Market Insight Factsheet: Cod 2019

This factsheet intends to inform the United Kingdom (UK) seafood industry about the performance of cod. Where possible it provides a summary of the UK value chain for cod examining the detail behind its overall performance.

UK trade and supply (2018*)

- Cod imports to the UK
- Cod exports from the UK
- Cod landings in the UK (and landings abroad by UK vessels) (2017)
- Current stock overview

Cod consumer purchases

- Retail purchases by UK consumers
- Cod shopper profile (GB)
- Cod trends in the GB commercial foodservice channel

NB: The species of cod included in the analysis are Atlantic Cod (*Gadus morhua*), Pacific Cod (*Gadus macrocephalus*), Greenland Cod (*Gadus ogac*) and Polar / Arctic Cod (*Boreogadus saida*).

Summary

UK trade and supply

In 2018* UK imports of cod were predominantly from Iceland with most exports of cod from the UK going to the Irish Republic. In terms of volume, cod was the 2nd highest demersal species landed into the UK by UK vessels. When looking at landings abroad by UK vessels, cod was the top demersal species landed abroad, with both volume and value growth.

Total cod consumer purchases

Over the 52 weeks ending 20th April 2019, UK shoppers purchased just over 59,303 tonnes of cod equating to a retail value of £481.3m. By volume, cod was the 3rd bestselling fish across all seafood species sold in retail. The cod shopper is most likely to be from older, less affluent, larger households that tend not to have children under 15 years old.

In foodservice, cod is particularly relevant in the Fish and Chip shop channel and gaining in importance; recent growth in fried cod servings is driving the overall increase in fried fish.

*2018 HMRC data is provisional and subject to change

UK trade and supply

The following sections provide details of total cod imports and exports; comparing provisional HMRC data from 2018* to that of finalised data for 2017 (HMRC, via BTS, accessed through Seafish Trade and Tariff Tool, 2018*). Additionally a current stock overview of cod is provided (Seafish Risk Assessment for Sourcing Seafood (RASS)).

Cod Imports

In 2018* cod was the top species in terms of total value (£ million) of all the species imported into the UK. It is 15.0% of the overall value and 12.8% of the overall volume of total seafood imports to the UK, a decrease of 0.4 and 0.0 percentage points respectively.

This equates to £463.8m in value and 96,565 tonnes in volume. Compared to 2017, cod imports in 2018 suffered from both value (-5.3%) and volume (-11.9%) declines. These equated to £26.2m and 13,004 tonnes with the average price per kg up +7.4% (£0.33) from £4.47 to £4.80.

In terms of the top preservation formats, when looking at the top 10 import origins, 72.6% of cod volume is imported as frozen which experienced declines of -7.5%; 21.4% is live/fresh (-11.4%) and 5.9% is prepared/preserved (-6.3%).

When looking at the top presentation or product formats, again for the top 10 import origins, 79.0% of cod volume imports are fillets (-3.9%), 13.5% are whole/gutted (-32.3%) and 7.6% are 'other cuts' (-2.6%).

Top 10 cod import origins*

1	Iceland	37.4%
2	China	28.5%
3	Denmark	12.9%
4	Germany	9.3%
5	Faroe Islands	8.4%
6	Spain	1.1%
7	France	1.1%
8	Ireland	0.8%
9	Netherlands	0.6%
10	U.S.A	0.02%

*The top 10 above are ranked by volume, based on the total import volume (all seafood species and products) from the top 10 importing origins.

Of the top 10 import countries, noteworthy growth for 2018* are Spain (+138.1%) the Netherlands (+11.9%) and France (+8.4%). Growth was also experienced from Denmark (+3.5%), with all other import countries above experiencing volume declines.

Cod Exports

In 2018* cod made up 3.4% of the overall value and 3.3% of the overall volume of seafood exports from the UK; these percentages have fallen compared with 2017.

Cod exports equate to £61.0m in value (-3.7%) and 14,828 tonnes in volume (-11.6%). This is a loss of £2.4m and 1,942 tonnes of cod exports versus 2017. Average price per kg saw increases of +8.9% (£0.33) from £3.78 to £4.11.

