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

seafish

Seafood in multiple retail (2021 update)

A market insight analysis (20m read)

September 2021 Richard Watson

Market Insight Factsheet: Seafood in multiple retail (2021 update)

This factsheet provides a summary of the performance of seafood in multiple retail to June 2021.

In June 2021, COVID-19 continues to provide a significant boost to seafood sales which remain +13% higher than pre COVID-19 and +6.6% higher than last year. The growth driven by more in home meal occasions arising from home working, school closures and the subsequent restrictions on foodservice.

Both chilled and frozen seafood remain in growth. But whilst performing strongly through 2020, the growth of frozen seafood has slowed as sector trends show signs of returning to pre COVID-19 trading patterns (chilled in growth and frozen/ambient sales either static or in decline)

Compared with last year, fewer shoppers are buying seafood, but shopping more often and spending more on larger baskets. Compared to 10 years ago, seafood is becoming a more affluent purchase by established families. With more seafood is consumed by childless, larger households (3-4 members). Where children are present, there is an increase in the 10-15yrs group.

Key Facts/Executive summary:

- The total seafood category remains in full growth. UK retail sales were worth £4.4bn (+8.2%), with a volume of 439,638 tonnes (+6.6%) and an average price of £9.90/kg (+1.5%) (Nielsen Scantrack: 52 weeks to 19.06.21).

- In June 2021, COVID-19 continues to provide a significant volume boost to seafood sales which remain +13% higher than pre COVID-19 and +6.6% higher than last year. The growth driven by more in home meal occasions arising from home working, school closures and the subsequent restrictions on foodservice.

- Compared with last year, fewer shoppers are buying seafood, but shopping more often, and spending more on larger baskets. Seafood remains a predominantly affluent AB/C1, older (age 45+), typically in two person households without children purchase. Compared to 10 years ago, seafood is becoming a more affluent purchase by established families. With more seafood consumed by childless, larger households (3-4 members). Where children are present, there is an increase in the 10-15yrs group.

- The chilled seafood sector remains the largest and the only sector in recent long term volume growth. Although not initially benefiting to the same degree from the COVID-19 boost as frozen and ambient, chilled is proving to be more resilient as sales slide back towards pre COVID levels (chilled +10.7%, frozen +6.9%, ambient -2.1%)

- Over the short term (52 wks. to 19th June 2021), most segments remained in full growth, with only dusted in decline. Prepared, breaded, battered and sushi showed the strongest volume growth. Over the long term (ten years to June 2021) natural, prepared and sushi showed the highest volume growth. Only the meals and sauce segments were in full decline.

- This year salmon returned to dominate seafood volume sales as interest in tuna waned with the farmed whitefish species continuing to show the highest volume growth. Compared to 10 years ago, mixed seafood (+330%), seabass, basa, squid and seabream were the species showing some of the highest volume growth.

- Both the discounters and premium quality orientated retailers like M&S, Waitrose and the Co-operative have grown seafood share since 2008, as shoppers continue to prioritise taste/freshness and price.

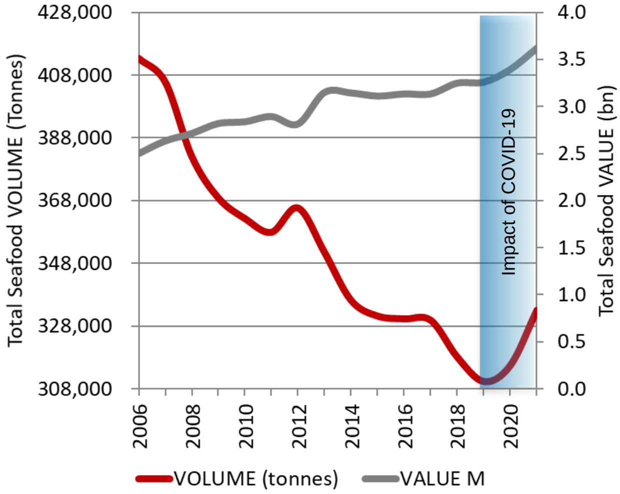
Historic retail seafood sector trends

Over the long term, GB (excluding discounters*) retail seafood sales have been in price driven growth, as inflation drives up average price whilst volumes decline. Up until 2020, chilled seafood was the only sector in consistent growth with frozen and ambient either flat or in decline. (*UK and discounter data has only been available to Seafish for a few years, as yet there is insufficient data to draw on for long term trends).

Arriving in early 2020, the COVID-19 pandemic has had a huge impact on the performance and priorities of UK retail. More in home meal occasions gave a significant boost to seafood sales, this along with the subsequent closure of many foodservice outlets has helped weekly seafood sales remain over 10% higher than before COVID.

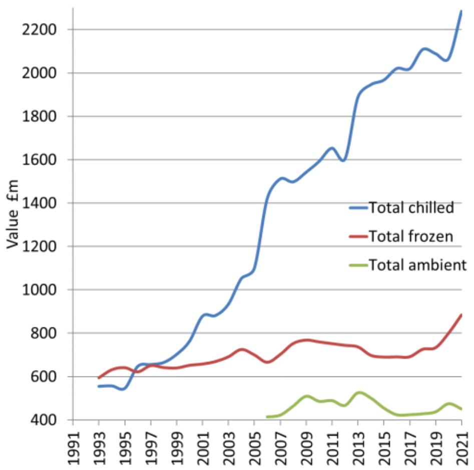
.

