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the support it needs to thrive.

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Frozen Seafood in Multiple Retail (2021)

A market insight analysis
(20m read)

January 2022 Richard Watson

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

Key frozen facts/ Executive summary:

- Although frozen seafood sales remain higher than pre COVID-19, the rate of growth enjoyed in 2020 has slowed. By mid 2021, chilled seafood had returned to driving the seafood category once more.

- Frozen seafood took the second largest share 25% (-0.6pp percentage points) of the category behind chilled. Frozen seafood was worth £1,080m (+1.6%) with a volume of 145,568 tonnes (+1.2%); with an average price of £7.42/kg (+0.4%).

- Compared to the previous year, fewer shoppers bought frozen seafood more often with a larger basket size. On average, frozen shoppers bought 0.55kg of frozen fish per trip spending £4.01; buying frozen seafood 11.2 times per year, spending a total of £44.75, equating to 6.12kg over the year.

- Around half the frozen segments remained in short term volume growth as frozen consumption slowed; frozen natural, battered and prepared showed the strongest growth. Compared to ten years ago all frozen segments remained in volume decline.

- Frozen cod consumption declined heavily to the point where it is likely to be replaced by Alaskan pollack (coded pollock) as the most popular frozen seafood next year.

- Most frozen species were in short term growth except for cod and mussels. Whilst scampi, basa, squid and scallops performed strongly. Long term top frozen performers included basa, mixed seafood, squid, lobster, and mackerel.

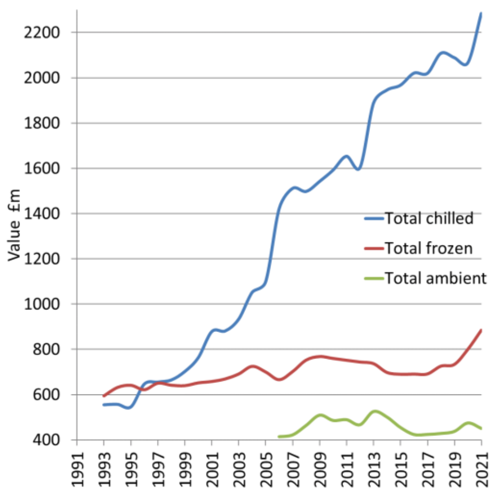
- Compared to 5 years ago, frozen seafood has lost a significant number of buyers in the lowest E demographic. Becoming a slightly more affluent purchase bought by younger, larger households with more children present. Where children are present, there is a move to older children in the age group of 11 to 15 years.

Historic retail seafood sector trends

Over the long term, the seafood category has been in price driven growth, as inflation drives average price and consumption declines.

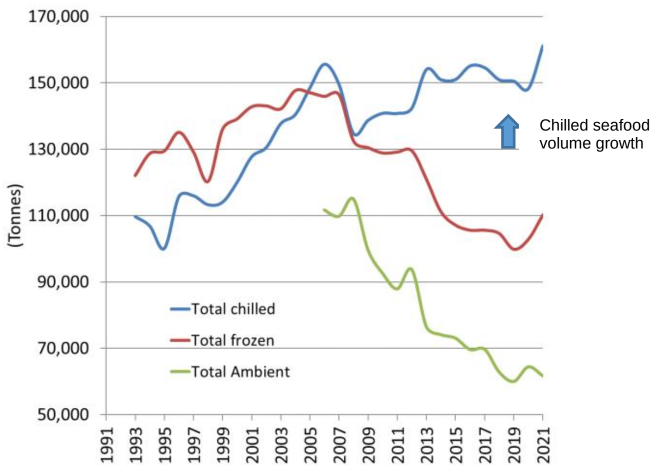
Unlike the chilled sector, frozen seafood consumption has been in general decline since 2008. Frozen seafood volume sales briefly rallied in 2012 and 2018 in line with lower disposable household income. But in 2020, the COVID-19 epidemic triggered panic buying, working from home and school closures which had the effect of boosting all sectors, but particularly coated and natural frozen seafood boosting weekly volume sales +74% higher than the previous year. By mid-2021 the demand for frozen had slowed with chilled once more driving the category.

Long Term GB Seafood Sector Value Trends.



Nielsen GB Scantrack/TNS

Long Term GB Seafood Sector Volume Trends.