In terms of the top preservation formats, when looking at the top 10 export destinations 67.1% of cod volume is exported as frozen which experienced declines of -7.0%; 23.6% is live/fresh (-30.8%) and 7.0% is prepared/preserved (-0.3%).

When looking at the top presentation or product formats, for the top 10 export destinations, 58.2% of cod volume exports are fillets (-13.4%), 28.6% are whole/gutted (-30.5%) and 13.2% are other cuts (+6.4%).

Top 10 cod export destinations*

1	Ireland	39.3%
2	Demark	14.9%
3	France	13.6%
4	Spain	10.6%
5	Netherlands	9.5%
6	Germany	5.9%
7	U.S.A.	3.2%
8	China	2.8%
9	Iceland	0.3%
10	Faroe Islands	0.00%

*The top 10 above is ordered by volume; this is based on the total export volume (all seafood species and products) for the top 10 destinations we export to.

Of the top 10 export destinations noteworthy growth for 2018* are China (+93.7%), Iceland (+54.8%) and the USA (+34.5%), albeit all of these are from a small base. Growth was also experienced in cod exports to Ireland (+4.2%) and the Netherlands (+1.1%) with all other countries listed above experiencing volume decline.

Cod Landings (2017)

Landings into the UK by UK vessels

5.0% of the total volume of species landed into the UK by UK vessels was cod in 2017 and was the 2nd highest volume across all landed demersal species. This equates to 21,616 tonnes an increase of +4.2% from 2016. In terms of value £48.0m of cod was landed, 6.7% of the total value of species landed and a +15.2% increase when compared to 2016.

Landings abroad by UK vessels

Cod was the top demersal species by volume landed abroad; 5.8% of the total volume of all species landed abroad by UK vessels. This equates to 16,814 tonnes, an increase of +25.7% from 2016. In terms of value £29.9m of cod was landed abroad by UK vessels, 11.5% of the total value of species landed abroad and a +42.5% increase when compared to 2016.

Landings into Scotland by UK vessels

In 2017 6.0% of the total volume of species landed into Scotland by UK vessels was cod. This equates to 18,113 tonnes an increase of +9.9% from 2016. In terms of value, £41.9m of cod was landed, 9.2% of the total value of species landed and a +22.1% increase when compared to 2016.

Landings into England by UK vessels

3.5% of the total volume of species landed into England by UK vessels was cod. This equates to 3,459 tonnes a decrease of -18.0% from 2016. In terms of value, £6.0m of cod was landed, which was 2.8% of the total value of species landed, a -17.4% decrease when compared to 2016.

Landings into Northern Ireland by UK vessels

0.2% of the total volume of species landed into Northern Ireland by UK vessels was cod. This equates to 41 tonnes, an increase of +1.1% from 2016. In terms of value £0.1m of cod was landed, 0.3% of the total value of species landed and a +48.5% increase when compared to 2016.

Current stock overview

Russia, Norway, and Iceland are the main catchers of Atlantic cod, landing between them just over 1 million tonnes in 2017. The US has the most significant catch of Pacific cod with around 300 thousand tonnes landed in 2017.

The majority of the Atlantic cod sold in the UK comes from Iceland and Norway, from stocks managed nationally by Iceland and by agreement with Russia from Norway. Both these stocks have been in a healthy condition for the past decade. Whilst European stocks of cod have been depleted in recent decades, evolving management measures have resulted in stock rebuilding in the North and Irish Seas and continue to be applied to other European stocks with the aim of long-term recovery. American stocks of Pacific cod are in good condition.