Long Term GB Total Seafood Sector Trends



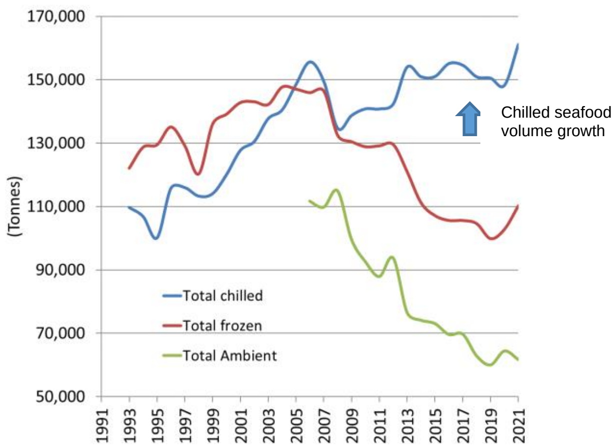
Nielsen Scantrack YE 19.06.21

Long Term GB Seafood Sector Value Trends.



Nielsen GB Scantrack/TNS

Long Term GB Seafood Sector Volume Trends.



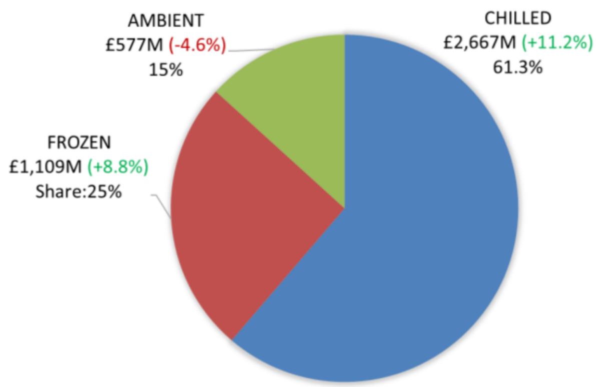
Current UK seafood retail performance

COVID-19 continues to provide a significant boost to seafood sales which remain +13% higher than pre COVID-19 and +6.6% on last year.

In the 52 wks. to June 2021, the total seafood category showed healthy growth, driven by more in home meal occasions arising from home working, school closures and the subsequent restrictions on foodservice. Sales were worth £4.35bn (+8.2%), with a volume of 439,638 tonnes (+6.6%) and an average price of £9.90/kg (+1.5%) (Nielsen Scantrack: 52 weeks to 19.6.21).

In 2020, ambient and especially frozen seafood was the main beneficiary of additional growth. But by 2021,

UK Seafood Sector Share by Value 2021



Nielsen Scantrack YE 19.06.21

the market had started to return to traditional trading patterns with the chilled sector leading category growth once more.

- In the 52 wks. to June 2021, chilled showed the strongest growth; worth £2,667m (+11.2%) with a volume of 200,945 tonnes (+10.7%) and average price of £13.27/kg (+0.5%)
- Frozen also continued a healthy increase in volume, value, and average price; worth £1,109m (+8.8%) with a volume of 149,398 tonnes (+6.9%) and average price of £7.43/kg (+1.8%).
- Ambient seafood returned to decline, worth £577m (-4.6%) with a volume of 82,791tonnes (-2.1%) and average price at £6.47/kg (-2.6%).

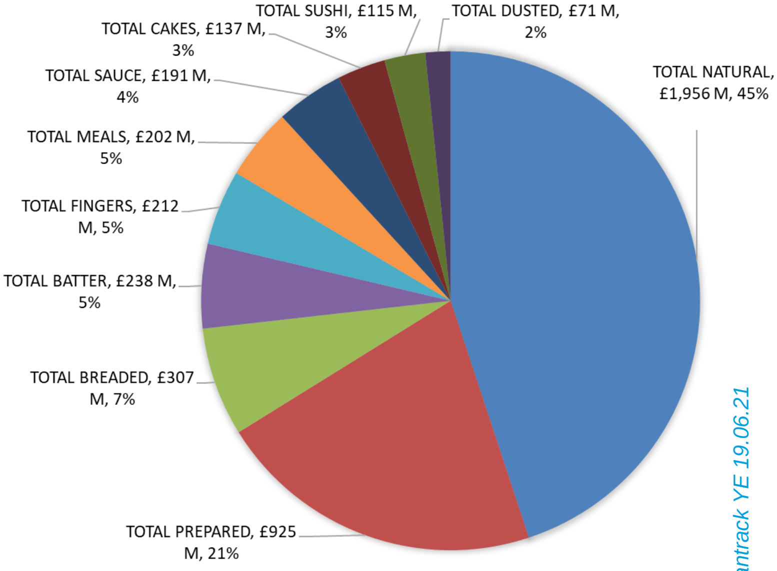
Total seafood segment performance

Total seafood can be split into 10 segments (by product type). The total natural segment (no additional ingredients) continues to take the largest share, by both value 45% (+2pp) percentage point change), and volume 30% (+1pp), 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.

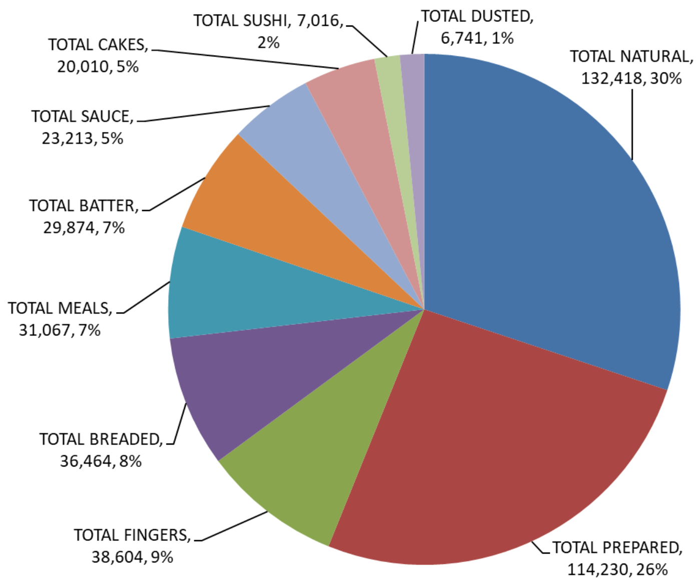
This year, continued home working and school closures boosted share of battered and prepared, with partial return to work boosting sushi sales. Most segments remained in full growth, with only dusted in decline. Over the short term (52 wks. to 19th June 2021), prepared, breaded battered and sushi showed the strongest volume growth. The growth in coated segments principally driven by demand for frozen formats.

