The magazine for the seafood industry

the longliner

www.seafish.org

Issue 3

New IUU regulations

The net tightens

The End of the Line

How the press saw it

SEAFISH

the authority on seafood

Welcome

Welcome to Issue 3 of *The Longliner* in which we focus on the EU regulations to combat IUU that come into force on 1 January 2010.

Many thanks to all those who returned the feedback postcard that went out with Issue 2. The feedback showed that the content, layout and design of the new magazine are popular and we had some great suggestions for new guest writers. We will use your feedback to continue to improve the magazine.

The £50 prize for entrants was won by Mr E. Corsie from Orkney.

Please send any other feedback to news@seafish.co.uk

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Regulars

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News in brief

Marine Bills

The UK Marine Bill is expected to receive its third hearing in Parliament on 17 October. The Scottish Parliament returns at the end of August and we will keep you informed of progress on the Scottish Bill. For further information contact g_dickson@seafish.co.uk

Seafood Promotion

The '2 a week' message has reached approximately 20 million consumers in quarter two. The Facebook page 'seafood2aweek' has more than 1000 fans and promotional packs have been sent out to all independent fishmongers. Contact Gaynyr Dickson on g_dickson@seafish.co.uk for further information.

London Seafood Expo 2010

The first London Seafood Expo is scheduled to be held in February 2010, at Earls Court in London.

With 5000 trade visitors expected from 58 different countries this trade show will appeal to importers and distributors alike and will give businesses from across the seafood industry a chance to promote their services.

Seafish will have a stand at the event and we have negotiated a discounted rate for stands at the Expo. Anyone wishing to take advantage of this should contact Malcolm Large at m_large@seafish.co.uk

If you would like to know more about the London Seafood Expo, please visit their website www.londonseafoodexpo.com

The Longliner is edited by Gaynyr Dickson with contributions from Lorna Jack, Michaela Archer, Karen Galloway, Karen Green and James Wood.
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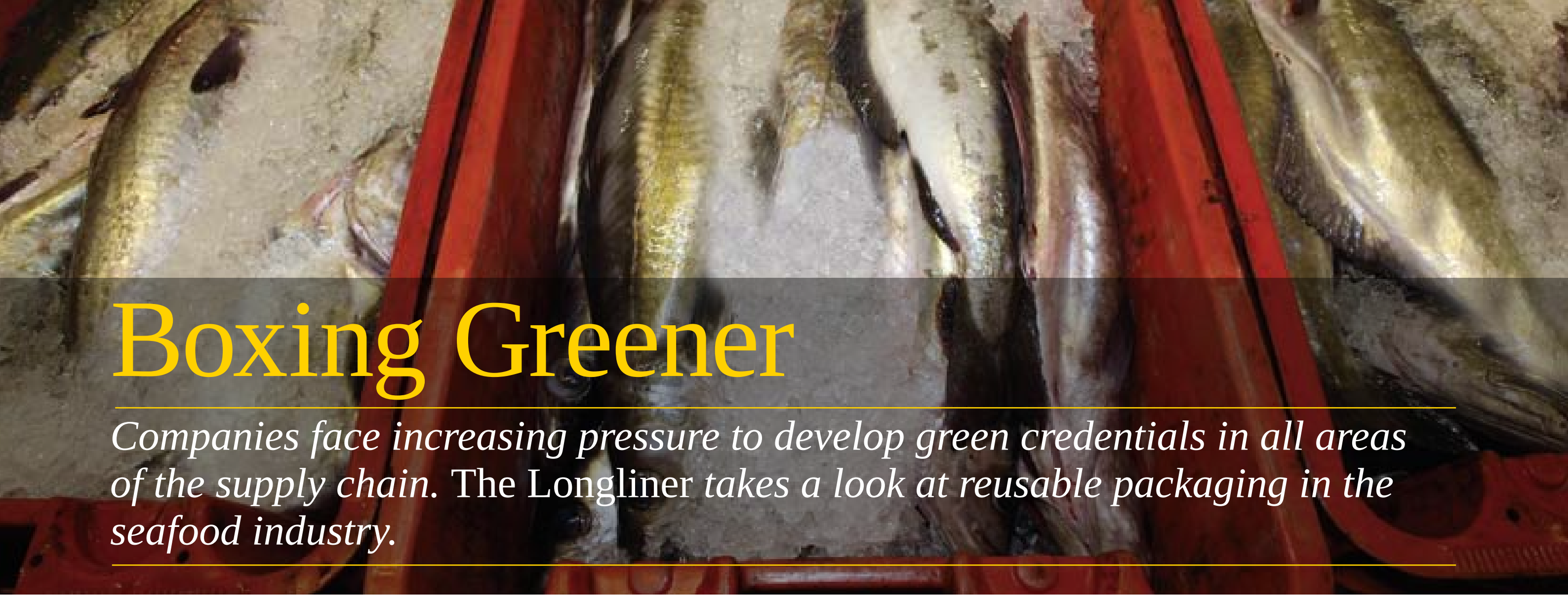

Boxing Greener

Companies face increasing pressure to develop green credentials in all areas of the supply chain. The Longliner *takes a look at reusable packaging in the seafood industry.*

Packaging is chosen for a number of reasons; customer requirements, costs, product quality and environmental credentials to name but a few. As such, there is no one solution that will suit all. Packaging is improving rapidly however, thanks to research and development and advances in technology and materials.

The status quo

The onshore sectors of the seafood industry have traditionally relied upon one-trip or non-reusable packaging. This is largely because of the complicated product movement involved in seafood distribution which has increased as the UK has become more reliant on imported fish.

