

## Market Insight Factsheet: Seafood in multiple retail (2019 update)

**This factsheet provides a summary of the performance of seafood in the multiple retail seafood category up to June 2019.**

Over the past 10 years, total seafood - the sum of chilled, frozen and ambient seafood sectors, continues the long term pattern of price driven growth; with seafood consumption continuing to decline and average price increasing. In the 52 wks. to June 2019 the total seafood category was flat, narrowly missing out on full category decline as seafood inflation eased

The strongest performing segments were total natural, fingers and sushi. After last year's decline, salmon returns to growth with a 33% value share of the top ten species, selling over twice the amount of cod, its nearest competitor. However, salmon volume remains down on consumption levels seen ten years ago. An increase in consumption of both premium species like prawns and cheaper value species like pollock and crabstick suggests shoppers are beginning to returning to a 'treat & save' pattern like the one observed after the UK fell into recession in 2007.

### Historic retail seafood sector trends

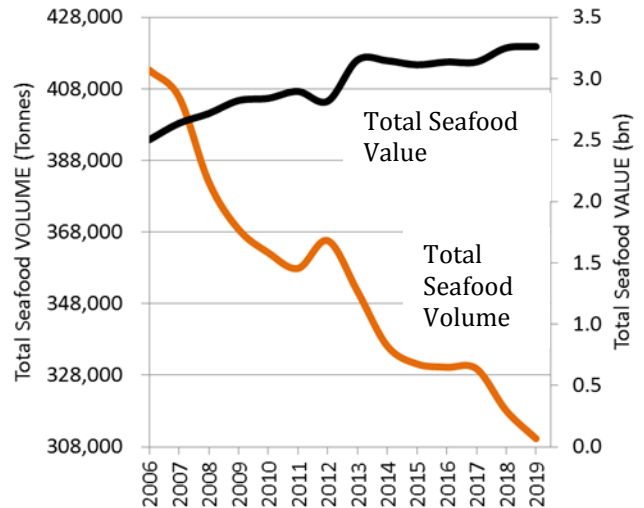
Over the long term, retail seafood sales have been in long term price driven growth as inflation drives up average price whilst volumes decline

Chilled seafood has grown in popularity with British retail shoppers over the past 20 years. In the late 1990's both the volume and value of chilled seafood began to rise faster than that of frozen seafood. By 2005, chilled seafood had overtaken frozen seafood in volume sales. Overall GB seafood consumption had been growing slowly but steadily until recession hit in 2007, when the relatively high price of seafood meant it struggled to compete with cheaper proteins.

From 2007, seafood in multiple retail experienced a sustained period of inflation and price driven growth, resulting in falling consumption. Around 2009, retail shoppers became polarized, saving money where possible on basics, but not averse to spending more on quality. Austerity focused shoppers prioritised 'value for money', and the perceived 'superior freshness, health and quality' of chilled seafood resulted in renewed growth of the chilled sector at the expense of frozen and ambient, despite it being typically double their average price.

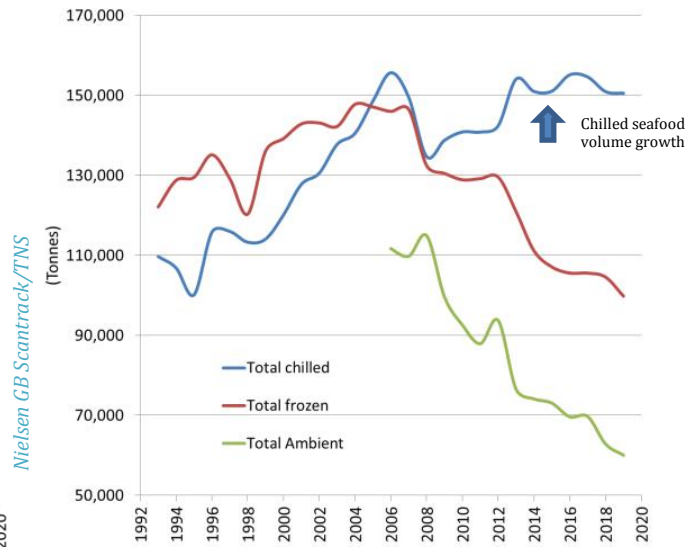
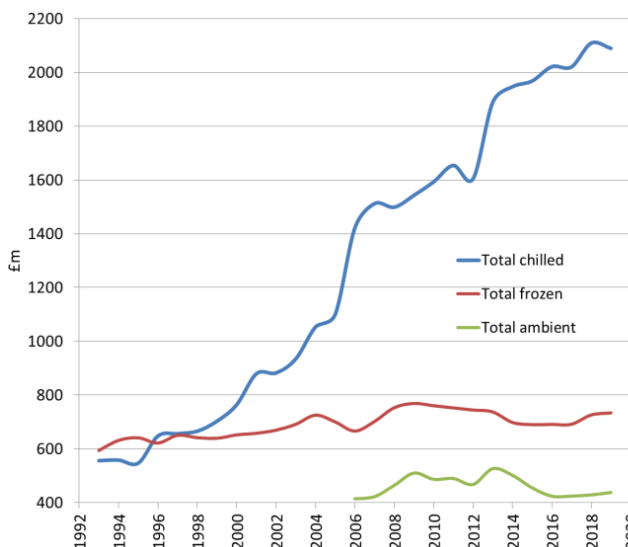
In October 2016, total seafood, which includes chilled, frozen and ambient, briefly returned to full growth for a short period. However, in 2017, signs began to emerge that building pressure from economic & political uncertainty, along with rising inflation and reduced spending power were all beginning to impact on the seafood retail market once again. Total seafood volume returned to decline in January 2017 and notably, the chilled sector fell into volume decline in September 2017, which continued to late 2018.

