

Seafood Industry Factsheet

Seafood Consumption (2017 Update)

There are three methods available to measure and track GB seafood consumption which provide slightly different yet similar figures; whilst useful for comparison, it is considered that the Defra family food dataset, produced to robust national statistical standards with reasonable time availability is considered to be the best source for an accurate, consistent benchmark. This data shows a 2% increase in seafood consumption from 157.83 grams per person per week in 2014 to 161.07 grams per person per week in 2015.

This factsheet provides a summary of both long and short term trends in GB seafood consumption. It covers the detail behind the sector, segment and species trends in multiple retail and commercial foodservice. It also provides a comparison of three methods for estimating GB seafood consumption; Defra family dataset, a summation of retail and foodservice data and the Food and Agriculture Organization (FAO) trade based estimate.

Long term trends in seafood consumption

The Defra Family Food dataset offers the best insight into long term seafood consumption trends (latest data set to 2015). This data tracks ‘in home’ (which includes takeaways eaten in home) consumption back to 1940. From 2002, eating out of home was also included to provide a more complete picture of what UK consumers are eating and where.

The long term trends in ‘in home’ seafood consumption have been variable; enjoying a peak of 300g per person per week just after the Second World War followed by 30 years of overall decline, with its lowest ever levels seen in the mid 1970s.

Consumption began to rise from the mid 1970s throughout the 1980s as Britain became more prosperous; helped by a growing awareness of the health benefits of seafood, and technological breakthroughs in aquaculture bringing previously expensive species like salmon and warm water prawns to the masses. Seafood consumption continued to grow until Britain fell into recession again in 2007 when another sharp decline mirrored consumers switching to cheaper proteins.

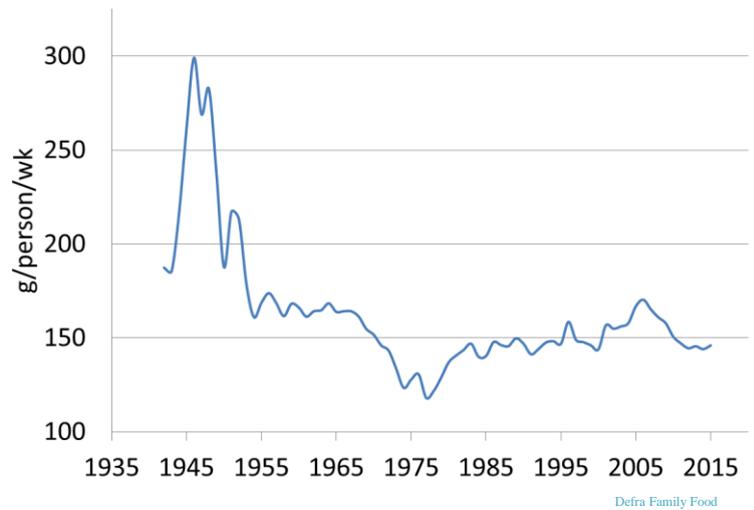
The emerging historical pattern is one of falling seafood consumption in times of recession.

The historical pattern is one of falling consumption in times of recession. This is because seafood is an expensive protein choice; since the 1980s, the average price of seafood has exceeded that of most types of meat. Seafood has experienced a sustained period of significant inflation. And the gap continues to widen, during the brief period of food deflation, meat prices typically fell faster than that of fish. When times are hard, shoppers trade down within the seafood category to cheaper seafood, and indeed trade out of seafood altogether into cheaper protein sources.