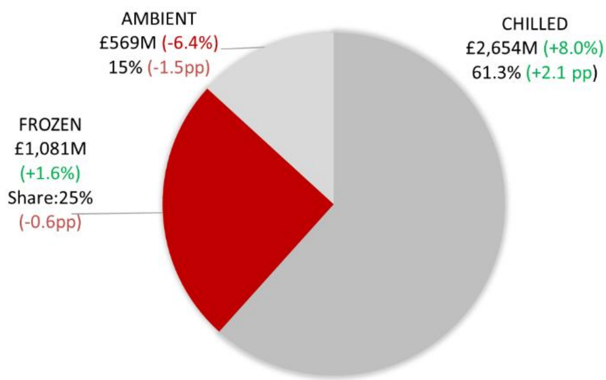


Frozen seafood performance

In the 52 wks. to 9th[rd] October 2021, the total seafood category showed healthy growth driven by more in home meal occasions, continued home working, school closures and slow reopening of foodservice. Sales were worth £4.3bn (+4.2%), with a volume of 434,307 tonnes (+7.9%) and an average price of £9.75/kg (+3.0%) (Nielsen Scantrack).

Demand for frozen seafood slowed significantly this year. Frozen seafood took the second largest share 25% (-0.6pp percentage points) of the category behind chilled. Frozen seafood was worth £1,081m (+1.6%) with a volume of 145,568 tonnes (+1.2%); with an average price of £7.42/kg (+0.4%).

UK seafood sector share by value 2021



Nielsen Scantrack YE 09.10.21

Over the long term (10 years to 9th October 2021), frozen seafood remains in price driven growth, with value up +12.3% and volume down by -19.4%. Frozen average price per kg grew by 39.3%, compared to chilled which experienced a lower price increase of 22.6%

Frozen seafood KPI's

In the 52 wks. to October 2021, fewer shoppers bought frozen seafood. Penetration remained higher than that of chilled or ambient seafood, with 86.3% of shoppers buying frozen seafood. Compared with the previous year, fewer shoppers bought frozen seafood more often with a larger basket size. On average, frozen shoppers bought 0.55kg of frozen fish per trip spending £4.01; buying frozen seafood 11.2 times per year, spending a total of £44.75, equating to 6.12kg over the year.

Frozen seafood KPI's 2021

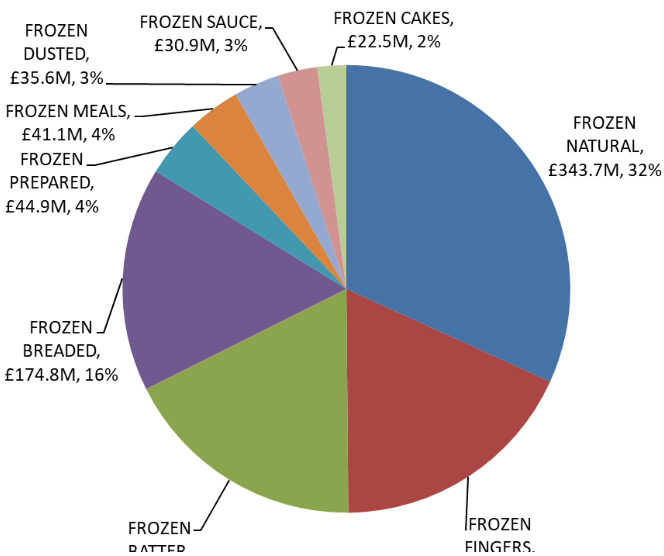
		Pen %	Freq	AWOP (Kg) 52w	Avg Spend (£) 52w	Trip Spend (£)	Price per Kg	Avg Trip Kg
TOTAL SEAFOOD	05-Oct-20	96.70	29.60	15.38	140.92	4.76	9.16	0.52
	03-Oct-21	96.10	29.90	15.56	146.61	4.90	9.42	0.52
	% Change	-0.5	0.9	1.2	4.0	3.1	2.8	0.2
CHILLED SEAFOOD	05-Oct-20	82.00	19.20	7.74	94.94	4.96	12.27	0.40
	03-Oct-21	81.90	20.10	8.15	102.10	5.09	12.53	0.41
	% Change	-0.1	4.7	5.3	7.5	2.7	2.1	0.6
FROZEN SEAFOOD	05-Oct-20	87.10	11.10	6.05	43.74	3.95	7.23	0.55
	03-Oct-21	86.30	11.20	6.12	44.75	4.01	7.31	0.55
	% Change	-0.9	0.7	1.2	2.3	1.6	1.2	0.4
AMBIENT SEAFOOD	05-Oct-20	80.10	9.20	4.06	25.34	2.76	6.24	0.44
	03-Oct-21	76.40	9.00	3.94	24.54	2.71	6.23	0.44
	% Change	-4.6	-1.6	-3.0	-3.1	-1.5	-0.1	-1.3

