SEAFISH
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Seafood Industry Factsheet

Haddock

Market overview: haddock

The UK's supply of haddock (Melanogrammus aeglefinus) relies on imports and domestic landings by the UK fleet. Haddock is popular in both retail and foodservice, especially fish and chips. In terms of white fish, haddock is the second bestselling species in retail after cod. This factsheet summarises the UK supply of haddock with detail of sales in retail and foodservice channels.

June 2016

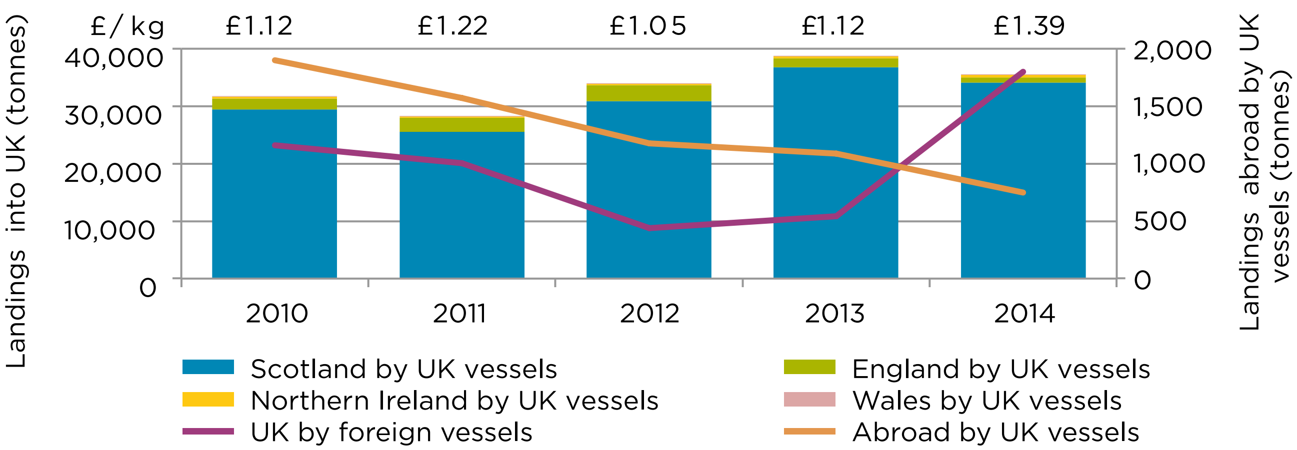
UK haddock trade summary 2015

	2014			2015 (PROVISIONAL)			% CHANGE V 2014		
	VALUE (£'000)	QUANTITY (TONNES)	£/KG	VALUE (£'000)	QUANTITY (TONNES)	£/KG	VALUE	QUANTITY	£/KG
Landings into the UK by UK vessels[1]	£43,481.5	38,659.3	£1.12	£49,343.8	35,403.0	£1.39	13.5%	-8.4%	23.9%
Scotland	£40,948.1	36,726.1	£1.11	£47,400.3	34,140.3	£1.39	15.8%	-7.0%	24.5%
England	£2,191.9	1,583.1	£1.38	£1,530.6	852.4	£1.80	-30.2%	-46.2%	29.7%
Northern Ireland	£314.2	322.5	£0.97	£400.0	400.0	£1.00	27.3%	24.0%	2.6%
Wales	£27.3	27.5	£0.99	£12.9	10.3	£1.26	-52.7%	-62.7%	26.8%
Total UK Haddock Imports[2]	£111,098.07	35,881.8	£3.10	£119,971.9	41,018.9	£2.92	8.0%	14.3%	-5.5%
Iceland	£27,524.9	6,702.9	£4.11	£33,714.1	8,310.6	£4.06	22.5%	24.0%	-1.2%
Norway	£23,224.6	7,454.5	£3.12	£24,754.2	9,510.1	£2.60	6.6%	27.6%	-16.5%
China	£16,978.1	5,219.7	£3.25	£17,374.9	5,142.1	£3.38	2.3%	-1.5%	3.9%
Russia	£10,476.7	2,589.8	£4.05	£13,456.1	3,882.2	£3.47	28.4%	49.9%	-14.3%
Denmark	£8,592.5	4,015.6	£2.14	£9,828.9	5,170.6	£1.90	14.4%	28.8%	-11.2%
All Others	£24,301.3	9,899.4	£2.45	£20,843.7	9,003.5	£2.32	-14.2%	-9.1%	-5.7%
Total UK Haddock Supply	£154,579.5	74,541.1	£2.07	£169,315.7	76,421.9	£2.22	9.5%	2.5%	6.8%
Total UK Haddock Exports[3]	£2,556.2	952.9	£2.68	£2,549.6	917.0	£2.78	-0.3%	-3.8%	3.6%
Irish Republic	£787.6	289.6	£2.72	£509.8	201.2	£2.53	-35.3%	-30.5%	-6.8%
Germany	£172.3	41.6	£4.14	£363.9	105.4	£3.45	111.3%	153.2%	-16.6%
Netherlands	£183.7	68.0	£2.70	£326.3	99.6	£3.28	77.6%	46.5%	21.3%
Canada	£111.0	20.8	£5.33	£277.2	44.0	£6.30	149.6%	111.2%	18.2%
Spain	£136.6	34.6	£3.95	£192.1	41.4	£4.64	40.6%	19.7%	17.5%
All Others	£1,165.0	498.3	£2.34	£880.3	425.5	£2.07	-24.4%	-14.6%	-11.5%

