

Seafood Industry Factsheet

Cod

Market overview: Cod

The three species, tuna salmon and cod dominate the UK retail seafood market by volume. This report summarises both the UK imports and exports of cod and cod sales in both retail and foodservice channels.

Cod Trade & Supply

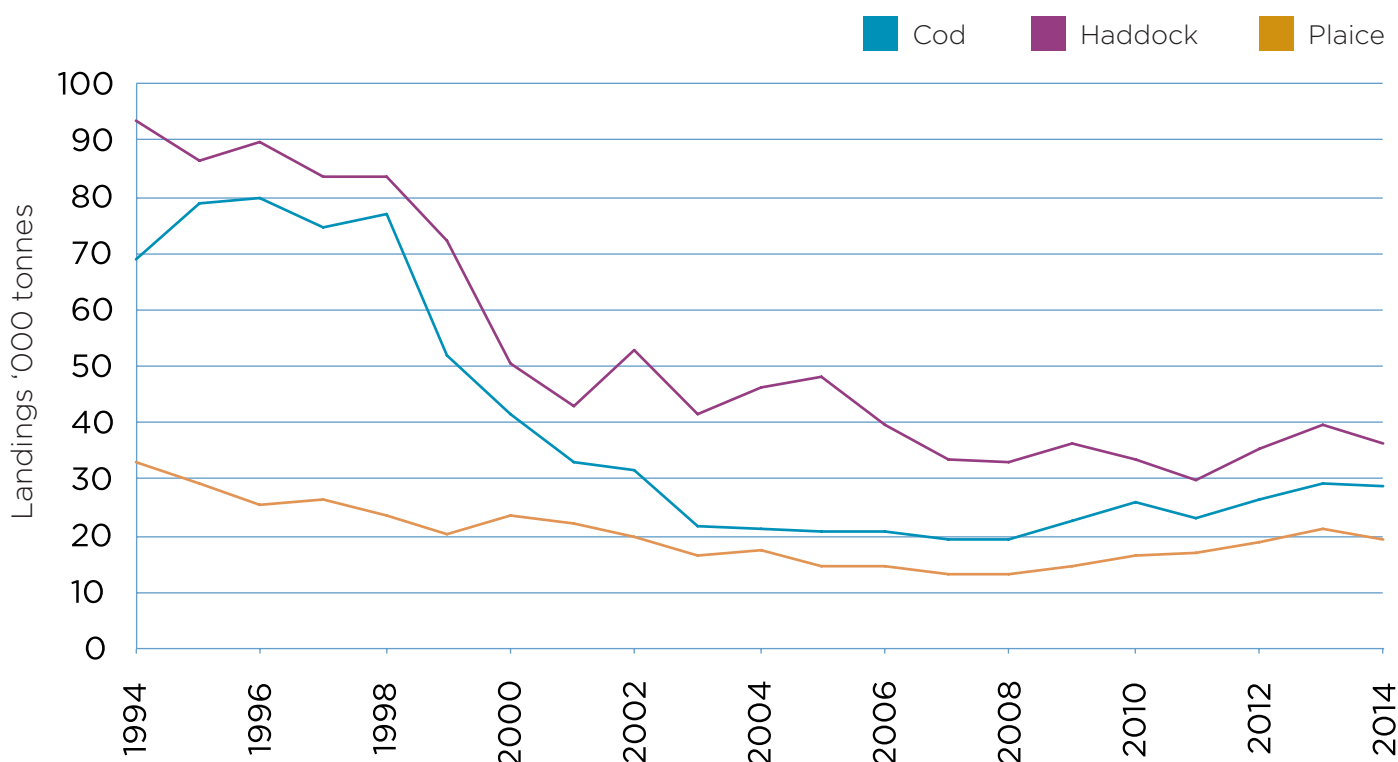
In recent years, the UK supply of cod has become increasingly reliant on imported fish; however, the UK fleet still makes a significant contribution to the supply of this commercially important species. Traditionally the cod eaten in the UK is Atlantic cod (*Gadus morhua*). Pacific cod (*Gadus macrocephalus*) is also imported and typically used for coated products such as fish fingers and breaded and battered products.

Cod landings

UK vessels continue to land Atlantic cod into the UK, but over the past 51 years landings have fallen steeply by 97% (from 547,446 tonnes in 1963, to 13,995 tonnes in 2014; live weight). The majority of UK vessels are over

10m in length and land cod into the Peterhead and Lerwick ports. Cod is typically caught using trawl or demersal gear in the Northern North (IVa) sea grounds.