Traditional bulk fish box packaging materials include expanded polystyrene, cardboard and plastic trays. Polystyrene has been a mainstay of bulk fish packaging for many years because it offers greater thermal protection and helps maintain temperature control if there is any break in the chill chain.

Recent improvements in the chill chain have provided an opportunity to use different materials which were previously unsuitable. Box pools now exist where boxes can be shared and there are companies offering a full service for box delivery, tracking, retrieval and cleaning which can make the process easier.

Pros and cons of re-usable packaging

Pros

- Reports indicate that it is more environmentally friendly to use reusable boxes (although the packaging has to be reused a large number of times to realise this benefit)
- Waste disposal costs are reduced
- Long term packaging purchase costs are reduced
- Box pool systems can be used to reduce costs and solve other issues.

Cons

- High initial investment in the boxes if purchased in-house
- Heavier and larger boxes are more costly to transport. You may fit fewer boxes on a pallet meaning you are transporting less product per trip, or the extra weight will increase haulage costs
- Logistics of box management and retrieval – boxes go missing and can be expensive to replace
- High standards of cleaning required to ensure the boxes are safe to reuse
- Storage space is required to keep sufficient quantities of boxes in stock
- Can be more difficult to handle for people during distribution chain
- Typically have a lack of insulation so do not protect the product if there are breaks in chilled distribution.

New technologies

There are many new options in the packaging field such as reusable boxes with integrated gel packs or cooling systems, more readily recyclable boxes, different forms of plastic such as corrugated plastic and double-walled boxes which improve insulation.

There are also developments with intelligent packs which interact with the product. These are packaging with certain additives incorporated into them with the aim of preserving and extending the quality shelf life of a food product by performing an active role within the pack. They can be incorporated into films or placed into packaging containers.

Additives can include oxygen or carbon dioxide emitters and scavengers that can either release or remove oxygen/carbon dioxide in the pack, moisture absorbing materials and preservative emitters, odour absorbers and packaging with integrated temperature and/or spoilage indicators. Modified atmosphere packs have been around for many years, but new gas mixes are being considered. Combinations of different packaging materials and new technologies are also being researched.

Few of these new technologies have seen significant uptake in the seafood sector as commercial viability and benefits are yet to be proven.

> "Recent improvements in the chill chain have provided an opportunity to use different materials which were previously unsuitable."

Legislation

There's no definitive legislation to say businesses have to use reusable packaging but there are two UK legal requirements that are relevant – The Producer Responsibility Obligations (Packaging Waste) Regulations, which require certain business to recover or recycle their waste packaging, and The Packaging (Essential Requirements) Regulations, which require all businesses that manufacture or use packaging to minimise its use, and to facilitate its reuse and recycling.

Seafish has produced a guidance note which covers both of these legal requirements: http://tinyurl.com/finalpackagingguide

Tightening *the net*

Implementing the new IUU regulations in the UK

Illegal, Unreported and Unregulated fishing (IUU) encompasses unauthorised fishing and all fishing activities that are a serious breach of national, regional or international rules. IUU fishing remains the biggest global threat to the sustainable management of fish stocks.

A recent UK study estimated IUU fishing costs a minimum of £10 billion, and a maximum of £24 billion, across the world each year – equivalent to nearly 20% of the worldwide reported value of catches.

The EU has therefore introduced a new regulation to prevent, deter and eliminate the import of IUU fishery products into the Community, which is due to come into force on 1 January 2010. Regulation No 1005/2008 will create new requirements on fish and fisheries products entering the EU market from third countries (non-EU).

Although the industry supports measures to combat IUU, there are concerns about the timeline of the regulation. Comments we heard at an importers forum include:

"The Commission wants the IUU Regulation to apply from the 1 January 2010, even though the implementation measures aren't yet finalised. We have been working closely with our exporters and their fishery authorities over the last few months, but most countries will need more time to comply with all the requirements."

"Although the implementation measures are still being discussed, the Commission still expects the IUU Regulation to apply from 1 January 2010. Many third countries will not be able to comply in time and we will see a disruption in supply."

All importers will need to take steps to ensure the goods they import have been legally caught. As a minimum, importers will need to ascertain that their export partners are able to provide the validated catch certificate for every consignment.

We highlight below the main provisions of the new IUU regulation and its implementation in the UK. This draws on a new Defra guidance note and advice issued by the Commission.

Catch certification scheme

All imported fishery products must be accompanied by a catch certificate. Imports that are not accompanied by a validated catch certificate will be refused entry to the UK. These certificates, to show that fish are caught legally, must be issued by the flag state of the catching vessel. These documents must accompany the fishery product throughout the supply chain, and will be required on entry into the EU.

In effect, this means that the catches have been taken in accordance with laws, regulations and international fisheries conservation and management measures applicable to that vessel.

Port Health Authorities will be expected to carry out checks on imports of fishery products at Border Inspection Posts. Once the catch certificate has been checked by Port Health, and all other conditions have been met, the consignment will be passed to HM Revenue and Customs for clearance. The Port Health Authorities will charge for checking IUU catch certificates on a cost-recovery basis. The level of charges has yet to be set and will be announced in the autumn.

The regulation applies to catches made from 1 January 2010 but does not cover seafood that is farmed or cultivated. Certificates will also have to be provided for materials processed in third countries or goods that have been exported from the EU, processed and re-imported. Fish caught prior to 1 January will not require catch certificates. Certificates will also have to be provided for materials processed in third countries or goods that have been exported from the EU, processed and re-imported.