Long Term GB Total Seafood Sector Trends



Nielsen Scantrack YE 15.06.19

Long Term GB Seafood Sector Value Trends.



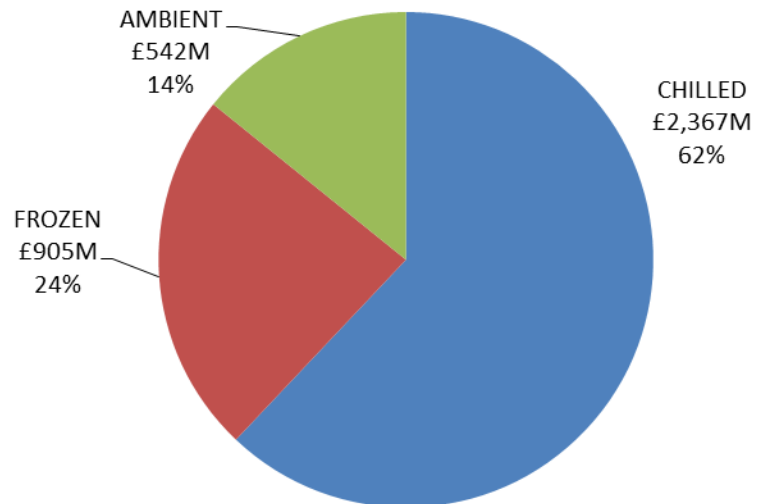
## Current seafood retail performance

Seafish has detailed GB EPOS data (Electronic Point of Sale) available for the past ten years, which can be used for a long-term picture of the changes in the seafood sectors, segments and species. In addition, data from the main discounters, Aldi and Lidl, along with Northern Ireland is now available, covering the last 3 years. When combined with GB data, this allows a more complete UK snapshot of the current seafood retail market.

In the 52 wks. to June 2019, the total seafood category was flat, narrowly missing out on full category decline as seafood inflation eased. Sales were worth £3.81bn (+0.2%), with a volume of 392,356 tonnes (-0.9%) and an average price of £9.72/kg (+1.1%) (Nielsen Scantrack: 52 weeks to 15.6.19).

Chilled seafood continues to dominate UK multiple retail. In the 52 wks. to June 2019, the chilled seafood sector value remained flat, as deflation tempered value growth; worth £2,367m (+0.0%) and volume of 180,253 tonnes (+1.4%); with an average price of £13.13/kg (-1.4%). Both chilled and frozen lost value share to ambient.

UK Seafood Sector Share by Value 2019



Nielsen Scantrack YE 15.06.19

### Impact of the discounters on seafood sales

- Since opening UK stores in 1990, Aldi and Lidl have strongly grown grocery share. Both discounters over trade in seafood, particularly frozen and ambient, proving popular with shoppers due to price, quality and regional sourcing messaging.
- Discounters are projected to be fastest growing channel to 2021 (IGD).
- In June 2019, Aldi and Lidl combined took a 19.6% volume share of the total UK seafood. Combined seafood sales were worth £503m (+5.8%), with a volume of 76,447 tonnes (0.7%) and an average price of £6.58/kg (+5.1%)

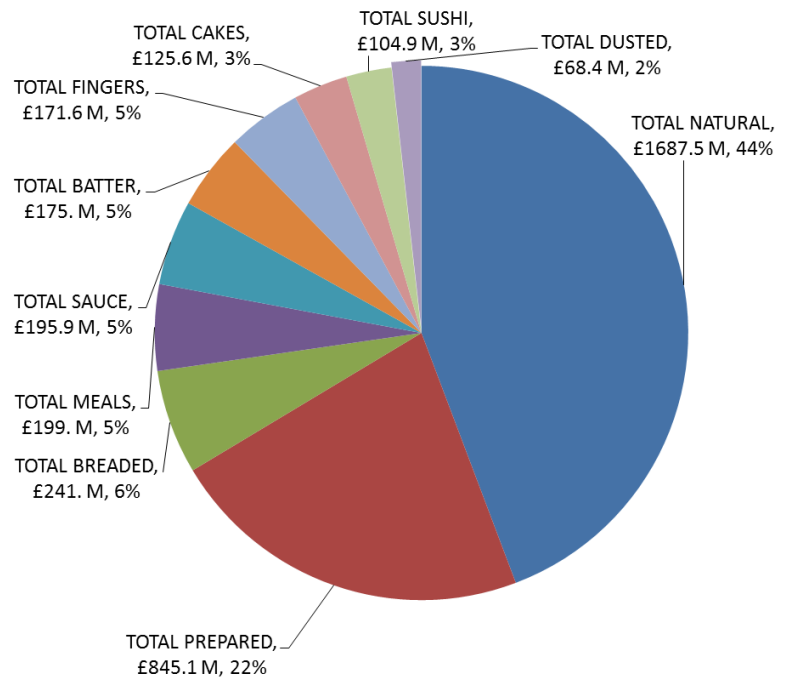
## Total Seafood Segment Performance

Total seafood is the sum of the total chilled, frozen and ambient sectors and can be split into 10 segments (by product type), which have been set out in the adjacent charts. The total natural segment (no additional ingredients) currently takes the largest share, by both value 44% (0.0 percentage point (pp) change), and volume 27% (+1.0pp), of the total UK seafood category. Total natural, along with the total prepared segment (where other items are present e.g. cod and bacon kebabs) together make up nearly three quarters of the retail seafood category by value. Total breaded and meals sauce, are the next most popular seafood segments each taking 5% or 6% value share. Consumption of 'fingers' continues to increase, replacing 'meals' as the third most popular segment by volume.

