Seafood:
supplies, sustainability and consumer behaviour

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supporting the seafood industry for a sustainable, profitable future

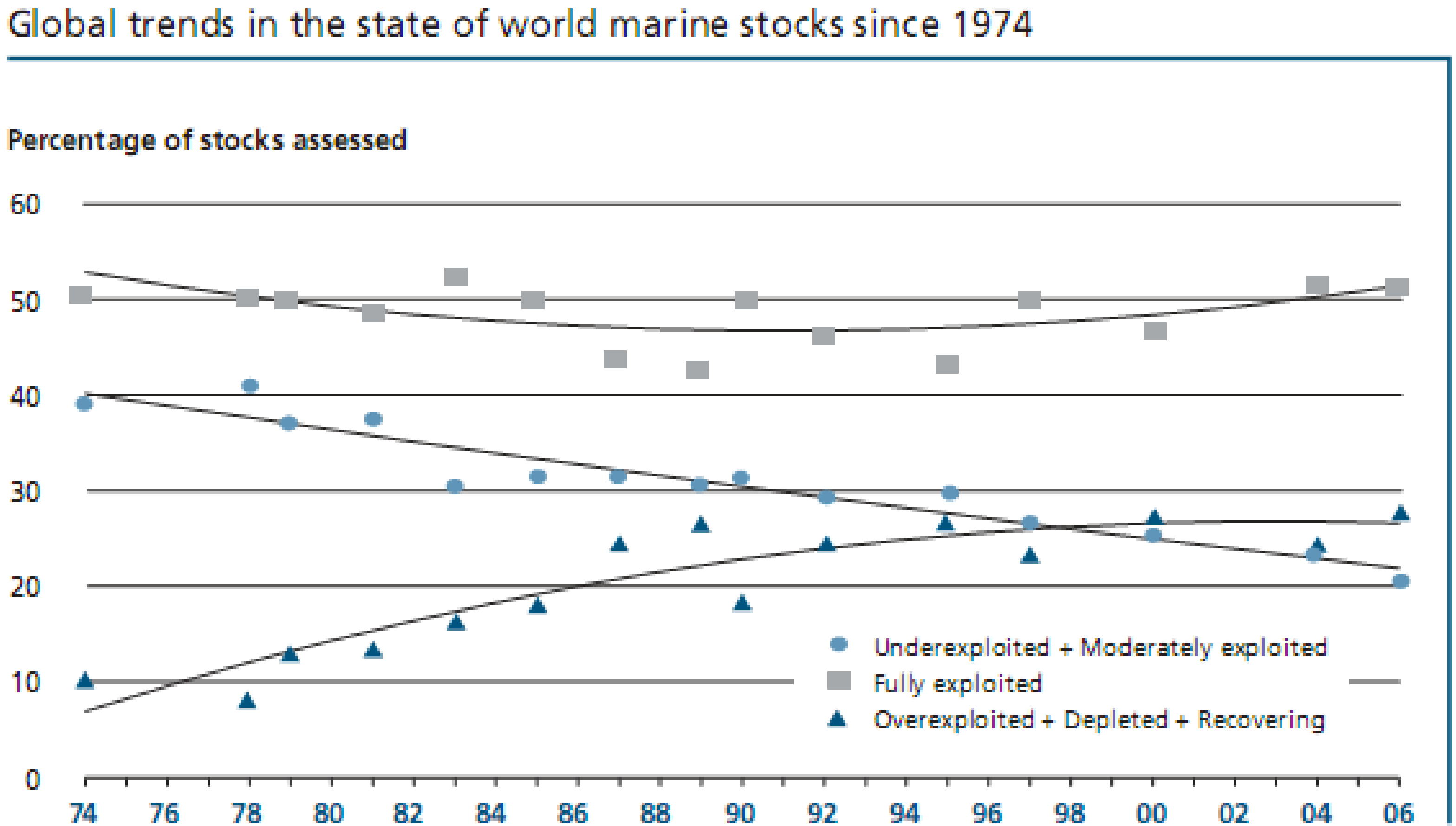
Seafish: the authority on seafood

supporting the seafood industry for a sustainable profitable future

Seafood is a global commodity

- The UN FAO data to 2006 shows
  - **37%** of global seafood production is traded
  - Export value of seafood and seafood products was worth **US$86bn** (up 55% vs 2000)
  - Shrimp is the most widely traded commodity accounting for **16%** of the total value of internationally traded seafood

