



Consuming Industries
Trade Action Coalition

U.S. Shrimp Sales at Grocery and Other Similar Stores Have Been Growing Thanks to the Availability of Abundant Supplies of Affordable Shrimp

Shrimp is an increasingly important product offered for sale to American families by grocery stores, specialty food stores and other similar stores – even “big box” retailers like Costco and Wal-Mart -- that sell food products for consumption at home. The ability to get needed supplies of affordably-priced shrimp has helped to fuel growing demand from American families at all income levels for shrimp. Consequently, grocery store sales of shrimp are growing dramatically.¹ Imported shrimp has been crucial to the ability of these consuming industries to supply their customers, as imported shrimp account for about 90 percent of the shrimp sold in the United States.

Consumer Demand for Shrimp Has Been Increasing

Government data confirm the increasing demand for shrimp from consumers. The National Marine Fisheries Services reports that shrimp consumption per capita has increased steadily. The NMFS notes that 2002 was a record year for annual per capita shrimp consumption.

Annual Per Capita U.S. Consumption of Shrimp, 1995 and 2000-2002

(Edible (meat) weight of shrimp in pounds per person)

1995	2.5
2000	3.2
2001	3.4
2002	3.7

Source: National Marine Fisheries Service, *Fisheries of the United States - 2002*, “Per Capita Consumption,” www.st.nmfs.gov/st1/fus/current/index.html

¹ The U.S. International Trade Commission estimates that grocery and other similar food stores supply about 20 percent of the U.S. market for shrimp; restaurants supply the rest. U.S. International Trade Commission, “Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand and Vietnam,” Inv. No. 731-TA-1063-1068 (Preliminary), Pub. No. 3672, February 2004, p. II-7.

Grocery and Other Food Retail Sales of Shrimp Have Increased in Response

Data published by the Bureau of Labor Statistics reporting consumer expenditures on detailed product categories² confirm that American families are buying more shrimp for consumption at home. Consumer expenditures are virtually synonymous with retail sales,³ in this instance of grocery and other food stores. Shrimp purchases at grocery and other food retail outlets (for consumption at home) have doubled since 1995, reaching an estimated \$2.9 billion in 2002 (2002 is the most recent year for which underlying consumption data are available). The growth does not simply reflect a larger number of consumers: on a per household basis, sales are up, from \$14 per household in 1995 to \$25 per household in 2002.

The estimates drawn from the *Consumer Expenditure Survey* support reports of at least one media source. Quick Frozen Foods International has estimated that frozen shrimp retail sales (a component of the shrimp sales detailed below) reached \$814 million in 2003, up 25 percent from 2002 (\$651 million). "In some supermarkets these days, frozen shrimp seems to get as much space as frozen chicken."⁴

Estimated Shrimp Consumption at Home, 1995-2002

(Millions of dollars)

	1995	2000	2001	2002
Total Consumption ("Grocery Stores Sales")	1,445	2,271	2,614	2,901
Annual spending on shrimp for home consumption, per household	\$13.55	\$20.10	\$22.89	\$25.13

Source: The Trade Partnership from Bureau of Labor Statistics Consumer Expenditure data (methodology attached).

Shrimp Is No Longer a Luxury Purchased by Largely High-Income Households

An analysis of the data broken down by income groups shows that consumption of shrimp at home has been increasing at all income levels, but especially so by low-income households. Shrimp consumption as a share of total consumption of food at

² U.S. Department of Labor, Bureau of Labor Statistics, *Consumer Expenditure Survey*, unpublished data, www.bls.gov/cex/home.htm.

³ Expenditures consist of transaction costs, including excise and sales taxes, of goods and services acquired during the interview or recordkeeping period. "Food at home" refers to the expenditure for food at grocery stores (or other food stores) and food prepared by the consumer unit on trips.

⁴ Quick Frozen Foods International, "Shrimp Products Hottest Single Trend in Mature American Frozen Food Market," October 2003, http://www.qffintl.com/pdf/oct_2003/almanac_shrimp.cfm.

home has increased the most for low-income families (up 45 percent) compared to middle-income and high-income families (each up 15 percent). Shrimp is no longer a luxury purchased largely by high-income households.