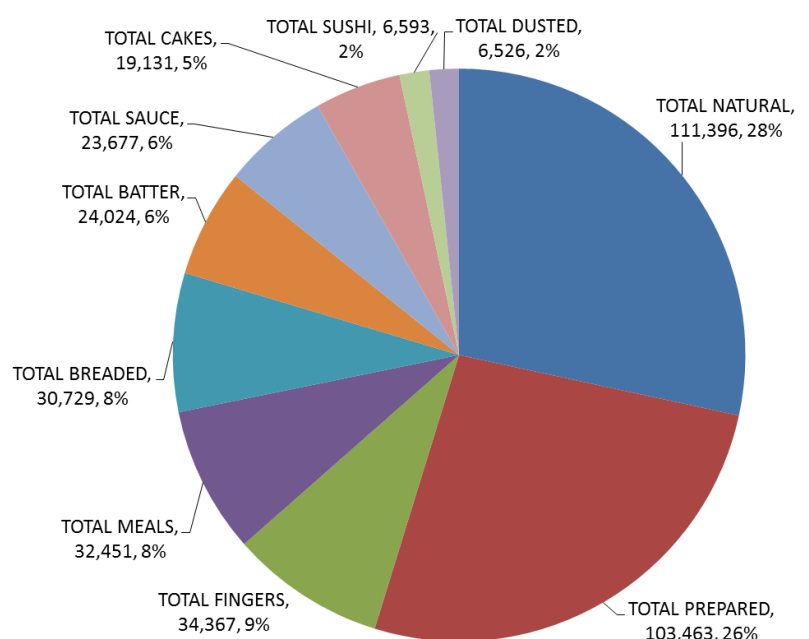
Over the short term (52 wks. to 15<sup>th</sup> June 2019), UK total natural was in full growth (volume and value) worth £1.68bn (+1.5%), with 111,396 (+3.5%) tonnes. Total fingers and sushi were the only other segments in full growth. Unusually, dusted, perceived as a healthier and more flavoursome alternative to breaded and battered which ended its long term strong run of double digit volume growth last year, continues to decline.

Over the long term (ten years to June 2019) only the total meals, fingers, cakes, and sushi segments were in full growth. The growth in these sectors is principally due to growth in chilled formats. Only total prepared and sauce were in full decline over the long term.