FAO State of World Fisheries and Aquaculture 2008



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Fish production projections to 2030

	Simulation target year						
	2000	2004	2010	2015	2020	2020	2030
Information source	FAO statistics[1]	FAO statistics[2]	SOFIA 2002[3]	FAO study[4]	SOFIA 2002[3]	IFPRI study[5]	SOFIA 2002[3]
Marine capture	86.8	85.8	86		87	–	87
Inland capture	8.8	9.2	6		6	–	6
Total capture	95.6	95.0	93	105	93	116	93
Aquaculture	35.5	45.5	53	74	70	54	83
Total production	131.1	140.5	146	179	163	170	176
Food fish production	96.9	105.6	120		138	130	150
Percentage used for food fish	74%	75%	82%		85%	77%	85%
Non-food use	34.2	34.8	26		26	40	26

Note: All figures – other than percentages – are in million tonnes.
[1] Based on the statistics available to the FAO Fishery Information, Data and Statistics Unit in 2000.

A complex and global issue

- Many of the e-NGO's are see "fisheries" as one of the key issues facing food security in the next 30 years

- Information and science is complex and often not well understood by journalists leading to sensational headlines

- Fisheries are subject to complex and multi-layered regulation (e.g days at sea, quotas) and fishers have been faced with increasing costs (fuel) and decreasing prices

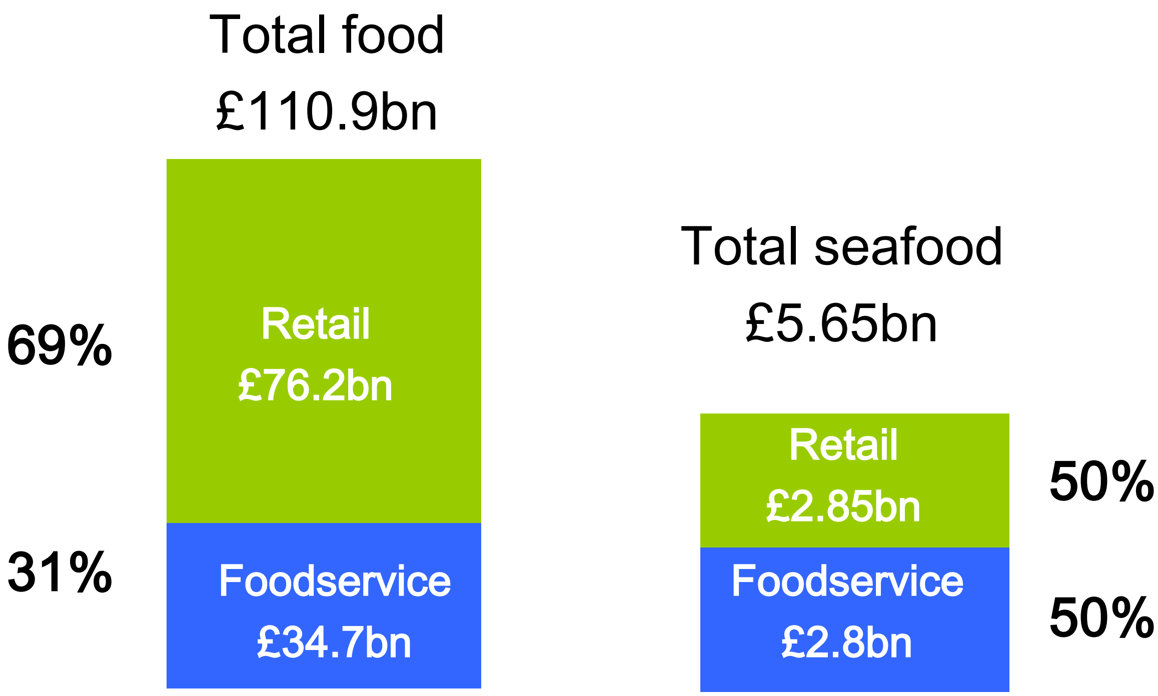
In the UK food market, seafood

- Is worth £5.65billion

- Is consumed by 90% of consumers

- Many people experience seafood via fish & chips

Seafood in perspective in the UK food market



- 85% sales through supermarkets
- Pre-pack
- Fresh & frozen

- Fish is well cooked
- Fish & chips
- 250,000 outlets

Retail = supermarkets and shops for in home consumption

Foodservice = restaurants, hotels and pubs for eating out of home

Source: Defra Family Food panel 2007, Seafish 2007

We must realise that in the UK, many consumers are frightened of preparing and cooking seafood at home