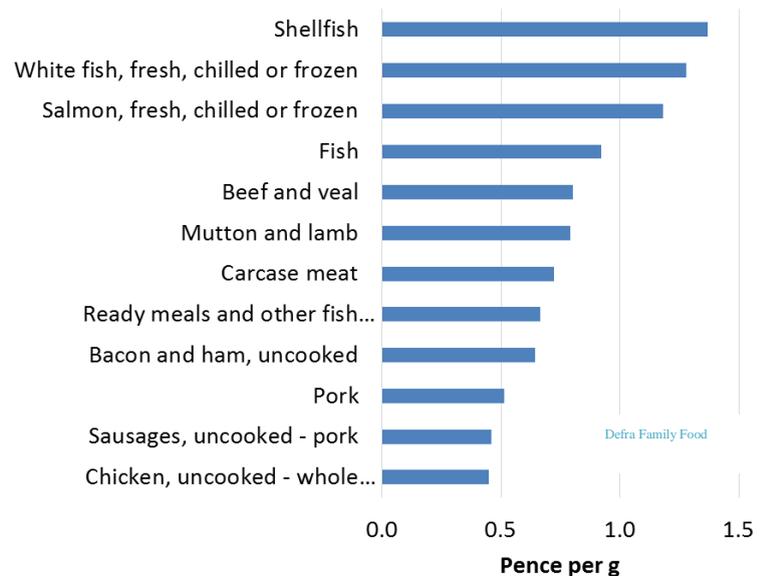
The split between in home consumption and out of home consumption shows that the majority of consumers are eating seafood at home. In 2015, of the total seafood consumption of around 161g pp/pw, the majority (91%) was eaten at home, with the remainder (9%) eaten out of home. More recent declines in consumption have occurred as a result of less seafood ‘eaten in home’.

In 2015, Defra Family Food estimated GB seafood consumption (both in and out of home) at 161g/person/wk. (+1.8%).

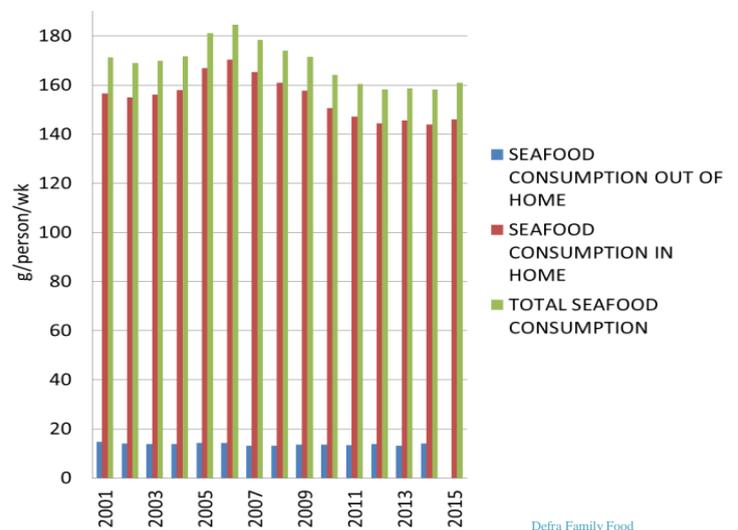
Long Term GB in Home Seafood Consumption Trends (1940 to 2015)



Food Eaten ‘In Home’ Average Protein Price Comparison (2015)



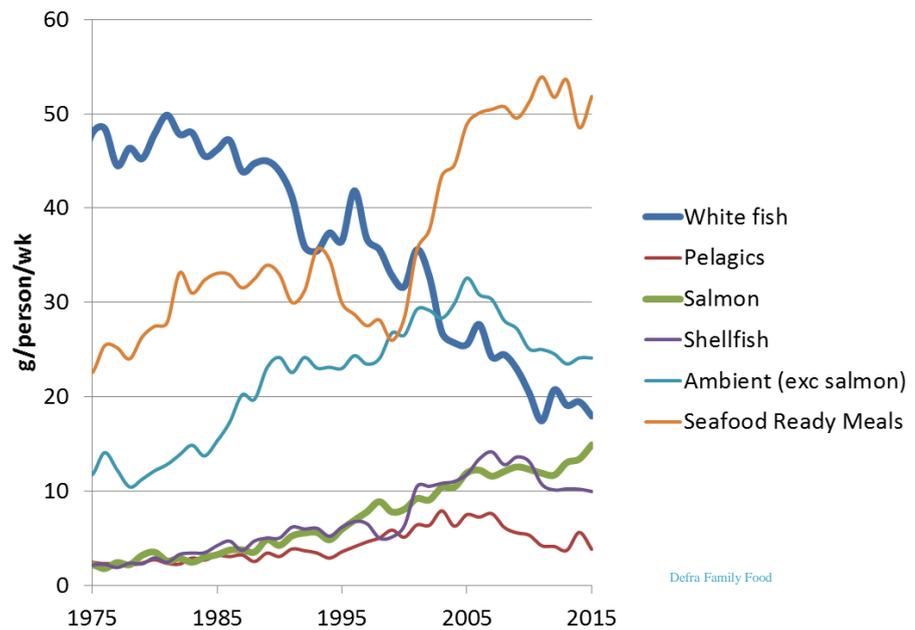
Breakdown of Defra Family Food Total GB Seafood Consumption (2001-2015)