To put cod into perspective; cod, haddock and plaice are the three main demersal species landed by the UK fleet into the UK and abroad, by weight, accounting for half the quantity of all demersal species landed in 2014. UK vessels landed more cod abroad (14,915 tonnes) than into the UK, typically into Holland and Germany.



Cod Imports

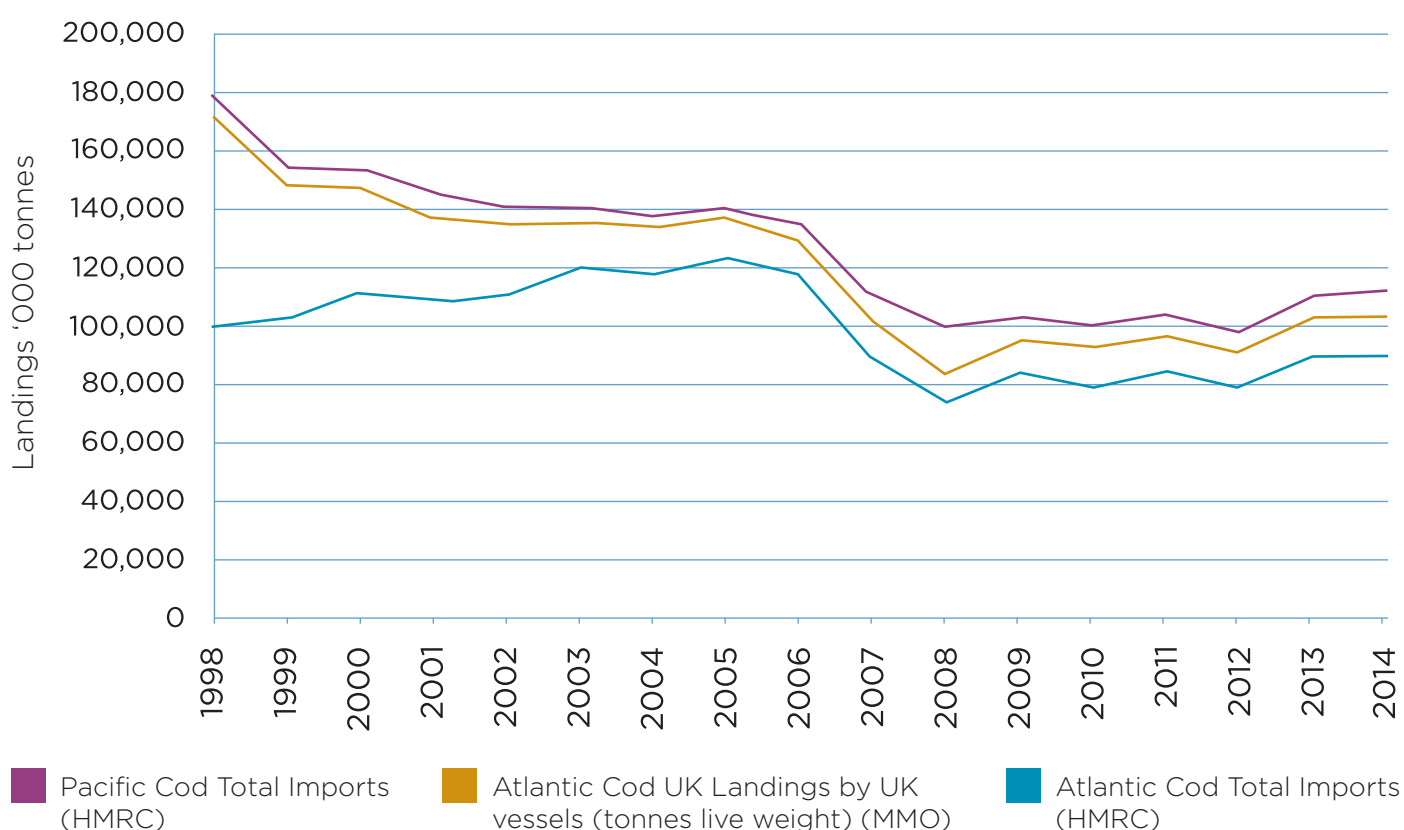
Today, like the majority of seafood we eat, most of our cod is imported. In 2014 around 90% of the UK cod supply came from imports. Most of the imported cod is either caught in Icelandic waters or in the Barents Sea by Russian vessels. After several years of increasing supply from the Barents Sea, the cod quota for 2014 was at 193,000 tonnes, a less than 1% fall from 2013. However, a significant quota reduction of over 10% is

expected for 2015, this may drive cod prices up. In 2014 the UK imported 116,421 tonnes (+0.1%) of cod and cod products worth £410m (+2%) this includes overland transport and foreign vessels (mainly French) landing directly into the UK. From 1998 to 2014, the amount of imported cod has grown by 6.2%, whilst the value has fallen by -9.3%. The largest exporters of cod to the UK are Iceland, China, Denmark and Russia and Norway.