Haddock landings[4]

Haddock landings by UK vessels has fluctuated over recent years, peaking in 2013 at 38,659.3 tonnes. In 2014 the volume fell 8.4% to 35,403.0 tonnes but the value increased 13.5% to £49,343.8 as a result of 23.9% inflation, increasing the average cost to £1.39 a kg. UK vessels landed the majority of haddock into Scotland, 34,140.3 tonnes in 2014 which was 7% less than 2013. The amount of haddock landed into the UK by foreign vessels increased 232.4% in 2014 to 1,801.1 tonnes. Haddock landings abroad by UK vessels declined 60.6% from a peak of 1,889.6 tonnes in 2010 to 748.8 tonnes in 2014.

Haddock landings - tonnes

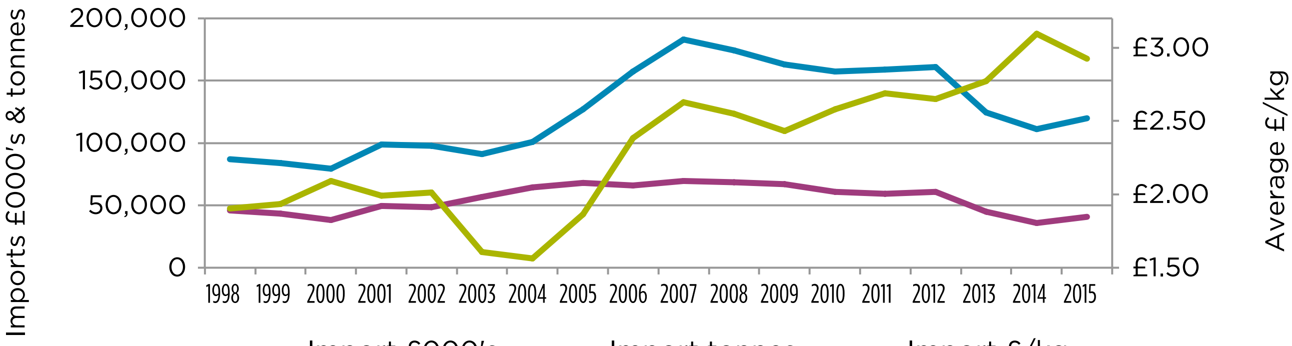


1Source: MMO UK Sea Fisheries Statistics 2014, live weight
2Source: HMRC via British Trade Statistics and includes landings by foreign vessels
3Source: HMRC via British Trade Statistics and includes landings by UK vessels abroad
4Source: MMO UK Sea Fisheries Statistics 2014, live weight

Haddock imports[5]

Haddock imports to the UK remained fairly strong despite significant price per kg inflation since 2004 which suggests that other factors influenced trade e.g. economic conditions and quotas. Price sensitivity however, was evident in recent years as volumes fell to a low of 35,881.8 tonnes in 2014, when the price per kg peaked at £3.10. In 2015 the average price fell 5.5% to £2.92 per kg, with 14.3% increased import volumes to 41,018.9 tonnes and value 8% to £119,971.9k.