## Segment Value Share of UK Total Seafood 2019



## Segment Volume Share of UK Total Seafood (tonnes) 2019

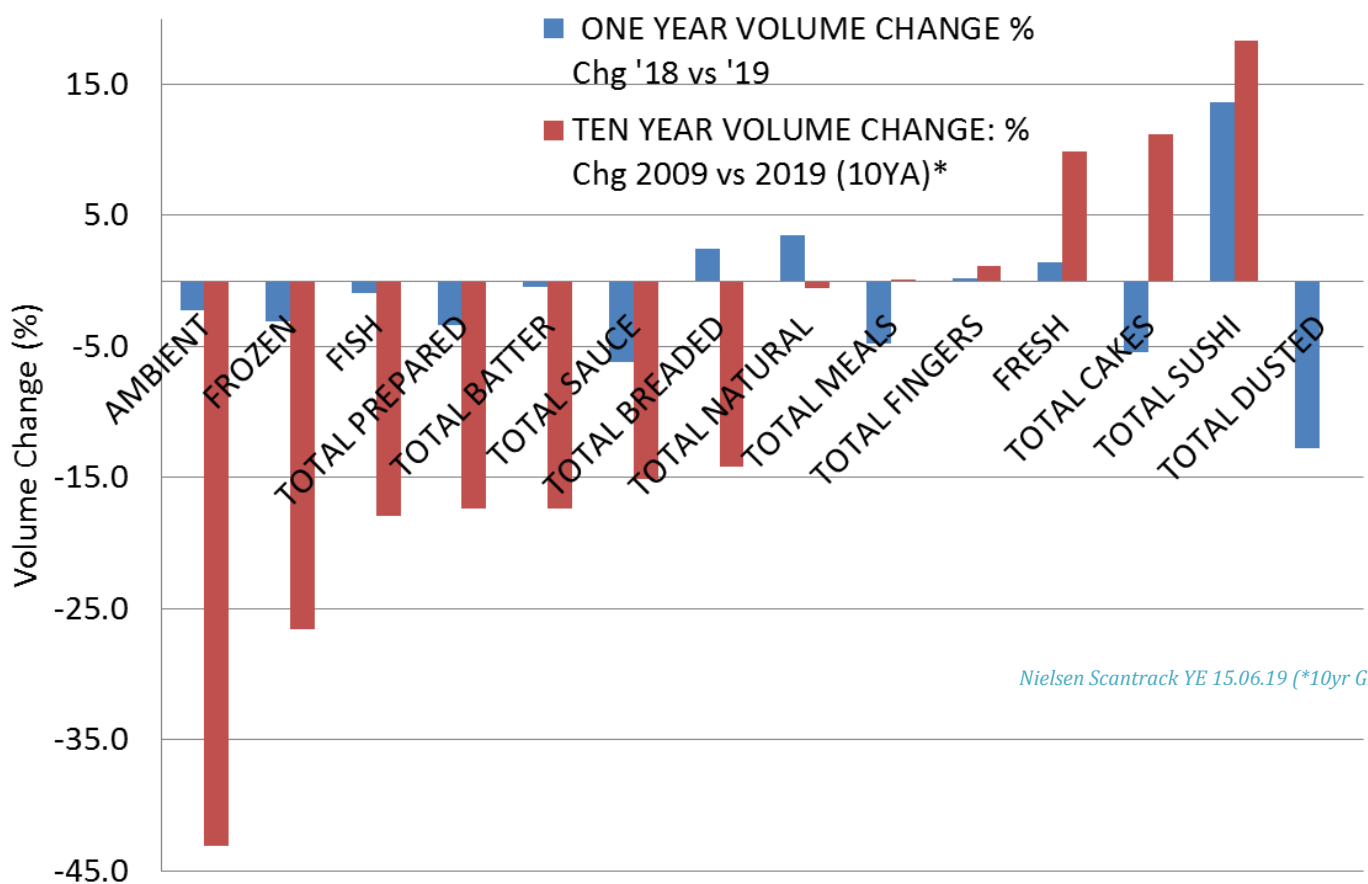


UK total seafood segment performance to 2019

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	Avg Price 2019	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*
FISH	3,657,583	3,808,127	3,813,921	0.2	17.8	402,521	395,995	392,356	-0.9	-18.0	£9.72	1.1	43.6
FRESH	2,289,040	2,366,768	2,366,779	0.0	37.4	180,319	177,810	180,253	1.4	9.9	£13.13	-1.4	25.0
FROZEN	859,328	906,756	905,348	-0.2	-2.4	134,383	134,746	130,523	-3.1	-26.5	£6.94	3.1	32.8
AMBIENT	509,215	534,603	541,793	1.3	-11.8	87,819	83,439	81,580	-2.2	-43.1	£6.64	3.7	55.0
TOTAL NATURAL	1,597,208	1,661,881	1,687,472	1.5	7.3	111,109	107,670	111,396	3.5	-0.5	£15.15	-1.9	7.8
TOTAL PREPARED	838,910	857,408	845,060	-1.4	-6.1	112,872	107,065	103,463	-3.4	-17.4	£8.17	2.0	13.6
TOTAL BREADED	210,746	232,980	240,974	3.4	9.0	27,448	29,982	30,729	2.5	-14.1	£7.84	0.9	27.0
TOTAL MEALS	206,478	209,533	198,968	-5.0	8.1	34,321	34,070	32,451	-4.8	0.1	£6.13	-0.3	7.9
TOTAL SAUCE	224,317	212,014	195,935	-7.6	-12.7	26,883	25,255	23,677	-6.2	-15.1	£8.28	-1.4	2.8
TOTAL BATTER	148,548	168,868	175,023	3.6	5.7	22,997	24,137	24,024	-0.5	-17.3	£7.29	4.1	27.9
TOTAL FINGERS	150,574	164,765	171,564	4.1	18.5	34,031	34,291	34,367	0.2	1.1	£4.99	3.9	17.2
TOTAL CAKES	119,204	130,718	125,598	-3.9	21.3	19,319	20,232	19,131	-5.4	11.1	£6.57	1.6	9.1
TOTAL SUSHI	85,700	94,266	104,929	11.3	38.1	5,643	5,805	6,593	13.6	18.3	£15.92	-2.0	16.8
TOTAL DUSTED	75,898	75,695	68,398	-9.6	N/A	7,898	7,488	6,526	-12.8	N/A	£10.48	3.7	N/A

Total seafood segment performance to 2019

Nielsen Scantrack YE 15.06.19 (\*10yr)

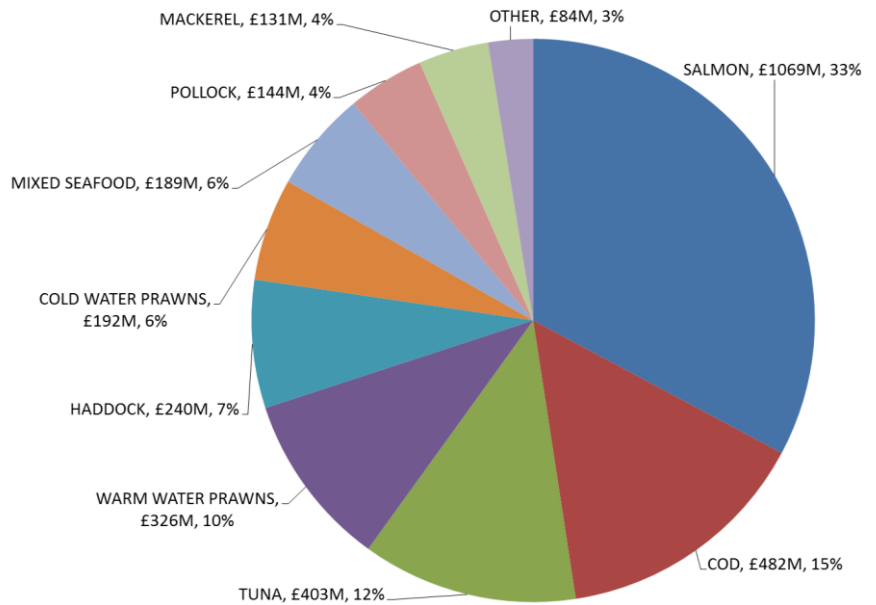


Nielsen Scantrack YE 15.06.19 (\*10yr GB)

