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

seafish

Frozen Seafood in Multiple Retail (2020)

A market insight analysis
(20m read)

November 2020 Richard Watson

This factsheet provides a summary of the performance of frozen seafood in multiple retail to October 2020.

Key frozen facts/ Executive summary:

- COVID-19 triggered panic buying, working from home and school closures which led to shoppers prioritising cupboard and freezer staples. Historically a flat category, weekly frozen seafood sales were boosted by up to 74% vs last year. As a second wave of COVID-19 builds, seafood sales are beginning to increase again. Hopefully shoppers will continue to engage with the sector, recognising the price, quality and convenience advantages of frozen.

- The frozen seafood sector was worth £1,067m (+16%) with a volume of 144,612 tonnes (+10.4%); and an average price of £7.38/kg (+5.1%). (52wks to 03.10.20), taking share from chilled sales.

- Coated frozen segments saw strong growth, as shoppers re-discovered the convenience of coated seafood, as a snack or meal centre. Frozen natural, breaded and prepared showed strong double digit growth whilst frozen meals, sauce and sushi were the only frozen segments in decline.

- Cod continues to dominate the frozen seafood sector. Despite share continuing to decline, cod still takes nearly double the share of next most popular species, Alaskan pollack (coded pollock).

- Most frozen species saw strong volume growth, especially species popular in coated products such as haddock and Alaskan pollack. Established farmed seafood species such as salmon, warm water prawn and basa and seabass also continued to perform strongly. Unusually, species also associated with foodservice like lobster, scampi showed some of the highest annual growth, driven by foodservice closures and consumers dining in.

- Frozen seafood is becoming a polarised purchase with more of the most affluent (AB) shoppers and more of the least affluent (E) shoppers buying seafood compared to last year. Likewise, the smallest and largest household are increasing share as the core two person demographic shrinks. Frozen seafood is also becoming a significantly older purchase with the under 35 yrs group declining the most.

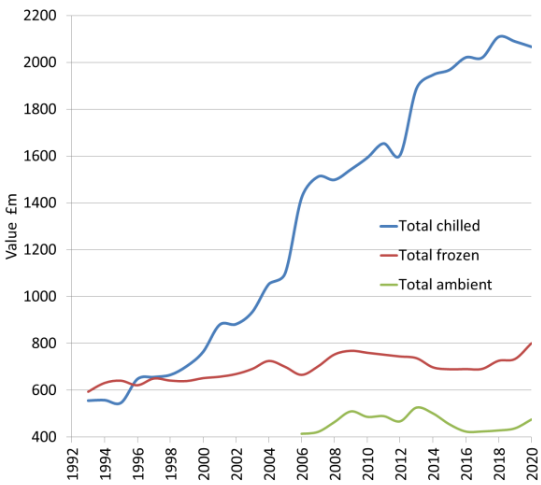
- Frozen seafood penetration remained substantially higher than that of chilled or ambient seafood, at 86.8%. Compared with the previous year, shoppers bought frozen seafood more often, with a larger basket size. On average, shoppers bought 0.53kg of frozen fish per trip spending £3.64; buying frozen seafood 11.4 times per year, spending a total of £41.43, equating to 6.01kg over the year.

Historic retail seafood sector trends

Over the long term, total retail seafood sales have been in price driven growth as inflation drives average price and volumes decline

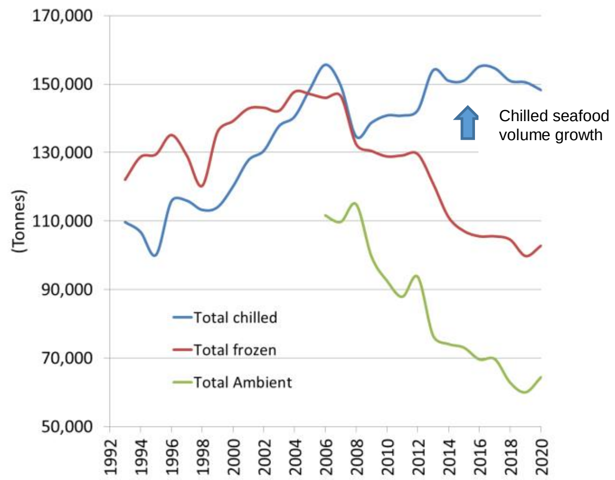
Frozen seafood consumption has been in general decline since 2008. Frozen seafood volume sales briefly rallied in 2012 and 2018 in line with lower disposable household income, but in 2020 the COVID-19 epidemic triggered panic buying, working from home and school closures which had the effect of boosting weekly frozen seafood sales up to +74% higher than the previous year.

Long Term GB Seafood Sector Value Trends.



Nielsen GB Scantrack/TNS

Long Term GB Seafood Sector Volume Trends.