Nielsen Homescan YE Oct' 21

Frozen seafood segment performance

The frozen natural segment (i.e., includes no additional ingredients) increased share and remains the largest frozen segment by value; worth £343.7m (+3.4%), with 34,247 (+2.7%) tonnes and an average price of £10.04/kg (+0.6%). Frozen natural has the highest average price of all the frozen segments but remains popular due to its perceived quality. Frozen fingers take the second largest share at 18% (-0.8pp), batter 18%, (+0.9pp) and breaded 16% (-0.3pp). Frozen batter showed the largest volume share increase (+0.9pp).

Segment value share of UK frozen seafood 2021 (£m)

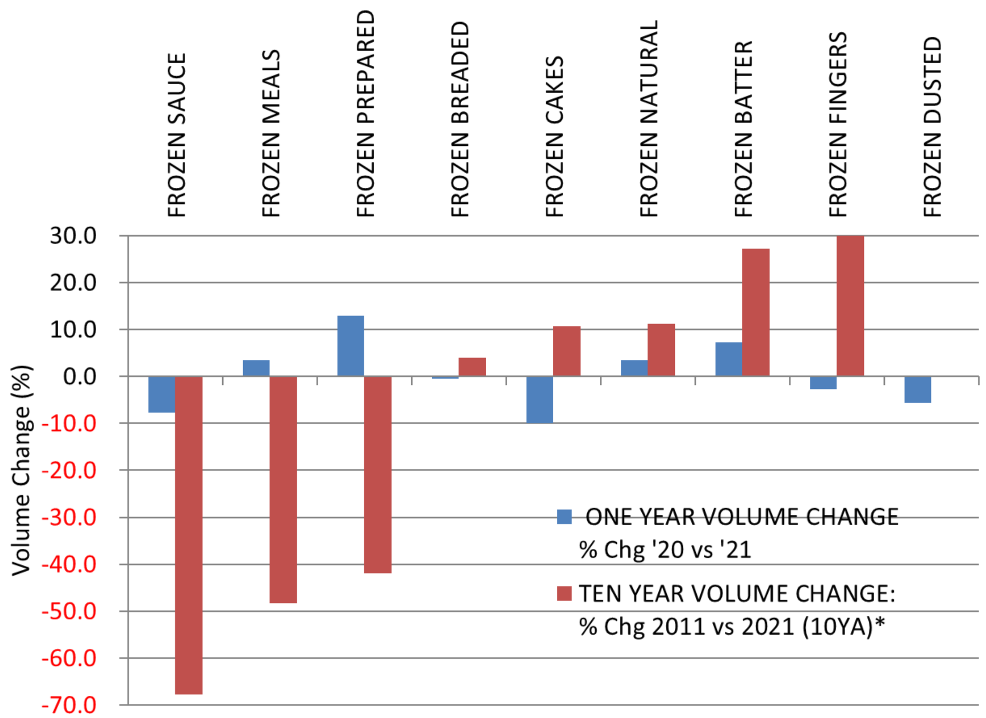


Nielsen Scantrack YE 09.10.21

In the 52wks to 9th October 2021, most frozen segments struggled. Frozen natural, batter, prepared and meals were in full growth helped by continued working from home, and closure of schools in the first half of the year driving more meal occasions. Whilst fingers, dusted, sauce, breaded and cake segments were in full decline.

Over the 10 years to 9th October 2021, none of the frozen segments were in full growth; even the boost from COVID-19 was not sufficient to overcome the long term volume decline in all segments. Frozen natural, fingers, batter lost the least volume; whilst prepared, meals and sauce were the hardest hit, losing up to -85% volume in the past 10 years.

