Here to give the UK seafood sector
the support it needs to thrive.

UK seafood trade analysis and insights

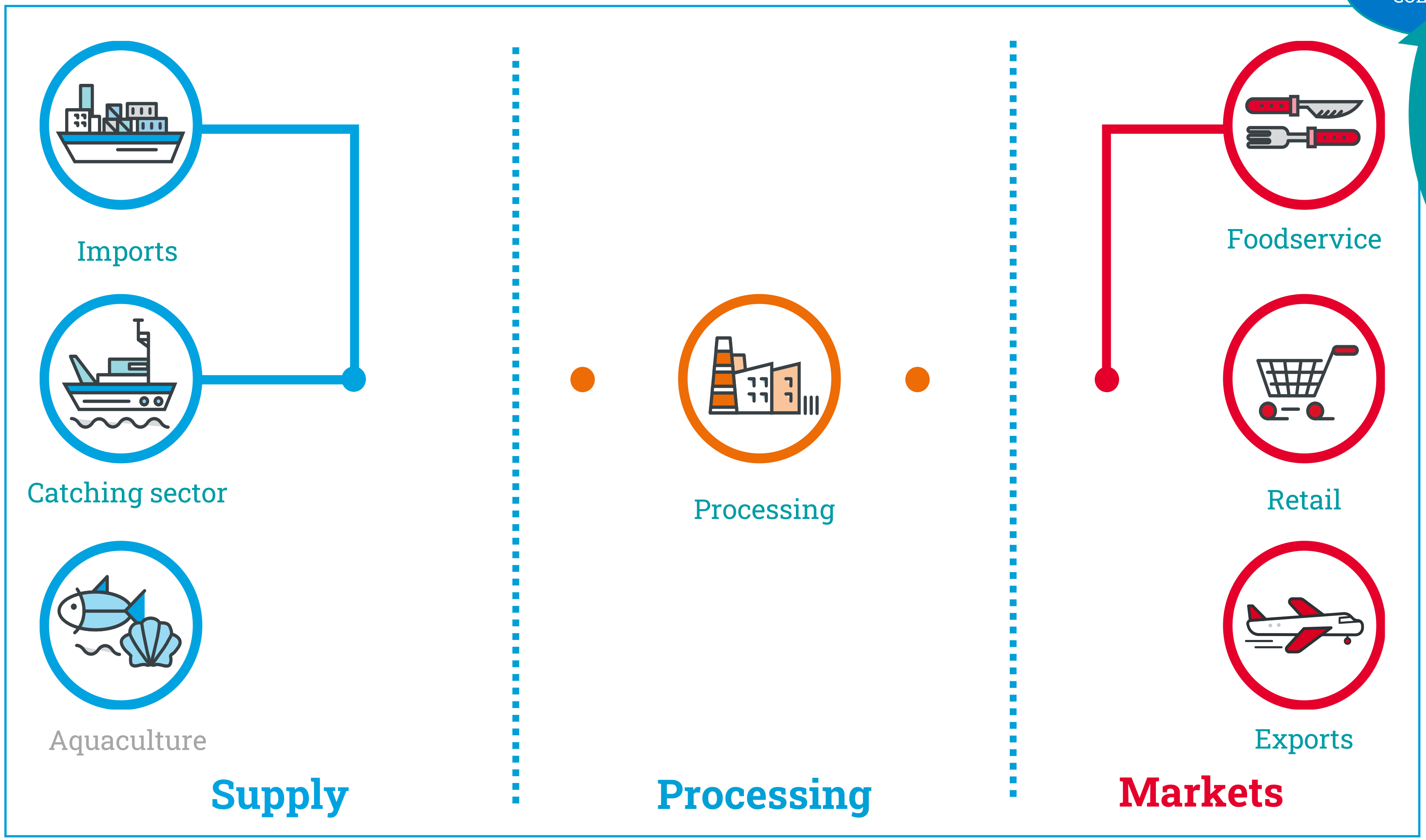
A focus on imports of frozen cod and haddock fillets

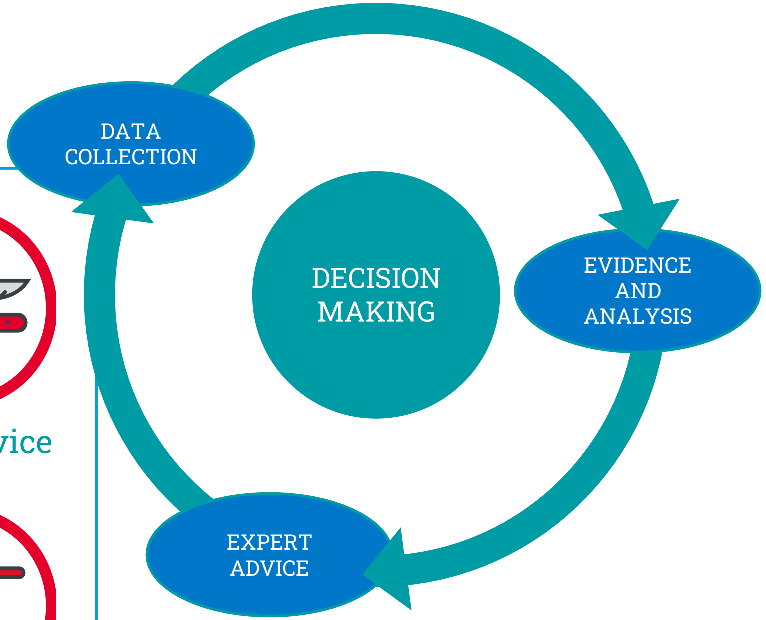
FASFA

May 2023

Economics Insight and Advice

Finding solutions to the real issues facing seafood businesses





Meet the Market and Trade Insight team

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Trade data and insights

Foodservice data and insights

Retail data and insights

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Seafish Trade Insight and Advice

Agenda

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Seafish Trade Data
Where it comes from and how its processed

The HMRC's Overseas Trade in Goods Statistics are processed using the EUMOFA methodology, which enables allocation of each product to its corresponding species, species groups, processing and preservation states.

Additionally, it provides conversion of reported weight to live weight, allowing for comparisons between traded species and commercial fleet species landings

Level.3	PS_desc	PR_desc	cn
Cod	Frozen	Fillet	03047190
			03047110
		Other cuts	03049525
			03049521
			03049529
		Whole/Gutted	03036310
			03036390
			03036330
	Live/Fresh	Fillet	03044410
		Whole/Gutted	03025110
			03025190
			03025910
	Prepared/Preserved	Other cuts	16041992
	Dried	Other cuts	03055190
		Whole/Gutted	03055110
			03055310
	Unspecified	Fillet	03053211
			03053219
	Salted	Whole/Gutted	03056200
			03056910
Haddock	Frozen	Fillet	03047200
		Other cuts	03049530
		Whole/Gutted	03036400
	Live/Fresh	Whole/Gutted	03025200
Grand Total			

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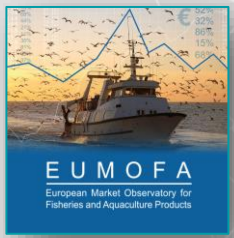
HM Revenue & Customs



EUMOFA = EU Market Observatory for Fisheries and Aquaculture Products)
HMRC Data is provisional for 18 months after being published

Seafood imports 2022

Cod and Haddock remain two of the highest value imported species to the UK

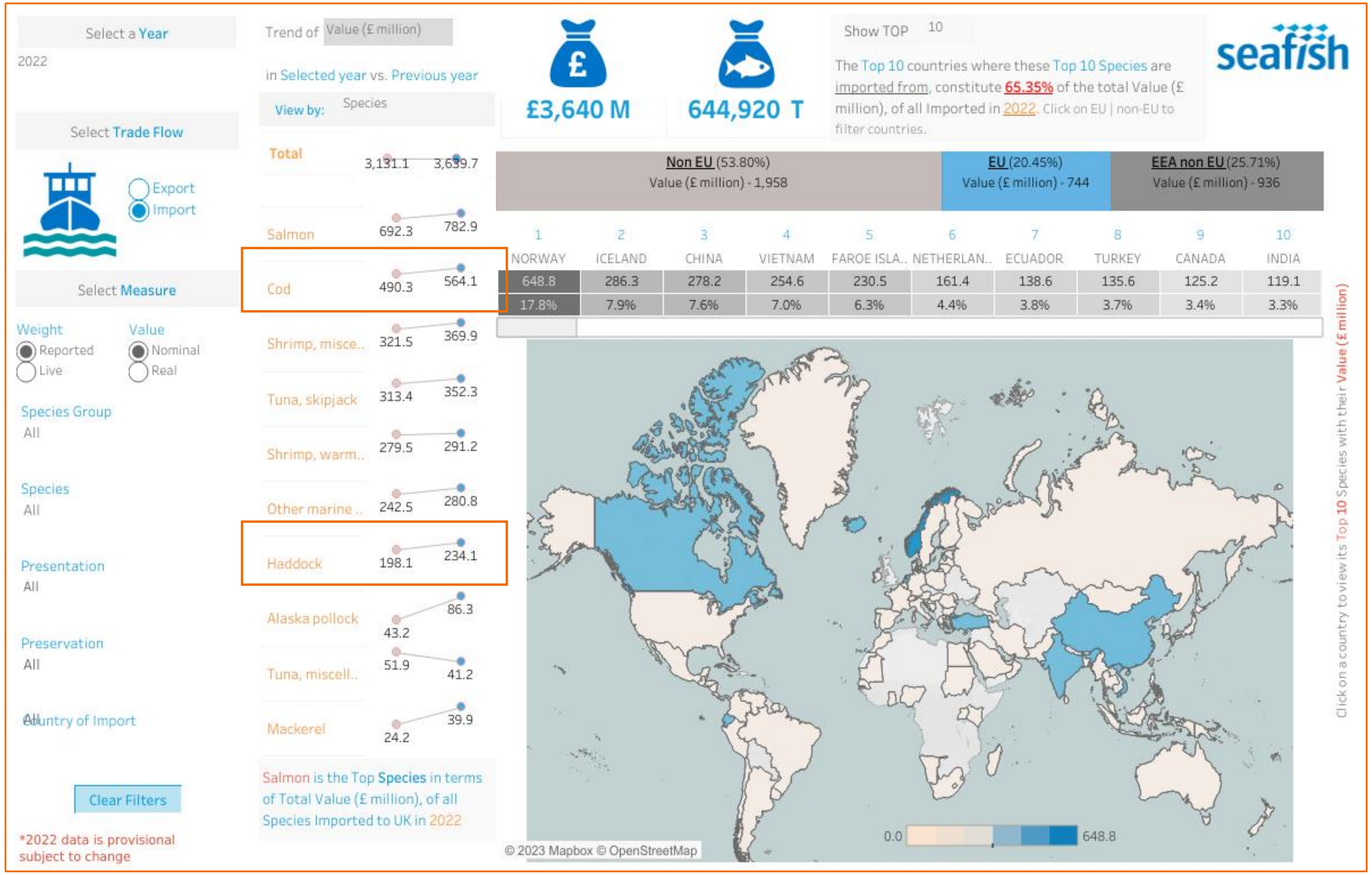
- In 2022 these two species made up around ¼ of UK import value
- Total seafood import in 2022