Port state control measures

Prior notification and declaration of landings and transhipments is required for all third country fishing vessels. Vessels will have to land at designated ports and will need to submit a declaration prior to landing of fishery products by species, date and place of catch. Transhipments can only take place in designated ports.

Outside Community waters, EU fishing vessels may only tranship at sea from third country vessels if those vessels are registered as carrier vessels under a Regional Fisheries Management Organisation (RFMO).

Timeline for IUU Regulation implementation

2002
Commission's IUU Action Plan adopted.

Oct 2007
The Commission launched a public consultation. This resulted in the adoption of a Proposal for an IUU Regulation 'to prevent, deter and eliminate IUU fishing.'

June 2008
The Proposal reached a unanimous political agreement on the Regulation.

Sept 2008
The Council Regulation (EC) No 1005/2008 was adopted by the Council.

Community Alert System

The Commission will publish an alert notice on its website and in its Official Journal where there are well-founded doubts over the compliance of particular fishing vessels or fishery products from third countries. UK authorities will be required to check past, current and future imports, and where necessary, prevent their entry when they are subject to these alerts.

Community IUU vessel list

The Commission will establish an IUU vessel list. This will include the vessel lists adopted by RFMOs. Any vessels on this list, including EU vessels, will be subject to restrictive measures.

UK Nationals

It will be prohibited for UK nationals to engage in, or support – directly or indirectly – IUU activities.

List of non co-operating third countries

The Commission will identify third countries that do not co-operate in the fight against IUU fishing. This list will be published on the Commission's website and in the Official Journal.

System of proportionate and dissuasive sanctions for serious infringements

The regulation consists of a system of effective, proportionate and dissuasive sanctions for any serious infringements to deter operators from engaging in or supporting IUU fishing.

Member States will therefore impose a maximum sanction of at least five times the value of the fishery products for committing serious infringements, and eight times for a repeated infringement within a five-year period. Criminal sanctions can also be applied.

We recommend that if you are importing seafood, you start to take the following preparatory actions:

- Ensure your supplier is aware of the catch certification requirement as they must provide a certificate for each consignment of fish caught after 1 January 2010
- If you are exporting seafood for processing and re-import, start discussions with your local fisheries office regarding the required documentation
- Regularly check the Defra and Seafish websites for updates
- If your supplier identifies problems due to lack of awareness or capability, please contact Malcolm Large at m_large@seafish.co.uk

For further information:

Please contact Malcolm Large at Seafish at m_large@seafish.co.uk or email IUU@defra.gsi.gov.uk

Defra website
www.defra.gov.uk/marine/fisheries/conservation/iuu-regulation.htm

EU website
ec.europa.eu/fisheries/cfp/external _ relations/illegal_fishing_en.htm

EU regulation
eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:286:0001:0032:EN:PDF

Seafish IUU website
http://tinyurl.com/seafish-iuu

July 2009

Defra release information note on the implementation of the Regulation with accompanying online material.

Oct 2009

- Council Regulation will be supplemented by a detailed implementing regulation.
- EU Commission expected to publish a handbook giving practical information on the operation of the new rules for importers, exporters, processors, vessel operators and authorities.
- Further Defra information note expected setting out key elements contained in the implementing rules and the handbook.

Nov 2009

UK seminars organised by Seafish and Defra on implementation of the new rules.

1 Jan 2010

Entry into force of IUU Regulation No 1005/2008.

SEAFOOD HERO

Ian Wightman

Ayrshire skipper Ian Wightman was the first fisherman to join the Responsible Fishing Scheme (RFS) and is the first to renew his certificate with the scheme.

Ian skippers the *Eilidh Anne*, a day boat fishing for langoustine out of Largs, on the Firth of Clyde. He recently won the 'Catching for the Market' award at the 2009 Seafood Awards.

Ian has been a fisherman for nearly thirty years and has always tried to run his business in the most environmentally friendly and sustainable way. The RFS epitomises his whole approach to fishing.

"As a prawn fisherman I work in a small inshore area which means we are visible from the shore pretty much all the time. **Joining RFS was an opportunity for me to really show that I work, and have always worked, in an open and sustainable manner.** Through the RFS, that message is now getting across," said Ian.

"Membership has not fundamentally changed the way I fish – the only real change that I have made is that I now keep full paper records. However, it has encouraged me to look more closely at my fishing methods and explore ways of raising standards and improving procedures.

"I didn't join the RFS to make more money on my catch, but to improve the provenance of my langoustine.

I figured that if the markets dropped, as they have done, being part of the RFS would give my catch the edge since buyers are being pushed to prove the traceability of their products.

"I believe the RFS offers fishermen a good stopgap until all fisheries can be MSC certified. It has also given me the opportunity to showcase what I do to the media. I've had Nick Nairn onboard from BBC's 'Landward' programme and I've appeared in Olive magazine and had BBC Scotland onboard, so it all helps to raise my profile.

"This scheme is the way forward and **I am encouraging other local vessels to join.** Processors are now well aware of RFS but we need to work more with the consumer. My attitude is that the sea does not belong to fishermen – we're just looking after it for future generations," concluded Ian.

Having been the Responsible Fishing Scheme's first certified member, Ian became the first to renew membership earlier this year.

For more information visit http://rfs.seafish.org

The rise of the RFS

Since the launch of the Responsible Fishing Scheme (RFS) in 2006, more than 600 UK registered vessels have become actively involved with the scheme, with more than 350 now fully certified and ten new boats joining the scheme every month. This represents more than 44% of the overall registered tonnage of the British fishing fleet.