- What it looks like
- Bones
- Smells
- How to cook
- Fear of knowing how to get it right

Eating seafood out of home

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- Is consumed by 90% of consumers
- Many people experience seafood via fish & chips
- Not all consumers are the same and on average, UK consumers eat 1.6 portions of seafood a week

Not all consumers are the same

< 35 years old

Consume fish less regularly.

Require little preparation

Chilled fish ready meals

Frozen battered & breaded

Pre school & young families

Buy seafood for health reasons

Dependent on cooking skill

Frozen battered & breaded

Fish fingers

Chilled natural seafood

>35 year old+

More regular consumers;

Likely to be more confident cook;

Range of chilled and frozen products,

Natural and added value;

More likely to purchase from a counter or a monger.

Increasing frequency

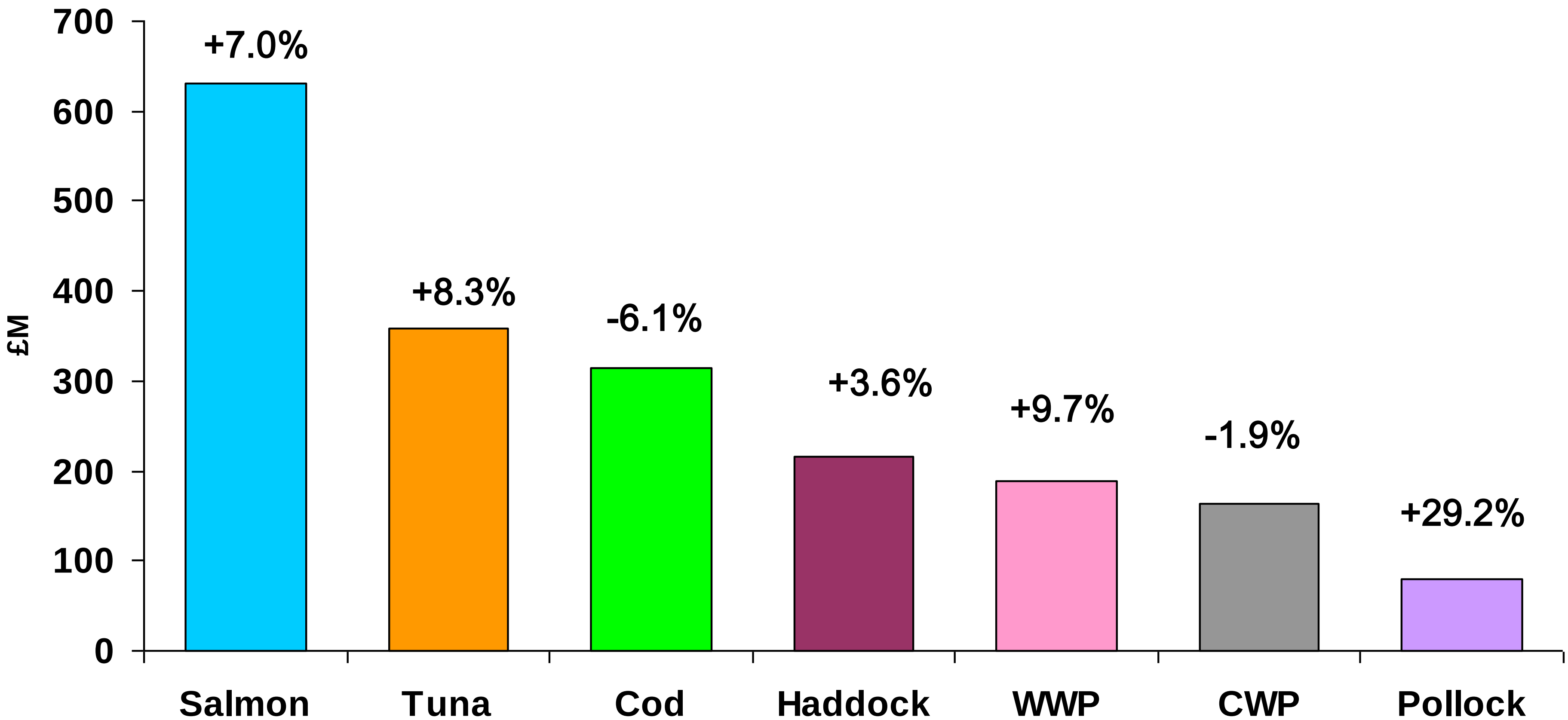
The UK seafood market

- Is worth £5.65billion
- Is consumed by 90% of consumers
- Many people experience seafood via fish & chips
- On average, UK consumers eat 1.6 portions of seafood a week