Long & short term frozen segment volume trends (2011/20 vs 2021)



(Data: Nielsen Scantrack – 10yrs/52wks to 09.10.21)

UK frozen seafood segment performance to 2021

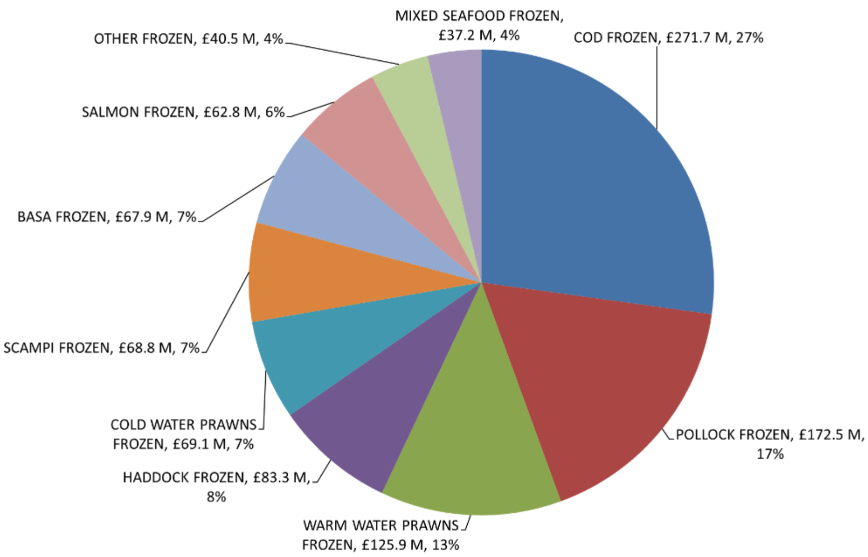
	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2019 52wks to 09.10.19	2020 52wks to 09.10.20	2021 52wks to 09.10.21	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*	2019 52wks to 09.10.19	2020 52wks to 09.10.20	2021 52wks to 09.10.21	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*	Avg Price 2021	% Chg '20 vs '21	% Chg 2011 vs 2021 (10YA)*
FISH	3,851,137	4,129,919	4,303,868	4.2	24.0	393,538	421,686	434,307	3.0	-10.1	£9.91	1.2	37.9
CHILLED	2,372,979	2,458,289	2,654,106	8.0	39.2	178,231	186,291	200,026	7.4	13.6	£13.27	0.6	22.6
FROZEN	920,917	1,063,830	1,080,823	1.6	12.3	130,992	143,833	145,568	1.2	-19.4	£7.42	0.4	39.3
AMBIENT	557,241	607,800	568,938	-6.4	-9.6	84,316	91,562	88,713	-3.1	-33.7	£6.41	-3.4	36.4
FROZEN NATURAL	291,541	332,425	343,700	3.4	11.1	29,334	33,331	34,247	2.7	-18.0	£10.04	0.6	35.6
FROZEN FINGERS	170,575	200,869	195,217	-2.8	30.0	34,206	37,452	36,385	-2.8	-3.6	£5.37	0.0	34.8
FROZEN BATTER	152,140	178,902	191,997	7.3	27.2	22,073	24,168	26,133	8.1	-10.8	£7.35	-0.8	42.5
FROZEN BREADED	141,445	175,811	174,849	-0.5	4.0	18,717	21,963	22,011	0.2	-28.4	£7.94	-0.8	45.4
FROZEN PREPARED	34,122	39,774	44,906	12.9	-41.9	4,223	4,760	5,307	11.5	-57.7	£8.46	1.3	37.5
FROZEN MEALS	40,444	39,776	41,126	3.4	-48.4	10,089	9,337	9,640	3.3	-61.3	£4.27	0.1	33.3
FROZEN DUSTED	34,860	37,716	35,585	-5.7	n/a	3,725	4,008	3,842	-4.1	n/a	£9.26	-1.6	n/a
FROZEN SAUCE	33,539	33,545	30,936	-7.8	-67.7	4,118	3,989	3,583	-10.2	-85.1	£8.63	2.7	117.1
FROZEN CAKES	22,252	25,011	22,508	-10.0	10.6	4,506	4,825	4,419	-8.4	-18.3	£5.09	-1.7	35.6

(Data: Nielsen Scantrack – 10yrs/52wks to 09.10.21)