Haddock imports to the UK



The top five countries importing haddock to the UK remained constant over the last three years. The only change in ranking occurred in 2013 – 2014; Russia moved up one place to fourth and Denmark moved down a place to fifth.

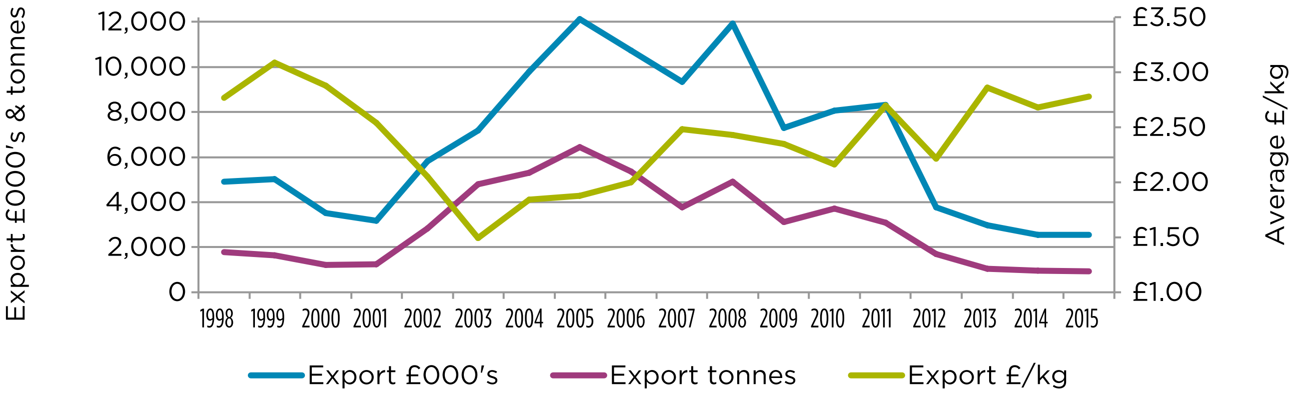
Haddock future supply trends[6]

The majority of haddock in the UK market comes from the North East Atlantic, principally Iceland, North East Arctic, and the North Sea. The status of these key stocks is generally favourable, and the TAC for 2017 has increased, this potentially leading to more capture opportunities for haddock over 2017 in; the North Sea, Skagerrak, West of Scotland; North East Arctic; Iceland; Rockall; and Irish Sea.

Haddock exports[7]

Haddock exports peaked in 2005, since which time levels have fallen at a fluctuating rate although these have recently slowed. Since 2014, export volumes fell 3.8% to 917 tonnes in 2015, value exports experienced a slower decline of 0.3% to be worth £2,549.6k, due to 3.6% inflation which increased the average price per kg to £2.78.

Haddock exports from the UK



[5]Source: HMRC via British Trade Statistics and includes landings by foreign vessels
[6]Source: Seafish, Risk Assessment for Sourcing Seafood
[7]Source: HMRC via British Trade Statistics and includes landings abroad by UK vessels

The top five countries which have imported haddock to the UK have remained constant over the last three years however the ranking of Russia and Denmark switched in 2014. Whilst the Irish Republic has maintained its top position as the UK's main export destination the other countries rankings have seem some significant changes. See table below for details:

	IMPORT VALUE RANK				EXPORT VALUE RANK		
	2013	2014	2015		2013	2014	2015
Iceland	1	1	1	Irish Republic	1	1	1
Norway	2	2	2	Germany	2	5	2
China	3	3	3	Netherlands	8	4	3
Russia	5	4	4	Canada	19	8	4
Denmark	4	5	5	Spain	7	6	5