Reeling in the Retailers

The large retailers have been getting more involved with the RFS as pressure increases for them to prove the provenance of their seafood.

Tesco invested £25,000 to support vessels wishing to enter the scheme so that they could increase the volumes of RFS vessel captured seafood available to them. More recently, they announced a trial that will see 51 of their stores in south west England stocking lines of sardines, sprats and scallops on their fresh fish counters, all sourced from RFS qualified vessels. Hopefully, this trial will be replicated in other stores throughout the country.

Morrison's include the RFS in its purchasing matrix for their fish buyers and Waitrose is showing growing interest in the scheme.

Processing

Processors are also becoming increasingly aware of the scheme with some sourcing exclusively from RFS vessels. Enquiries about promoting the origins of the product to their customers are becoming more common as processors recognise the worth of provenance and want to demonstrate origin and traceability in their supply chains.

RFS in the News

The scheme has piqued the interest of the media as consumers become more aware of sustainable fishing. The scheme has featured on the BBC News website, Sky News, *The Guardian*, Olive magazine, 'Reporting Scotland' and many regional and trade publications and websites.

Celebrity chefs have also got behind the scheme. Nick Nairn sang its praises on BBC's the 'Landward' programme and Tom Aikens has been out on an RFS boat writing a piece for *The Sunday Times* in support of the scheme. Rick Stein sponsored the Padstow vessel *Su Jean* through the scheme and sources seafood from boats in the scheme. Hugh Fearnley-Whittingstall similarly sources cod from boats seeking RFS certification and Gordon Ramsay is investigating several RFS fishermen to feature in his upcoming series of 'The F Word'.

Celebrity chef and fishmonger Mitch Tonks featured RFS fishermen Chris and Steve Wightman on his UKTV show 'Mitch and Matt's Big Fish' with rugby star Matt Dawson. The pair spent a day onboard the Wightman brothers' ten metre vessel longlining for cod.

> "I'm looking forward to the scheme growing in strength over the coming years and continuing to build relationships with the processing and retailing sectors."

The RFS website (http://rfs.seafish.org) is a tool that fishermen can use to advertise their membership of the scheme and commitment to responsible fishing. Each vessel has its own profile where details of the species they catch can be viewed along with contact details, geographical location and photographs of the vessel. The website can be accessed by consumers and fish buyers alike.

RFS goes International

Such is the success of the RFS that other countries want to replicate the scheme for their industries. The Netherlands has already adopted its own version of the scheme and SDVO – the Belgian fishing industry body – is also interested in creating a scheme for their fleet of vessels.

Interest has also spread as far as Sri Lanka. A line-caught tuna processor that imports tuna into the UK wants to seek certification of their vessels as part of the RFS. This is possible thanks to the development of Good Practice Guidance for the Sri Lankan long line tuna fishery part funded by the Seafish Industry Project Fund.

Mick Bacon, Project Manager for the RFS, said: "I'm delighted with the success of the RFS so far. It shows that the fishing industry in the UK is serious about setting high standards and caring for the marine environment.

"I'm looking forward to the scheme growing in strength over the coming years and continuing to build relationships with the processing and retailing sectors."

For more information on the Responsible Fishing Scheme, please contact Mick Bacon on 07976 222936 or m_bacon@seafish.co.uk

Rick Stein with skipper of the *Su Jean* and Mick Bacon of Seafish.

‘The End of the Line’

how the seafood industry fared in the media storm

Q&A with Steve Robinson, Reporter, IntraFish.com

How was the seafood industry portrayed in coverage of 'The End of the Line'?

The UK seafood industry was always likely to emerge from journalist Charles Clover's book-to-film venture sporting a few bruises. With a rampant green movement at its tail and sponsors Waitrose eager to capitalize on the growing sustainable movement, the issues raised by docu-drama 'The End of the Line' touched a wide audience, even if its limited screenings did not. Unfortunately, the mainstream press showed a distinct lack of perspective in its coverage. Often choosing to wax lyrical on the decisions of a few niche sushi bars, it mostly failed to present either the full picture or the industry's opinion despite Seafish providing information and comment on many occasions.

The seafood industry is used to taking flak – deserved or not – in a country with a high level of consumer awareness. Yet it rarely avoids the issues. Engagement with the Marine Stewardship Council is at an all-time high, with more fisheries certified than any other nation. But no-one denies the global seafood industry still has important issues to tackle while maintaining an essential protein source.

It was therefore difficult to comprehend the absent-mindedness that stalked the mainstream press' debate following the film's release, such was the lack of industry representation. In a sample of articles debating the plight of bluefin tuna – the poster-child of the film – Greenpeace, WWF and the Marine Conservation Society were the source of comment in 26 stories, according to figures from media evaluation firm, Metrica. The seafood sector was able to express its opinion just twice. This was hardly representative of the scrutinized industry – and hardly good journalism either.

A *Guardian* story from 8 June perfectly captured the mainstream media's perspective. After (briefly) discussing the failings of the Common Fisheries Policy and the legitimate need for EU fleet reduction, it ended with the line, "Unless that changes, there will be no need for policies, because there will be no fish." The ultimate point was generalized, defeatist and baseless, and the omission of an industry viewpoint glaring.

Were there any examples of fair coverage?