Frozen Seafood Species

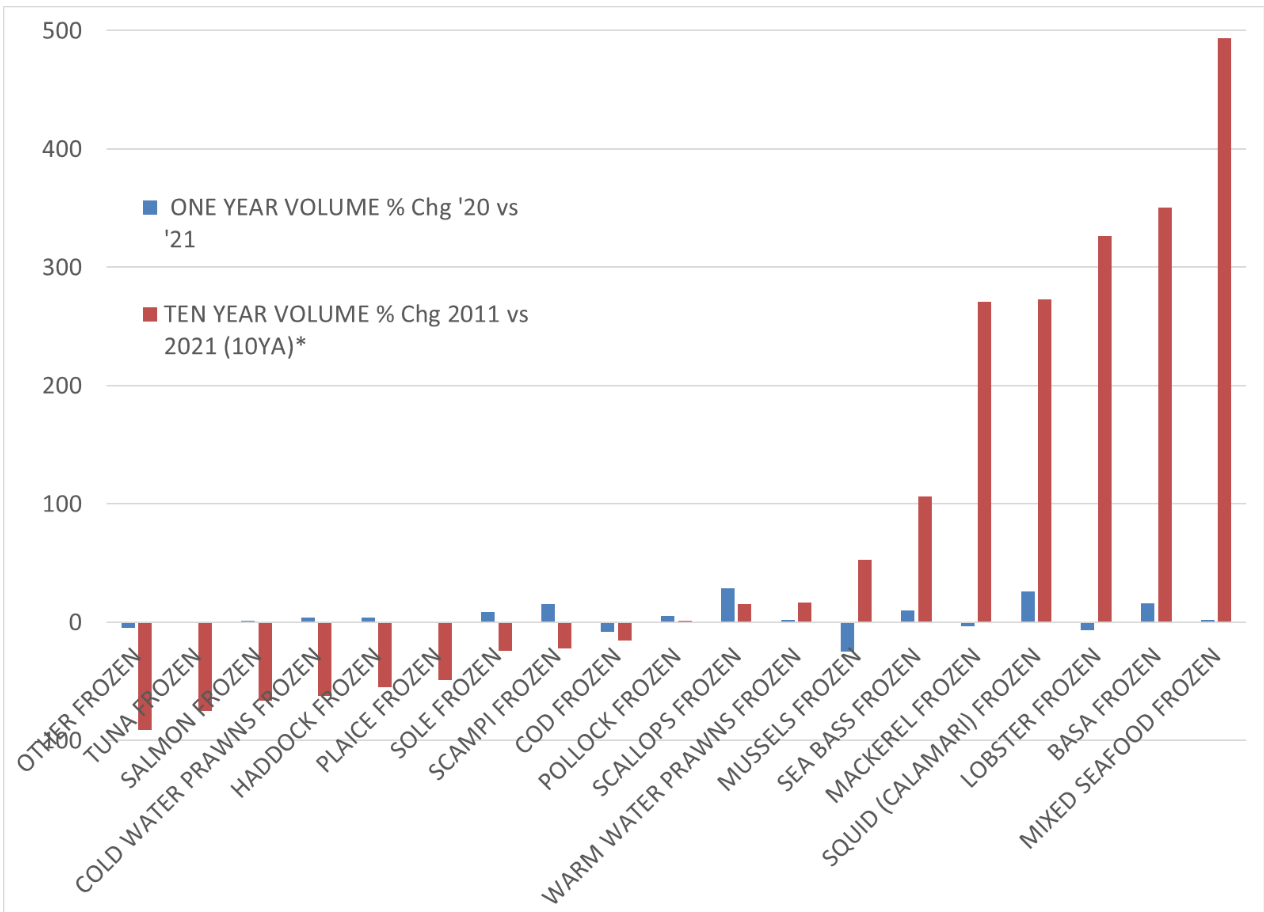
In 2021, cod continues to dominate the frozen seafood sector, despite its value share of top the 10 species continuing to decline, now 27% (-2.2pp). Pollock, warm water prawns, scampi and basa grew share whilst frozen cod and salmon lost value share.

Top frozen species value share UK 2021



Frozen cod consumption declined heavily to the point where it is likely to be replaced by Alaskan pollack (coded pollock) as the most popular frozen seafood species next year. In the 52wks to 9th October 2021, frozen cod was worth £271.7m, with 37,947 tonnes; with volume and value falling by -6.4% and -7,9% respectively. Most frozen species saw strong volume growth, especially scampi, basa, squid sea bass and scallops. Many of which are species commonly associated with foodservice, growth driven by the slow re opening of foodservice and consumers looking to dining in to save money.