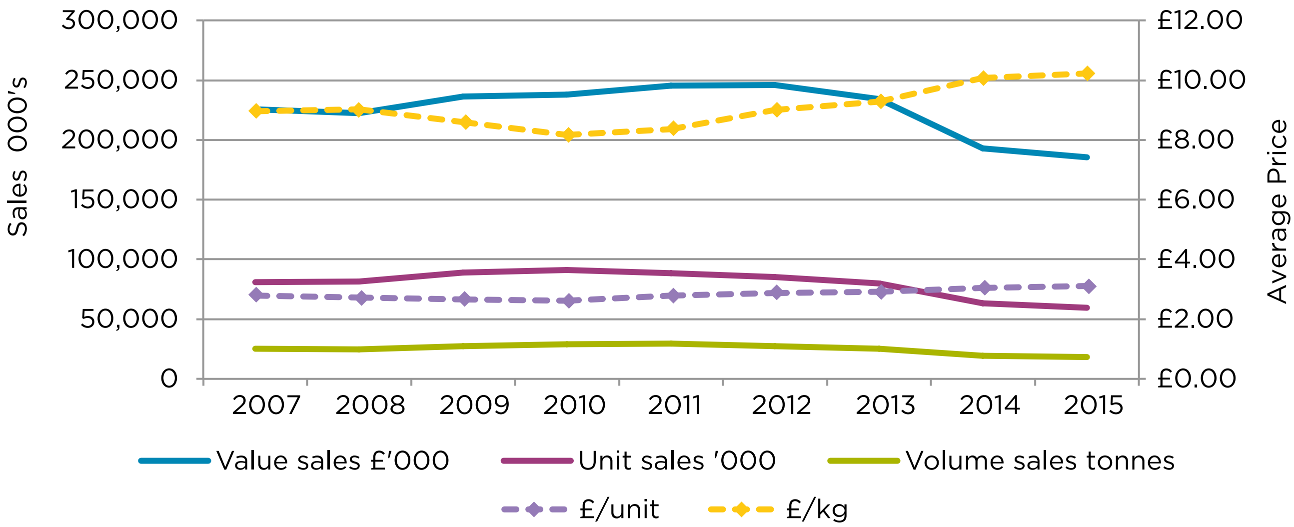
Haddock retail performance[8]

During challenging economic times, consumer shopping habits became increasingly value orientated. This, compounded by the continued price inflation experienced by haddock between 2007 to 2015, prompted shoppers to switch some of their purchases to cheaper species and alternative proteins, resulting in reduced haddock volume sales over this period.

In 2013 haddock was the fourth bestselling seafood species in retail but with declining sales, it fell to sixth place behind warm and cold water prawns in 2014, remaining in 2015. The different measures experienced varied performance over recent years; sales units peaked in 2010 at 91,298k, sales volume peaked a year later at 29,378 tonnes and sales value peaked in 2012 at £246m. Following these peaks, sales have declined especially between 2013 and 2014 however the rate of decline slowed in 2015.

In 2015 haddock retail sales were worth £185.5m, for 59.5m units, weighing 18,142 tonnes with an average price of £10.22 per kg, or £3.12 per unit.

Haddock retail performance summary

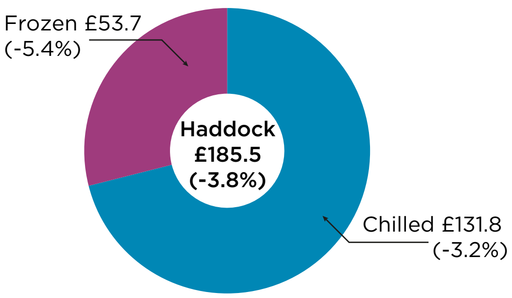


Haddock in retail is sold in chilled and frozen formats and both sectors experienced decline in 2015, although frozen was at a steeper rate. The majority of haddock was sold in natural formats, i.e. products without other ingredients, the sales of which increased in both chilled and frozen. The other chilled segments that experienced growth in 2015 were: batter, dusted, meals and sauce. All of the frozen segments declined except natural and fingers.