Changing tastes in seafood consumption ‘In Home’

In the 1950s we ate a much wider range of locally caught seafood species than we do today, but favorites like cod and haddock are still in demand. When it comes to seafood, as a nation we typically export what we catch and eat the species we import; this corresponds to a significant change in where we source seafood. Now, the majority of seafood we eat is imported; for the top five species purchased for in-home consumption (salmon, tuna, prawns, cod, haddock), we are heavily reliant on imports. For example in 2016, around 90% of the UK cod supply came from imports.

Medium Term GB ‘In Home’ Seafood Species Trends (Chilled & Frozen Unless Specified) (1975- 2015)



The consumption of traditional white fish species ‘in home’ has been in steady decline since the 1980’s

The consumption of traditional white fish species ‘in home’ has been in steady decline since the 1980’s. This decline should stabilize at some point, but if it continues at the historic rate, whitefish consumption could theoretically be negligible by 2040. The 1990’s saw an explosion in seafood ready meals; meeting the growing demand for convenience, whilst at the same time addressing key seafood barriers and the shopper’s dislike of choosing, handling and preparing seafood. The consumption of salmon, shellfish and pelagic species increased steadily until the recession in 2007, when shellfish and pelagic consumption began to fall and salmon continued its long term growth.

Sales of seafood to consumers

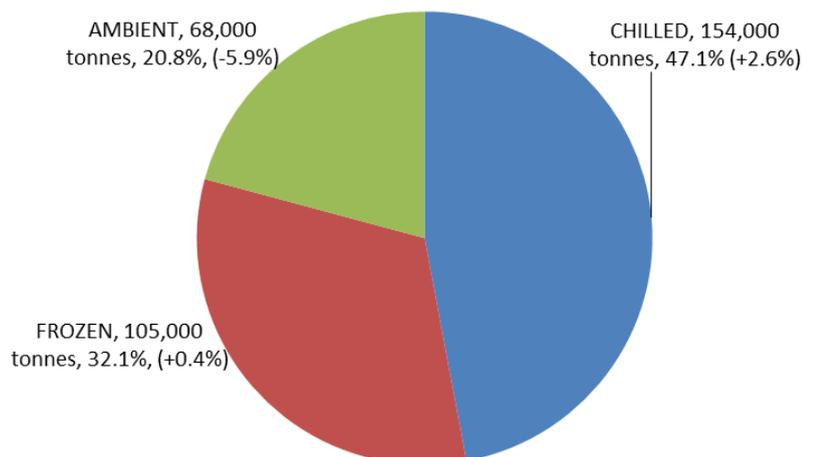
This following section provides an overview of the two main ways that consumers purchase seafood; either in retail for in home consumption, or in foodservice outlets. It provides a topline summary of consumption trends and insight into what shoppers and diners are purchasing.

Sales of seafood in multiple retail

This section provides an overview of seafood sales in GB multiple retail. It is a useful indicator of changing consumer trends and tastes. From 2007, Seafish have Nielsen Electronic Point of Sale (EPOS) data available (*excludes discounters*); by the end of March 2017, total annual GB seafood sales were worth £3.14bn (+0.7%), with a volume of 327,004 tonnes (-0.8%) and an average price of £9.60/kg (+1.5%) (Nielsen Scantrack: 52 weeks to 25.3.17). Over the nine years from 2008 to March 2017, total seafood has been in price driven growth, with volume down by -16% and value up by 16%, pushing average price up by 18%. (Nielsen Scantrack Mar 2008 to Mar 2017)

Chilled seafood continues to dominate the GB seafood retail market in 2017, with value and volume worth £2.02bn (+1.4%) and 153,893 tonnes (+1.8%) respectively; with an average price of £13.15/kg (0.3%). This represents a 64.4% share of the seafood retail market by value and 47.1% by volume. Over the past nine years, chilled seafood has increased its retail volume share by 31.9%,

Sector Volume Share of Seafood 2017



(Nielsen Scantrack –52wks to 25.3.17 - % Share Chg.)