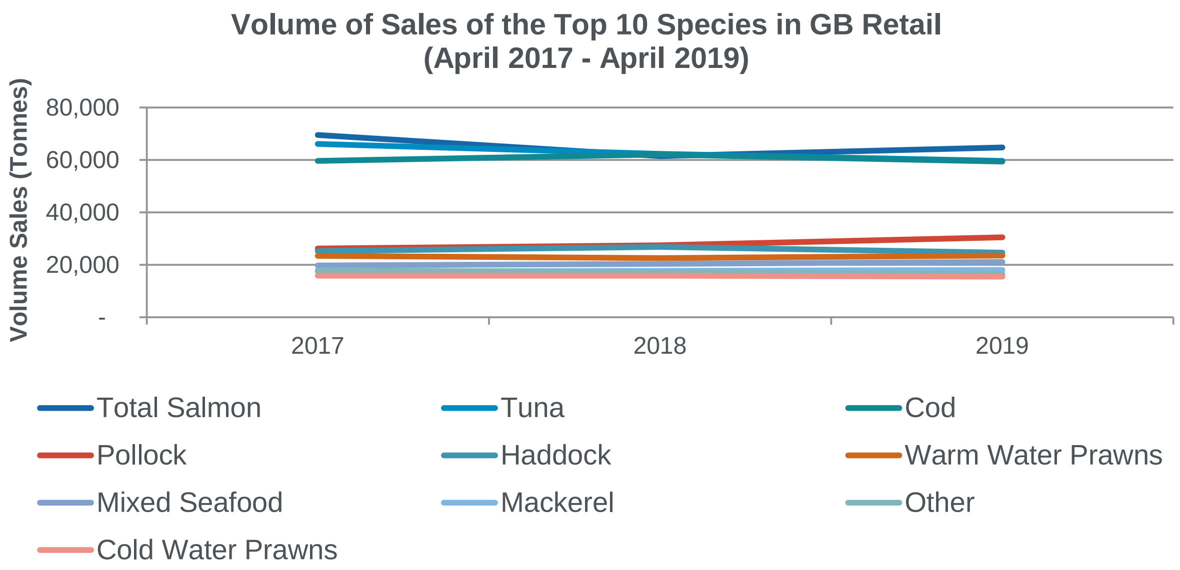
Cod consumer purchases

Cod is a white fish species popular with UK consumers when eating in and out of the home. This section provides details of consumer purchases of cod in the retail market (UK); including cod shopper profiles (GB) (Nielsen ScanTrack and HomeScan data, 20/04/2019). Additionally, foodservice information highlights current cod trends in commercial channels (Global Data, 2018; NPD, 2018; Technomic, 2018).

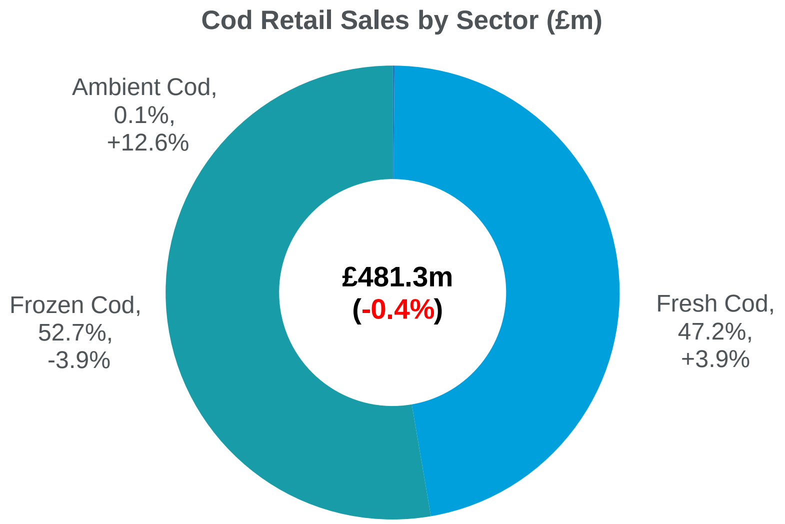
Cod in retail (UK)

Over the 52 weeks ending 20th April 2019, UK shoppers purchased just over 59,303 tonnes of cod equating to a retail value of £481.3m; a sales value decline of -0.4%.