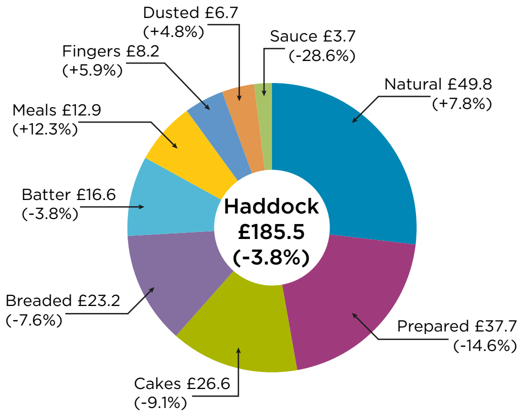
[8]Source: AC Nielsen ScanTrack MAT 02.01.16, BrandView MAT 02.01.16

Traditionally haddock was preserved for consumption by drying and smoking. This format continued to be popular in 2015 and accounted for over a third (37%) of sales value a total of £68m. The majority of this smoked haddock (£58m), was sold chilled but experienced a slight 0.7% decline in comparison with 2014. In contrast frozen smoked haddock sales value increased 15.8% to £9.8m in 2015.

Haddock: share of retail sales £m by sector 2015



Haddock: share of retail sales £m by segment 2015

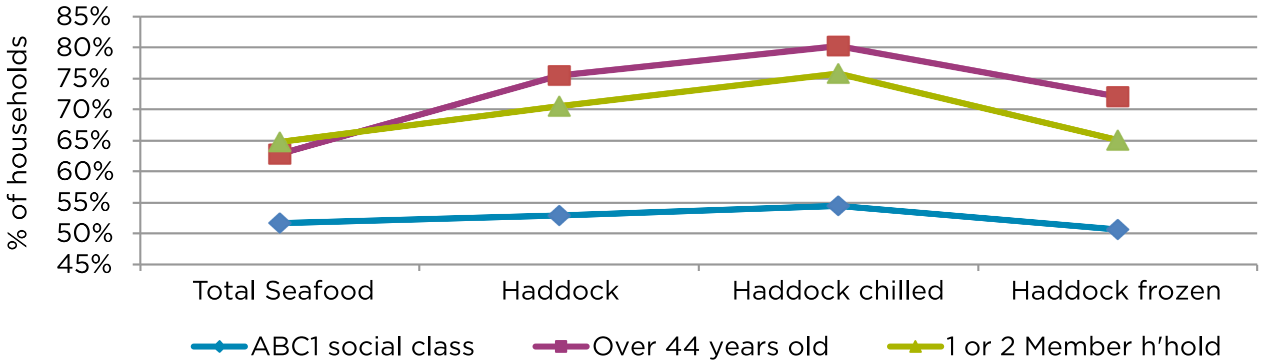


Over the whole of 2015, the multiple retailers offered 283 haddock products for sale. Just over half of which (156) were chilled with an average price which fell £0.24 (4%) from £5.91 to £5.67. There were 127 frozen haddock products on sale and the average price increased £0.12 (3%) from £3.34 to £3.46. Smoked haddock was included in 102 products, 36% of all haddock products.

Haddock shopper[9]

In comparison to the average seafood buying household, those who bought chilled haddock had a different profile especially in terms of age; 80% were over 44 years old and 76% were from 1 and 2 person households. With regards social class, the households who bought chilled haddock were slightly more affluent than average, whilst those who bought frozen haddock were slightly less affluent than average. Frozen haddock was also bought by older than average households but matched the seafood average in terms of household size.

Haddock shopper profile



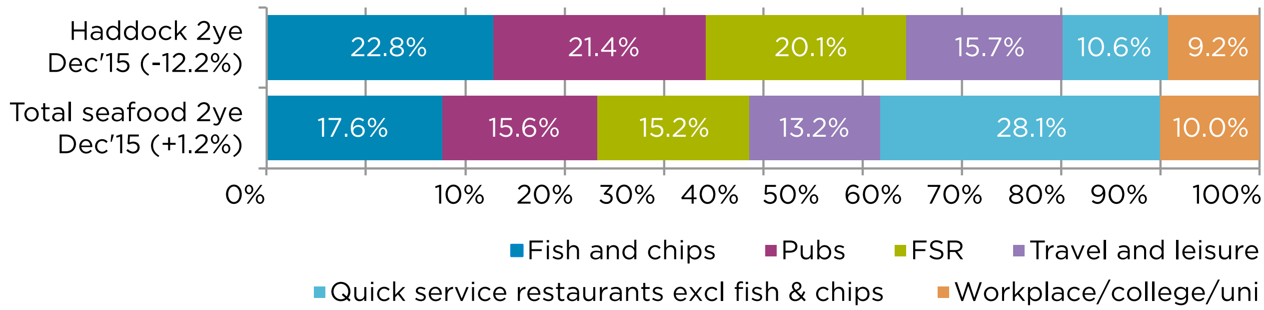
Over 2015, the retail purchase KPI's show that whilst households bought more expensive chilled and frozen haddock more often, the percentage of the population that actually made the purchases decreased. Also the amount of frozen haddock purchased during each trip declined whilst the amount of chilled product increased.