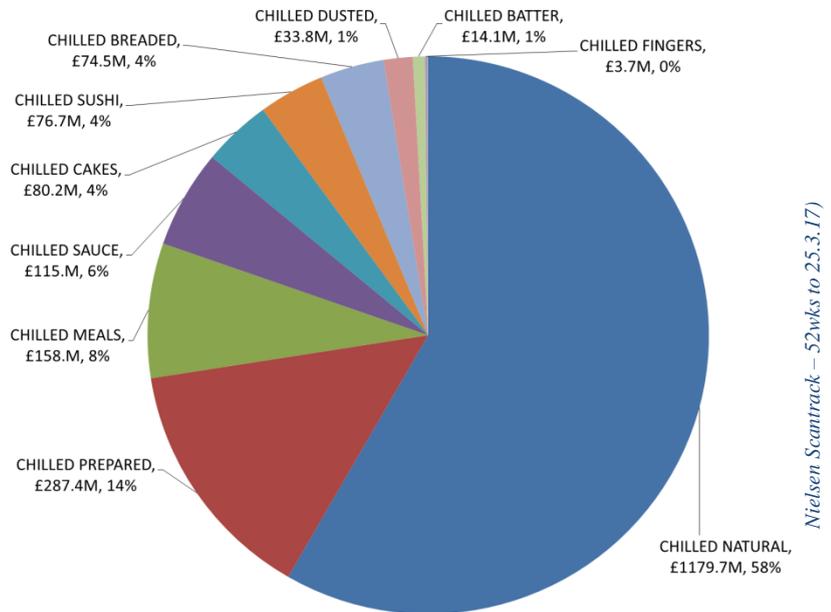
whilst frozen and ambient have decreased by -8.3% and -29% respectively.

By segment, it is the chilled natural segment (i.e. includes no additional ingredients) which takes the largest share by both volume (46%) and value (58%) of the chilled seafood sector. By driving growth in this sector over both the short and long term, chilled natural ultimately drives the GB seafood market. In the 52wks to 25th March 2017, chilled natural was worth £1.18bn (+0.1%), with 71,325 (-0.5%) tonnes.

Chilled prepared with 14% share, chilled meals (8%) and chilled sauce (6%) are ranked second, third and fourth, respectively by value share. Chilled natural in particular is seen by shoppers as a high quality and healthy choice, whilst prepared seafood addresses many of the seafood barriers to consumption.

Seafood has experienced significant sustained long term inflation and despite a recent period of deflation there were only a few months where seafood prices briefly fell faster than that of meat, seafood still remains an expensive protein choice for shoppers.

Segment Share of Chilled 2017 (value)