### Total species performance

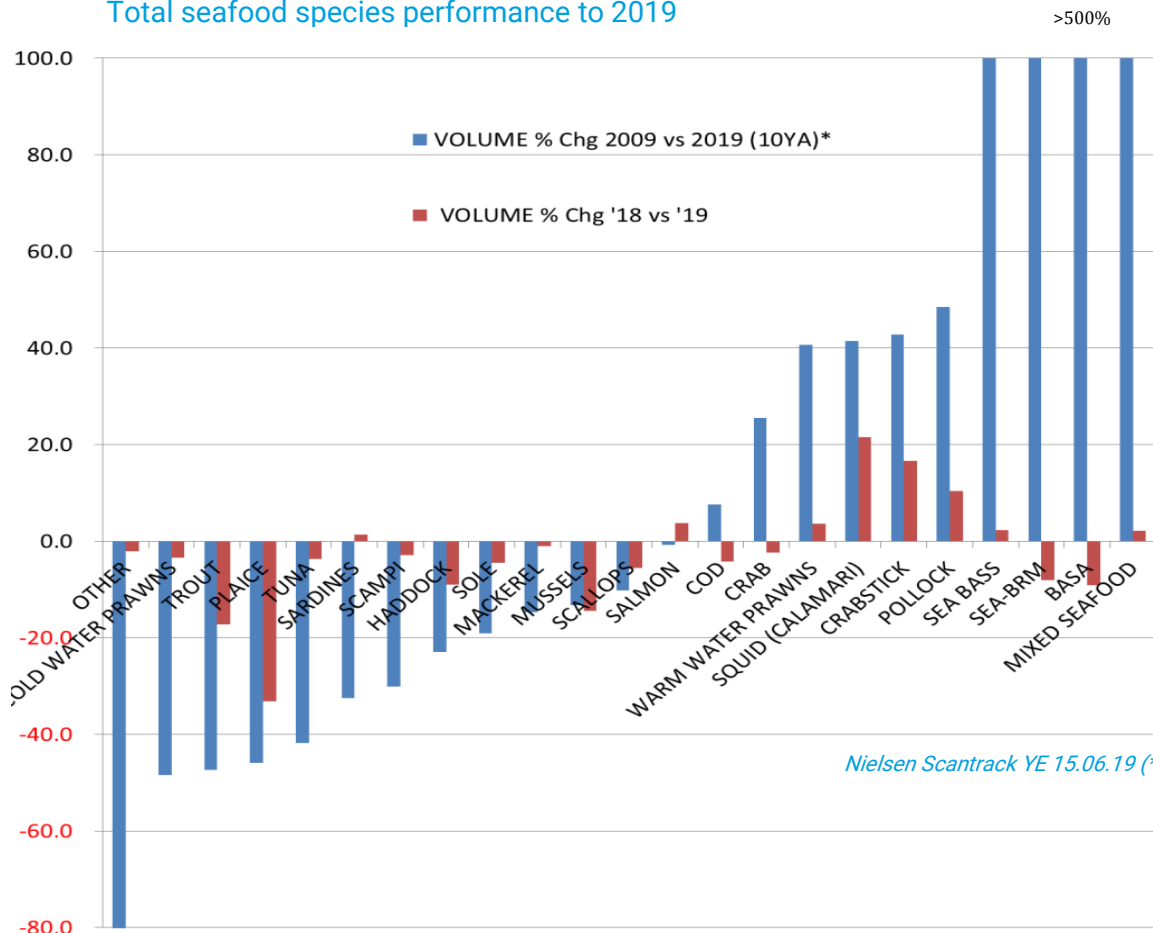
Salmon continues to dominate total seafood with a 33% (+0.1pp) value share of the top ten species, selling over twice the amount of cod, its nearest competitor, by value. Over the short term (52 wks. to 15<sup>th</sup> June 2019), total salmon was worth £1.069bn, (+1.1%) with 64,347 tonnes (+3.7%). Cod recently displaced tuna as the second most popular species with 15% (-0.2pp) value share; followed closely by tuna with 12%, (0.0pp), warm water prawns, 10% (+0.1pp). Haddock 7.4% (-0.5pp) and cold water prawns 5.9% (-0.1pp) continue to lose value share; with cold water prawns likely to be overtaken by mixed seafood next year. By volume, salmon continues to increase share. The top three species, total salmon, cod and tuna each take a similar share of the top ten species at 20%, 18% and 18% respectively.

### Top ten species value share of UK total seafood



Nielsen Scantrack YE 15.06.19

### Total seafood species performance to 2019



Nielsen Scantrack YE 15.06.19 (\*10yr GB)

In the 52wks to 15<sup>th</sup> June 2019, total salmon, warm water prawns, and 'mixed' seafood were the main species/products in full growth. Pollock, crabstick and squid showed some of the highest growth. Cod haddock and cold water prawns return to a familiar long term pattern of full decline.

Over the long term (ten years to 15th June 2019) four of the top ten species (cod, warm water prawns, mixed seafood and pollock) were in full growth. Volume growth of over 1000% was seen from 'mixed seafood' (attractive to shoppers due to convenience and price); farmed species including basa, seabass, and seabream grew volume by up to 500%.

- The consumption of traditional whitefish species has been in steady decline since the 1980s whilst salmon and other farmed seafood species have grown in popularity. Chilled whitefish consumption eaten in home fell -68% from 1987 to 2018 (latest data), compared to chilled salmon up +299 (Defra family food).
- Total salmon continued to grow through austerity, despite being over double (104%) the price of total cod in June 2019.
- Lower prices and improved availability has driven cod consumption in recent years in retail but 2019 has seen a return to cod consumption decline.