Over the long term (ten years to June 2021) natural, prepared and sushi showed the highest volume growth. Only the meals and sauce segments were in full decline. Despite a double-digit boost from COVID, breaded seafood sales remain significantly lower than 10 years ago whilst batter and fingers have just nudged into growth.

Segment Value Share of UK Total Seafood 2020



Segment Volume Share of UK Total



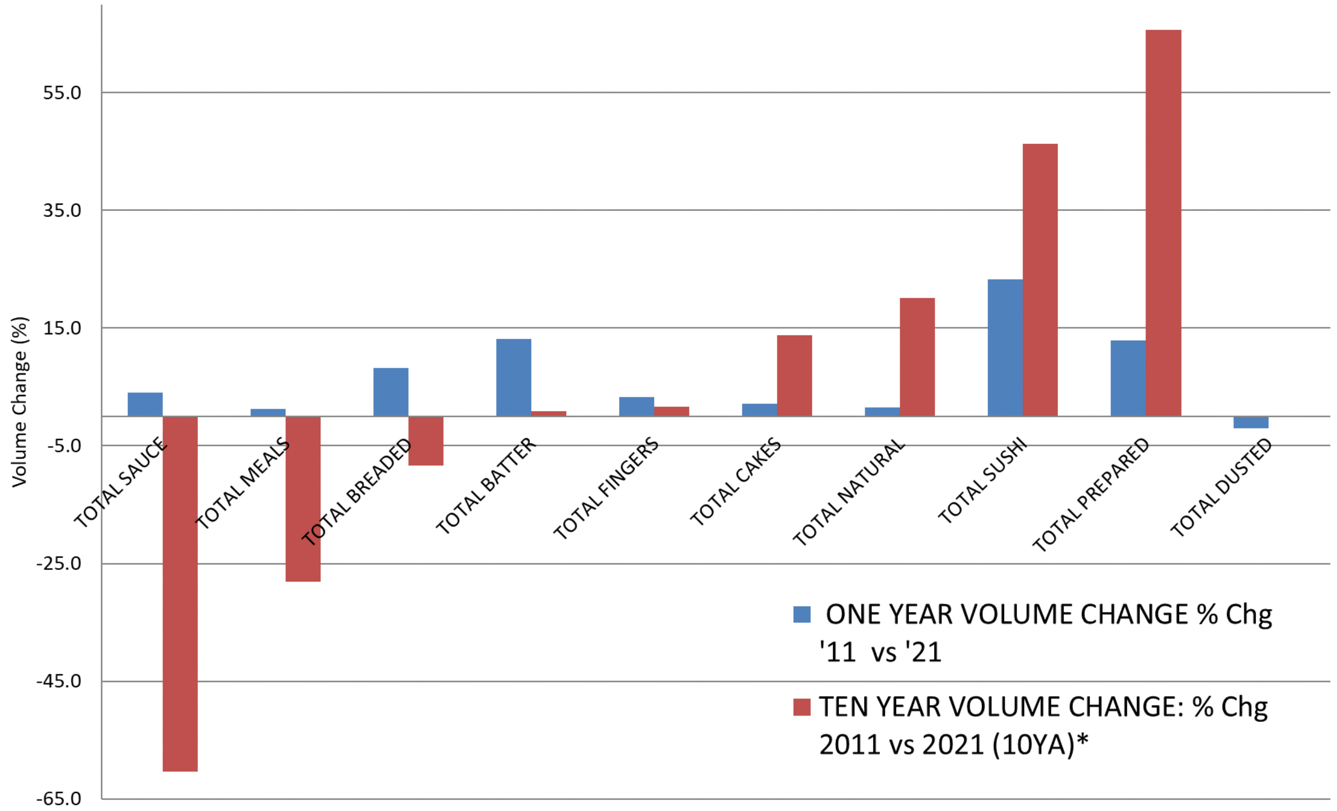
Nielsen Scantrack YE 19.06.21

UK total seafood sector and segment performance to 2021

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2019 52wks to 19.6.19	2020 52wks to 19.6.20	2021 52wks to 19.6.21	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*	2019 52wks to 19.6.19	2020 52wks to 19.6.20	2021 52wks to 19.6.21	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*	Avg Price 2021 (£)	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*
TOTAL SEAFOOD	3,830,359	4,023,086	4,354,035	8.2	25.7	391,728	412,470	439,638	6.6	-9.0	£9.90	1.5	38.2
FRESH	2,369,775	2,398,281	2,667,280	11.2	39.8	177,582	181,566	200,945	10.7	13.6	£13.27	0.5	23.1
FROZEN	912,382	1,019,264	1,109,292	8.8	16.2	131,355	139,713	149,398	6.9	-16.8	£7.43	1.8	39.7
AMBIENT	548,202	605,542	577,463	-4.6	-7.0	82,791	91,191	89,295	-2.1	-33.0	£6.47	-2.6	38.9
TOTAL NATURAL	1,692,454	1,755,877	1,955,720	11.4	53.8	109,910	117,265	132,418	1.5	20.1	£14.77	-1.4	28.0
TOTAL PREPARED	849,307	907,880	924,978	1.9	42.3	104,409	112,541	114,230	12.9	65.7	£8.10	0.4	-14.1
TOTAL BREADED	244,085	278,677	306,952	10.1	31.7	30,820	33,704	36,464	8.2	-8.3	£8.42	1.8	43.8