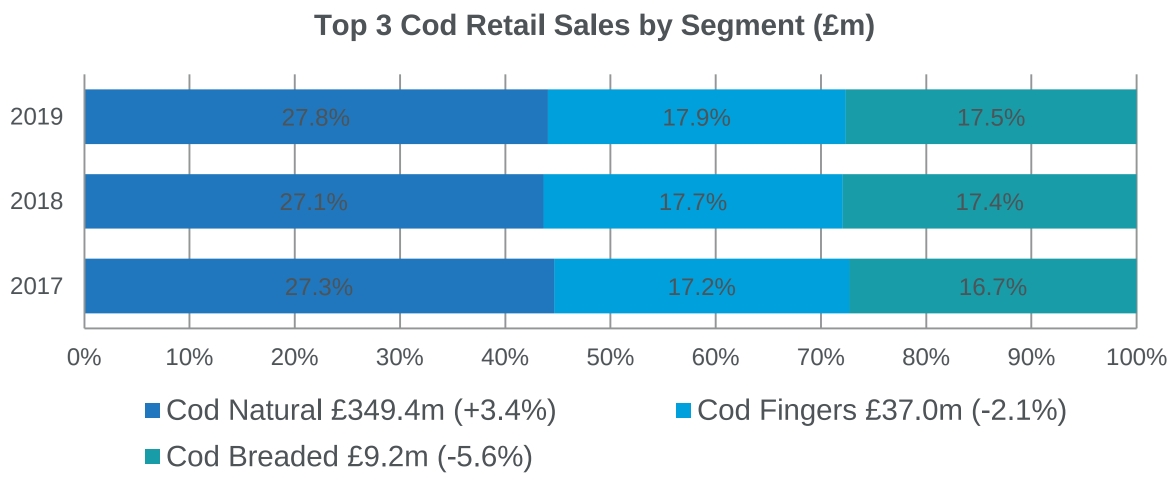
By volume, cod was the 3rd bestselling fish of all seafood species. However, out of the top ten species, cod is reporting one of the least favourable volume growths (-4.4%), with units decreasing by -2.4% when compared to 2018. The £8.12 average price per kg increased (+4.3%) with price per unit increasing to £2.84 (+2.1%).



In retail, the majority (52.7%) of cod sales are in frozen form. As illustrated and compared to 2018, value sales of cod experienced growth in the ambient (+12.6%) and chilled (+3.9%) sectors, with declines seen in frozen (-3.9%). Volume growth was seen in ambient (+15.4%) and chilled (+3.5%) with frozen again seeing declines (-8.0%).



By product format, "natural" cod has the largest share of value sales (27.8%), which has increased by 2.2% since 2018. Other segments which have grown in value sales are fingers, breaded, batter, cakes and meals with sauce, dusted and prepared all experiencing declines