### Total Seafood Species Performance to June 2019

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	Avg Price 2019	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*
FISH	3,657,583	3,808,127	3,813,921	0.2	20.9	402,521	395,995	392,356	-0.9	-18.0	£9.72	1.1	43.6
SALMON	1,018,725	1,057,303	1,069,358	1.1	48.5	67,725	62,059	64,347	3.7	-0.8	£16.62	-2.5	49.8
COD	446,522	484,173	481,798	-0.5	25.5	60,234	61,719	59,091	-4.3	7.6	£8.15	3.9	16.6
TUNA	374,779	400,658	403,371	0.7	-7.7	65,436	61,804	59,507	-3.7	-41.8	£6.78	4.6	58.6
WARM WATER PRAWNS	319,264	321,756	326,479	1.5	59.6	23,833	23,125	23,954	3.6	40.7	£13.63	-2.0	13.5
HADDOCK	236,303	252,787	239,833	-5.1	-9.1	25,545	26,699	24,311	-8.9	-23.0	£9.87	4.2	18.0
COLD WATER PRAWNS	198,547	194,897	191,610	-1.7	-17.8	15,714	15,838	15,306	-3.4	-48.4	£12.52	1.7	59.3
MIXED SEAFOOD	171,539	182,068	188,562	3.6	1,146.4	19,930	20,531	20,978	2.2	1,070.3	£8.99	1.4	6.5
POLLOCK	113,366	124,855	144,068	15.4	61.1	26,322	27,783	30,656	10.3	48.5	£4.70	4.6	8.5
MACKEREL	124,399	129,450	131,407	1.5	14.2	17,565	17,806	17,632	-1.0	-14.6	£7.45	2.5	33.8
OTHER	90,246	87,120	83,645	-4.0	-77.5	17,461	16,249	15,907	-2.1	-84.5	£5.26	-1.9	45.5
SEA BASS	64,665	67,459	67,375	-0.1	173.0	4,035	4,140	4,232	2.2	183.8	£15.92	-2.3	-3.8
BASA	58,903	62,966	58,651	-6.9	593.6	8,303	8,124	7,382	-9.1	538.8	£7.94	2.5	8.6
SCAMPI	54,318	57,338	57,679	0.6	-17.2	5,175	5,452	5,294	-2.9	-30.1	£10.90	3.6	18.5
SARDINES	37,502	39,655	40,295	1.6	-8.9	8,093	8,338	8,449	1.3	-32.5	£4.77	0.3	34.9
CRABSTICK	32,412	35,585	38,649	8.6	57.8	7,654	8,401	9,798	16.6	42.8	£3.94	-6.9	10.6
TROUT	35,677	39,146	35,385	-9.6	-21.3	2,983	2,977	2,463	-17.3	-47.4	£14.37	9.2	49.6
SOLE	32,553	30,213	29,360	-2.8	-16.1	2,748	2,470	2,358	-4.5	-19.0	£12.45	1.8	3.5
CRAB	28,445	28,089	26,983	-3.9	78.4	1,511	1,442	1,408	-2.4	25.6	£19.17	-1.6	42.0
MUSSELS	26,338	26,469	23,223	-12.3	-3.3	4,675	4,728	4,043	-14.5	-13.3	£5.74	2.6	11.6
PLAICE	28,477	26,724	19,769	-26.0	-38.7	3,007	2,665	1,781	-33.2	-45.9	£11.10	10.7	13.3
SCALLOPS	17,300	16,650	17,538	5.3	9.1	816	784	740	-5.6	-10.1	£23.69	11.6	21.5
SEA-BRM	17,161	17,222	15,314	-11.1	203.5	1,125	1,175	1,080	-8.1	220.6	£14.18	-3.3	-5.3
SQUID (CALAMARI)	12,337	15,015	15,047	0.2	136.0	866	1,139	1,385	21.6	41.5	£10.87	-17.6	66.8

The species in significant long term volume decline included, tuna, haddock, cold- water prawns, and mackerel. Price changes have influenced much of the species trends since austerity (2007 onwards), where significant price increases have impacted negatively on volume sales; the main exceptions being cod, total warm water prawns, crab and squid where consumption has continued to increase despite double digit price increases.

### Total Seafood vs Other Proteins

Two years ago, the total seafood category became the highest value protein category, pushing total red meat into second place. In 2019, the GB value of total seafood was worth £172m more than total red meat and £837m more than poultry, its nearest competitors. The value of most protein categories fell vs last year as inflation eased. All categories will have experienced some degree of 'shrinkflation' over the past few years as manufacturers release smaller pack sizes to combat rising prices. However, in 2019 this appears to have eased as unit sales have fallen across all protein categories with the exception of poultry and chilled seafood. Price per unit has fallen across all protein categories with the exception of lamb and frozen seafood.

### The seafood shopper

In 2019, the number of shoppers purchasing total seafood fell slightly. Total seafood penetration (i.e. the % of shoppers who purchase seafood) is very high, at 96.8%. Compared with the previous year, shoppers bought seafood less often, with smaller baskets, a trend that has continued from previous years. Shoppers bought an average 0.5kg of seafood per trip - spending on average £4.27 per trip; and bought seafood 30.4 times per year, spending a total of £129.66 on 14.76 kg/yr.

Nielsen demographics define the total seafood shopper as predominantly affluent AB/C1, older (age 45-64) couples and singles, typically in two person households without children present. Where children are present they are typically aged 5-10 yrs. Compared to a year ago the share of seafood consumed by the oldest demographic (over 65 yrs.) has increased. The share of the 35-44 age group remained the same whilst the under 35's and 45-64 age groups declined.