[9]Source: AC Nielsen HomeScan MAT 02.01.16

Haddock foodservice performance[10]

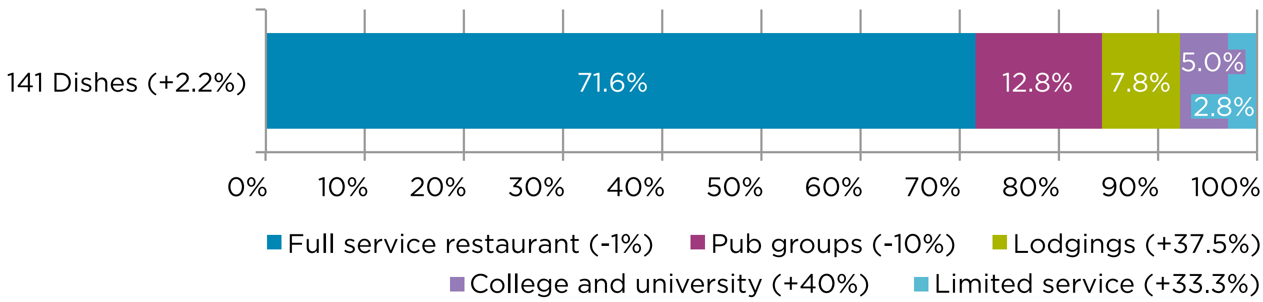
Seafood in foodservice has experienced challenging times with diners increasingly focused on value and health. Product range has also been competitive with a number of alternative seafood options available. These trends have prompted shifts towards healthier meal formats, cheaper seafood species and different foodservice channels. As a result during 2014 and 2015 combined, the number of servings that contained haddock fell 12.2% which is a significant contrast to the overall seafood serving increase of 1.2%. Whilst haddock continued to overtrade within the fish and chip shop, pub and full service restaurant channels, the number of servings declined by 19.8%, 35.1% and 0.2% respectively. Haddock also overtraded within the travel and leisure channel, which experienced an increase in servings of 19.5%. The quick service restaurant (excl. fish and chip shops) and workplace/college/university channels both gained some share with increased servings of 8.2% in and 0.4% respectively.

% Haddock servings by foodservice channel



In contrast to the decline in haddock servings, the overall number of haddock menu listings increased but the trends by channel were in line with those described above. Pub groups and full service restaurants offered fewer haddock dishes whilst the college and university, lodging and limited service channels increased their haddock menu listings.

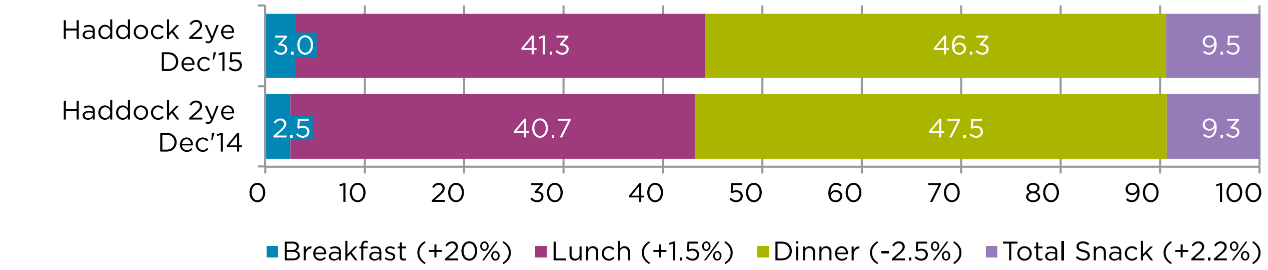
Haddock menu listings by channel



These changes in performance were also reflected in the meal times when haddock was served. Fewer servings were sold for dinner whilst servings for all other meal times increased.