TOTAL BATTER	178,750	206,548	238,149	15.3	52.4	24,200	26,399	29,874	13.2	0.8	£7.97	1.9	51.1
TOTAL FINGERS	173,442	200,273	212,275	6.0	40.5	34,819	37,383	38,604	3.3	1.7	£5.50	2.6	38.1
TOTAL MEALS	204,963	195,849	202,072	3.2	-7.2	32,879	30,693	31,067	1.2	-28.1	£6.50	1.9	35.0
TOTAL SAUCE	187,375	183,632	191,048	4.0	-32.8	22,764	22,312	23,213	4.0	-60.3	£8.23	0.0	69.4
TOTAL CAKES	125,774	130,133	136,765	5.1	31.0	19,074	19,602	20,010	2.1	13.8	£6.83	3.0	15.1
TOTAL SUSHI	105,717	93,015	115,220	23.9	98.0	6,267	5,690	7,016	23.3	46.3	£16.42	0.5	35.5
TOTAL DUSTED	68,491	71,202	70,857	-0.5	NA	6,586	6,881	6,741	-2.0	NA	£10.51	1.6	NA

*Nielsen Scantrack YE 19.06.21 (*10yr GB)*

Seafood segment volume performance to 2021



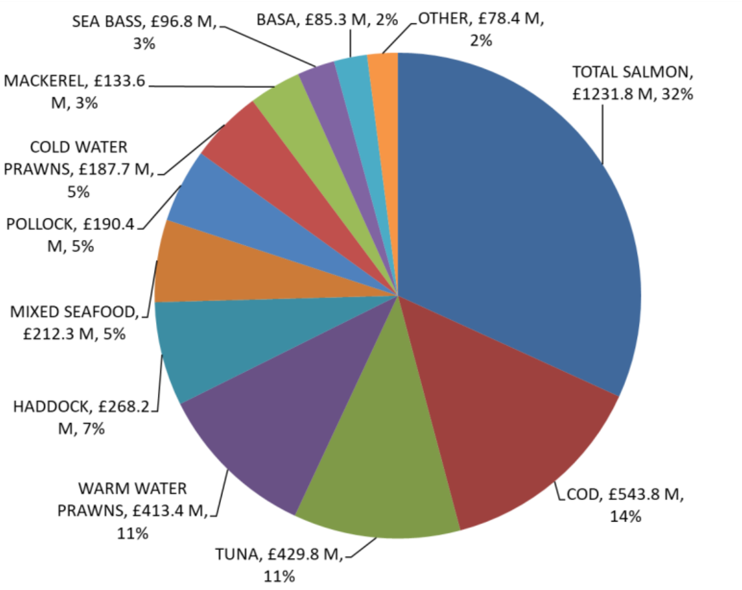
*Nielsen Scantrack YE 19.06.21 (*10yr GB)*

Total species performance

Despite shoppers' recent interest in coated cod and haddock, salmon continues to dominate seafood sales and grow share, with a 32% (+1.0pp) value share of the top species. Worth over double the value of cod, salmon sales stood at £1.231bn, (+10.5%) and 75,368 tonnes (+14.5%) in the 52wks to 19.06.21. Cod value share remained the same, as the second most valuable UK species with 14% share. Tuna lost the most value share down 2pp.

Last year, panic buying of cupboard staples temporarily put tuna back on top as the UK's most popular seafood by volume, pushing salmon into second place; this has now been reversed. The three species, salmon, tuna, and cod each take a similar volume share at 20%, 17% and 17% respectively of the top selling species.

Top species value share of UK total seafood (2021)