### 2019 seafood demographics % shoppers (by volume)

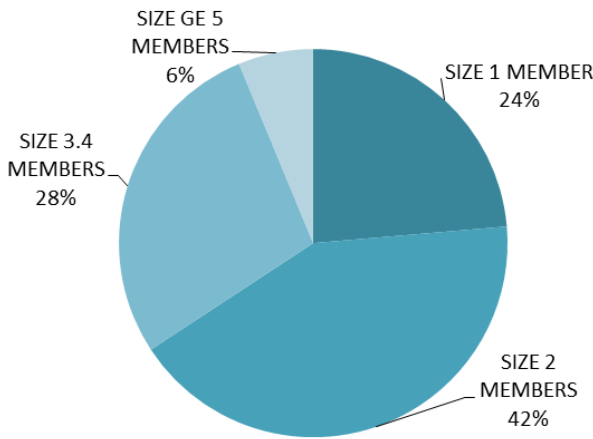
	TOTAL FISH	AMBIENT	FRESH	FROZEN
CLASS AB	29.4	27.5	33.0	25.7
CLASS C1	27.5	27.6	27.4	27.6
CLASS C2	20.5	22.2	18.0	22.8
CLASS D	11.1	12.9	9.4	12.4
CLASS E	11.5	9.8	12.3	11.5
SIZE 1 MEMBER	23.6	22.0	27.7	19.3
SIZE 2 MEMBERS	42.1	38.6	45.9	39.3
SIZE 3.4 MEMBERS	28.0	31.5	22.7	32.9
SIZE > 5 MEMBERS	6.2	8.0	3.7	8.5
16 TO 34 YEARS	11.6	14.3	9.2	13.0
35 TO 44 YEARS	16.1	18.6	13.8	17.7
45 TO 64 YEARS	36.3	38.2	34.0	38.0
65+ YEARS	36.0	28.9	43.0	31.2
CHILDREN YES	22.6	26.9	15.9	28.6
CHILDREN NO	77.4	73.1	84.1	71.4
CHILD 0 TO 4 YEARS	25.4	25.0	26.1	25.3
CHILD 5 TO 10 YEARS	40.0	39.4	39.6	40.7
CHILD 11 TO 15 YEARS	34.5	35.7	34.3	34.0
PRE FAMILY	5.9	7.0	5.7	5.4
NEW FAMILY	4.7	5.5	3.5	5.7
MATURING FAMILIES	12.0	14.5	8.1	15.7
ESTABLISHED FAMILIES	8.4	9.7	6.5	9.9
POST FAMILIES	16.6	18.4	16.3	15.9
OLDER COUPLES	36.1	31.4	39.8	34.2
OLDER SINGLES	16.3	13.5	20.1	13.2

Nielsen Homescan 52 wks. ending 15<sup>th</sup> June 2019

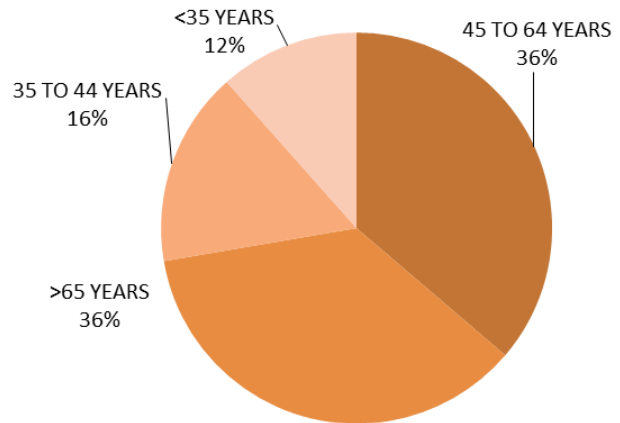
Over the long term the consumption pattern of the under 16's has changed. The under 16's are currently consuming less seafood now compared to 2010. In 2010, 28.4% of total GB retail seafood was sold into households with children (under 16) present, compared to 22.6% in 2019. In 2019, seafood volume sales share was greater in households where children are under 10, but were lower in the youth category 11-15's than in 2010.



Household size - share of retail seafood 2019 (volume)



Age - share of retail seafood 2019 (volume)



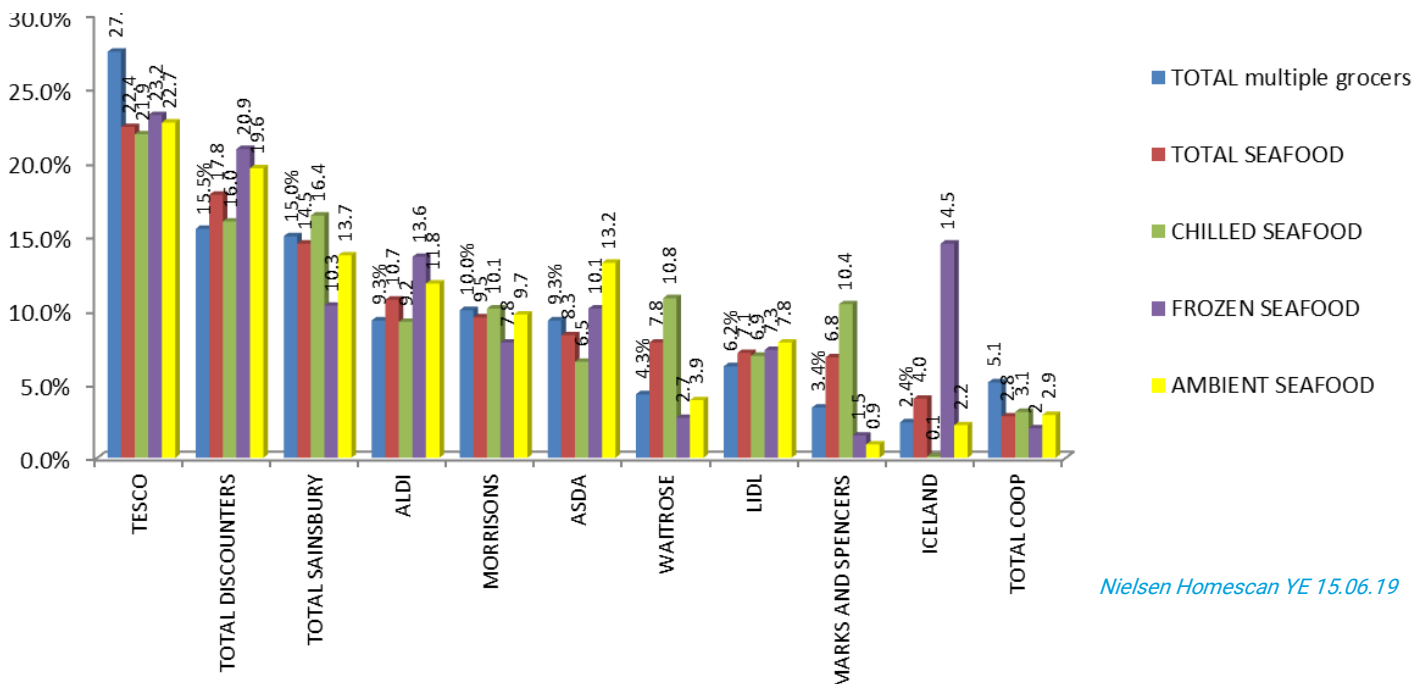
Nielsen Scantrack YE 15.06.19

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**Where are shoppers purchasing seafood?**