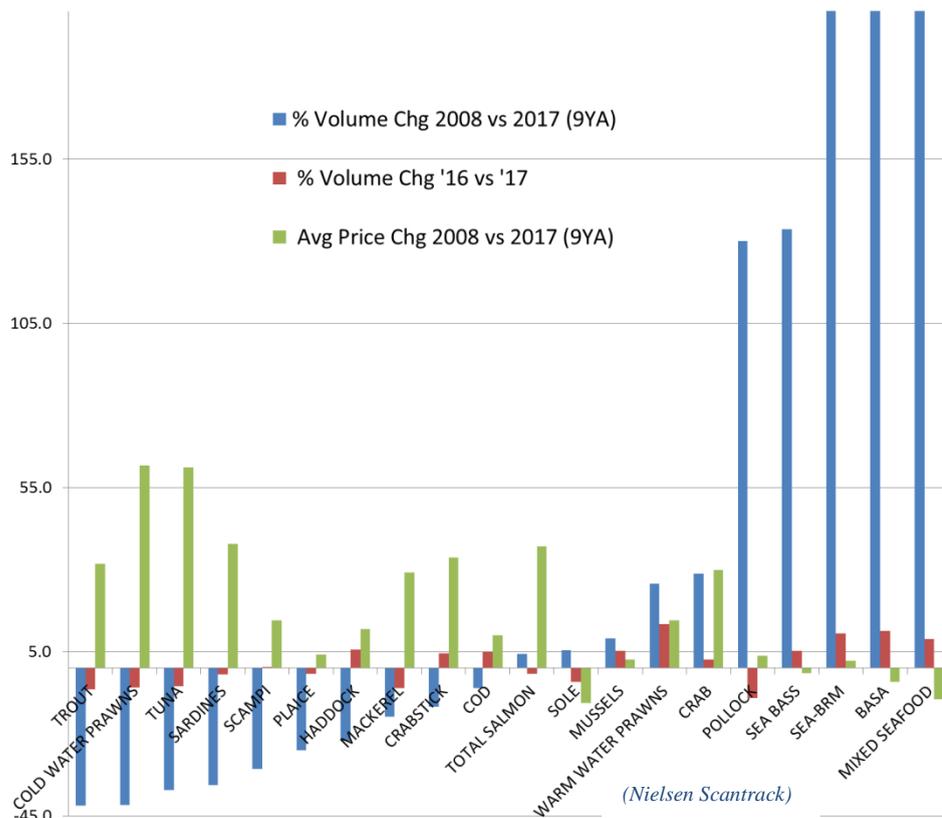


The popularity of seafood species in retail

Over the past decade salmon has displaced both cod and tuna to become the number one by value in retail. In 2015, salmon finally displaced tuna to also become the number one species by volume. The category is subject to a general trend where traditional wild caught species are being squeezed out by farmed species.

The top five total seafood species in the 52wks to 25th March 2017 by volume were salmon, cod, tuna, warm water prawns and haddock. Over the long term (9yrs to 25th March 2017) out of the top ten species only salmon, warm water prawns, mixed seafood, pollock and seabass were in true growth. Mixed seafood and basa showed the highest volume growth of 1489% and 1083% respectively due to convenience and value. Traditional species like cod, tuna, haddock, cold water prawns and mackerel were in volume decline. Price changes have influenced the majority of species trends since 2008, where significant price increases have impacted negatively on volume sales.

Long & Short Term Species Volume Trends (2017 vs 2016/2009)



Most of the top 10 chilled species have experienced double digit price inflation over the 9 year period, notably cold water prawns (+62%) and tuna (61%). However salmon has continued to grow despite a 37% increase in price. Only mixed seafood, seabass and basa showed a fall in average price of -9.4%, -1.6%, and -4.2% respectively.

Sales of seafood in commercial foodservice

From 2009, Seafish have NPD Crest (panel) data available, which can provide a detailed picture of the performance of seafood in foodservice. In the 52wks to end of June 2017, total GB foodservice was estimated to be worth £54.4bn (+2.8%) with 27.4bn servings (+1.1%), but remain -1.8% down on eight years ago (June 2009).

Total annual GB seafood servings have continued to grow, standing at 1,048m (+4.1%), worth an estimated £3.38bn (+6.1%); but remain -0.8% down on eight years ago (June 2009).

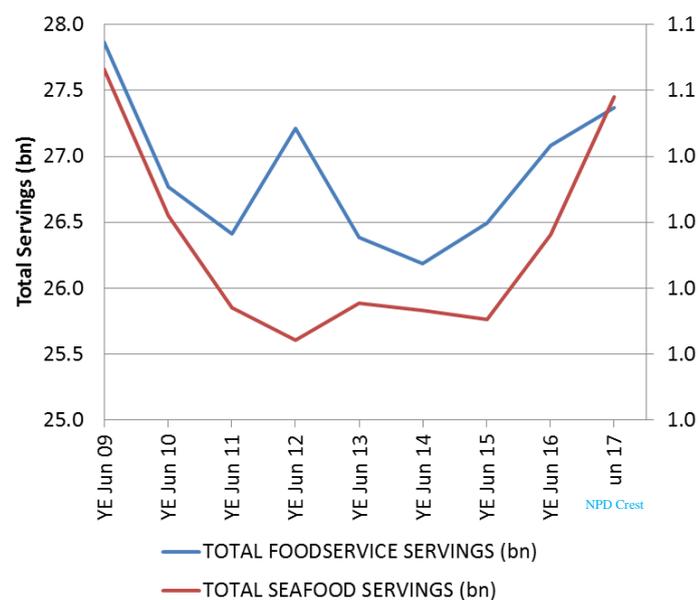
By using an estimated average seafood portion size of 140 g (provided by industry) it is possible to approximate the amount of seafood consumed in foodservice. (1048m servings multiplied by 140 g). The estimated volume of seafood consumed in GB foodservice in the 52wks to end of June '17 was estimated at 146,720 tonnes.