I have somewhat generalized about the coverage. There were balanced reports. Some even championed the industry's recent initiatives, such as a comprehensive piece on 9 June in the *Dundee Courier & Advertiser*. After a critical assessment of the state of global stocks, the writer offered the floor to Bertie Armstrong of the Scottish Fishermen's Federation. "The prediction that there will be no fish in the sea by 2048 will not happen because we're doing something about it," remarked Armstrong. "It is scaremongering. The only good thing about the film is that it allows us to highlight that action is required – sustainability is very important for us."

Unfortunately an opportunity of this kind was very rare. The majority of stories were content to preach about a selective and terrible record of European fisheries, but largely chose to ignore the strides industry has made already, especially in this country. Journalists almost always neglected to ask fishermen their view.

> "Engagement with the Marine Stewardship Council is at an all-time high, with more fisheries certified than any other nation."

Why did the national press refuse to include comment from the industry despite repeated attempts to be included in the debate?

It is unclear why stakeholder comment regularly fails to make the national newspapers, but I am sure the seafood sector is not alone among industries in this regard. It is possible newspaper journalists didn't realise the information in 'The End of the Line' was only part of the picture. More likely it was the inconvenience of clouding the clear-cut tabloid doomsday angle with nay-saying stakeholder views. And let us not forget the formidable Greenpeace press office, which does a better job of working its way into journalists' inboxes than any equivalent industry body.

Add endorsement from a gaggle of celebrities and the industry's opinion is often buried beneath a sea of misunderstanding, half-truths and exaggerations. *The Times* declared in its story of 8 June, "Consumers don't understand the problem…" but I doubt this will be true for much longer. Solving this media impasse is a challenge for the industry, but sticking to its guns and working through the real issues in fisheries management is the best form of promotion.

Has there been a subsequent backlash against the film and Clover?

Boris Worm first claimed world fisheries could collapse by 2048 in a *Science* paper in 2006. Subsequently, peers and even the author himself backed away from the flawed prophesy, yet the press continued to peddle the discredited views. Similarly, when 'The End of the Line' was released the press lapped up its Hollywood depiction while industry stakeholders remained unconvinced. Now, as then, cracks are appearing, in the most ironic fashion. Worm and his colleague Ray Hilborn released a new paper in July 2009, backtracking on his original claims that were a mainstay of the film. "This paper shows that our oceans are not a lost cause," Worm told Associated Press. "I have actually given thought to whether I will be hosting a seafood party [in 2048]."

Does this now invalidate the film's message?

No, because the need to tackle illegal, unregulated and unreported (IUU) fishing and enforce better stocks management still holds true. But perhaps the scaremongering can stop, and the real action to improve the state of the world's fisheries can continue. Interestingly, the same news organisations reported this hopeful news after slating global fisheries management just weeks before – although noticeably lacking the same furore that accompanied the film's release. Good news doesn't always make for good headlines.

How do you think the industry emerged from the media storm?

The 'uproar' in the press has already begun to die down in light of the new Worm study, even though the paper represents only a glimpse of global fisheries recovery. It has left a greater consumer awareness of the problem but not how the sector is tackling it. The seafood industry must now react to a more engaged, knowledgeable shopper, who will demand more sustainably managed fish from its supermarket and so from suppliers in turn. The real good news is the UK industry is better placed than any in the world to deliver this.

Head to Head

Andrew Jackson, Technical Director, International Fishmeal & Fish oil Organisation (IFFO)

Fishmeal is an essential ingredient in almost all forms of aquaculture requiring feed, even if only early in the lifecycle. Global production has varied little for 30 years (except during El Niños), because the fisheries are generally well managed and rely on short lived, seasonally caught, pelagic fish with a limited market for human food (fishermen prefer to sell for human consumption due to the higher price).

Global aquaculture production has been able to grow, partly by taking a larger share of fishmeal production, but also by utilising alternative protein sources and using fishmeal only when it gives the most benefit. Today, for every tonne of farmed product harvested, fed-aquaculture uses just 0.5 tonnes of wild whole-fish. Use of whole-fish is kept down by nearly 25% of the raw material for fishmeal coming from recycled fisheries by-products, much of which used to be dumped.

Consumers increasingly seek reassurance that the farmed food they eat has been sustainably sourced and responsibly produced. A recent University of British Columbia study ranked 53 countries by sustainability of their fisheries. Peru, with 30% of world fishmeal production, came top. With multi-stakeholder assistance, IFFO is developing a third-party audited business-to-business Global Responsible Supply Standard for procurement and production of raw material, which will ensure it comes from fisheries managed under the key principles of the FAO Code for Responsible Fishing.

This sort of initiative, combined with fishmeal's unique nutritional properties, will ensure that it plays its part in the future development of sustainable aquaculture.

Yes

Q

"Is using fishmeal for aquaculture sustainable?"

"Consumers increasingly seek reassurance that the farmed food they eat has been sustainably sourced and responsibly produced."

Willie MacKenzie, UK Oceans Campaigner, Greenpeace

When considering the sustainability of feeding fish to fish to create a foodstuff there are certain criteria that must be met. Firstly, does the feed fish itself come from a sustainable fishery? None of the main reduction fisheries in the world are conducted under an ecosystem-based management regime, most will have significant impacts on non-target species and some are simply management disasters.

Secondly, there's the 'fish in, fish out' problem with a large amount of feed fish being converted into a substantially smaller weight of farmed product. Farming carnivorous species can be best considered as 'fish laundering' – the conversion of a gastronomically-unattractive fish into something that better fits consumer tastes. To qualify for true sustainability, the ratio would have to be 1:1 at most, assuming the feed was derived from genuinely sustainable fisheries where the fish could not have been better used directly for human consumption.