Top Five Suppliers of Cod to the UK

	2014 IMPORTS		% CHANGE		AVERAGE £/KG	
	VALUE £000'S	VOLUME TONNES	VALUE	VOLUME	£/KG	% CHANGE
Total Cod Supply	£410,071	116,421	2.4%	0.1%	£3.52	2.4%
Iceland	£157,427	32,023	1.1%	-8.5%	£4.92	10.5%
China	£66,551	24,712	8.1%	19.8%	£2.69	-9.8%
Norway	£41,649	15,636	43.0%	52.1%	£2.66	-6.0%
Russia	£31,346	10,121	-10.8%	-14.2%	£3.10	4.0%
Denmark	£29,424	9,386	-22.1%	-24.0%	£3.13	2.4%

UK Cod Imports 2014



Future Supply Trends

Iceland dominates the cod import market, supplying the UK with over double the volume of its nearest current competitor, China. Over the past 10 years frozen at sea cod fillets have been the principal export product from Iceland, volumes remaining stable at around 8000 tonnes per year. Over the same period

the volume of chilled cod fillets have halved. However, this is set to change driven by the strong demand for chilled, Icelandic fishing companies are looking to sell freezer vessels and switch to onshore processing which reportedly has cheaper operating costs.

Icelandic Exports to the UK showing main cod formats: statice.ie**Cod Exports**

From 1998 to 2014, the volume and value of cod exports fell by -38% and -21% respectively. In 2014, the UK exported 15,466 (-7.4%) tonnes

of cod and cod products worth £52.4m (-6%). The top export countries were Republic of Ireland, France, Germany and Spain.

Summary of UK Cod Imports, Exports and Landings, (MMO 2014)

	2014		% CHANGE VS 2013		AVERAGE £/KG	
	VALUE £000'S	VOLUME TONNES	VALUE	VOLUME	£/KG	% CHANGE
Total Cod Landings*	£27,821	13,995	7.8%	7.5%	£1.99	0.3%
Scotland	£25,847	12,892	10.3%	8.3%	£2.00	1.8%
England & Wales	£1,827	1,027	-13.5%	4.3%	£1.78	-17.1%
Northern Ireland	£135	74	-45.0%	-37.3%	£1.82	-12.4%
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Total UK Supply	£425,628	129,079	1.6%	13.4%	£3.30	-10.4%
Total UK Cod Exports	£52,442	15,466	-6.0%	-7.4%	£3.39	1.5%
Irish Republic	£16,145	4,408	11.0%	14.4%	£3.66	-3.0
France	£13,375	2,932	-28.5%	-25.0%	£4.56	-4.7
Germany	£8,489	2,199	-1.0%	-19.7%	£3.86	23.3
Spain	£6,534	2,625	36.8%	32.5%	£2.49	3.3
Nigeria	£1,719	725	36.3%	23.8%	£2.37	10.1

*Landings into the UK by UK vessels - Live Weight ** Includes foreign vessels landing into the UK

Cod Consumption

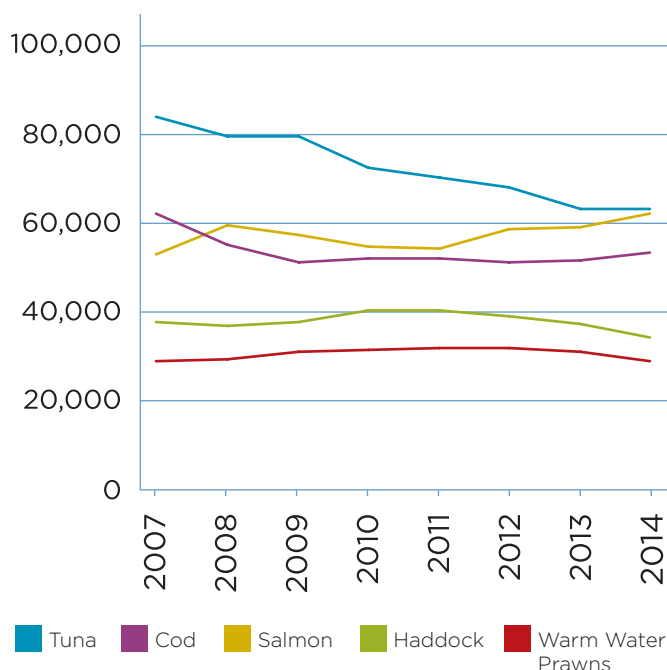
In the UK we eat more cod than any other white fish. It's succulent white flakes, and meaty sweet flavour makes it popular for both cooking at home (retail) and in fish and chip shops, pubs and restaurants (foodservice).