Value increased by 16%

Volume decreased 2%

Average price increased by 19%*

*UK consumer prices index rose by 10.5% in the 12 months to December 2022



Click to access T4 Tool

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UK Supply of Cod and Haddock
(2022)

By Volume

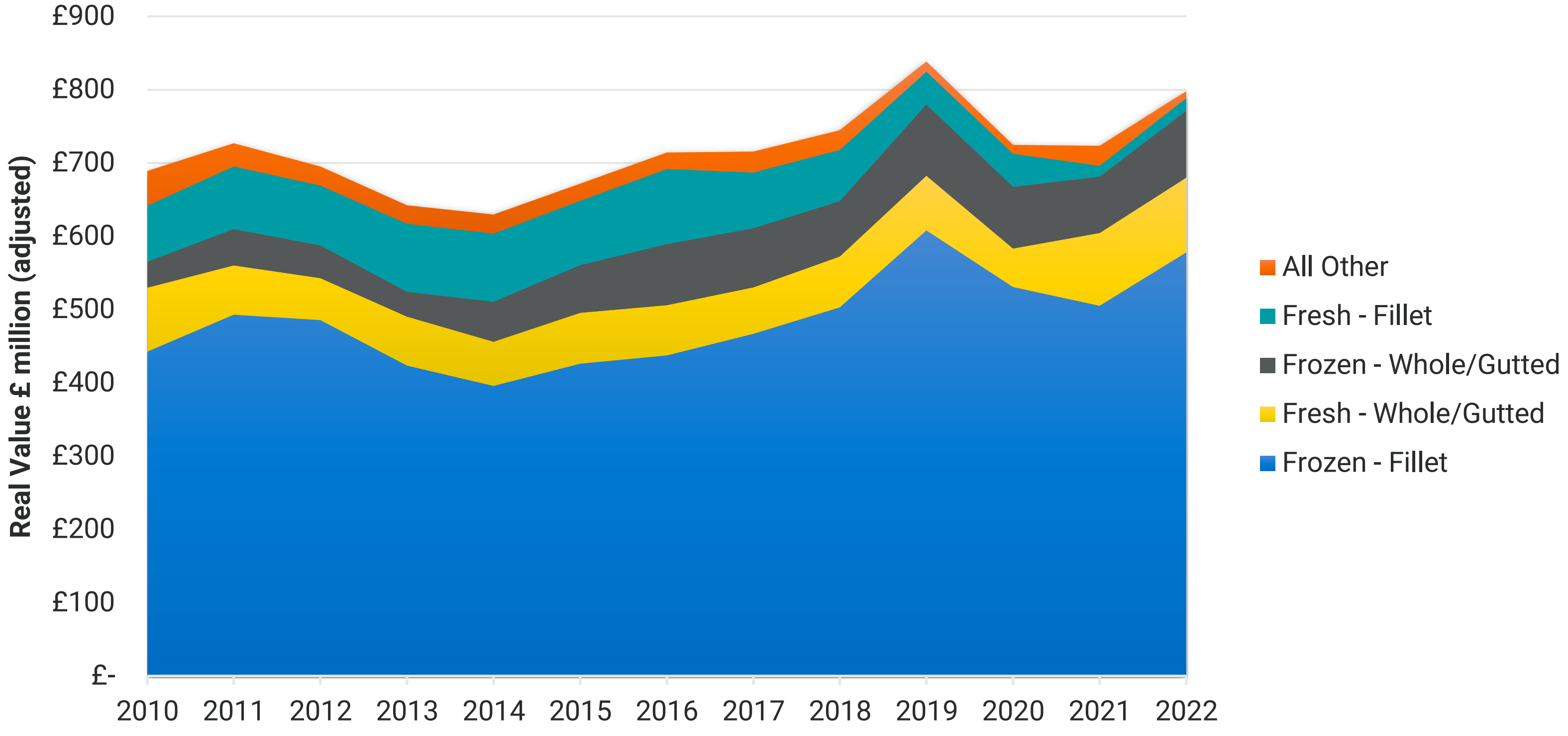
- In 2021, the UK relied on imports for 90% of its supply of cod and haddock.
- Increased landings by the commercial fleet in 2022 and reduced imports led to imports accounting for 85% of the UK's supply of cod and haddock.

By Value

- Frozen fillets made up 72% of cod and haddock imports in 2022 up from 70% in 2021 (Value)

Import of cod and haddock:
£798m (+16%)
139,524 tonnes (-12%)
313,307 tonnes live weight (-11%)

Landings of cod and haddock to UK
£95.6m (+37%)
48,051 tonnes live weight (+31%)



Note that landings data (source MMO) and trade data (Source HMRC) come from separate sources and so not directly comparable – in some cases different conversion factors used may affect results

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Frozen cod fillets import
2022 overview

£461 million (+18%)

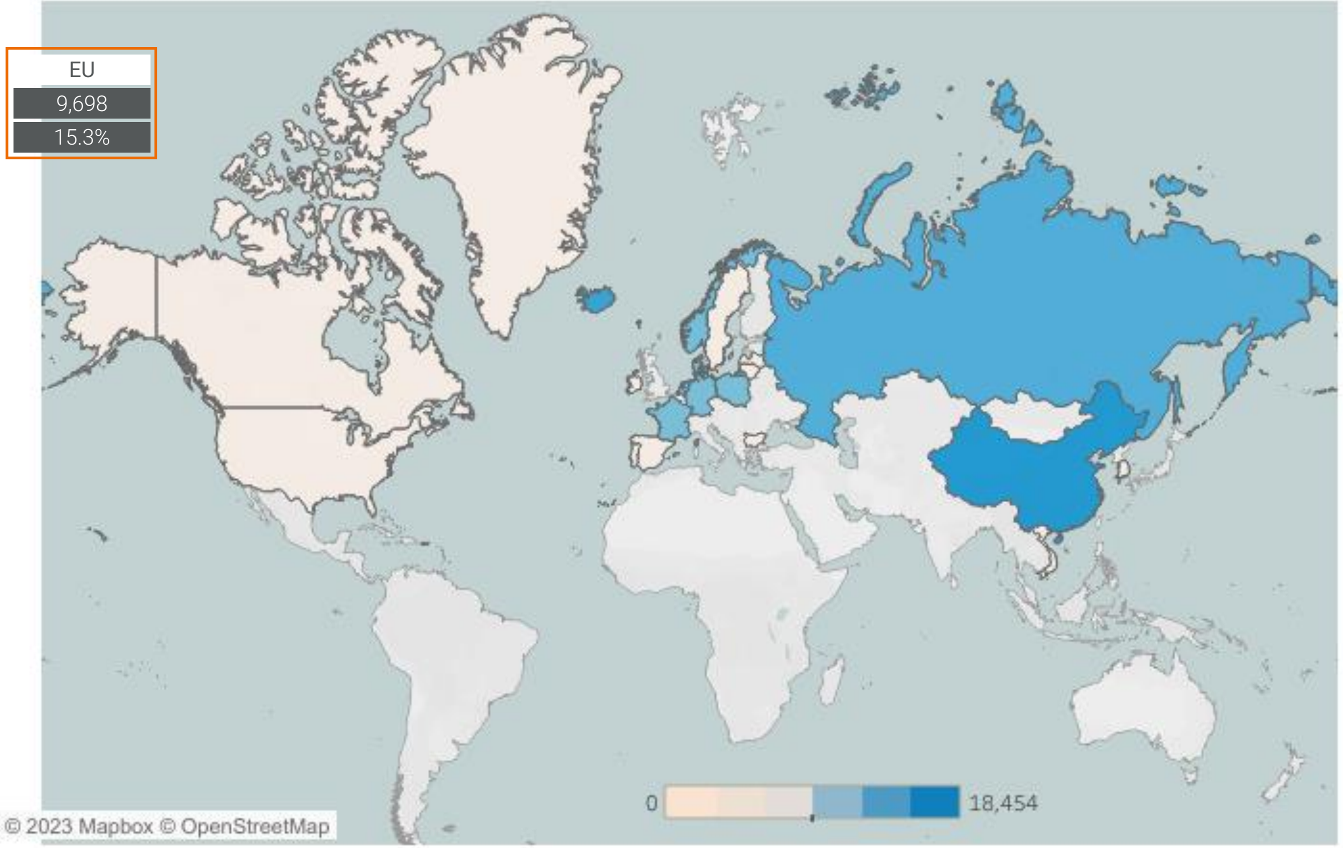
63,330 tonnes (-10%)
180,491 tonnes live weight (-10%)

£7.28/kg (+32%)

Proportional share compared to 2021
- ⬆ China up from 25.3%
- ⬆ Iceland up from 20.2%
- ⬇ Russia down from 18.2%
- ⬆ Norway up from 6.7%
- ⬇ EU down from 17.2%

76% | 22% | 2%

1	2	3	4	5	6	7	8	9	10
CHINA	ICELAND	RUSSIA	NORWAY	FAROE ISLA..	NETHERLAN..	GERMANY	DENMARK	FRANCE	POLAND
18,454	14,055	10,156	5,568	4,714	4,217	1,852	1,238	904	697
29.1%	22.2%	16.0%	8.8%	7.4%	6.7%	2.9%	2.0%	1.4%	1.1%