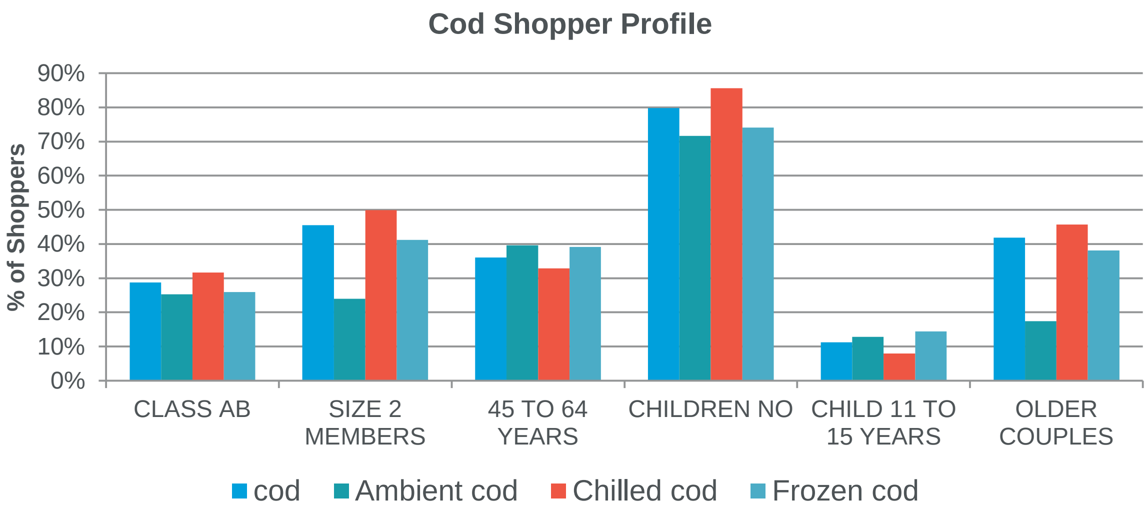


The cod retail shopper (GB)

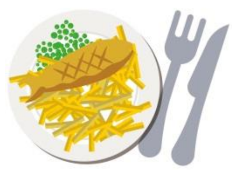
When compared to the overall seafood shopper profile, the cod shopper is quite distinct. They are less affluent, from larger households, are older and tend not to have children under 15 years old.

The shopper who is buying chilled cod is more likely to be from an affluent, 2-person household comprising an older couple aged 65 years and older; mainly with no children.

In households with children present, purchases of frozen and ambient cod are more commonly made.



Cod in foodservice



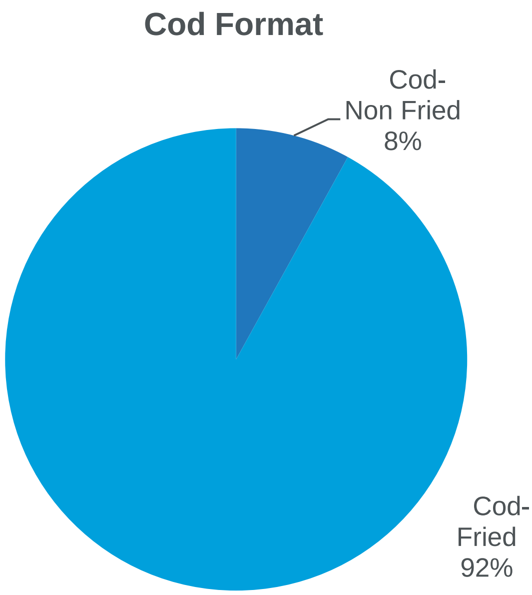
When eating out, diners purchase cod in a range of formats, most commonly in a fried format in the Fish and Chip shop channel (Seafish, 2018).

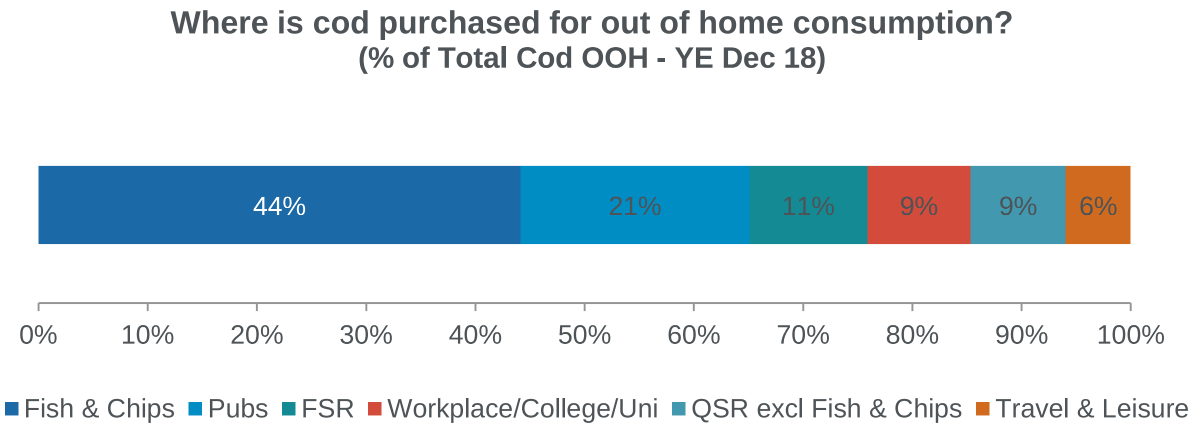
Cod is particularly relevant in Fish and Chip shops and is gaining in importance. Fried fish has increased this year mainly due to growth in sales of fried cod (NPD, Q1 2019).