GB foodservice has been hit hard by austerity. Static wages and spiraling food and utility bills, resulted in consumers eating out less often, preferring to 'dine in' to save money. Many remaining customers traded down within foodservice to cheaper channels; for example, trading out of expensive full-service restaurants to cheaper quick service restaurants like chains. Seafood tends to be an expensive protein choice in foodservice, so consumers trade down to cheaper seafood options like fish cakes and indeed trade out of seafood altogether into cheaper options, such as burgers in fish and chips shops. Seafood servings rallied in 2012/13 in line with the 'double dip' (typically 12 months later than total out of home due to the higher price) but it took until late 2015 for seafood servings to return to growth. If recent economic and political uncertainty and falling spending power remains unchanged this may impact negatively on seafood servings in late 2018, with total out of home servings following several months later.

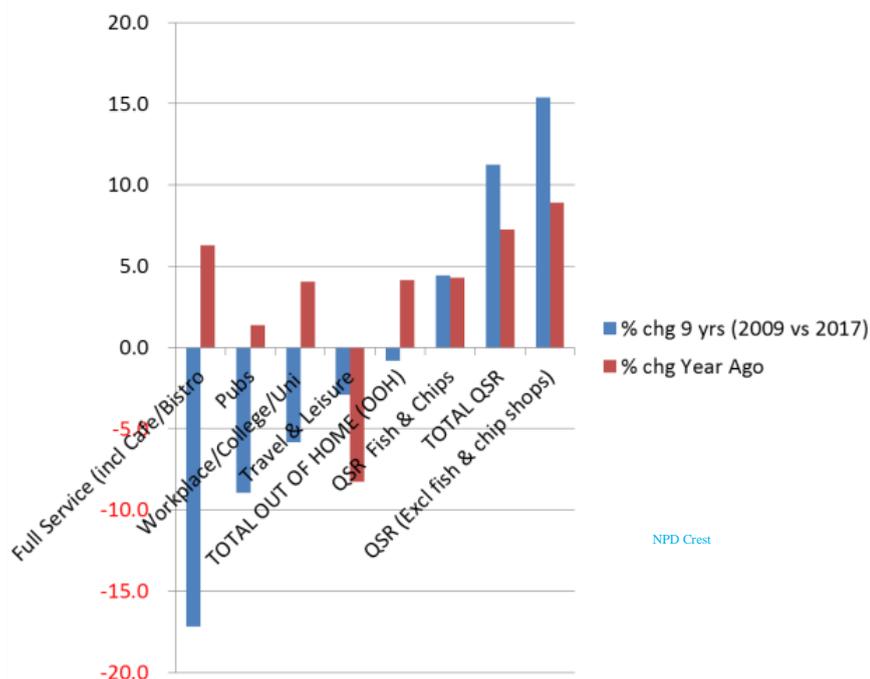
The Quick Service channel (QSR) excluding fish and chip shops is by far the largest foodservice channel taking nearly half total foodservice servings and 31% share of all seafood servings. It was also the only channel to grow total and seafood servings in the 8 years to June 2017, popular due to its relatively low average price.

Over the past 52wks to June 2017 most channels performed strongly for seafood, except travel and leisure (-8.3%). QSR excluding fish & chip shops (+8.9%), full service (+6.3%) and QSR fish & chip shops (+4.3%) showed the strongest seafood servings growth. Over the long term (eight years from June 2009 to June 2017) seafood servings in most channels have fallen significantly, with the exception of the QSR (excluding fish & chip shops) channel (+15.4%) and QSR (fish & chip shops) channel (+4.4%), both channels remaining popular due to their relatively low average pricing.