Click on a country to view its Top 10 Species with their Weight (tonnes)

Click to access T4 Tool

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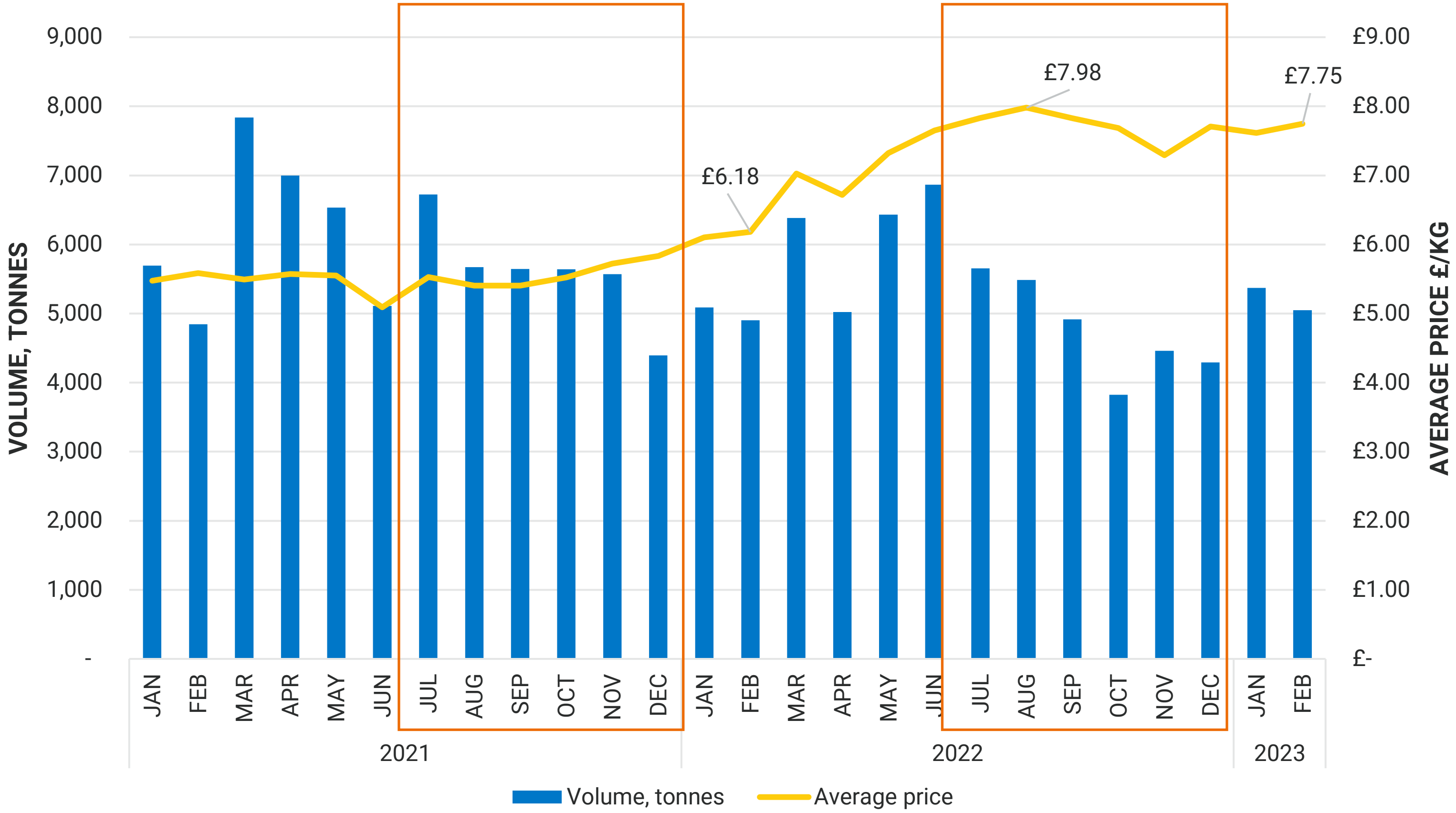
Frozen cod fillets import
Monthly volume and price

- Products:
  - 03047110
  - 03047190
- By February 2023 prices were 25% higher than February 2022 reaching £7.75/kg
- The volume of frozen cod fillets imported in the 6 month period July-December in 2022 was 15% lower than the same period in 2021



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Frozen cod fillets import

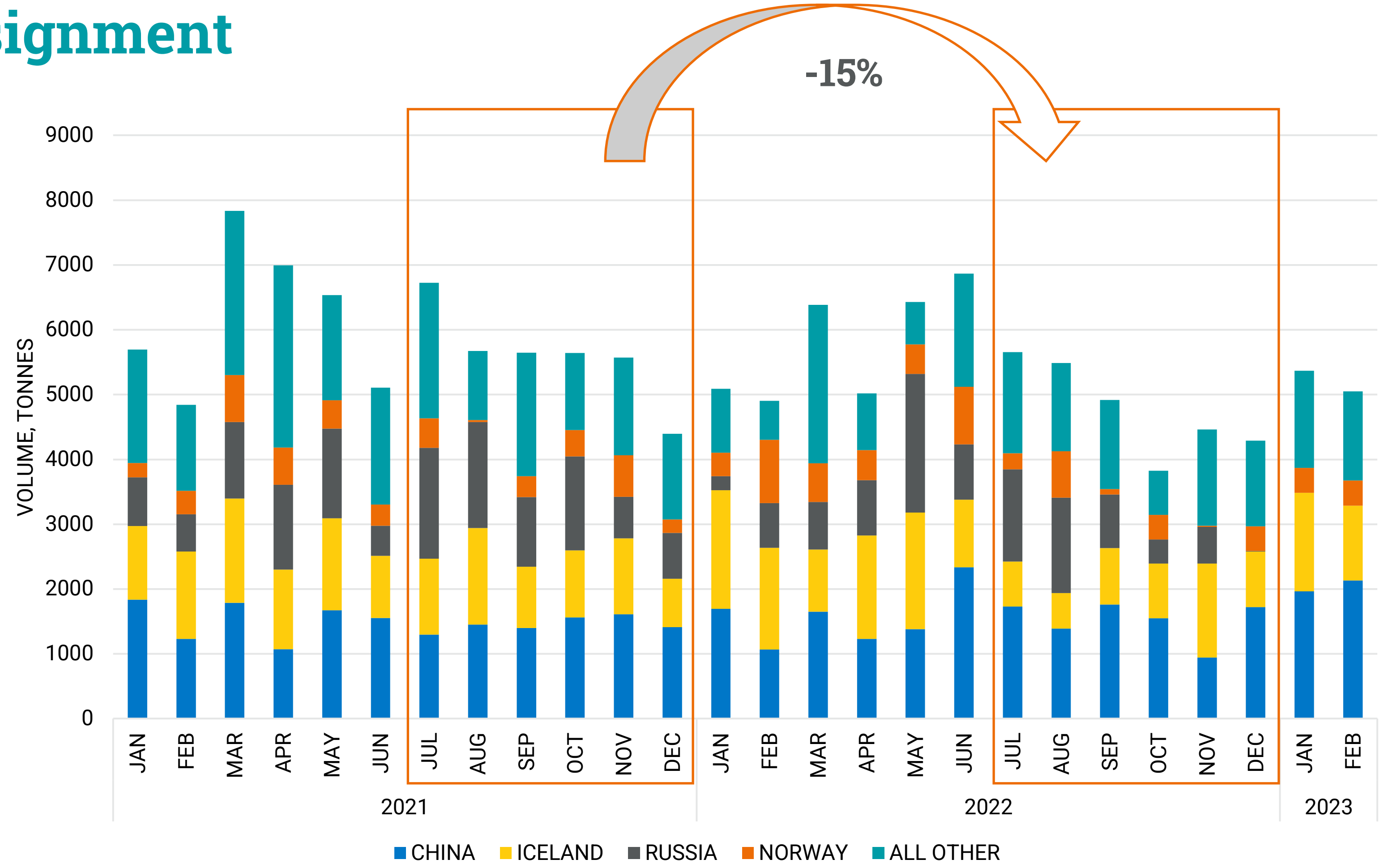
Changes to country of consignment

Change to total import volume in the 6 month period July-December 2022 vs the same period in 2021:

- ⬆ China = 4% increase
- ⬇ Iceland = 20% reduction
- ⬇ Russia = 35% reduction
- ⬇ Norway = 12% reduction

Not shown but significant changes

- ⬆ Faroe Islands = 12% increase (+227 tonnes)
- ⬆ Netherlands = increase (+2,550 tonnes)
- ⬇ Denmark = 76% reduction (-2,112 tonnes)
- ⬇ EU = 15% reduction (-961 tonnes)