Estimated Shrimp Consumption at Home by Income Group, 1995-2002

(Millions of dollars and percent)

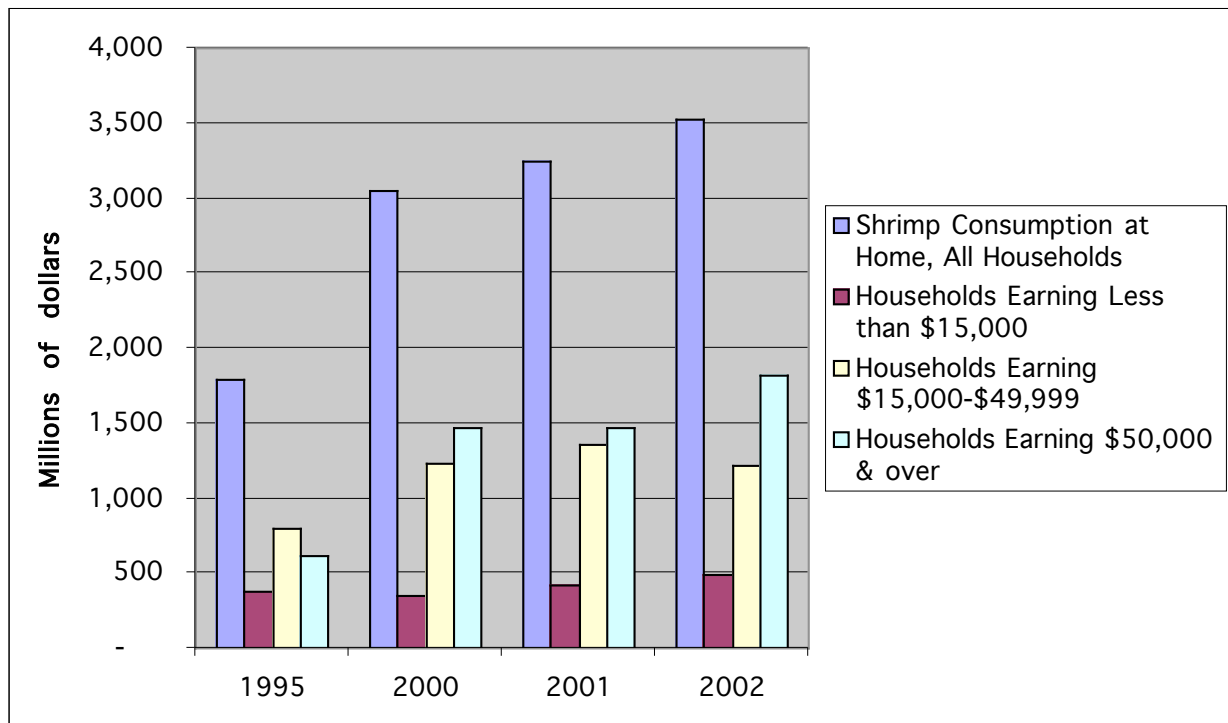
	1995	2000	2001	2002
<u>Value of Consumption</u>				
Households earning less than \$15,000	\$300	\$265	\$343	\$403
Households earning \$15,000-\$49,999	644	916	1,092	1,002
Households earning \$50,000 and over	501	1,090	1,180	1,497

Shrimps' Share of Total Consumption of Food at Home

	1995	2000	2001	2002
Households earning less than \$15,000	0.50%	0.55%	0.66%	0.80%
Households earning \$15,000-\$49,999	0.43	0.62	0.73	0.71
Households earning \$50,000 and over	0.46	0.72	0.69	0.83

Source: The Trade Partnership from Bureau of Labor Statistics Consumer Expenditure data (methodology attached).

Estimated Shrimp Consumption at Home



Methodology for Calculating Shrimp Expenditures for Consumption at Home

The Bureau of Labor Statistics collects consumer expenditures for detailed products every year by surveying hundreds of thousands of households. It asks these households, for example, how much they spent in the selected year on canned fish and seafood, fresh fish and shellfish, and frozen fish and shellfish. Average data are reported for all households surveyed, as well as by income level of households surveyed (among other categorizations).

One can expand the total consumption of the three fish and seafood categories for the number of households surveyed (typically about 90-112 million) to the total number of households in the United States (estimated to range from 112 to 115 million) by multiplying the value of spending on seafood products for the average consumer unit surveyed by the total number of U.S. households.

Next, we know from the NMFS data that shrimp accounts for a growing share of total seafood consumption, and we can use these shares to break down fish and shellfish consumption into its shrimp component. The same shares can be used to break down the data by reported income level. The results are reported above.