Lastly, the impact of removing vast amounts of fish from waters around some of the world's poorer nations so that salmon, tuna, and prawns can be consumed in more affluent countries cannot be ignored.

Aquaculture feed is one of the dirty secrets of the seafood sector. Many supermarkets claim green credentials for the wild fish they sell but the other farmed half is rarely mentioned. Few retailers set sustainability standards for aquaculture feed – a fact that has not escaped the attention of campaigners. Retailers cannot expect their secret to stay safe for much longer.

No

Dr Lorna Jack
Seafish Market Planning

Overview

Volume sales have continued to slide, down 2% on last year. The UK retail seafood market was worth £2.78 billion in the year to 11 July 2009, up 3% on last year (Nielsen Scan Track 52 w/e 11.07.09).

Sales in the fresh sector have remained flat, despite the summer trend for purchasing more fresh food. Although the ambient sector is up 14% in value compared to last year, the trend in decreasing volume may be slowing as volume is down 6% year-on-year compared to the 8% decrease seen in February's market watch.

Frozen seafood remains the best performing sector, with value up 3.5% and volume down 1%. There has been a shift towards frozen over the last year as consumers realise the sector offers value for money, with cheaper prices and less wastage than fresh alternatives.

There has also been a change in promotional strategies with retailers changing from BOGOFs to money off offers. Many popular brands are on offer at 'round pound' deals. There is innovation in the category with Birds Eye and Young's developing higher end frozen products such as Birds Eye's 'Simply Bake to Perfection' range and Young's 'Naturally' range.

Market watch

the guide to what's going on in the seafood market

Table key

MAT LY – moving annual total last last year, i.e. 52 weeks data
MAT TY – moving annual total this year
MAT 2 YA – moving annual total two years ago
% Chg YA – percentage compared to one year ago
WE – week ending

Top 20 species (fresh and frozen total coverage)

	Value (£'000s)			Volume (tonnes)		
	MAT LY	MAT TY	% Chg YA	MAT LY	MAT TY	% Chg YA
Salmon	611,087	628,019	2.8	54,584	53,921	-1.2
Tuna	311,114	365,124	17.4	80.530	77,598	-3.6
Cod	365,641	308,217	-15.7	49,447	39,776	-19.6
Haddock	224,508	221,603	-1.3	24,757	24,448	-1.2
Coldwater prawns	187,135	193,553	3.4	23,167	22,136	-4.4
Warmwater prawns	184,206	187,158	1.6	14,969	15,366	4.6
Mackerel	93,455	91,781	-1.8	16,341	15,214	-6.9
Pollack	36,358	72,054	98.2	8,142	14,949	83.6
Scampi	59,008	57,315	-2.9	,222	5,915	-4.9
Trout	44,867	44,060	-1.8	5,545	5,756	3.8
Plaice	35,104	31,573	-10.1	3,751	3,240	-13.6
Sole	29,012	28,708	-1.0	2,046	2,141	4.6
Seabass	23,820	22,717	-4.6	1,457	1,379	-5.3
Crabstick	20,242	17,986	-11.1	5,744	4,656	-18.9
Mussels	17,503	19,072	9.0	2,930	3,467	18.3
Kipper	13,275	16,064	21.0	2,848	3,072	7.9
Scallops	13,254	14,884	12.3	652	739	13.2
Crab	10,968	8,581	-21.8	718	495	-31.0
Coley	8,160	8,079	-1.0	1,308	1,181	-9.7
Pangasius (Basa)	4,496	6,750	50.1	555	818	47.4

Sector shares – total coverage

	Value/£000s		
	MAT to WE 11.07.09	MAT to WE 11.07.09	% Chg
Seafood	2,702,561	2,783,926	3.0
Fresh	1,531,421	1,524,897	-4.0
Frozen	728,309	753,820	3.5
Ambient	442,830	505,209	14.1

	Volume/tonnes		
	MAT to WE 11.07.09	MAT to WE 11.07.09	% Chg
Seafood	387,503	378,916	-2.2
Fresh	138,564	137,834	-0.5
Frozen	136,466	135,094	-1.0
Ambient	112,473	105,987	-5.8

Data note
Nielsen is the leading supplier of information and data in the UK retail market. Nielsen Scantrack monitors weekly sales from a national network of checkout scanners and represents sales in more than 74,000 stores.

The 'contest for *value*'

– how shoppers are responding to the recession

By Karen Galloway, Market Planning Manager

Consumer behaviour is changing as the recession bites. We are becoming a nation of bargain hunters – unprepared to pay over the odds or full price for anything.

Some commentators have said that we are "promotional junkies" or promiscuous shoppers but, whatever the term, there is no doubt that we have moved from a world where luxury, indulgence and extra-special were the order of the day to one where we want value. We wait with baited breath for the next "dine in for £10" or "feed the family for a fiver" offer and would never pay full price for a pizza.

This changing behaviour has been driven by the current economic crisis and fuelled by the reaction of retailers and foodservice operators to ensure that they do not lose market share. But what of the fortunes of the seafood category in this context?

We are well aware of the complex decisions consumers go through when buying seafood. The majority of consumers perceive seafood to be expensive and therefore, as a key protein, seafood stands to lose share as shoppers opt for cheaper alternatives. Luckily, in our category consumers are able to choose cheaper alternatives – opting for newer, lower priced species, increasing their purchasing of frozen products and perhaps even opting for a canned variety for a budget midweek meal.

Retailers have encouraged this behaviour by introducing new species such as River Cobbler and reducing the number of expensive seafood products, especially in shellfish. However, it is important that these trends are seen as a short term reaction and seafood businesses should maintain a focus on new product development in order to be able to react quickly as soon as those 'green shoots' of recovery appear.