Total Servings and Seafood Servings Foodservice Trends (2009 to 2017)



Long and Short Term Total Seafood Foodservice Channel Trends (% change June 2017 vs June 2009 and Year Ago)



In the short term, 52wks to June 2017, fish continues to dominate seafood in foodservice by share, with nearly four times more servings than shellfish; fried fish makes up 60% of total fish servings. Cod remains the most popular seafood species, followed by tuna, prawns and salmon. Buoyed by diners entrenched in a ‘spend it while you have it’ mentality, the more expensive formats and species such as shellfish, non-fried fish, tuna and prawns were in growth. But, cheaper formats and species like fried cod, seafood sandwiches and ‘other seafood’ (where the species is not mentioned for example Alaskan pollack or basa) proved to be the fastest growing perhaps signaling an impending slowdown. Over the long term (8 yrs. from June 2009 to June 2017) growth has been in the cheaper and convenience focused seafood formats; with the macro trends for portable street food driving increased popularity in seafood burgers, seafood sandwiches and fried fish. Fish fingers showed the highest growth of over 60%. Easing cod supply and price has resulted in strong performance, linked with the demand for fried fish; and species such as mackerel have grown servings as a result of being championed by high profile media campaigns

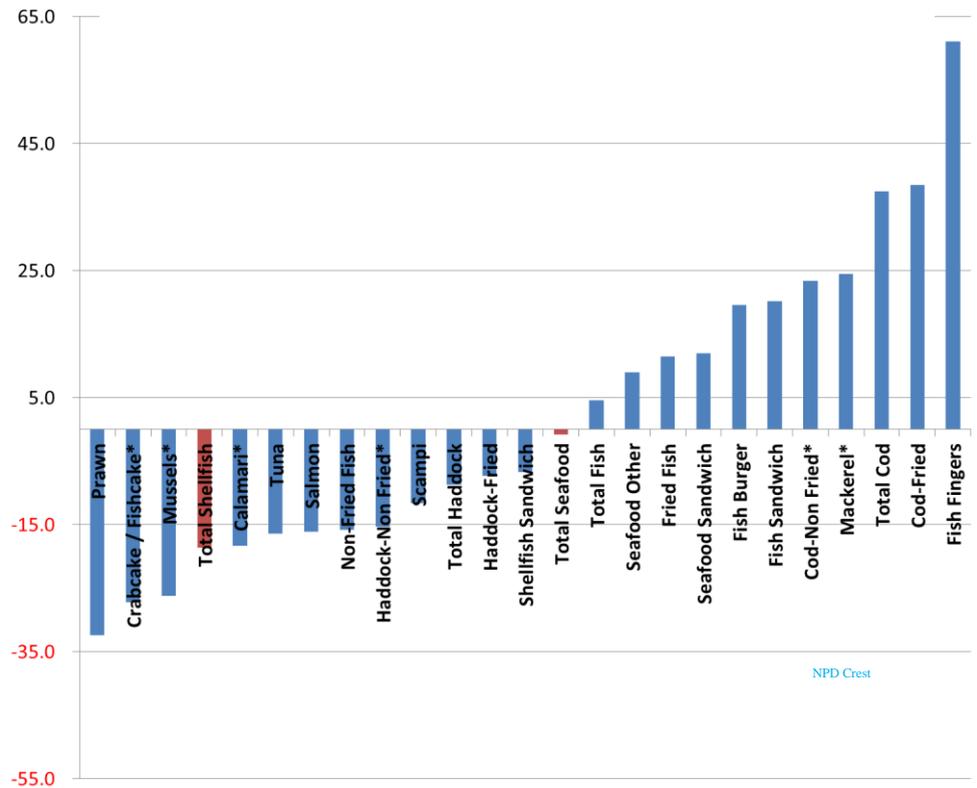
The past 8 years has seen an explosion in half service or casual dining restaurants (such as Nando’s or Pho), which have the upmarket ambience and dining experience, but costs are kept relatively low.

Current trends are for Asian, Far Eastern, American and South American (especially Mexican) flavours and portable food formats such as burgers and wraps along with small plates (tapas). This is an opportunity for seafood as it naturally fits the format. The past year has seen more seafood dishes added to menus than other proteins.

The premium burger trend (scratch made and locally sourced) has evolved to incorporate gourmet seafood sandwiches. Formats include Maine lobster rolls and Louisiana style street food sandwiches with blackened fish, Cajun shrimp and crawfish balls as emerging trends in London (ref Technomic).