Annual changes also available on the T4 tool

Click to access T4 Tool

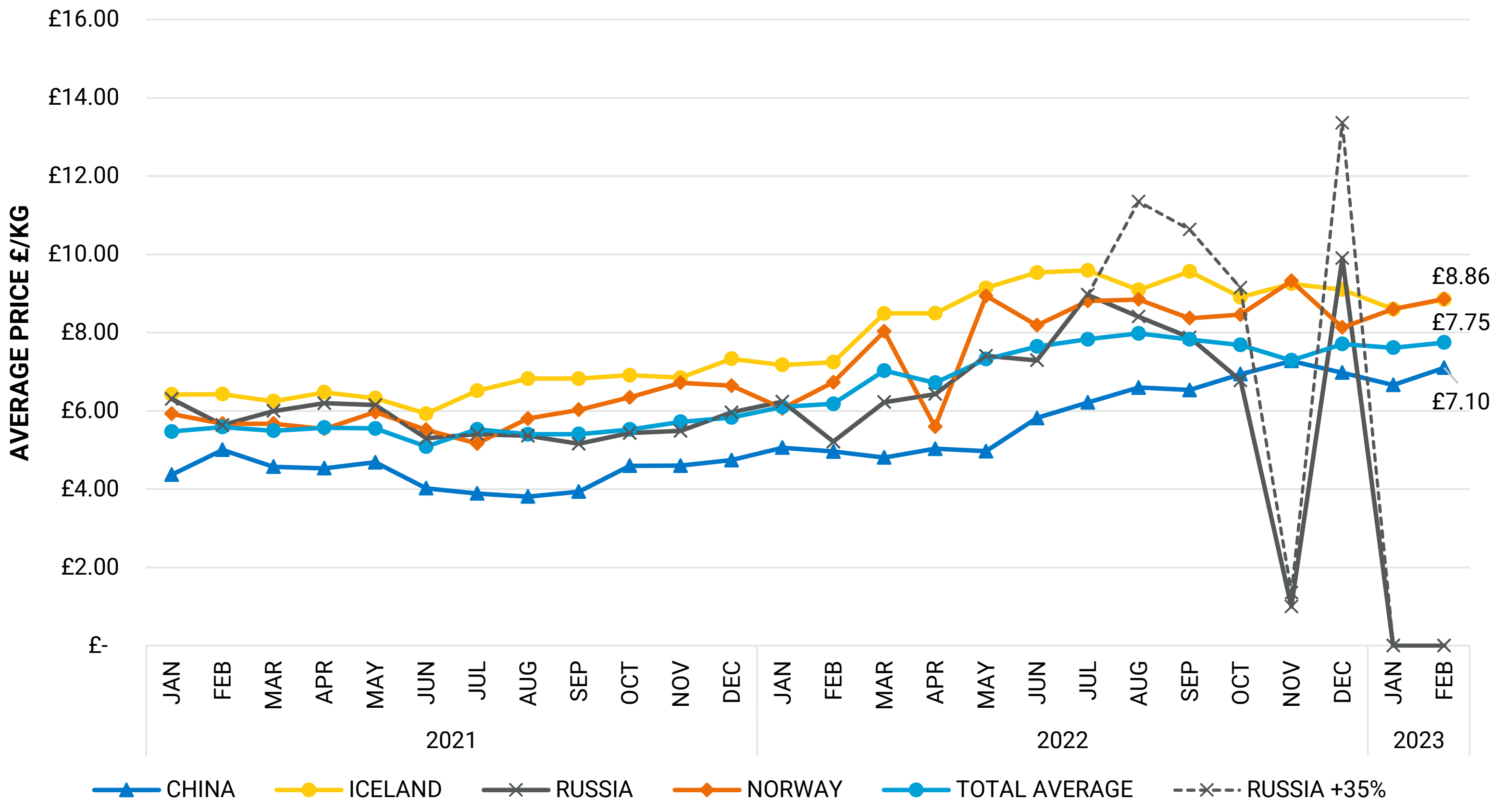
Frozen cod fillets import
Price tracker by country

Consignments from China are below the average import price throughout the last year

To note these prices are based on Cost Insurance Freight (CIF) values before duties and tariffs

Average price in 2022 compared to 2021

- China = £5.93 (+35%)
- Iceland = £8.63 (+32%)
- Russia = £7.08 (+24%) (without tariff)
- Norway = £7.76 (+31%)
- Total average = £7.28 (+32%)



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Frozen haddock fillets import
2022 overview

£117 million (+28%)

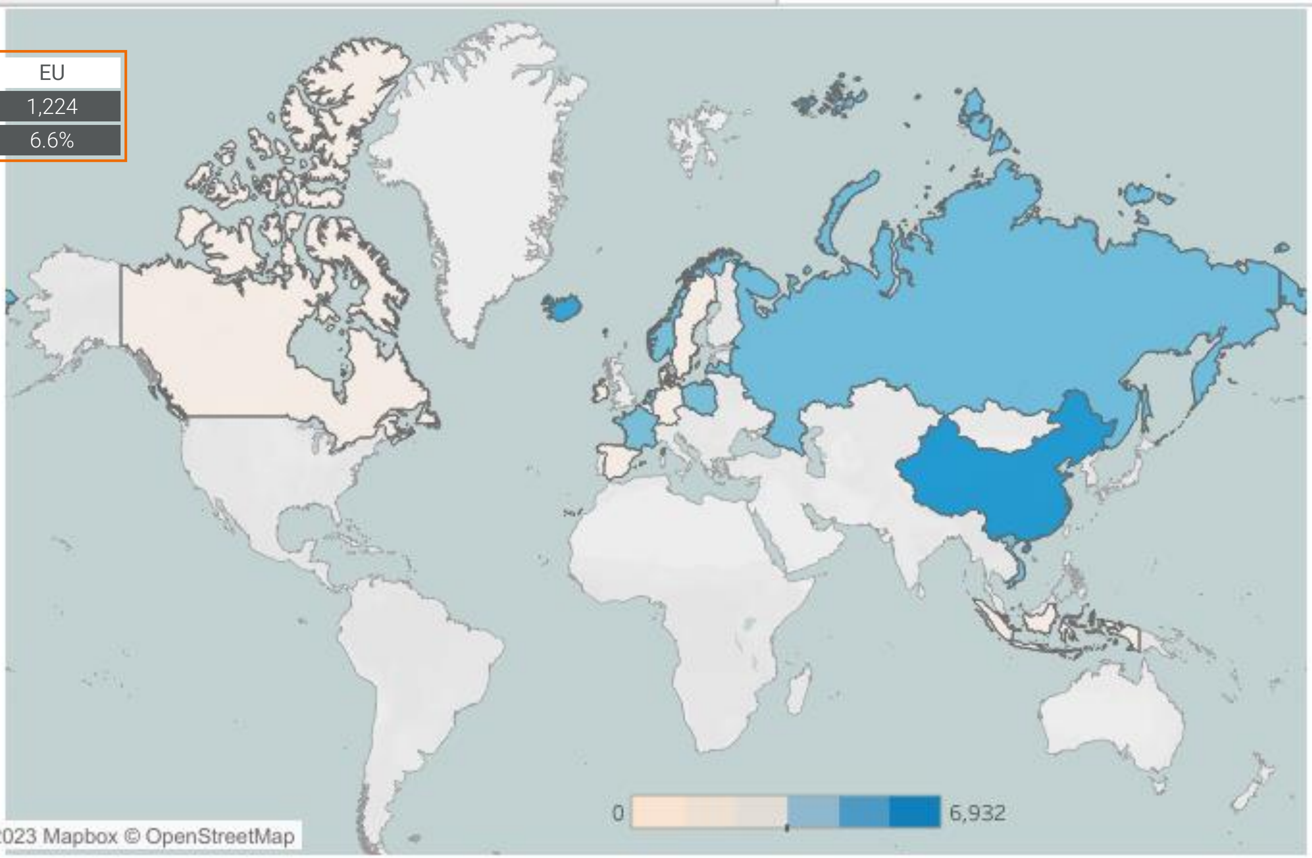
18,604 tonnes (-6%)
56,929 tonnes live weight (-6%)

£6.29/kg (+36%)

88% | 11% | 1%

1	2	3	4	5	6	7	8	9	10
CHINA	ICELAND	RUSSIA	NORWAY	FAROE ISLA..	NETHERLAN..	POLAND	VIETNAM	FRANCE	LATVIA
6,932	5,753	2,471	1,153	796	591	341	207	82	72
37.3%	30.9%	13.3%	6.2%	4.3%	3.2%	1.8%	1.1%	0.4%	0.4%

EU
1,224
6.6%



Click on a country to view its Top 10 Species with their Weight (tonnes)

Proportional share compared to 2021
- ⬆ China up from 33.8%
- ⬇ Iceland down from 31.1%
- ⬇ Russia down from 15.9%
- ⬇ Norway down from 6.6%
- ⬇ EU down from 8.8%

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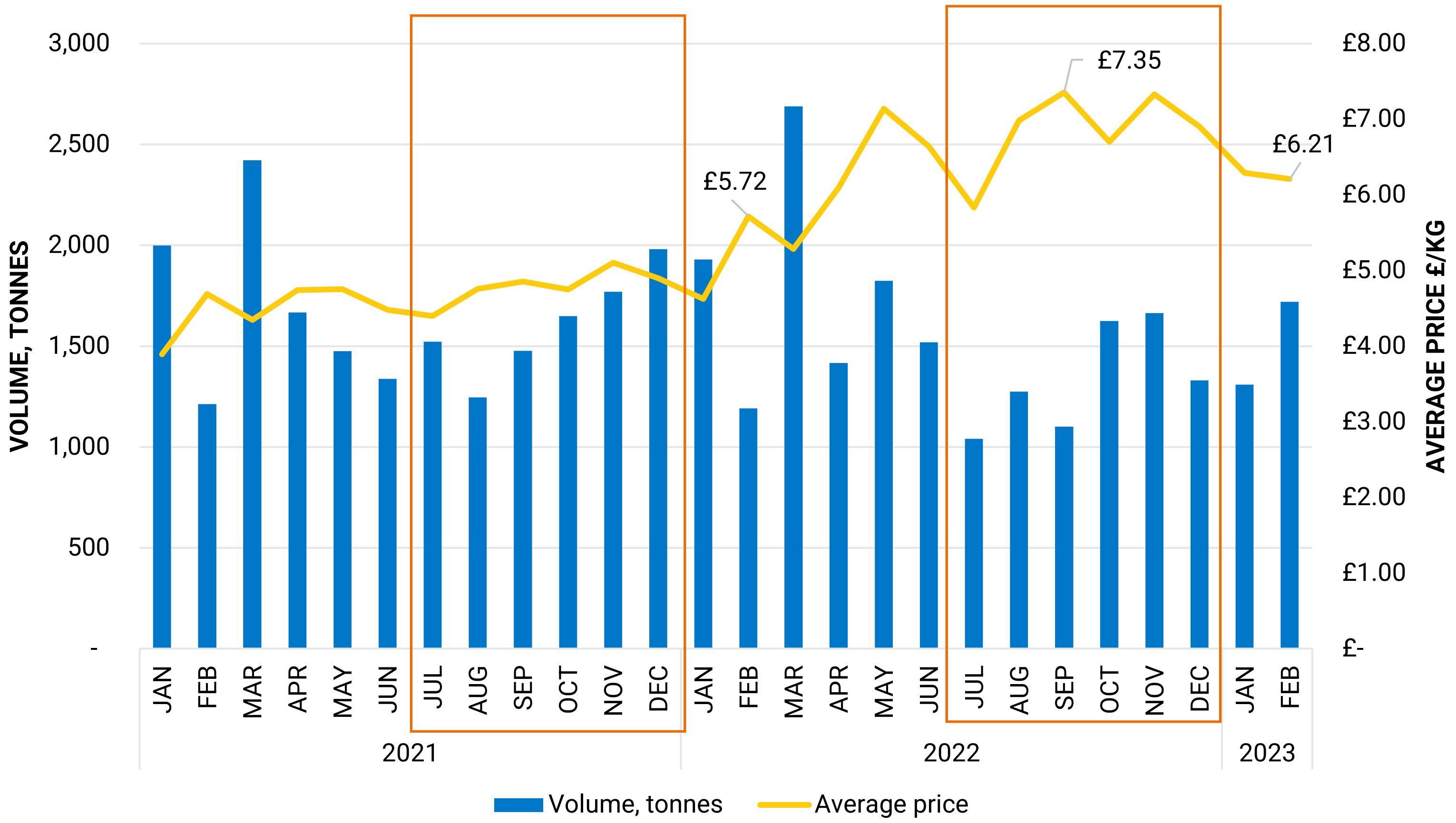
Frozen haddock fillets import
Monthly volume and price