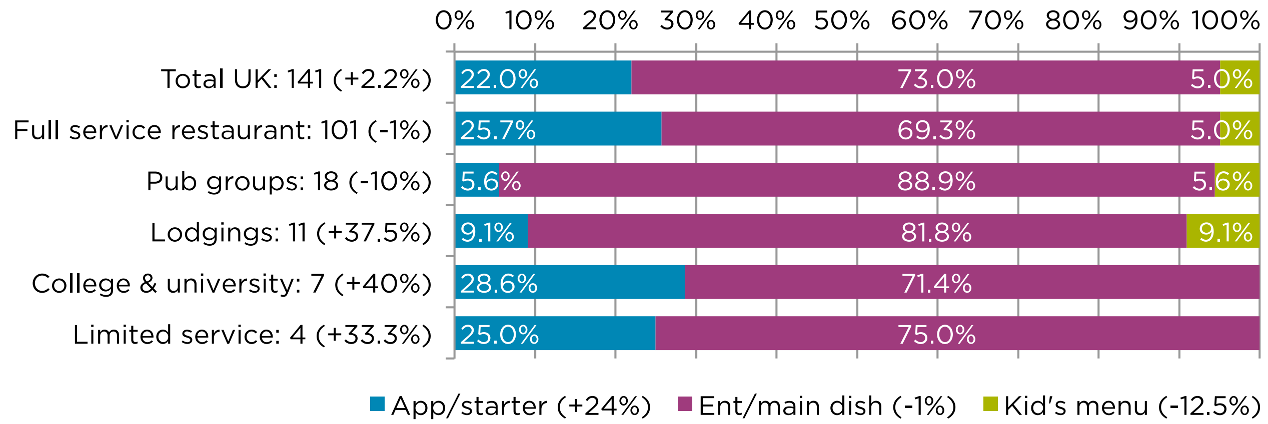
[10]Source: NPD Crest 2 YE Dec'15, Technomic MenuMonitor Q1 to Q4 2015

% Haddock servings by meal time



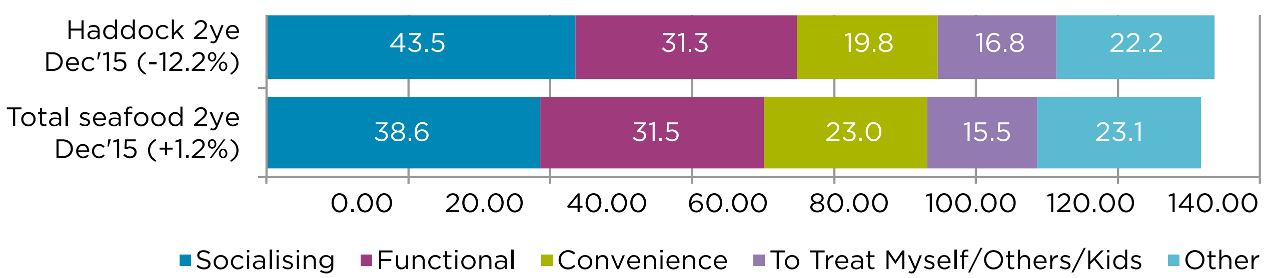
The majority of menu listings for haddock were in main dishes but these and kid's meals declined, in contrast with the increase in number of appetiser/starter dishes.