- We tend to stick to what we know…… but it tends to be imported

The UK seafood market

- Import what we eat
  - Cod (Iceland/Norway/Russia)
  - Haddock (Iceland/Norway/)
  - Tuna (Far East)
  - Salmon (Norway/Chile)
  - King Prawns (Far East)
  - Cold Water Prawns (Canada, Greenland, Faroes)
- Export what we catch/grow
  - Mackerel (Russia)
  - Herring (Russia)
  - Langoustine (Spain)
  - Scallops (France)
  - Crab (France)
  - Salmon (France)

Our favoured species in UK retail



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Source: Seafish/Nielsen, January 2010

The UK seafood market

- Is worth £5.65billion
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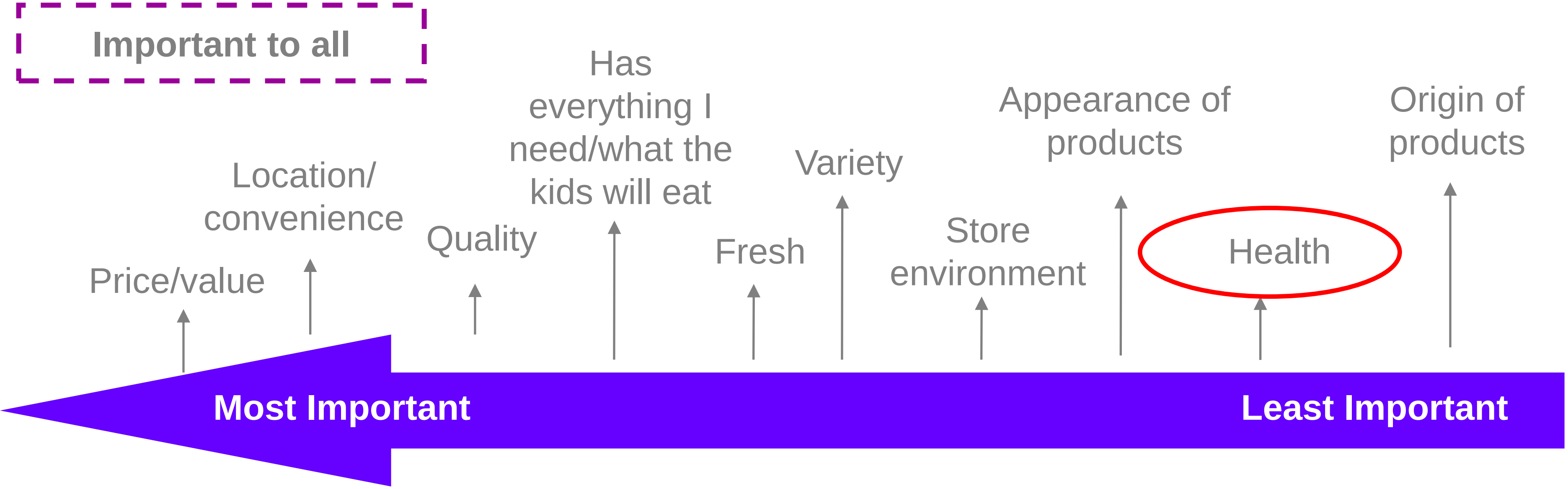
- Many people experience seafood via fish & chips
- On average, UK consumers eat 1.6 portions of seafood a week
- We tend to stick to what we know…… but it tends to be imported
- Health is only one of many influences on consumers

Health is not an important consideration when in "purchasing mode" although it is instilled in other factors