- Haddock products
  - 03047200

- By February 2023 prices were 9% higher than February 2022 reaching £6.21/kg
- The volume of frozen haddock fillets imported in the 6 month period July-December in 2022 was 17% lower than the same period in 2021



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Frozen haddock fillets import
Price tracker by country

Change to total import volume in the 6 month period July-December 2022 vs the same period in 2021:

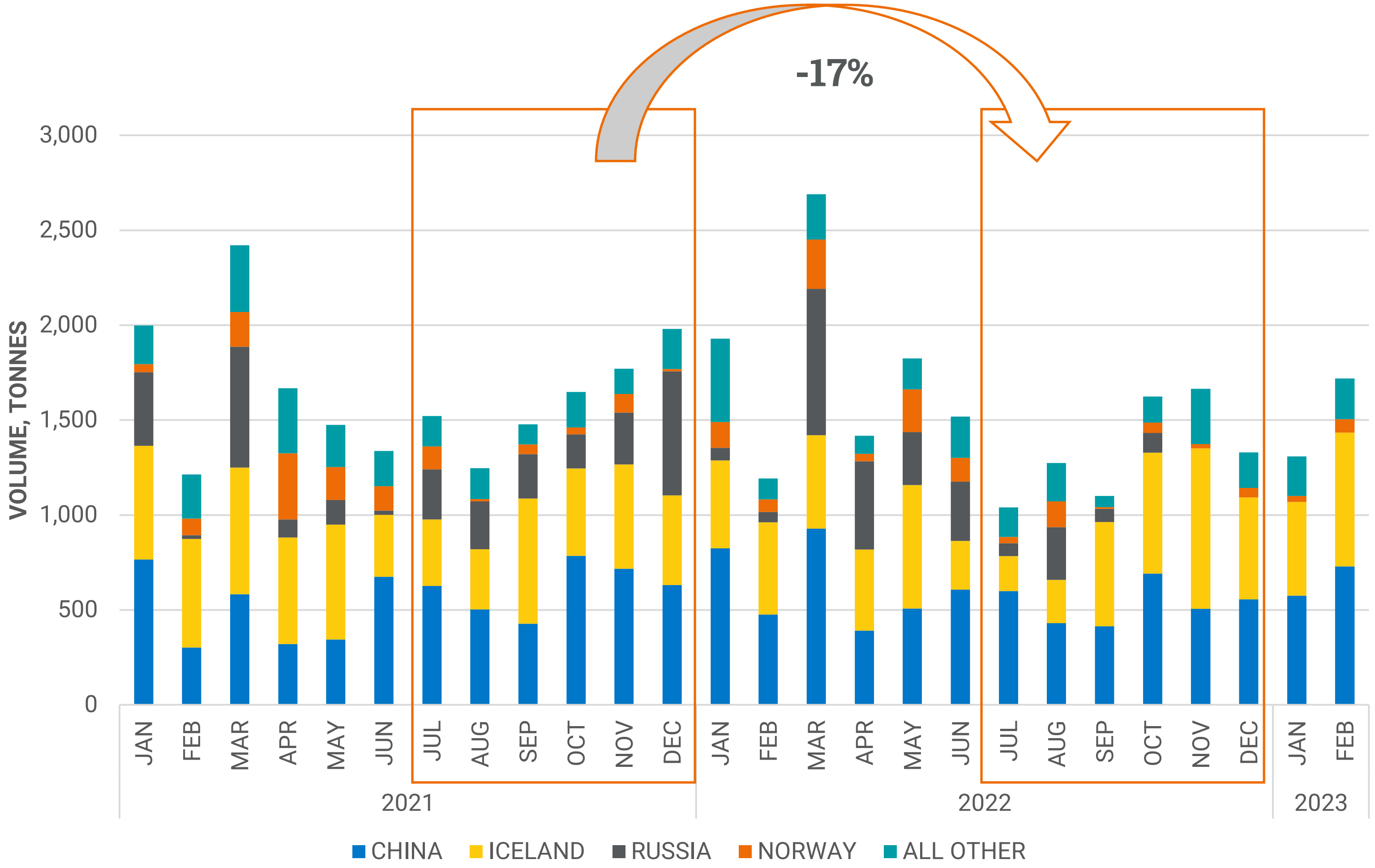
- ⬇ China = 13% reduction
- ⬆ Iceland = 6% increase
- ⬇ Russia = 72% reduction
- ⬇ Norway = 8% reduction

Not shown but significant changes

- ⬆ Netherlands = increase (+406 tonnes)
- ⬆ Poland = increase (+186 tonnes)
- ⬆ EU = 14% increase (+88 tonnes)

Annual changes also available on the T4 tool

Click to access T4 Tool

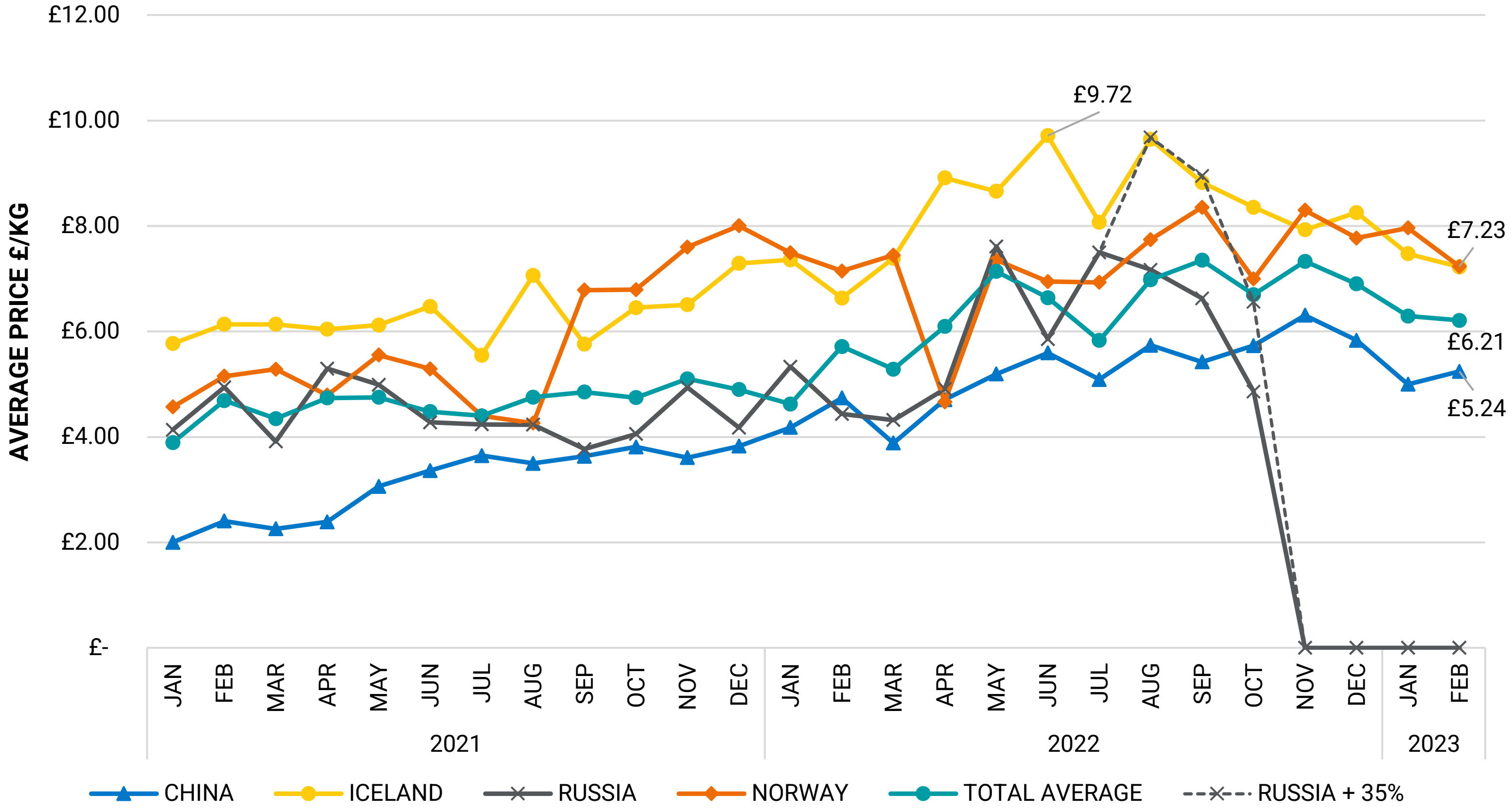


Frozen haddock fillets import
Price tracker by country

To note these prices are based on Cost Insurance Freight (CIF) values before duties and tariffs

Average price in 2022 compared to 2021

- China = £5.10 (+60%)
- Iceland = £8.20 (+32%)
- Russia = £5.52 (+36%) (without tariff)
- Norway = £7.31 (+36%)
- Total average = £6.29 (+36%)



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Fish and chips in foodservice