Mark Lawton, Customer Planner at Asda, agrees: "Despite the economic downturn and customers focusing more than ever on value, the fish category remains an area where customers are demanding more than just great prices. One of the main barriers to purchase is not knowing how to cook with fish, and being unfamiliar with the different varieties available. Inspiration and customer education remains a key driver to success in the fish industry."

I asked Ben Miller, Head of Shopper Insight at IGD, who deliver insight and best practice to the food and grocery industry worldwide, to investigate how shoppers in Britain are responding to the recession.

"Seafood businesses should maintain a focus on new product development in order to be able to react quickly as soon as those 'green shoots' of recovery appear."

“Despite the difficulties, the experimental nature of current shopper behaviours creates opportunities for everyone in our industry.”

Ben, pictured left, said: “Latest research from IGD reveals new shopper loyalties are emerging as food retailers and manufacturers engage in an intense ‘contest for value.’

Over many years we’d grown used to the idea that shoppers were “cash rich and time poor” and as a result, developed strategies, ranges and communication messages linked to this.

Recently, we’ve also got used to the idea of shoppers buying products with ethical credentials. Fairtrade, animal welfare and sustainability have all risen sharply up the agenda for our industry.

Yet we’d also become aware that the economic downturn had started to change shopper behaviours. Shoppers began trading time back for cash by eating out less, cooking more from scratch and taking more time over product choices.

IGD research reveals that more than a quarter (28%) of shoppers in Britain are making changes to their food and grocery shopping in response to the recession. More interestingly, of those shoppers who said they have changed their shopping habits, three quarters (75%) intend to make the change permanent. Regardless of the economic situation, they have found new shopping habits that work for them and these new habits are sticking.

Our industry is on the cusp of major change. The events to date do, however, provide us with indicators of what might happen – the stickiness of shopper behaviors enables us to understand what the new future might look like. It is certainly not too late to plan.

Just 14% of businesses in our industry had a plan in place to tackle the downturn prior to it happening – and now many of these organisations are planning for the post-recession landscape. Despite the difficulties, the experimental nature of current shopper behaviours creates opportunities for everyone in our industry.

In such a vibrant marketplace, in which new shopper loyalties are emerging, retailers and food manufacturers are responding very rapidly to the challenges presented by the recession. Overall, nearly a third (31%) of shoppers in Britain have yet to make major changes to their grocery shopping during the recession but expect to if conditions worsen. So there could be further transformation ahead with a great deal still to play for.”

Figures taken from the following IGD reports: *Private Label vs. Brands – The Shopper Perspective; The Future of Discounters – The Shopper Perspective; Shopper Trends 2009 – Food Shopping in a Recession; Trading Strategies in and beyond the recession.*

Foodservice *winners and losers*

By Dr Lorna Jack, Seafish Market Analyst

The foodservice sector has changed dramatically during the economic downturn, and valuable lessons are being learned.

"The economic climate is forcing consumers to justify their 'out of home' occasions. Value for money is therefore critical and operators must be seen by consumers to be offering this is in some way. Those that don't will simply not survive."

Guy Fielding NPD CREST UK:

The UK foodservice sector, or out of home market as it is sometimes known, accounts for half of the total seafood market by value. This means that the foodservice sector is much more important to seafood than any competitor proteins such as beef or poultry.

New data from NPD Crest means we can see the foodservice sector more clearly and in more detail than ever before. Around 6000 transactions are recorded each month by panelists who complete online questionnaires on everything they eat out of home. Questions range from what they ate, where they bought it, how much they spent and why, to who was with them at the time. These results are scaled up to be representative of the British population. The panel covers all commercial and workplace/educational establishments. Sales are calculated from traffic, footfall and average eater spend (how much an individual spends in one foodservice visit.)

General Trends

The foodservice market has traditionally been quite slow moving, but that has changed in the last year as consumers face a range of economic pressures and alter their spending habits accordingly.

In quarter one 2009, traffic declined for all out of home channels compared to the previous year (chart 1). The total out of home market was down 6%. Travel and leisure was worst affected, down 12.6%, largely due to companies cutting back on business travel and consumers cutting back on leisure activities. People still visit the cinema, but they are less likely to buy snacks while they are there.

Value is now the key driver in eating out of home, with people trading down to cheaper channels. Chart 2 shows the credit crunch winners and losers; more people are visiting takeaways such as burger joints, chicken bars and fish and chip shops at the expense of more expensive outlets such as full service restaurants, ethnic takeaways and travel and leisure establishments.

Cutting the cost of eating out

When consumers are eating out, they are buying fewer 'add on' food products – the percentage of orders containing starters, desserts or drinks are down compared to the same period last year. The main items people are cutting back on are bottled water, juices and tea as it is easy to either ask for tap water or do without the product completely.

Conversely, healthy items such as salad, fruit and vegetables are less popular. Consumers are aiming to fill up as cheaply as possible. Value is more important than health.

Eating at work/education saw a decline in traffic share in the quick service channel, possibly due to increased redundancies or more people bringing a packed lunch instead of spending money on a lunch time takeaway.

Snacking is also declining with people cutting back on mid morning and mid afternoon snacks and drinks. In quick service, mid morning drinks and snacks are down 12% compared to last year.

Families in particular are cutting back on their visits to full service restaurants, although family visits to quick service chains are up slightly. It seems people are treating the kids to KFC and McDonalds instead of Pizza Hut.