Frozen seafood species volume performance 2021



Nielsen Scantrack – 10yrs/52wks to 09.10.21)

Over the 10 years to 9th October 2021, frozen seabass, mixed seafood, squid, lobster, sea bass and mackerel were the top performing species, with volume growth of nearly 500%. Over the same 10 year period, frozen species in full decline included haddock, cold water prawns, scampi, and the cheaper ‘other’ unnamed seafood. Significant price increases can be behind volume decline; but despite price increases of 53% and 16.3% respectively, frozen warm water prawns and basa saw strong long term growth. Farmed frozen alternatives to cod and haddock such as seabass and basa (Pangasius) continue to grow volume very strongly (basa +350%) some from a small base, despite a higher average price. Frozen mixed seafood showed the highest long term volume growth at 493%.

Frozen seafood species performance to 2021

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	Avg Price 2020	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*
FISH	3,851,137	4,129,919	4,303,868	4.2	24.0	393,538	421,686	434,307	3.0	-10.1	£9.91	1.2	37.9
FROZEN	920,917	1,063,830	1,080,823	1.6	12.3	130,992	143,833	145,568	1.2	-19.4	£7.42	0.4	39.3
COD FROZEN	254,131	290,327	271,735	-6.4	20.4	38,639	41,177	37,947	-7.9	-15.3	£7.16	1.6	42.0
POLLOCK FROZEN	143,218	166,931	172,489	3.3	54.3	29,728	32,542	34,363	5.6	1.4	£5.02	-2.2	52.2
WARM WATER PRAWNS FROZEN	105,042	117,383	125,898	7.3	78.1	8,474	9,128	9,304	1.9	16.4	£13.53	5.2	53.0
HADDOCK FROZEN	71,819	82,429	83,266	1.0	-34.6	9,598	10,440	10,872	4.1	-55.2	£7.66	-3.0	45.9
COLD WATER PRAWNS FROZEN	62,572	68,371	69,124	1.1	-9.1	5,528	5,949	6,168	3.7	-62.2	£11.21	-2.5	140.7
SCAMPI FROZEN	48,562	62,173	68,768	10.6	2.5	4,638	6,037	6,982	15.7	-22.1	£9.85	-4.4	31.6
BASA FROZEN	43,652	60,308	67,925	12.6	423.8	6,084	8,481	9,840	16.0	350.4	£6.90	-2.9	16.3
SALMON FROZEN	57,476	65,049	62,788	-3.5	-20.8	6,775	7,394	7,474	1.1	-66.5	£8.40	-4.5	136.1
OTHER FROZEN	33,244	39,922	40,467	1.4	-77.5	9,756	10,631	10,124	-4.8	-90.9	£4.00	6.4	146.9
MIXED SEAFOOD FROZEN	31,233	35,581	37,215	4.6	474.6	4,147	4,553	4,630	1.7	493.9	£8.04	2.9	-3.3
SQUID (CALAMARI) FROZEN	8,400	10,071	12,462	23.7	405.8	1,008	1,099	1,384	25.9	273.2	£9.00	-1.7	35.5
SOLE FROZEN	10,991	11,217	11,651	3.9	-11.6	1,131	1,172	1,277	8.9	-24.5	£9.13	-4.6	17.0
SHRIMPS FROZEN	5,660	8,125	9,289	14.3	n/a	446	569	602	5.8	n/a	£15.44	8.1	n/a
TUNA FROZEN	7,703	8,292	8,426	1.6	-31.2	994	1,005	1,006	0.1	-75.2	£8.38	1.5	177.4
SCALLOPS FROZEN	5,711	6,576	8,411	27.9	79.2	242	283	364	28.9	15.6	£23.08	-0.8	55.1
SEA BASS FROZEN	4,780	4,831	5,634	16.6	63.9	372	411	452	10.0	106.5	£12.46	6.0	-20.7
PLAICE FROZEN	3,875	4,431	4,510	1.8	-33.6	470	485	485	-0.0	-48.9	£9.30	1.8	29.8
LOBSTER FROZEN	3,206	4,120	3,715	-9.8	519.5	129	185	172	-7.0	326.3	£21.57	-3.0	45.3
MUSSELS FROZEN	3,221	3,831	2,817	-26.5	141.5	515	545	410	-24.8	52.5	£6.87	-2.2	58.4
MACKEREL FROZEN	1,838	2,012	1,990	-1.1	253.4	203	225	216	-3.6	270.7	£9.19	2.6	-4.6

*Nielsen Scantrack YE 09.10.21 (*10yr GB)*

The frozen seafood shopper

Nielsen demographics still define the frozen seafood shopper as less affluent than the typical seafood shopper, predominantly C1, older (age 45-64), typically in two or three/four person households without children present. Where children are present, they are typically aged 5-10 yrs.