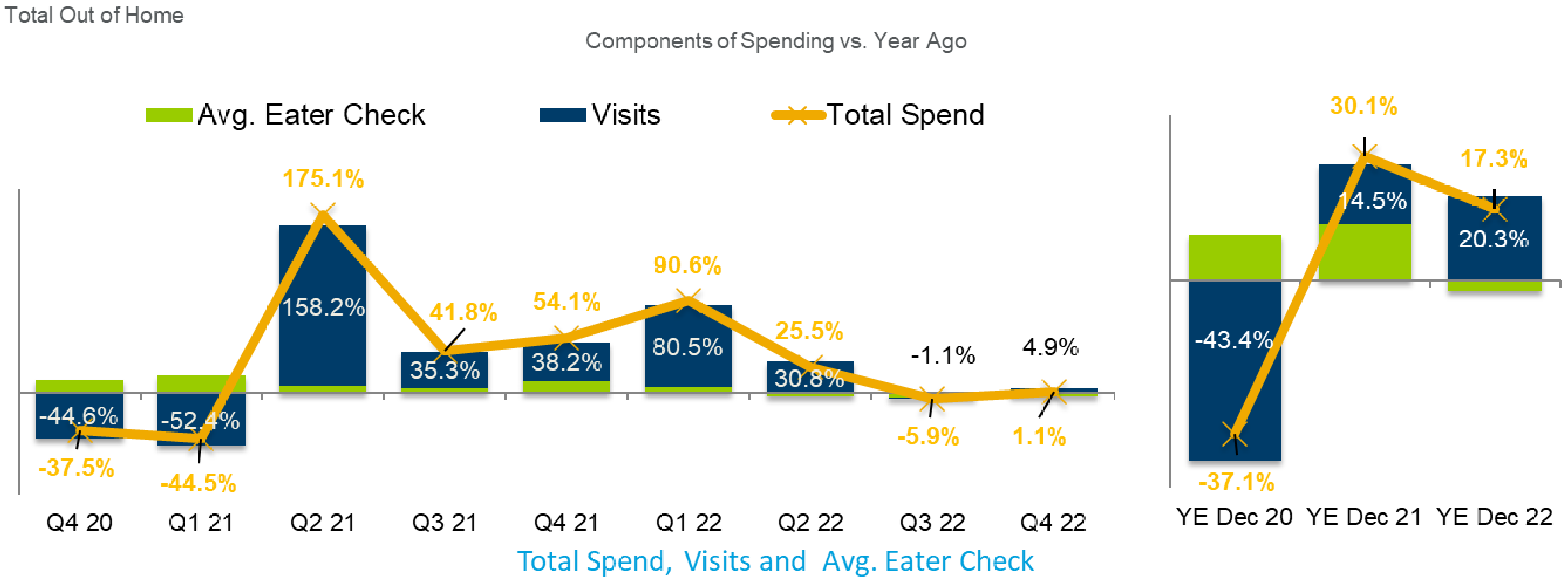
Suzi Pegg-Darlison

Circana GB Foodservice Panel Data

Data to 52 week ending December 2022 and 2 year ending September 2022

Agenda
GB fish and chips consumption out of home (OOH)

How is the foodservice market performing?
Return to growth helped by first no-restrictions holiday season in three years and by the World Cup

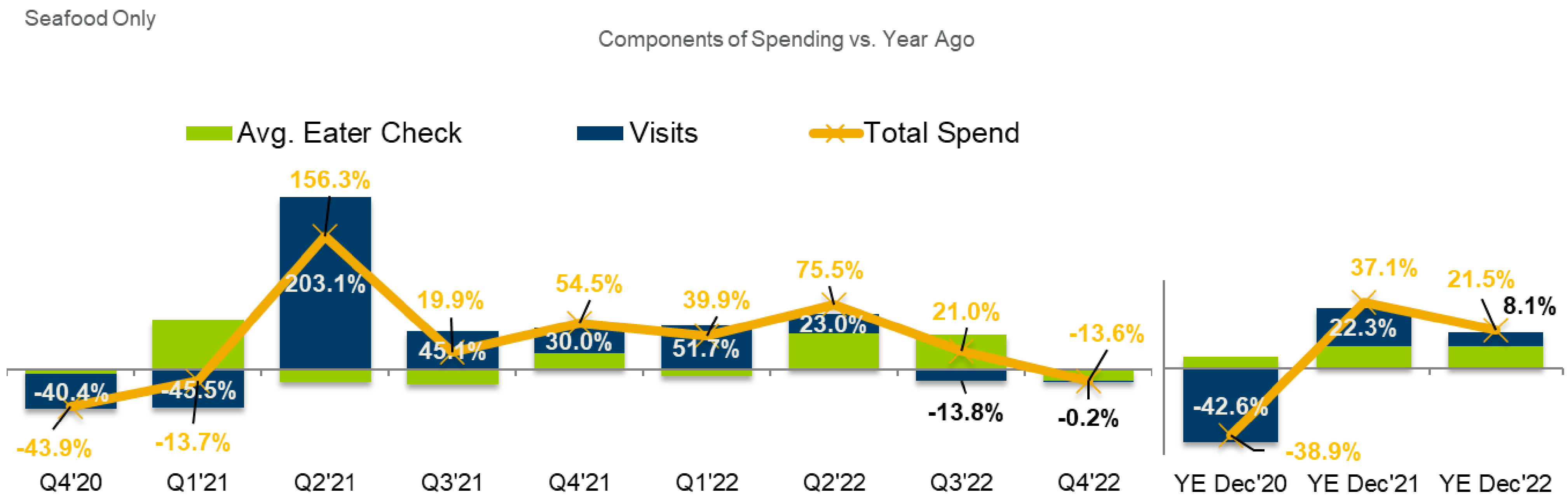


	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Spend in mio. £	9,292	6,799	10,686	15,202	14,320	12,959	13,414	14,299	14,475
Visits in mio	1,620	1,160	1,572	2,412	2,238	2,094	2,057	2,385	2,348
Avg. Eater Check in £	5.74	5.86	6.80	6.30	6.40	6.19	6.52	6.00	6.17

YE Dec 20	YE Dec 21	YE Dec 22
36,141	47,007	55,147
6,449	7,382	8,882
5.60	6.37	6.21

Source: Circana, data to quarter 4 (Q4) 2022 and year end (YE) December 2022
**low sample size – use directionally*

How is seafood OOH performing?
Spend is up, but this is price led as visits and servings are down



Total Spend, Servings, Visits and Avg. Eater Check

	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Visits, m	156	117	155	262	203	177	190	226	203
Servings, m	173	130	179	309	238	207	216	263	242
Total Spend, £m	656	710	692	968	1,013	993	1,213	1,171	875
Avg. Eater Check, £	4.20	6.08	4.47	3.69	4.99	5.61	6.38	5.18	4.32

YE Dec'20	YE Dec'21	YE Dec'22
602	737	796
686	856	929
2,559	3,509	4,265
4.25	4.76	5.36

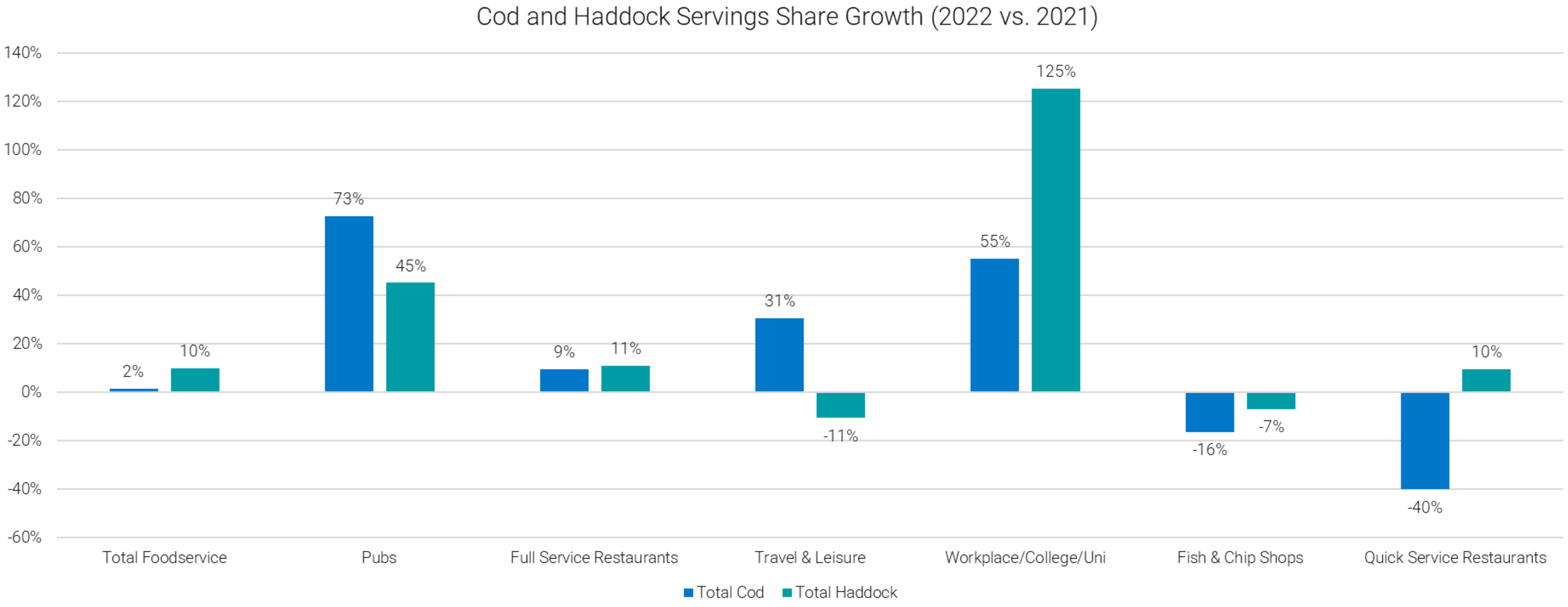
Source: Circana, data to quarter 4 (Q4) 2022 and year end (YE) December 2022
**low sample size – use directionally*

How is seafood OOH performing in each channel?
Growth in all channels except QSR and Fish and Chip Shops