Haddock menu listings by meal part, by channel

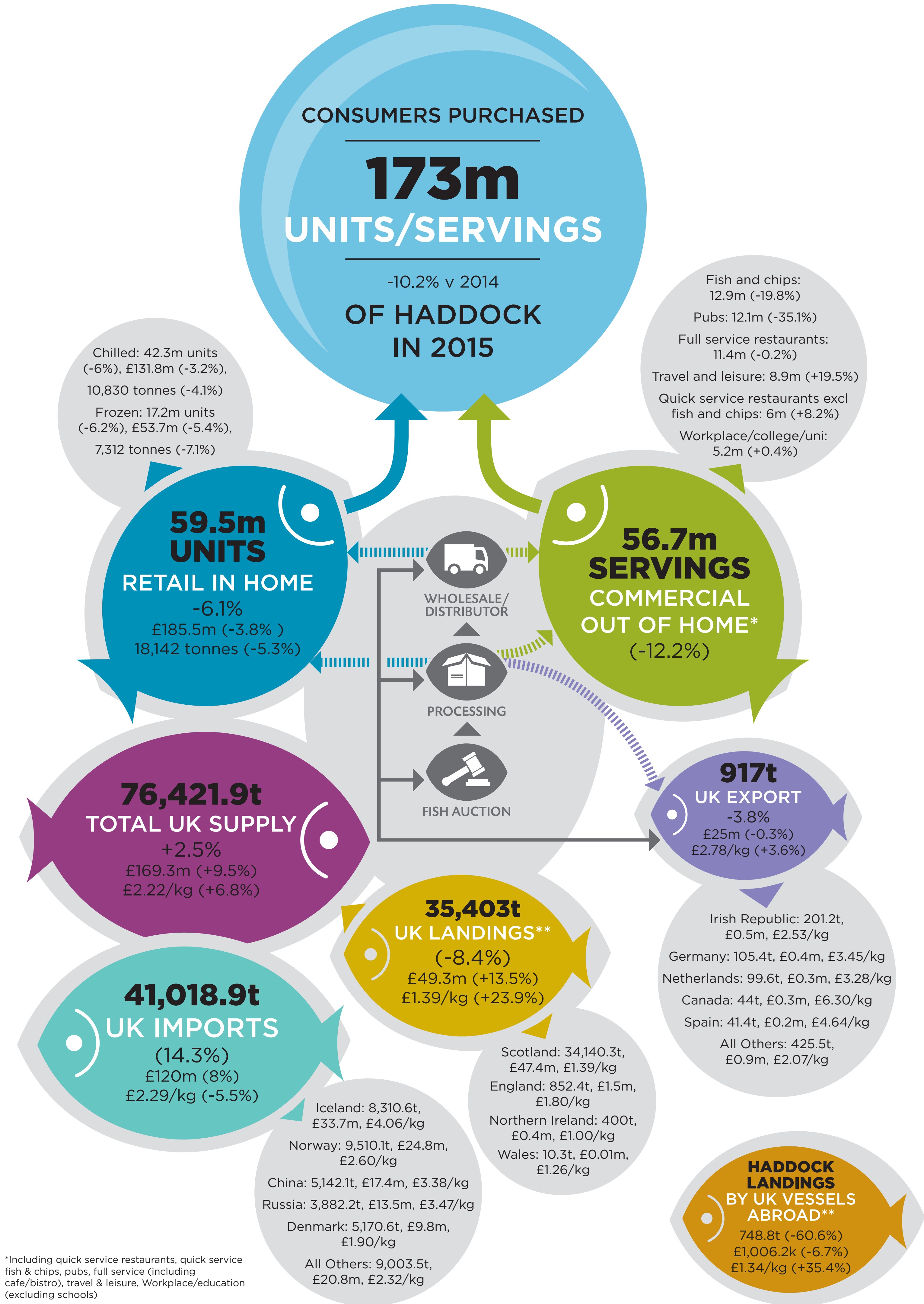


The majority of haddock servings were chosen by diners who were socialising but this and the convenience motivation declined. Haddock being chosen as a treat out-performs total seafood with regards share and annual growth rate, the functional motivation also increased share.

% Haddock servings by motivation



The majority of haddock servings were bought by diners over 50 years old whilst also remaining popular with 18-24 year olds. Servings bought by diners who were under 18, 25-34 and over 65 years old increased. Haddock under performed with 34-49 year olds, who bought fewer servings.



*Including quick service restaurants, quick service fish & chips, pubs, full service (including cafe/bistro), travel & leisure, Workplace/education (excluding schools)

****What should this figure be?** UK landngs and UK vessels abroad

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Data sources:
· Retail: A.C Nielsen ScanTrack and HomeScan, BrandView
· Foodservice: NPD Crest, Technomic Menu Monitor
· Trade: HMRC via British Trade Statistics
· Landings: Marine Management Organisation (MMO)

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