To try and encourage people to visit their outlets, foodservice operators are increasing the amount of meal deals and promotions they offer. Pubs are offering many more deals, with 37% of traffic in quarter one 2009 from meal deals and promotions compared to 31% in quarter one 2008. '2 for 1' vouchers are now the norm for the mid market, full service chains.

Explanation of channels

Commercial

- Quick Service Restaurants (QSR) – fast food outlets, takeaways, delivery service, petrol stations and shops
- Pubs
- Full Service Restaurants (FSR) – restaurants where waiter service is offered, cafes and 'white tablecloth' restaurants
- Travel & leisure – hotels, in store restaurants, motorway services, on-board catering, cinemas, bowling alleys and other leisure establishments

Workplace/ Education (colleges and universities rather than schools)

- Canteens/ vending machines

Chart 1

Traffic % change vs a year ago

	Q1 08 (paper data)	Q2 08	Q3 08 (online data)	Q4 08	Q1 09
Total OOH	1.6	0.4	-1.4	-1.7	-5.9
QSR	3.2	2.3	1.5	0.5	-1.6
Pubs	1.5	-0.7	-4.4	-2.9	-5.9
Full service rest	1.5	0.8	-2.5	-3.8	-7.6
Travel & rest	-7.5	-1.3	-3.7	-5.6	-12.6
Workplace	0.8	-0.6	-4.6	-2.6	-7.7
College/Uni	N/A	-2.2	0.3	0.7	-8.6

In Q1 09 traffic declined for all OOH main channels

Chart 2

Down trading into cheaper channels – value is the driver

Total Commercial category incremental Traffic (000s) – Q1 09 vs. year ago

Share of commercial traffic	Channel	Incremental traffic (000s)	Average individual spend
10.2	QS Burger	6,086	£3.46
2.7	QS Chicken	2,978	£3.49
5.2	QS Fish & Chips	1,998	£2.98
7.2	QS Bakery	426	£2.41
2.5	QS Pizza/Italian	23	£4.60
1.6	Petrol Station	-950	£1.96
2.3	Café	-1,589	£4.02
15.7	Retail/Supermarket	-3,181	£2.55
3.7	QS Coffee	-4,738	£3.06
5.1	QS Sandwich	-5,171	£3.04
9.7	Pubs	-11,213	£7.93
9.4	FSR (exc.Café)	-14,241	£10.91
7.9	QS Ethnic	-14,429	£5.51
16.6	Travel & Leisure	-44,191	£6.20

Update on the Marine Bill

By the end of 2012, 24% of Britain's coastal waters will be under some form of protected status thanks to the Natura 2000 initiative from the European Union and other domestic protection orders. Mark Gray, Environmental Adviser at Seafish, considers how Britain will stand in comparison to other major European countries and looks at what the introduction of Marine Protected Areas might mean for the European seafood industry.

During the recent passage of the Marine and Coastal Access Bill through the House of Commons, Seafish has been actively presenting our industry's case to the members of the committee scrutinising the Bill, as well as meeting with fisheries representatives in all major political parties.

There are some commonly-held misperceptions about the seafood industry in parliament, not least of which is that we are opposed to the introduction of Marine Protected Areas (MPAs). As an industry, we support the creation of MPAs, provided that they are designated on the basis of sound science, and not sentiment. For instance, there's abundant evidence that MPAs support the recovery of territorial species and crustaceans, but very little evidence that they do anything to help migratory species such as cod and haddock.

On the other hand, we've found that MPs are willing to listen to our concerns, perhaps more so than they might have been a few years ago. After all, this is an industry that directly employs or supports some 86,000 jobs, and delivers more than £6 billion of value to the UK economy – figures that no parliamentarian who cares about the future of this country can afford to ignore.

The Dutch seafood industry recently produced a report entitled 'Fishing on a postage stamp'. In this report, the Dutch industry outlines that, in between domestic and international obligations to protect certain areas of the seas, the shipping lanes in the North Sea and the natural gas industry, Dutch fishing boats are likely to find themselves with only a few square miles in which they can fish.

Whilst it's true that Britain currently has only 2% of its seas designated as reserve areas, this proportion will grow as our obligations under the Natura 2000 directive come in to force during the next three years. We estimate that, under current provisions alone (i.e. not including any further stipulations made by the Marine Bill), Britain will find that 24% of its seas are under some form of preservation order by 2012. And this figure ignores voluntary schemes set up to protect spawning stock by fishermen from the Wash to the Severn, from the Trevose box off Cornwall to the Voluntary Real-Time Closures in Scottish waters, all of which will limit boats' access to the seas.

We believe, and we will be firmly arguing the case in parliament, that responsible behaviour by fishermen should be rewarded with rights of access to the seas. This is a fundamental principle that underpins successful marine spatial planning legislation in countries such as New Zealand, Australia, Canada and the United States, and was recently endorsed by Professor Boris Worm as a viable strategy for stock recovery.

Combined with a scientific approach to the creation of Marine Protected Areas, we feel that the inclusion of fishermen in the process of managing the marine environment will enable this country to enhance its already strong track record of enabling the recovery of depleted fish stocks in the North Sea. We've already seen North Sea cod stocks increase by 40% on average since the year 2000, and stocks of plaice and other species have also shown improvements since the turn of the century.

Engaging with the industry will give parliament the chance to show that it cares not just about the environment, but also about the men and women who must ultimately be its stewards – those who work the sea throughout the year. The alternative is the imposition of draconian regulations driven by ill-informed sentiment rather than science – something which can have disastrous results, as history shows us.