	Seafood Visits (bn)		Seafood Servings (bn)	
Total Foodservice	0.80	8.1%	0.93	8.6%
Total Quick Service Restaurant (QSR)	0.39	-11.9%	0.43	-12.6%
QSR excl. Fish & Chip Shops	0.24	-11.5%	0.28	-13.1%
Fish & Chip Shops	0.14	-12.6%	0.15	-11.5%
Pubs	0.12	60.3%	0.14	64.1%
Full Service(incl. Cafe/Bistro)	0.13	31.4%	0.16	31.1%
Workplace/College/Uni	0.09	43.8%	0.11	43.3%
Travel & Leisure	0.07	11.6%	0.09	9.7%

Source: Circana, data to year end (YE) December 2022
**low sample size – use directionally*

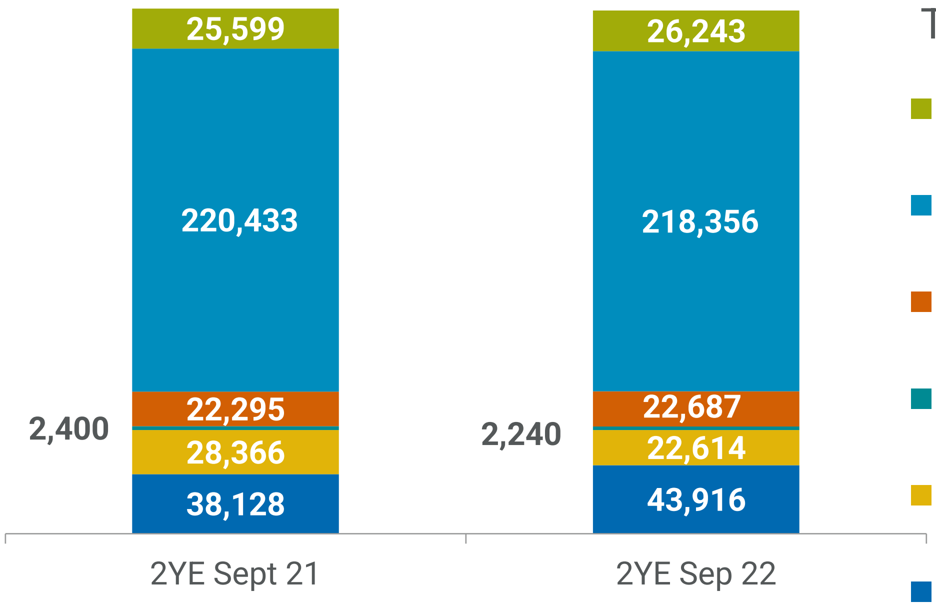
How is Cod and Haddock performing OOH?
Both in servings growth in total OOH vs. 2021



Source: Circana, data to year end (YE) December 2022
**low sample size – use directionally*

How are fish and chips performing?
Total servings of fish and chips OOH are in decline

Total fish and chips
Servings (000s) by channel



Total fish and chips YOY** change
Servings (% and actual)

Total fish and chips	-0.3%	-1.2m
Quick Service Restaurants (QSR)	2.5%	+0.6m
Fish and Chips Shops	-0.9%	-2.1m
Workplace/Education*	1.8%	+0.4m
Travel & Leisure*	-6.7%	-0.2m
Full Service Restaurants (FSR)	-20.3%	-5.8m
Pubs	15.2%	+5.8m

Source: Circana, data to 2-year ending (2YE) September 2022
**low sample size – use directionally, **year on year (YOY)*

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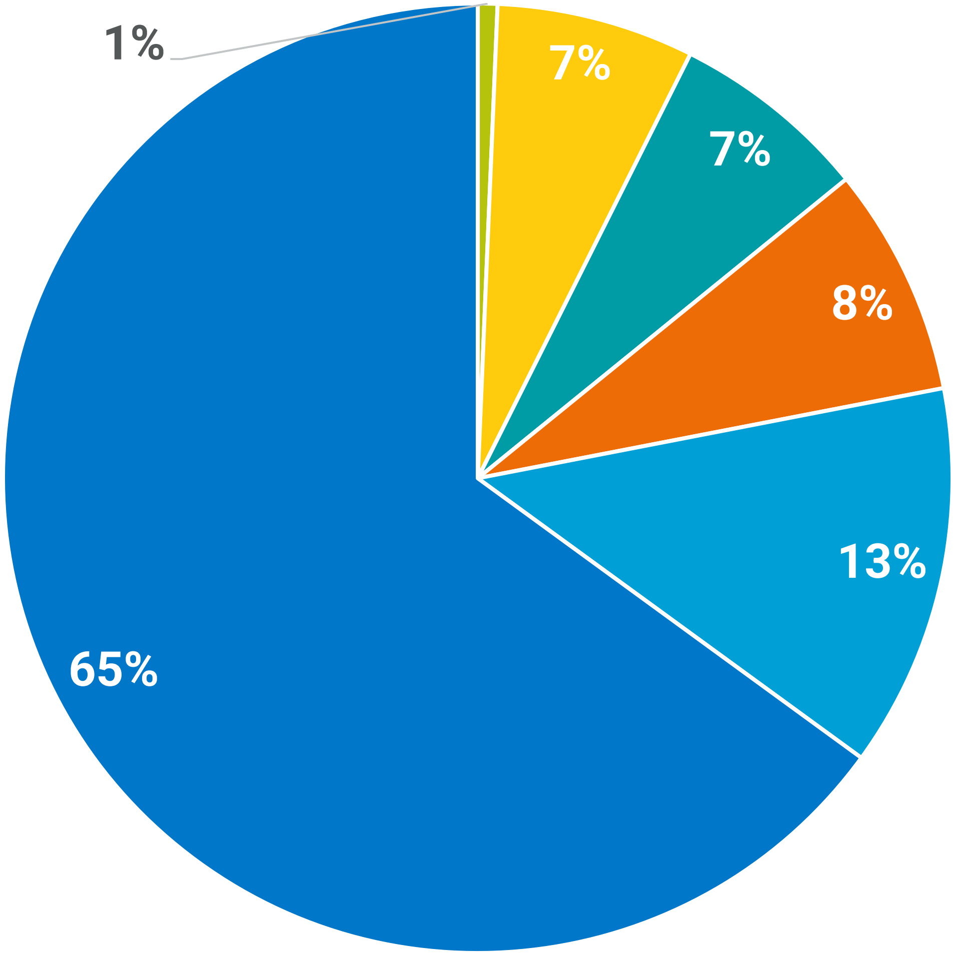
Where are fish and chips purchased?

Over two thirds of all fish and chips servings are from Fish and Chip Shops



Channel share of fish and chip servings with % growth

Travel & Leisure*	-6.7%
Full Service Restaurants (FSR)	-20.3%
Workplace & Education*	+1.8%
Quick Service Restaurants (QSR)	+2.5%
Pubs	+15.2%
Fish & Chips Shops	-0.9%

Source: Circana, data to 2-year ending (2YE) September 2022
**low sample size – use directionally, **year on year (YOY)*

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Who is the fish and chips consumer?
An older and more affluent adult

Adults

72% of all fish and chips servings are to parties without children

Affluence

69% of fish and chips servings are to the A, B and C1 consumer

Women

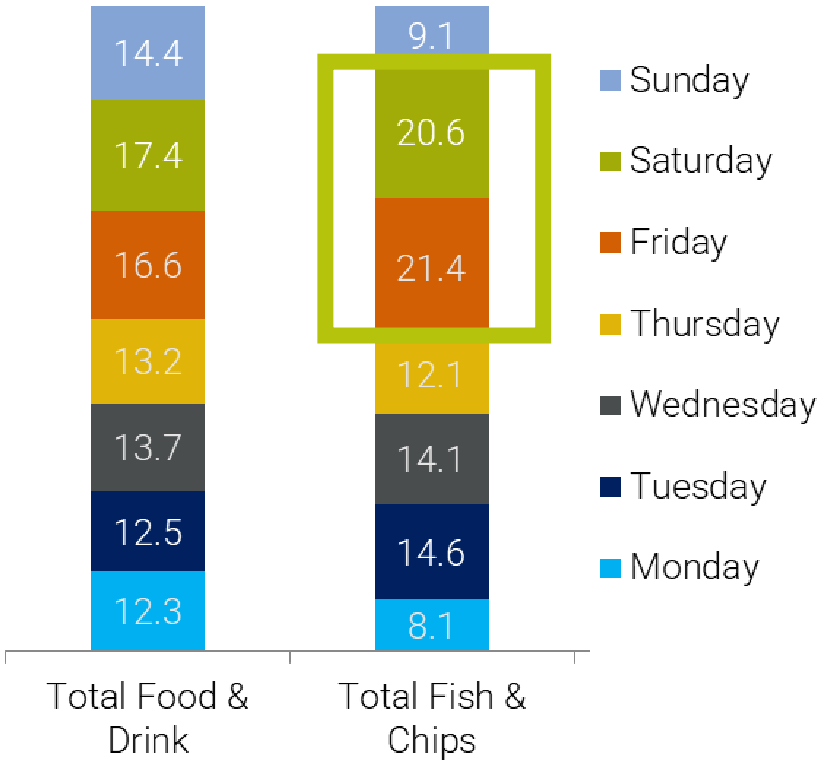
52% of all fish and chips servings are to consumers women