Cod Retail

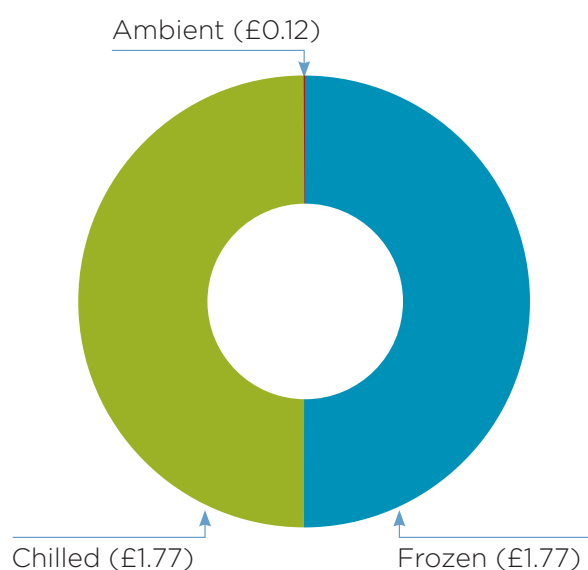
In 2014, total retail sales of cod through the multiple retailers was worth £354m at 43,104 tonnes. Cod was the number one best-selling frozen seafood species, in both volume and value, selling around 16% more than the next which was Alaskan pollack. Cod was also ranked as the second most popular species in chilled; and ranked 3rd in total seafood sales, by both volume and value.

Cod value sales are split virtually 50/50 between chilled and frozen formats, as ambient cod products are not as popular in the UK as in other European countries. But, by volume, we purchase over twice as much frozen cod as we do chilled. By product type, natural cod takes the largest value share (46%), popular for the current macro food trend of "cooking at home"; followed by breaded cod and cod fish fingers which offer a delicious, quick and convenient meal solution. In 2014 we ate approximately 230 million fish fingers, placed end to end would be over three times higher than Mount Everest.

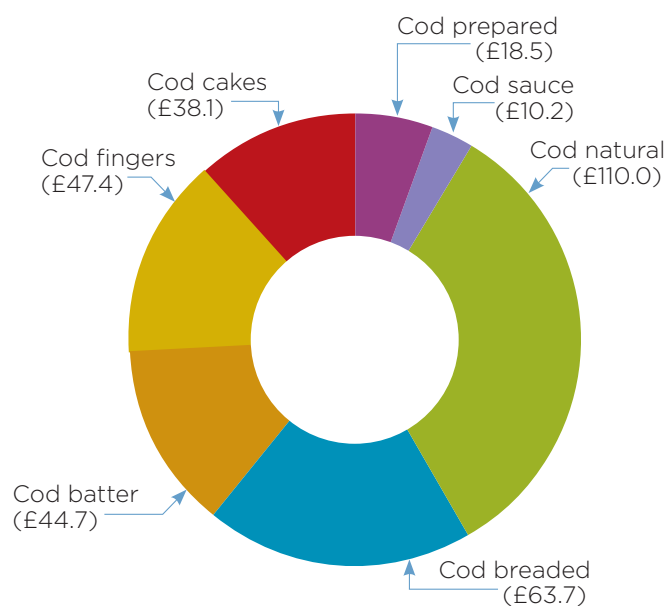
GB Retail Sales Volume 2014 (Nielsen)



Cod Retail sales by sector (£m) 2014



Cod Retail sales by segment (£m) 2014



Cod is a popular purchase in independent fishmongers, ranked as the 3rd most popular species behind haddock and salmon, worth £7.9m (+8.3%) in 2013 (Kantar Worldpanel).