Emerging trends in seafood are for warm and spicy Middle Eastern and Hispanic flavours and bold libatious flavours like tequila and lime sauce, bourbon glaze and spicy, ethnic spiked mayonnaise

Long Term Foodservice Seafood Species Trends (% change June 2009 vs June 2017)



Estimates of seafood consumption

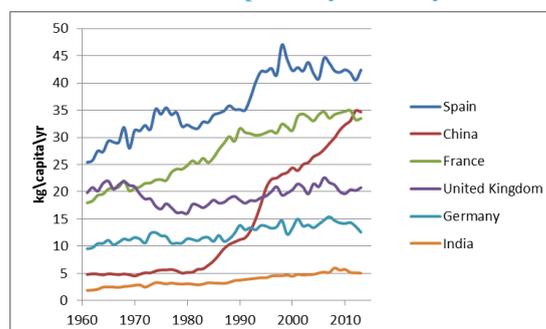
There are three main ways to measure and track seafood consumption; trade / supply data, Defra family food and retail and foodservice data. Each measure has its own benefits but also limitations. The following section provides an overview of the three methods that can be used to estimate seafood consumption.

Consumption based on trade/supply data

Several organisations offer seafood consumption estimates by country; to enable a comparison to be made, units need to be converted into a standardised kg/person/yr. of edible weight.

The Food and Agriculture Organization (FAO) use a trade based estimate for calculating consumption. For 2013 (latest available data) they estimate a UK seafood consumption figure of 20.76 kg/person/yr. live weight. Applying a fish and shellfish weighted conversion yield of 0.43, results in an FAO equivalent consumption of 8.9 kg/person/yr. of edible seafood (around 171g pp/pw).

FAO Seafood Consumption by Country (1961-2013)



Consumption based on Defra family food

Defra family food provides data on overall food consumption, with a breakdown by type of food. In 2015 (latest available data), this showed seafood consumption at just over 161g pp/pw. This equates to around 8.4 kg/person/yr.

	2011	2012	2013	2014	2015
Total quantity of fish (grams per person per week)	160.52	158.23	158.64	157.83	161.07
Portions* (per person per week)	1.15	1.13	1.13	1.13	1.15

Defra Family Food

With a recent focus on eating '2-a-week' the overall seafood consumption figures can be converted to portions per person per week. This is based on an average portion size of 140g. GB consumers are currently eating around 1.15 portions per person per week.

Consumption data using retail and foodservice trends

Summation of Nielsen retail and NPD Crest foodservice data sourced by Seafish can also be used to estimate consumption levels as well as understand more about shoppers and diners, in respect of changing tastes and behaviors. These data sources can be used to get the most up to date estimate of consumption as the data is available weekly and two months after collection. Using the total estimated consumption of 471,517 tonnes, this method estimated GB seafood consumption at 7.4 kg/per person/per year, or 142 g/person/week equating to GB consumers eating around 1.02 portions per person per week (excludes discounters). The -10.4% decline in estimated consumption vs 8 years ago is predominantly due to the significant -16% fall in retail volumes over the period.

Current GB Seafood Consumption Estimates Combining Nielsen and NPD Crest Data June 2017

Jun-17	Foodservice consumption (tonnes)	Retail Consumption (tonnes)	Estimated Total Consumption (tonnes)	Estimated Total Consumption (tonnes) % Change Year Ago	Estimated Total Consumption (tonnes) % Change 8 years ago
Total Fish	146,711	324,797	471,508	-2.9	-10.4

*based on average portion size of 140g

Seafood Consumption Data Source Conclusion

It is evident that different measures of seafood consumption provide slightly different yet similar figures for measuring and tracking seafood consumption. Whilst it is useful to compare all three, overall it is best to use one main measure for consistency and repeatability. On that basis, Defra family food data which is produced to robust national statistical standards and has reasonable time availability is used by Seafish for consistent annual figures. The retail and foodservice data is used to track trends and shopper behavior on an ongoing basis.

Data Sources:

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

- Defa Family Food 2015 dataset
- Retail Data: A.C Nielsen Scantrack GB and Homescan, (Scantrack - excludes discounters & Seafood sandwiches)
- Foodservice: NPD Crest (excludes schools/hospitals/prisons)
- FAO stat - Livestock and Fish Primary Equivalent
- Landings: Marine Management Organization (MMO)
- Kantar World Panel
- European Commission COF Consumer Confidence Data

More Information:

For the full range of market insight factsheets, covering different sectors of the seafood industry go to the Seafish website – <http://www.seafish.org/research-economics/market-insight/market-insight-factsheets>

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