Although many retailers retain counter displays for instore theatre, in June 2019, 95% (+2pp vs a year ago) of seafood was sold prepack, rather than from the fish counter. The percentage of pre-packaged seafood continues to grow strongly as it has done in previous years, with shoppers reporting being intimidated by having to ask the fishmonger, and wanting to be in and out of store as quickly as possible. Some retailers have already made the decision to remove seafood counters from store, at the current rate of change it is likely that others may soon follow. This puts more emphasis on the the need to provide prepack products which meet shopper requirements around minimising handling and preparation.

Grocer share of seafood 2019 (volume)



Nielsen Homescan YE 15.06.19

Tesco is currently the largest GB seafood retailer, followed by Sainsbury's, Aldi, Morrisons and Asda. Over the past ten years, discounters have substantially grown total seafood share. Aldi has seen the largest growth from a 1.5% share in 2008 to 10.7% in 2019; the quality and 'Britishness' messages resonating with shoppers. Premium quality orientated retailers like M&S, Waitrose and the Co-operative have also grown share as shoppers hunt for quality and value for money. These retailers also overtrade in seafood, which means their share of seafood sales value is higher than their share of the FMCG market overall.

### Keeping seafood competitive

The retail environment remains a tough battle ground for protein. Over the past 10 years, seafood has struggled to compete with lower priced meat and poultry products. Meeting the shopper's 'value for money' expectations is key to grow seafood. Successful seafood products, alongside a good quality, will also offer the latest flavour and formats shoppers are looking for, using their experiences in foodservice

**Vintage Inns**  
Salt and pepper calamari and tempura prawns on a crispy prawn cracker with chipotle mayonnaise



In 2019 foodservice, the demand is for healthy, premium and indulgent seafood products, with growth coming from side dishes and 'add on' dishes. The fastest growing seafood dishes were sushi, breaded soft shell crab, seafood stew and seafood salad.



Prawns have the highest seafood menu penetration, followed by salmon, cod and tuna. Prawns, salmon, generic 'fish', cod, tuna and squid have all increased menu penetration in 2019, compared to the previous year. Species losing incidence include crab, scallop and haddock. The fastest growing species are herring, sardine and cockle.

'Fresh/freshly' is the most popular menu descriptor in 2019, whilst descriptors including Atlantic, local, North Sea and Omega 3 are gaining in popularity.



Ethnic and Hispanic flavours continue to proliferate on dishes featuring seafood; the top flavours are garlic, tomato and chilli and lemon. The fastest growing seafood flavours include roasted garlic, cumin and Cajun.

Trending seafood main dishes include 'whole grilled Atlantic sardines', 'rosemary, parsley and lemon and lightly battered, shrimp bites with a pop of Cajun spice' served with zesty lemon mayo.

**Key Facts:**

- In the 52 wks. to June 2019 the total seafood category was flat, narrowly missing out on full category decline as seafood inflation eased. Sales were worth £3.81bn (+0.2%), with a volume of 392,356 tonnes (-0.9%) and an average price of £9.72/kg (+1.1%) (Nielsen Scantrack: 52 weeks to 15.6.19).
- The chilled seafood sector, being the largest and the only sector in recent long term volume growth, continues to drive total seafood. Unusually chilled had experienced deflation, which has helped volume return to growth.
- Salmon continues to dominate total seafood with a 33% value share of the top ten species, selling over twice the amount of cod, its nearest competitor, by value. The slowing of salmon consumption observed last year appears to have past, as salmon returns to growth. However, volumes remain down on consumption levels seen ten years ago
- An increase in consumption of both premium species like prawns and cheaper value species like pollock and crabstick suggests shoppers are returning to the 'treat & save' pattern observed after the UK fell into recession in 2007
  
- **Over the long term (10yrs to 15<sup>th</sup> June 2019):**  
Top performers include:
  - Segments; total natural, breaded, fingers, battered cakes, and sushi segments.
  - Species; cod, warm water prawns, mixed seafood and pollock.
 Struggling segments and species include:
  - Segments; total prepared and sauce
  - Species; tuna, haddock, cold- water prawns, and mackerel.
- **Over the short term (52 wks. to 16<sup>th</sup> June 2018);**  
Top performers include;
  - Segments; Total natural, fingers and sushi
  - Species; total salmon, warm water prawns, mixed seafood, pollock, crabstick and squid
 Struggling segments and species include:
  - Segments; total breaded, battered, prepared, sauce and dusted
  - Species; total cod haddock and cold water prawns

**Data Sources:** (%) values represent change from the previous year unless otherwise stated

- Nielsen:
  - Scantrack – UK EPOS from key retailers (including composite data from discounters Aldi & Lidl and N. Ireland) excludes seafood sandwiches
  - Homescan – GB (including discounters) consumer panel of 15,000 households excludes seafood sandwiches
- IGD Identifying challenges and opportunities within fresh fish 2019
- Seafood Trends Across U.K Restaurants – Technomic July 2019

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