Nielsen Scantrack YE 19.06.21

Total seafood species performance to 2021

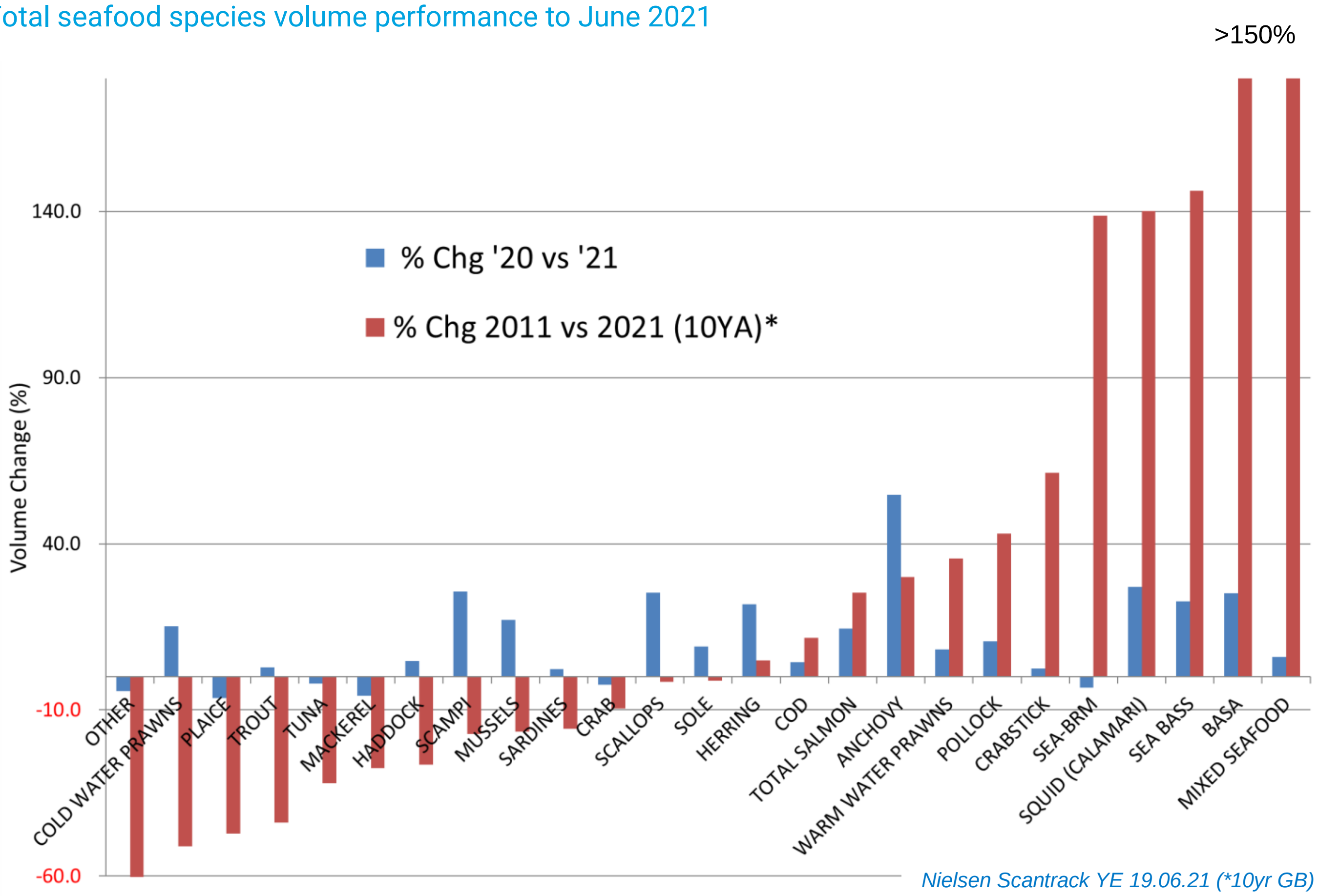
	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2019 52wks to 19.6.19	2020 52wks to 19.6.20	2021 52wks to 19.6.21	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*	2019 52wks to 19.6.19	2020 52wks to 19.6.20	2021 52wks to 19.6.21	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*	Avg Price 2021 (£)	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*
TOTAL SEAFOOD	3,830,359	4,023,086	4,354,035	8.2	25.7	391,728	412,470	439,638	6.6	-9.0	£9.90	1.5	38.2
TOTAL SALMON	1,069,767	1,115,061	1,231,811	10.5	55.9	62,221	65,841	75,386	14.5	25.2	£16.34	-3.5	24.5
COD	487,113	508,598	543,847	6.9	39.2	59,932	60,962	63,672	4.5	11.6	£8.54	2.4	24.7
TUNA	412,364	450,404	429,825	-4.6	-2.6	60,858	68,061	66,631	-2.1	-32.1	£6.45	-2.5	43.5
WARM WATER PRAWNS	353,267	369,441	413,419	11.9	70.5	24,662	25,724	27,815	8.1	35.6	£14.86	3.5	25.7
HADDOCK	239,495	253,540	268,198	5.8	-6.6	24,625	26,553	27,816	4.8	-26.4	£9.64	1.0	26.9
MIXED SEAFOOD	198,506	193,261	212,323	9.9	440.6	21,522	20,875	22,123	6.0	334.3	£9.60	3.7	24.5
POLLOCK	147,363	171,228	190,391	11.2	66.4	31,284	33,865	37,486	10.7	43.0	£5.08	0.5	16.4
COLD WATER PRAWNS	165,323	162,604	187,709	15.4	-24.8	13,754	13,063	15,047	15.2	-51.0	£12.47	0.2	53.6
MACKEREL	131,355	138,677	133,628	-3.6	-0.4	17,562	17,650	16,632	-5.8	-27.5	£8.03	2.3	37.3
SEA BASS	67,126	77,282	96,825	25.3	209.0	4,185	4,720	5,787	22.6	146.3	£16.73	2.2	25.5
BASA	58,612	70,420	85,335	21.2	323.0	7,364	9,132	11,429	25.2	291.7	£7.47	-3.2	8.0
OTHER	71,886	76,707	78,419	2.2	-82.2	14,811	16,054	15,344	-4.4	-84.6	£5.11	7.0	15.5
SCAMPI	57,730	65,824	78,016	18.5	8.5	5,284	5,962	7,491	25.6	-17.3	£10.42	-5.7	31.2
SARDINES	40,533	44,202	42,626	-3.6	-2.1	8,464	9,238	9,450	2.3	-15.7	£4.51	-5.7	16.2
CRABSTICK	37,786	39,026	39,465	1.1	52.9	9,692	10,031	10,270	2.4	61.3	£3.84	-1.2	-5.2
TROUT	35,403	33,058	36,361	10.0	-4.0	2,456	2,194	2,256	2.8	-43.9	£16.12	7.0	71.2
SOLE	29,399	30,724	33,718	9.7	12.3	2,294	2,511	2,741	9.2	-1.3	£12.30	0.6	13.7
MUSSELS	24,199	24,399	27,124	11.2	-8.6	4,245	4,241	4,963	17.0	-16.6	£5.47	-5.0	9.5
CRAB	24,143	21,726	25,150	15.8	51.7	1,301	956	933	-2.5	-9.6	£26.97	18.7	67.8
SQUID (CALAMARI)	17,239	17,523	21,893	24.9	149.3	1,452	1,427	1,813	27.1	140.1	£12.08	-1.7	3.8
SCALLOPS	17,449	17,224	21,785	26.5	24.1	727	708	887	25.3	-1.6	£24.56	1.0	26.1
ANCHOVY	12,562	14,763	19,557	32.5	39.1	744	829	1,284	54.8	30.0	£15.24	-14.4	7.0
PLAICE	19,704	18,325	17,513	-4.4	-36.0	1,814	1,563	1,463	-6.5	-47.2	£11.97	2.2	21.1
HERRING	13,517	14,276	15,423	8.0	21.4	2,028	2,196	2,676	21.9	4.9	£5.76	-11.3	15.7
SEA-BRM	15,293	14,204	14,179	-0.2	170.7	1,003	1,010	976	-3.3	138.6	£14.53	3.3	13.4