Cod is by far the most popular seafood species in foodservice, with 258m servings purchased in the year ending December 2018. This equates to 22% of all seafood servings purchased for out of home consumption.

In recent years, cod supply and price has resulted in strong performance, linked with the demand for fried fish. (Seafish, 2018 update).

Overall it has been a very positive year for cod in foodservice largely due to the Fish and Chip Shop channel (NPD, 2 yrs. ending March 2019).





Cod Consumer in Foodservice

Compared to total food and drink eaten out of home, cod appeals to an older, less affluent consumer. Conversely cod does appeal to a more affluent consumer in pubs; however pubs continue to be an area of weakness in terms of cod appealing to families.

Cod appeals slightly more to female consumers, mostly in fast service restaurants. It is most popular at lunch and dinner, being predominantly a dinner occasion in quick service restaurants.

Friday is still the main day consumers are purchasing cod out of home; Sundays to Wednesdays provide a growth opportunity (NPD, 2 yr March 2019).

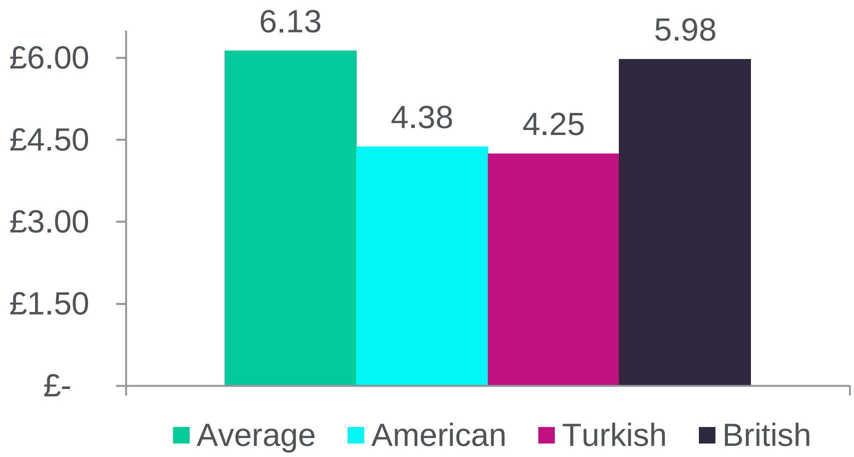
Menu trends

Current trends see cod prepared in a range of formats. A trending snack item is fillet of fish burger, with the dense and flaky characteristics of cod making it well suited for such a dish; fish burgers are appearing in 8% of UK restaurant menus.

Seafood descriptors for cod on the menu being highlighted are "sustainably caught". (Technomic, 2018).

Cod is most prominent on American, Turkish and British restaurant menus, due to its widespread use in the preparation of fish burgers and fish & chips.

Burger and kebab shops often offer individual fish pieces and good-value burgers, which keeps the average price of cod-based dishes in American and Turkish cuisine low. Traditional British pubs are more likely to offer a more premium version of the dish, resulting in a higher average cost (Global Data, 2018).



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- Marine Management Organisation (September 2017) National Statistics: UK sea fisheries annual statistics report 2017
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- Seafish (2018) Market Insight Factsheet Fish & Chip in Independent Fish and Chip Shops.
- Seafish (2018 Update) Market Insight Factsheet Seafood Trends in Commercial Foodservice.
- Technomic (2018) Seafood Trends.

Further Readings (Subscribers Only):

- Context Report
- Cod Report

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Suzi Pegg Seafish Origin Way, Europarc, Grimsby, DN37 9TZ T: +44 (0) 1472 252358	e: info@seafish.co.uk w: www.seafish.org f: +44 (0) 1472 268792