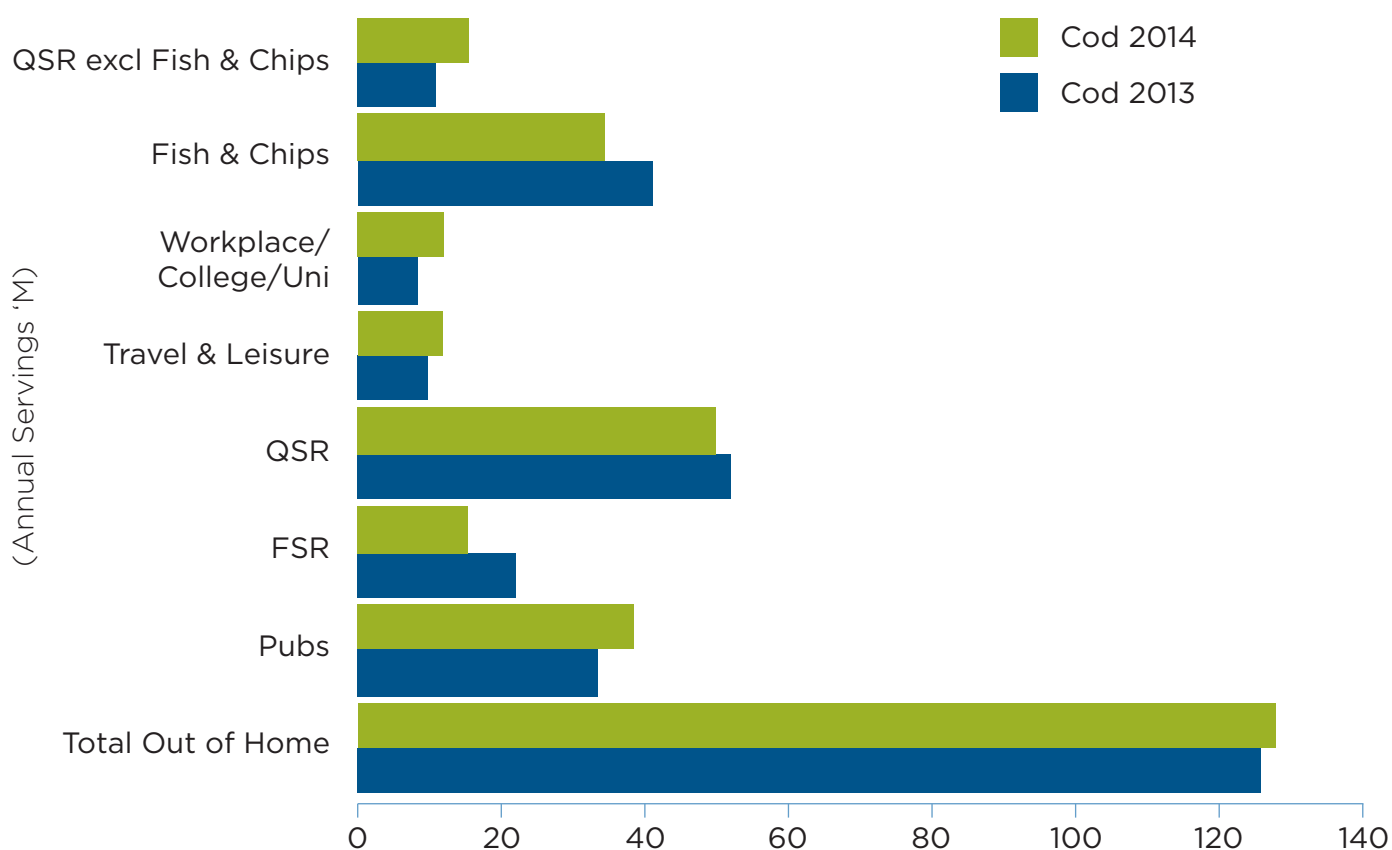
Cod Foodservice

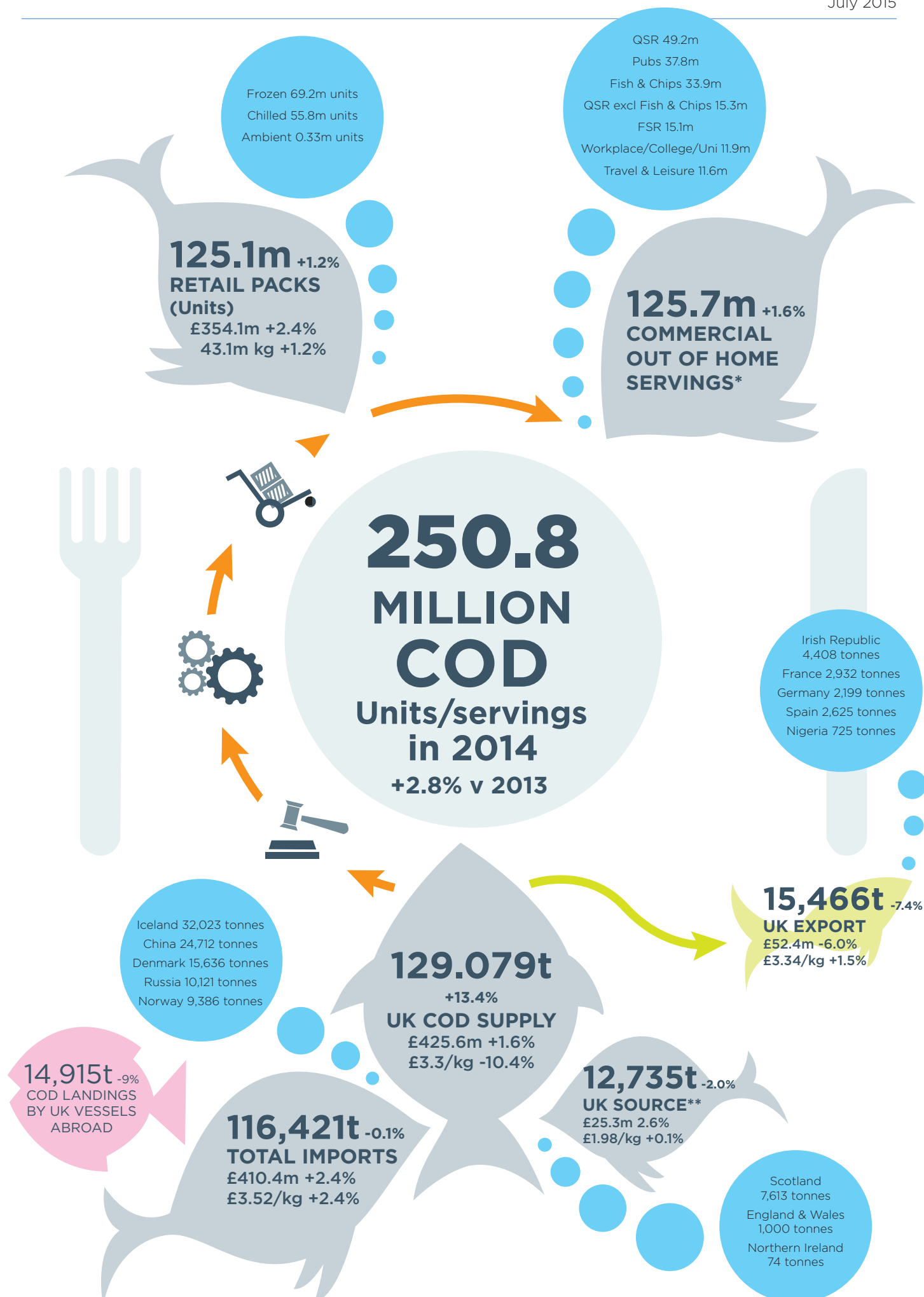
In 2014, total UK foodservice was worth £50.8bn. This included 953m out of home seafood servings, estimated to be worth over £3bn. Cod was the most popular species eaten out of home with 126m servings, followed by haddock, prawns and salmon. Over 90% of the cod servings (114m) can be attributed to fish and chips, with the majority of sales distributed across the fish & chip and pub channels

Popularity of fried fish has fallen in recent years in the fish and chip shop channel, primarily as a result of the economic climate, with customers switching to cheaper options such as fishcakes, sausages and burgers. Cod is holding its own in the pub channel driven by adult sales, here the opportunity is for new NPD around cod products aimed at children.

- Cod is most commonly eaten at dinner or lunch, whilst recent growth has been in snacking and dinner occasions.
- Most cod is eaten on a Friday and Saturday but Sunday consumption is gaining in popularity.
- The typical foodservice cod consumer is over 50 and affluent.

Annual Cod Servings by Channel





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

- Retail Data: A.C Nielsen (Scantrack GB an Homescan, excludes discounters & seafood meals)
- Foodservice: NPD Crest
- Trade Data: HMRC
- Landings: Marine Management Organisation (MMO)
- Kantar World Panel

More Information:

- Seafish 2014 Q4 Retail Summary Report
- Seafish 2014 Q4 Foodservice Report
- Seafish 2014 Q4 Trade Summary Report
- 2014 Cod Flow and Usage