Compared to 5 years ago, frozen seafood has lost a significant number of buyers in the lowest E demographic. Becoming a slightly more affluent purchase bought by younger, larger households with more children present. Where children are present, there is a move to older children in the age group of 11 to 15 years.

Seafood sector demographics 2021 (volume share %)

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

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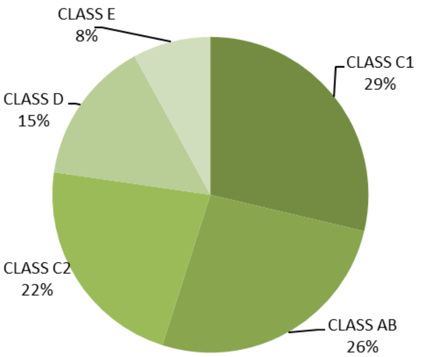
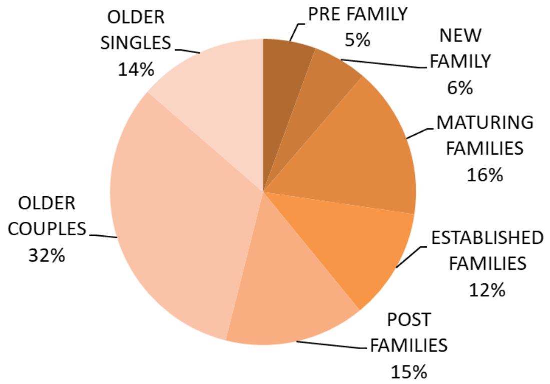
Class shares of frozen seafood 20201(volume)



Household type - share of frozen seafood 2021 (volume)



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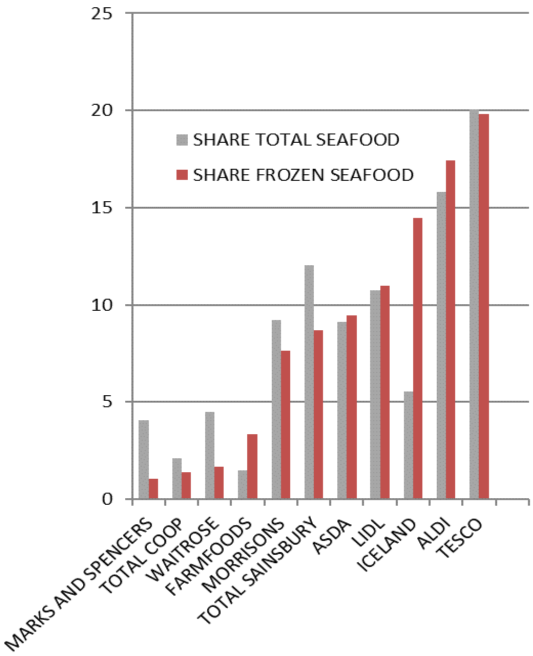
Where are shoppers purchasing frozen seafood?

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, most of the shift to prepack occurred several decades ago and not because 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 frozen prepack products which meet shopper requirements around freshness, minimising handling/preparation, and ease of cook.

Aldi share of frozen seafood is growing fast and likely to replace Tesco as the largest frozen seafood retailer next year. Aldi has seen the highest long term total seafood growth from a 1.5% share in 2008 to 15.8% in 2021 (data includes recent Nielsen adjustment to improve discounter product capture); the quality 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 hunt for taste and freshness. These retailers also overtrade in seafood, which means their share of seafood sales value is higher than their share of the FMCG market overall.

Grocer share of seafood and total grocery 2021 (volume)



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Nielsen:

- Scantrack – UK EPOS from key retailers (including composite data from discounters Aldi & Lidl and N. Ireland) excludes seafood sandwiches - GB EPOS excludes discounters
- Homescan – GB (including discounters) consumer panel of 15,000 households excludes seafood sandwiches

- Defra Family Food Survey 2017/18

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Richard Watson Seafish Origin Way, Europarc, Grimsby, DN37 9TZ T: +44 (0) 1472 252 331	e: info@seafish.co.uk w: www.seafish.org f: +44 (0) 1472 268 792

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the support it needs to thrive.