50+ years old

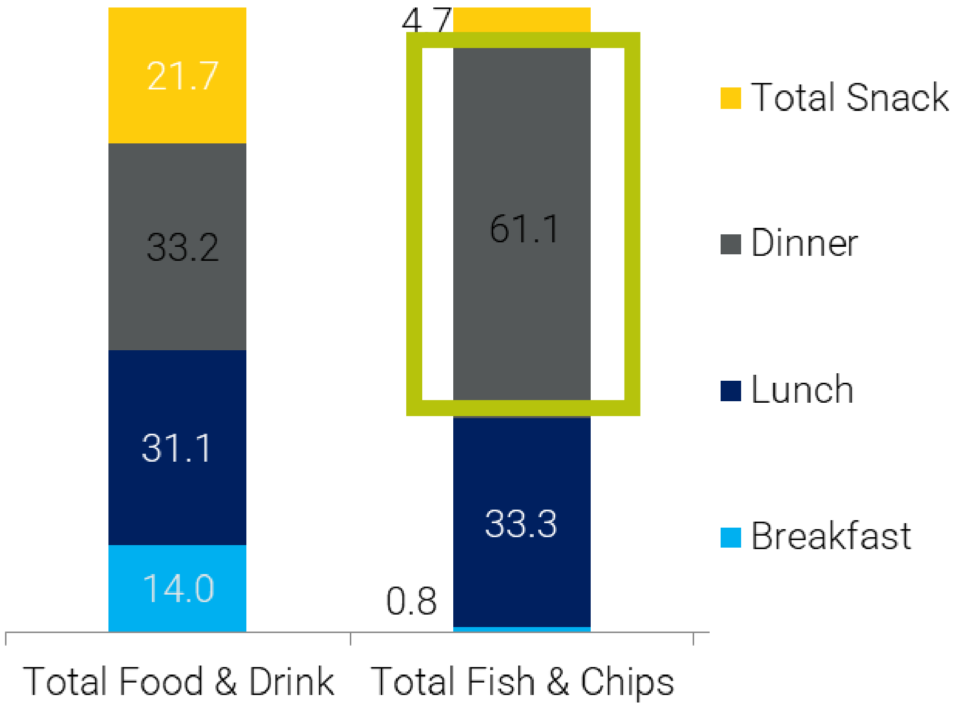
49% of all fish and chips servings are to adults over 50

When are fish and chips consumed?
Dinner on Fridays and Saturdays is the most popular time for fish and chips

Total fish and chips
Servings (%) by day of the week



Total fish and chips
Servings (%) by daypart



Source: Circana, data to 2-year ending (2YE) September 2022
**low sample size – use directionally, **year on year (YOY)*

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Why do consumers choose fish and chips?
Because it is the most popular British dish

FISH AND CHIPS

Dish

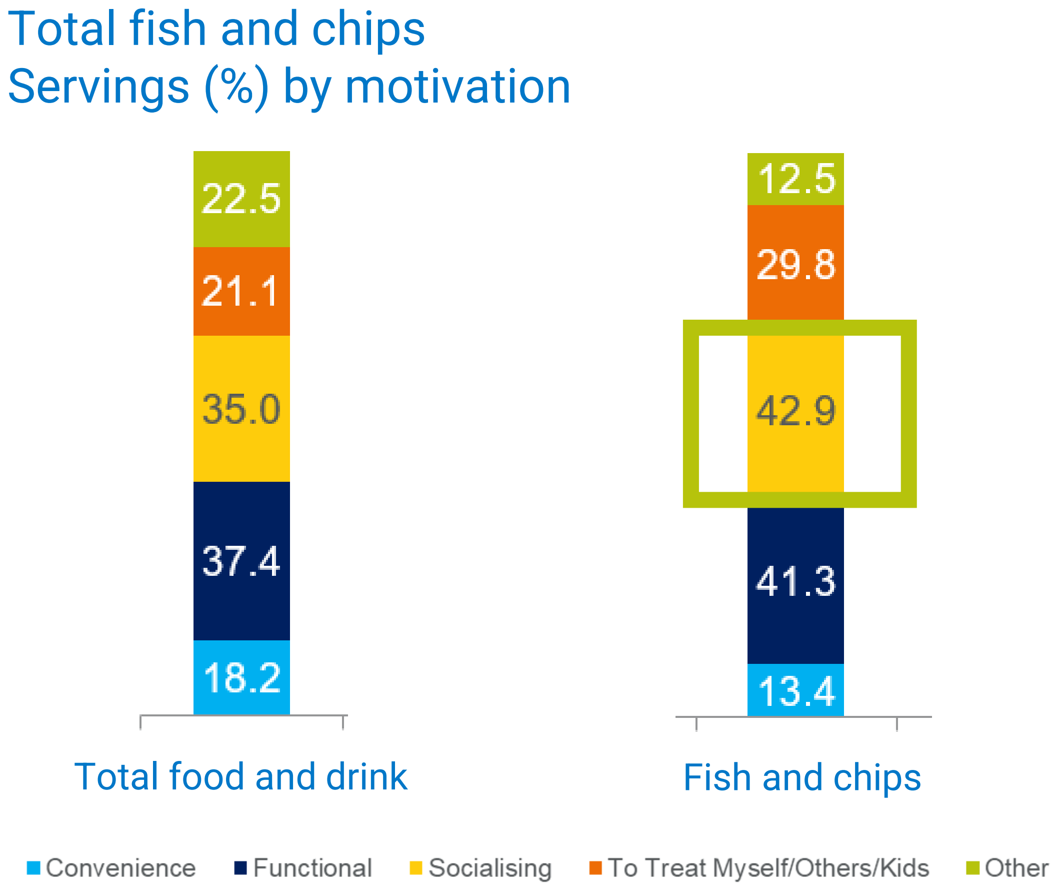
Fame (have heard of)	**99%**
Popularity (liked by)	**85%**
Disliked by	**5%**
Neutral	**9%**

BRITISH DISHES

1. **Fish and Chips**
2. Roast Chicken
3. Chips
4. Mashed Potatoes
5. English Breakfast

Source: YouGov, Q1 2023, The Most Popular British Dishes

What is the main motivation for purchases? Socialising



Source: Circana, data to 2-year ending (2YE) September 2022
**low sample size – use directionally*

Key opportunities

Diverse consumer base

Target a younger and less affluent consumer

Every day of the week

Make fish and chips relevant all week

Not just for dinner

Target the snacking and breakfast occasions

Delivery

The service is here to stay

App-based loyalty platforms

Offer customers deals directly via apps

Mono-products platform

Offer different products alongside staples

Source: Circana, data to 2-year ending (2YE) September 2022
**low sample size – use directionally*

Key takeaways

- Fish and Chips are the most popular British dish.
- Foodservice recovery has returned to growth with seafood slightly behind the total market.
- Fish and chips servings are in recovery but declines from some channels causing decline.
- Value for money will remain important but loyalty will be key.
- Quick value, on-the go occasions will be instrumental in growth.

Further reading

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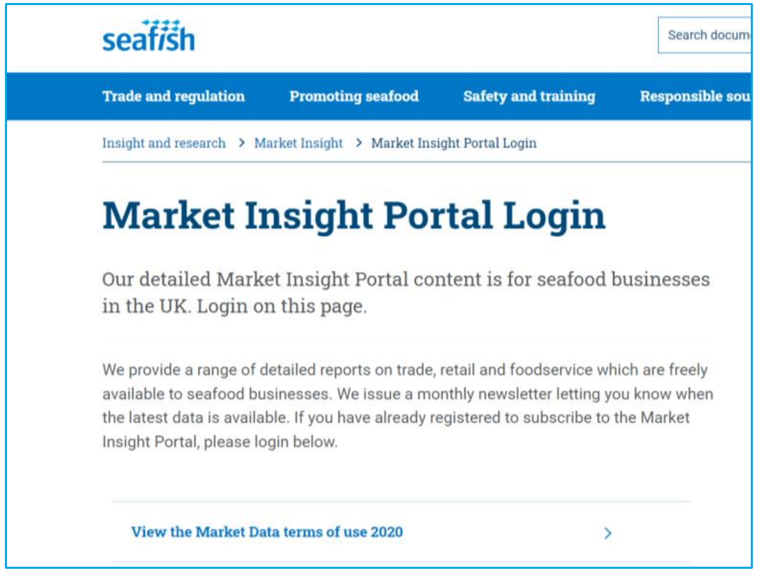
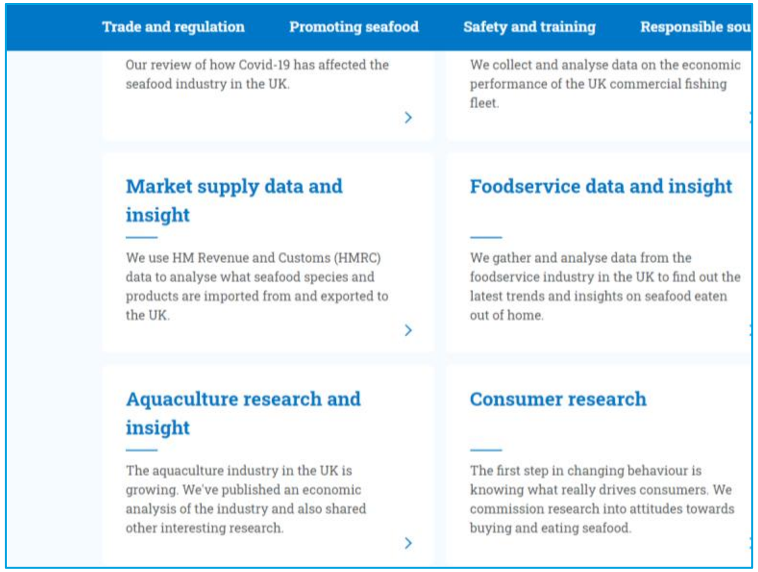
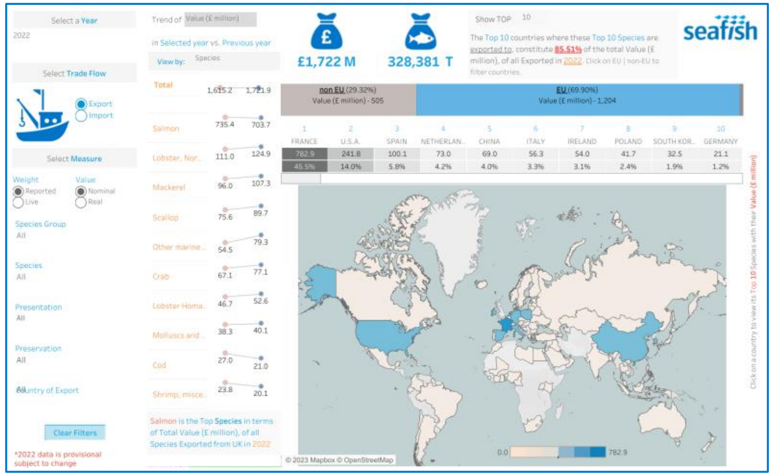
Reports access







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Thank you

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