**Other- cheaper unidentified whitefish Nielsen Scantrack YE 19.06.21(*10yr GB)*

In the 52wks to 19th June 2021, the market moved away from oven staple coated products which saw a boost in sales in 2020, to more meal centric ‘up market’ species more associated with foodservice. Salmon enjoyed strong double-digit growth, whilst cod and haddock growth slowed. Seabass, basa, squid, scallops, scampi, and anchovy showed some of the highest volume growth.

Over the long term (ten years to 19th June 2021), six of the top ten species (salmon, cod, warm water prawns, mixed seafood and pollock and seabass) were in full growth. Volume growth of over 330% was seen from ‘mixed seafood’ (attractive to shoppers due to convenience and price); whilst farmed species including basa, seabass, and seabream (traditional whitefish alternatives) grew volume by up to 291%.

Total seafood species volume performance to June 2021



What could be considered ‘traditional’ seafood species cold water prawns, plaice, trout, mackerel, haddock, sardines, and crab are showing the highest long-term decline in consumption. Along with ‘other’ which captures the cheaper seafood products where species is not mentioned such as ‘fish‘ pie or ‘fish’ fingers. The decline of ‘other’ seafood driven by seafood shopper’ focus on quality but also health driven to front of mind by the recent food scandals and now COVID-19.

Despite the typical seafood shopper prioritising taste/quality above price, significant long term inflation (38%) will undoubtedly impact on sales. Cold water prawns, crab and trout have experienced some of the highest inflation over the past 10 years and a fall in sales. However, there are many farmed species such as salmon, warm water prawns, seabass etc where consumption has continued to increase despite double digit price increases.

If recession begins to bite in 2022, expect initial price sensitivity but a repeat of 2008 recession habits will see seafood shoppers refocus on taste/quality and health to meet their value for money expectations.

Total seafood vs other proteins

In 2017 the total seafood category became the highest value protein category, pushing total red meat into second place. In 2021, all protein categories were in growth; the GB value of total seafood was worth £164m more than total red meat and £890m more than poultry, its nearest competitors and this gap is widening. In 2021 the number of unit sales continued to grow across all protein categories including chilled and frozen seafood.

The seafood shopper

In 2021, the number of shoppers purchasing seafood fell slightly. Total seafood penetration (i.e., the % of shoppers who purchase seafood) remains very high, at 96.3%. Compared with the previous year, fewer shoppers are shopping more often, and spending more on larger baskets. Shoppers bought an average 0.5kg of seafood per trip - spending on average £4.92 per trip; and bought seafood 30 times per year, spending a total of £148.11 on 15.8 kg/yr.

Nielsen demographics still define the total seafood shopper as predominantly affluent AB/C1, older (age 45+), typically in two person households without children present. Where children are present, they are typically aged 5-10 yrs.

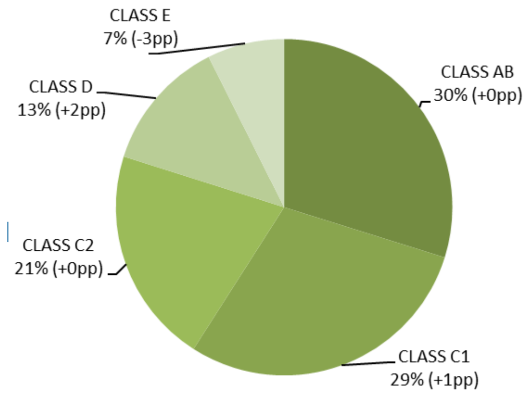
2021 seafood demographics % shoppers (by volume)

	TOTAL FISH	AMBIENT	CHILLED	FROZEN
CLASS AB	29.8	27.9	33.6	26.2
CLASS C1	29.2	28.8	29.8	28.7
CLASS C2	20.8	22.8	18.7	22.4
CLASS D	12.7	12.8	11.0	14.7
CLASS E	7.4	7.8	6.8	8.0
SIZE 1 MEMBER	22.5	21.4	25.4	19.4
SIZE 2 MEMBERS	38.3	35.4	42.0	35.4
SIZE 3.4 MEMBERS	31.8	34.5	27.5	35.5
SIZE > 5 MEMBERS	7.5	8.7	5.1	9.7
<35 YEARS	12.4	15.5	10.2	13.5
35 TO 44 YEARS	16.1	18.2	14.1	17.5
45 TO 64 YEARS	36.9	38.8	35.3	37.8
65+ YEARS	34.5	27.5	40.4	31.2
CHILDREN YES	25.8	29.2	20.5	30.6
CHILDREN NO	74.2	70.8	79.5	69.4
CHILD 0 TO 4 YEARS	23.9	22.2	24.4	24.3
CHILD 5 TO 10 YEARS	38.5	39.5	36.9	39.4
CHILD 11 TO 15 YEARS	37.6	38.3	38.7	36.3
PRE FAMILY	6.0	7.7	5.5	5.6
NEW FAMILY	5.1	5.4	4.4	5.7
MATURING FAMILIES	12.8	14.7	9.5	16.0
ESTABLISHED FAMILIES	10.3	12.0	8.4	11.8
POST FAMILIES	15.7	16.9	15.8	14.9
OLDER COUPLES	34.3	29.8	37.8	32.4
OLDER SINGLES	15.8	13.5	18.5	13.6