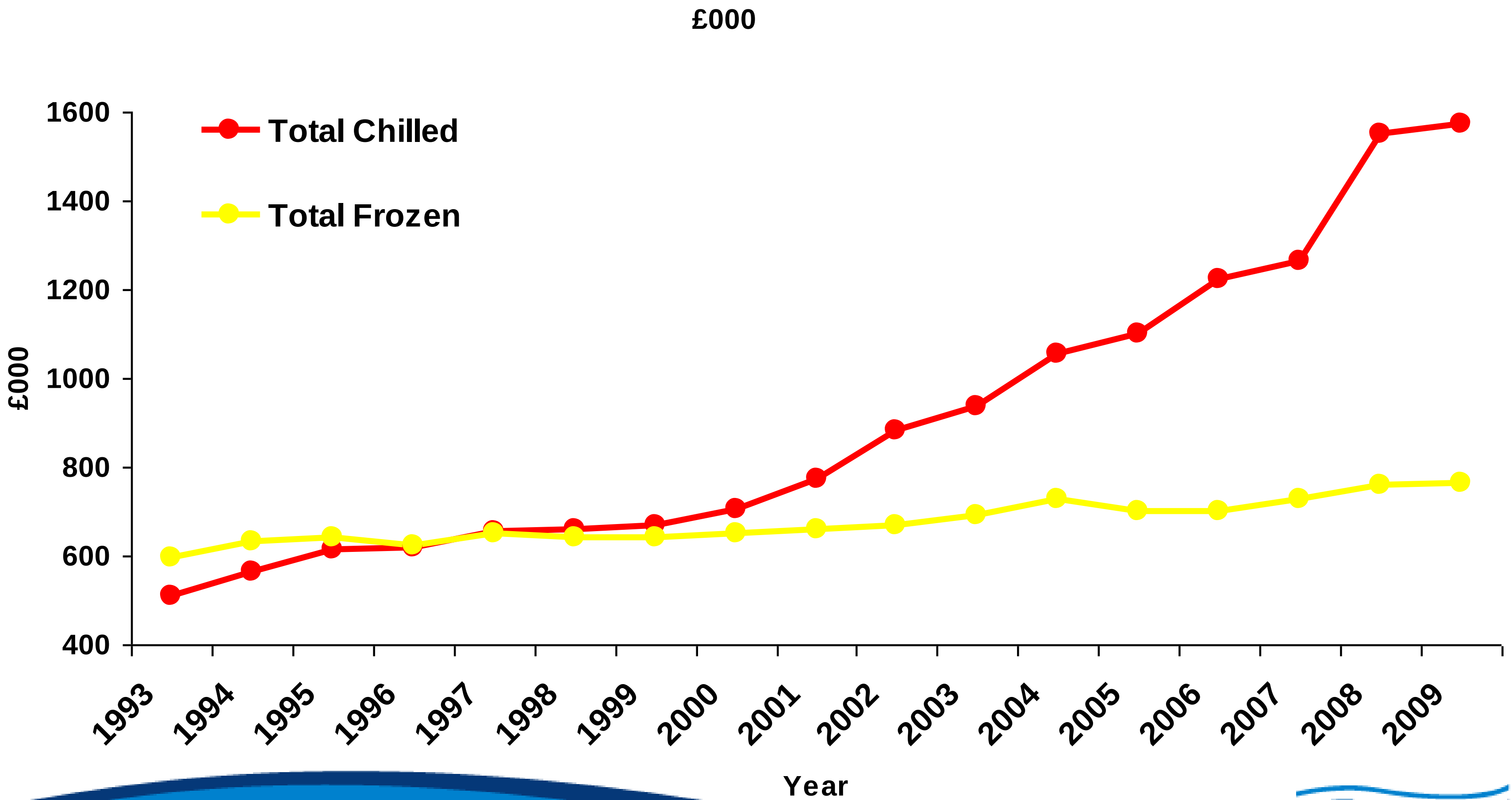


Considerations around health and nutrition differ by audience, and therefore effects their attitudes to shopping

Chilled and frozen seafood are very different product categories

Seafish Chilled Frozen research, December 2009
8 focus groups across UK, range of demographics
2000 nationally representative online questionnaires

Chilled pre-packed seafood has added value to the market



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Seafood is….

