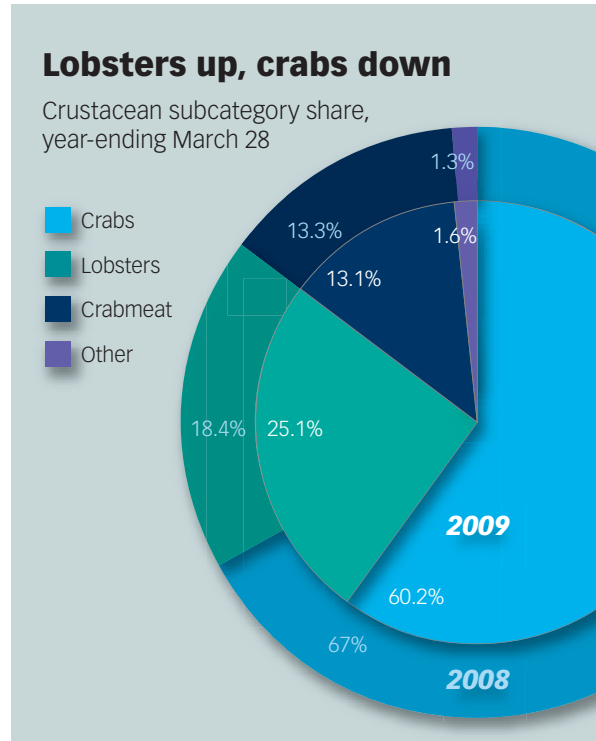
therefore those sales numbers are not included in the crustacean subcategory.

Nationally, crustacean sales accounted for an average 11.5 percent of weekly seafood department dollar sales per store, down 1.2 percent from the previous year.

Nationwide, the crustacean category averaged weekly sales of \$641 per

store, down 9.6 percent from \$709 per store the previous year. The top weeks for sales occur during the Christmas, New Year's and Valentine's Day holidays, with average weekly store sales of \$1,613, \$1,862 and \$1,076, respectively. Average dollar sales during those party-laden weeks either almost doubled or tripled the national weekly average of \$641.

All regions fell in crustacean category dollar sales and contribution to total seafood department sales. The East region performed the best out of all four regions, having the greatest crustacean dollar sales with an average of \$1,033 in



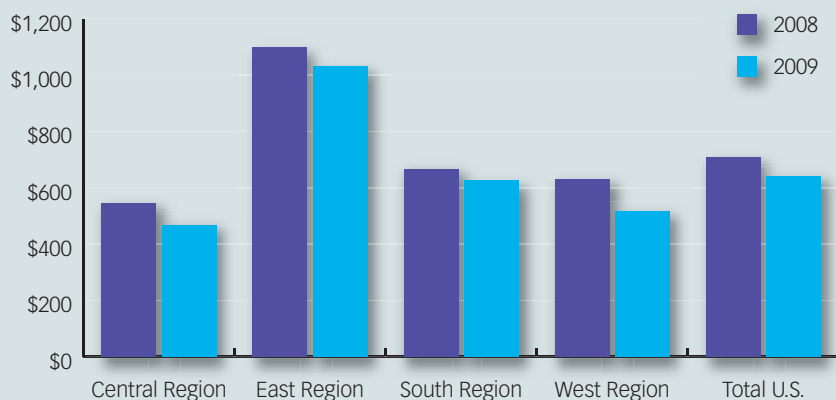
weekly sales per store, down 6 percent compared to the previous year. The South had the highest crustacean contribution to total seafood department dollar sales with 12.7 percent. Weekly sales in the West region fell by 17.6 percent to \$518 per store, while contribution to total seafood department dollar sales fell 2.3 percentage points to 10.9 percent. Crustacean dollar growth lagged behind that of the entire seafood department in all regions. The South was the only region to grow seafood department dollar sales over the previous year.

Within the crustacean species, crabs led the category in sales with a 60.2

percent dollar share of the category, followed by lobsters at 25.1 percent, crabmeat at 13.1 percent and "other," which is comprised mostly of crawfish, at 1.6 percent. The crabmeat and crab subcategories lost dollar share, while the lobster subcategory gained the majority of that share. Higher crab prices combined with declining lobster prices in 2008 led to more consumers purchasing lobster as it became more affordable.

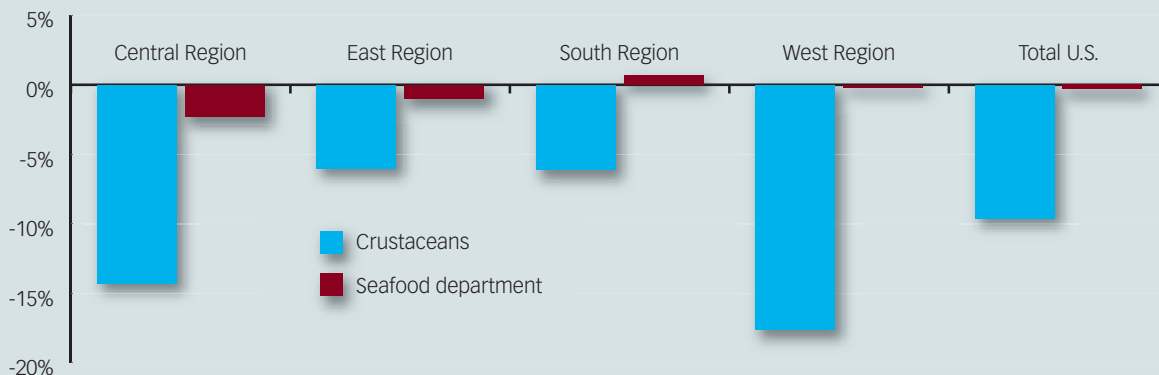
Sales down across the board

Average weekly crustacean sales per store



Dollar growth lags behind overall department

Crustacean category and seafood department growth vs. year ago



This sales review is provided by the Perishables Group, Inc. (PG), Chicago, Ill., an independent consulting firm focused on innovation and creating value for clients in the fresh food industry.

Reported results are for March 8, 2008 through Feb. 28, 2009, compiled from grocery stores nationwide, representing 62 percent of national supermarket ACV share. Sales data provided by Perishables Group FreshFacts® powered by Nielsen.

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