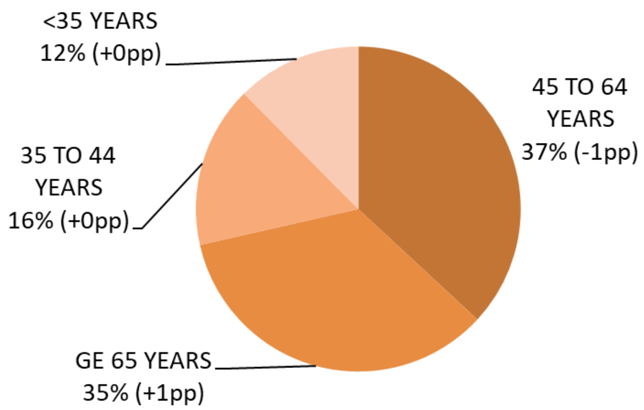
Nielsen Homescan 52 wks. ending 19th June 2021

Seafood is becoming a more affluent purchase by established families. Compared to 10 years ago, more seafood is consumed by childless, larger households (3-4 members). Where children are present, there is an increase in the 10-15yrs group. Since 2016 the share of seafood consumed by the oldest demographic (over 65 yrs.) has decreased whilst with a corresponding gain in the youngest <35 age groups. Likewise, the high average price of seafood is forcing the least affluent E demographic to trade out of seafood as share fell by -36% since 2016; with corresponding growth in D and C1shoppers

Household size - share of retail seafood 2021 (volume)



Age - share of retail seafood 2021 (volume)



Nielsen Homescan YE 19.06.21

Where are shoppers purchasing seafood?

The percentage of pre-packaged seafood continues to grow as it has done over the long term, with shoppers reporting wanting to be in and out of store as quickly as possible and being intimidated by having to ask the fishmonger. This is not a new trend, the majority of the shift to prepack occurred several decades ago and not as a result of additional counter closures due to COVID-19. In 2019, pre COVID-19, the volume share of prepack seafood stood at 91%. This grew to 96% in 2020, and now stands at 97% in 2021. This puts more emphasis on the need to provide prepack products which meet shopper requirements around freshness, minimising handling/preparation, and ease of cook.

Tesco regains the title as the largest single GB seafood retailer, followed by Sainsbury with the combined discounters Aldi and Lidl closing the gap fast.
Since the start of the 2008 financial crisis, in general it it's the retailers offering seafood with a high freshness quality or low prices that have grown seafood share of sales.

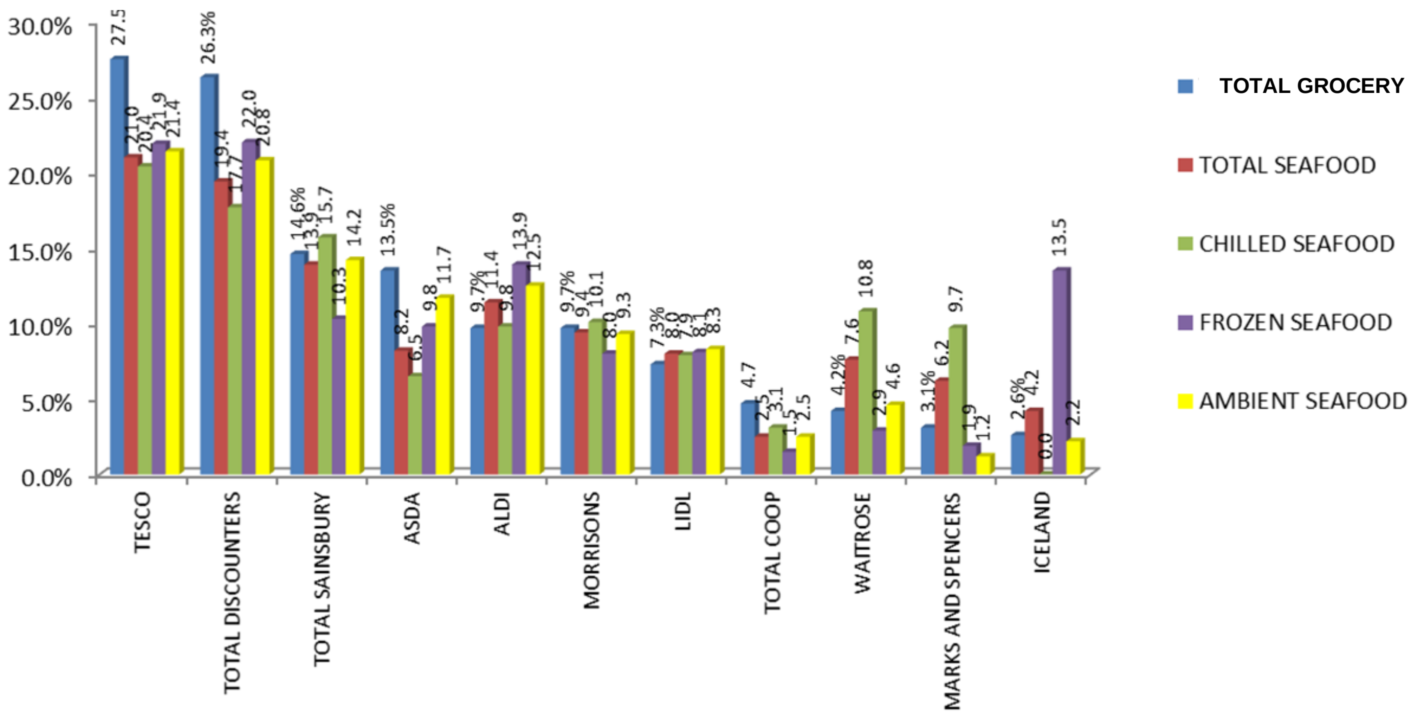
Over the past ten years, discounters have substantially grown total seafood share. Aldi has seen the largest growth from a 1.5% share in 2008 to 10.5% in 2021 a 600% increase (data includes recent Nielsen adjustment to improve discounter product capture); the quality, price and 'Britishness' messages continuing to resonate with shoppers.
Premium quality orientated retailers like M&S, Waitrose and the Co-operative have also grown share as shoppers continue to prioritise taste and freshness above price.