- Chilled
  - Fresh
  - Natural
  - "Wet"
  - In packs
  - "Fishy"
- Frozen
  - Processed
  - "Coated"
    - Battered
    - Breaded
    - Fingers
  - Just another frozen food

Seafood appears to have been fairly resilient to the economic climate

- The health benefits of seafood mean consumers are less willing to compromise
- Seafood is perceived to be less expensive than before
  - Increased range of prices and species
  - More promotions
- Seafood is not wasteful

Pangasius….. Seabass

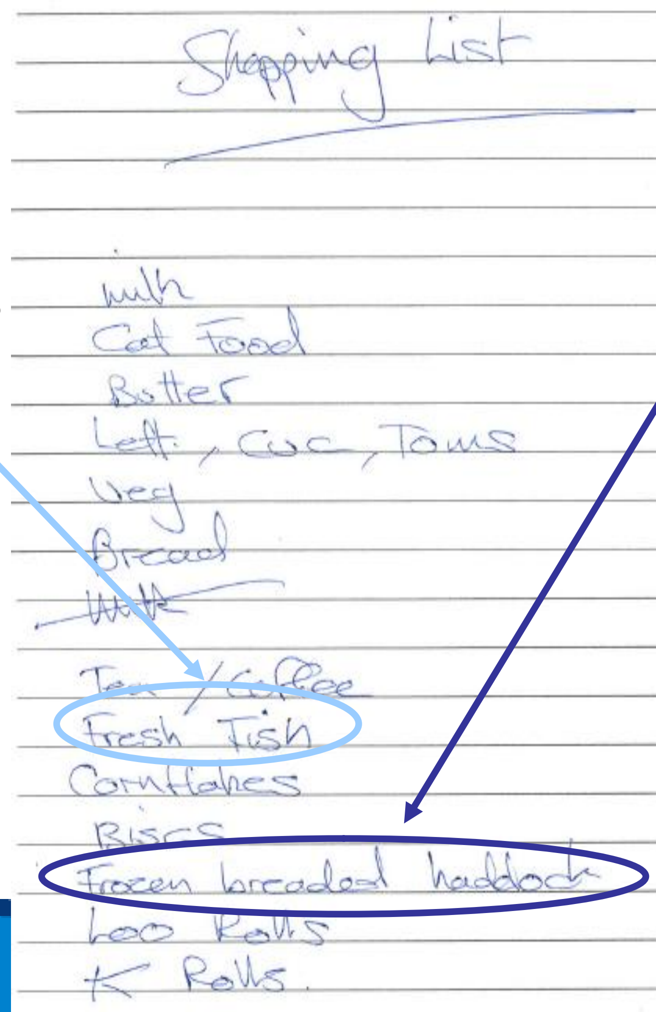
Salmon and prawns are always on offer

"You can buy exactly what you need and you don't throw it away"

Chilled and frozen are separate categories in consumers minds and they use them differently

Chilled

- Main and top up shop
- Occasion in mind ~ know going to consume in 1-2 days
- No specific species on list (unless for a recipe)
- Buy what fancy (within their repertoire)
  - What looks nice



Frozen

- Main shop
- Specific species/product on list
- Stock item ~ not bought with an occasion in mind

We look for different things in each category

Chilled = Occasion

Quality
- Freshness
- Visual appearance
- Colour
- Water in pack

Recipe/Availability

Number of mouths

Price

Frozen = Convenience

Quality
- Brand

Regular purchase

Price

Number of mouths to feed

Lack of emotional engagement with seafood

Provenance
- Assumption that fish is from the UK

Sustainability
- Some aware but not affecting what is on shelf so not affecting behaviour

Catch Method
- Causes confusion; doesn't seem to add value

Seasonality
- Lack of awareness

Greater Complexity

Fish does not generate any emotional attachment unlike other proteins due to lack of visibility, therefore these issues are perplexing to many consumers

Legality
Seasonality
Responsibility

Climate change
Packaging
GM
Recycling

Food miles
Local sourcing
Trust

Animal welfare
Ethics
Carbon footprints

Pesticides
Organic
Food safety

Intensive farming
Fairtrade

Waste
Traceability
Food scares
Sustainability

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I don’t understand what I could do.

Why should I worry about it?

The supermarkets must check these things

Surely it wouldn’t be on the shelf if it wasn’t ok to buy

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In conclusion

- Seafood is a complex and confusing category for consumers

- Health alone is not enough to encourage increased consumption
- Issues such as sustainability and seafood sourcing are complex for consumers to comprehend and translate into purchasing decisions

- Consumers trust their retailers to address their sourcing concerns