Grocer share of seafood change 2008 vs 2021

	Seafood Share Change 2021 vs 2008
ALDI	600.44
TOTAL DISCOUNTERS	249.52
LIDL	161.39
WAITROSE	43.00
MARKS AND SPENCERS	25.17
TOTAL COOP	23.65
FARMFOODS	0.11
ICELAND	-1.02
MORRISONS	-13.65
TESCO	-13.80
TOTAL SAINSBURY	-19.15
ASDA	-33.99

Nielsen Homescan YE 19.06.21

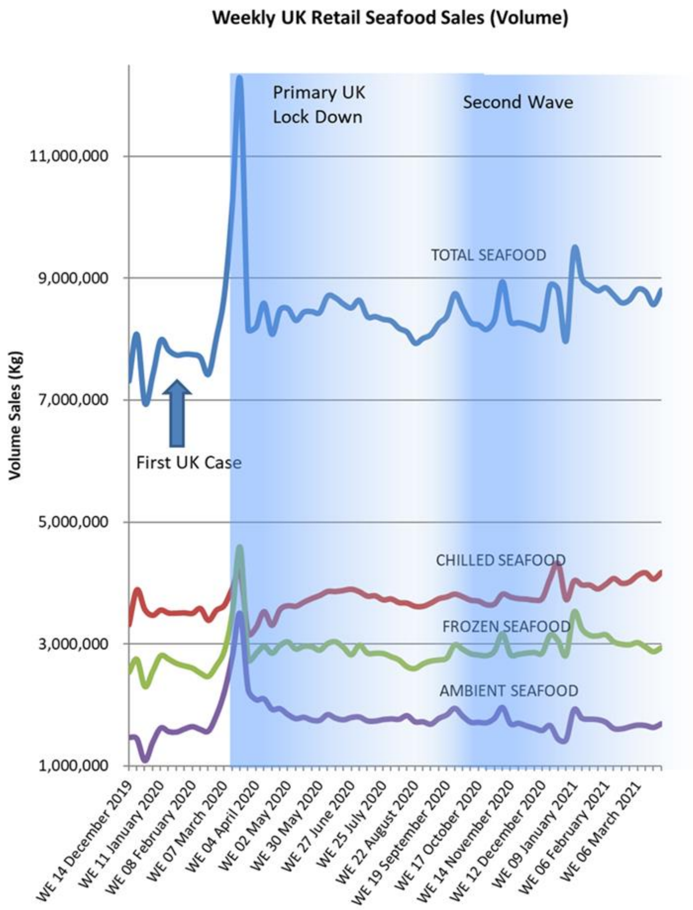
Grocer share of seafood and total grocery 2021 (volume)



The effect of COVID-19 and the future of retail seafood

The COVID-19 pandemic has had a huge impact on the UK grocery, with retail gaining additional sales from panic buying, home working, school closures and the subsequent restrictions on foodservice. This has given seafood a substantial boost with volume sales typically remaining 10% higher than pre COVID-19 into 2021.

Panic buying in March 2020 lasted 4 weeks, at its peak, total seafood weekly volume sales grew by 58%, driven by strong demand in all sectors. Frozen seafood consumption briefly outstripped chilled for the first time since 2005 and the struggling ambient (canned and shelf stable), saw a +117% boost as shoppers prioritised cupboard and freezer staples.



COVID-19 Key insight:

- Sales of frozen coated (breaded, battered, cakes and fingers) and natural seafood remained especially strong through of 2020. Driven by more mouths to feed at home, demanding quick easy oven meal solutions and people having more time for creative home cooking.
- Species often enjoyed in foodservice such as lobster, scampi and langoustine and octopus also saw significant growth as foodservice outlets remained closed.
- By the end of March 2021 seafood sales remained elevated, but sector trends show signs of returning to 'normal' patterns as with chilled in returning to dominance and frozen/ambient sales either slowing or in decline.

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

Subscribe to Market Insight Reports:
Individuals working full time for a seafood business can apply for a password to access Seafish Retail, Foodservice, Shopper, and Trade Reports directly. Click here to subscribe.

More Information:
For the full range of market insight factsheets, covering different sectors of the seafood industry go to the Seafish website - https://www.seafish.org/insight-and-research/

For more information please contact:

Richard Watson
Market Insight Analyst

E: Richard.Watson@seafish.co.uk

Seafish
Origin Way
Europarc
Grimsby
DN37 9TZ

www.seafish.org

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

seafish