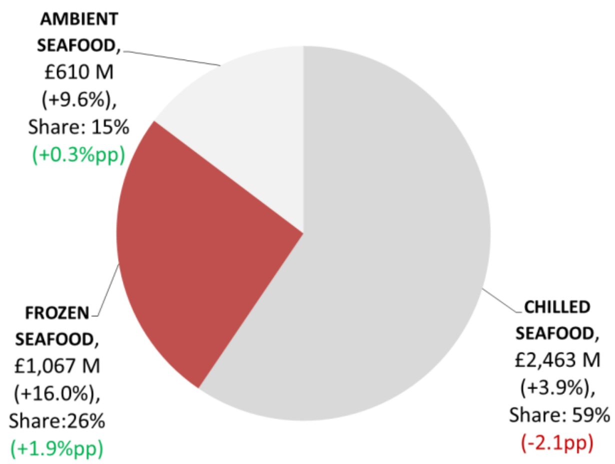


Frozen seafood performance

In the 52 wks. to 3rd October 2020, the total seafood category showed healthy growth driven by the boost in sales from panic buying, home working, school closures and the subsequent restrictions on foodservice. Sales were worth £4.1bn (+7.6%), with a volume of 424,635 tonnes (+7.9%) and an average price of £9.75/kg (-0.2%) (Nielsen Scantrack)

Frozen and ambient seafood have grown share of total seafood, taking share from chilled. In the 52 wks. to 3rd October 2020, frozen seafood took the second largest share of the category behind chilled. Historically a flat category, COVID -19 influenced shopping patterns have reinvigorated the frozen seafood category; driving double digit growth in both value and volume, despite significant price inflation. Frozen seafood was worth £1,067m (+16%) with a volume of 144,612 tonnes (+10.4%); with an average price of £7.38/kg (+5.1%).

UK seafood sector share by value 2020



Nielsen Scantrack YE 03.10.20

Over the long term (10 years to 3rd October 2020), frozen seafood remains in price driven growth, with value up +11.1% and volume down by -19.7%. Frozen average price per kg grew by 38.3%, compared to chilled which experienced a lower price increase of 25.9%

Frozen seafood KPI's

In the 52 wks. to 3rd October 2020, significantly more shoppers bought frozen seafood. Penetration remained substantially higher than that of chilled or ambient seafood, with 86.8% of shoppers buying frozen seafood. Compared with the previous year, shoppers bought frozen seafood more often with a larger basket size. On average, frozen shoppers bought 0.53kg of frozen fish per trip spending £3.64; buying frozen seafood 11.4 times per year, spending a total of £41.43, equating to 6.01kg over the year.

Frozen seafood KPI's 2020

		Pen %	Freq	AWOP (Kg) 52w	Avg Spend (£) 52w	Trip Spend (£)	Price per Kg	Avg Trip Kg
TOTAL SEAFOOD	05-Oct-19	96.40	28.90	13.59	117.95	4.08	8.68	0.47
	03-Oct-20	96.60	29.80	14.67	128.53	4.31	8.76	0.49
	% Change	0.2	3.1	7.9	9.0	5.7	1.0	4.7
CHILLED SEAFOOD	05-Oct-19	80.30	18.50	6.70	79.65	4.31	11.89	0.36
	03-Oct-20	80.90	18.80	7.08	84.39	4.48	11.92	0.38
	% Change	0.8	1.8	5.7	5.9	4.1	0.3	3.8
FROZEN SEAFOOD	05-Oct-19	85.30	10.70	5.58	36.79	3.44	6.60	0.52
	03-Oct-20	86.80	11.40	6.01	41.43	3.64	6.90	0.53
	% Change	1.8	6.4	7.7	12.6	5.8	4.6	1.2
AMBIENT SEAFOOD	05-Oct-19	78.80	9.10	3.77	23.34	2.57	6.19	0.41
	03-Oct-20	79.50	9.50	4.05	25.00	2.63	6.17	0.43
	% Change	0.9	4.7	7.4	7.1	2.3	-0.3	2.6

Nielsen Homescan YE 03.10 20

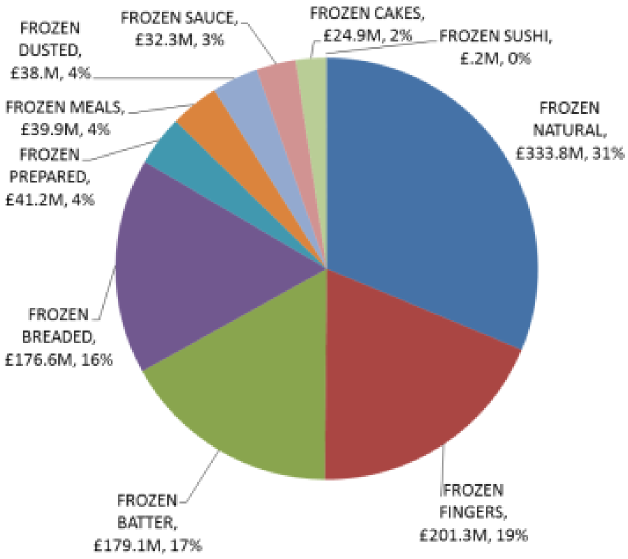
Frozen seafood segment performance

In the 52wks to 3rd October 2020, coated frozen segments saw strong growth, with consumption driven by panic buying, working from home and the closure of schools driving more occasions and shoppers re discovering the convenience of coated seafood, as a snack or meal centre. Frozen natural, breaded and prepared showed strong double digit growth whilst frozen meals, sauce and sushi were the only frozen segments in decline.

Frozen natural segment (i.e. includes no additional ingredients) remains the largest frozen segment; worth £333.8m (+14.9%), with 33,599 (+14.7%) tonnes and an average price of £9.94/kg (+0.1%). Frozen natural has one of the highest average prices of all the frozen segments, second only to frozen sushi. Although frozen natural continues to take the largest share by value 31%, (-0.3pp) it has contracted compared to last year. The next largest, fingers 19%, (+0.4pp), batter 17%, (+0.3pp) and breaded 16% (+1.2pp) all grew share. The biggest segment share value declines were frozen meals, sauce and sushi.

Frozen fingers continue to take the largest share by volume of the frozen seafood sector, but share is shrinking (-0.3pp). Frozen breaded showed the largest volume share increase (+1.0%).

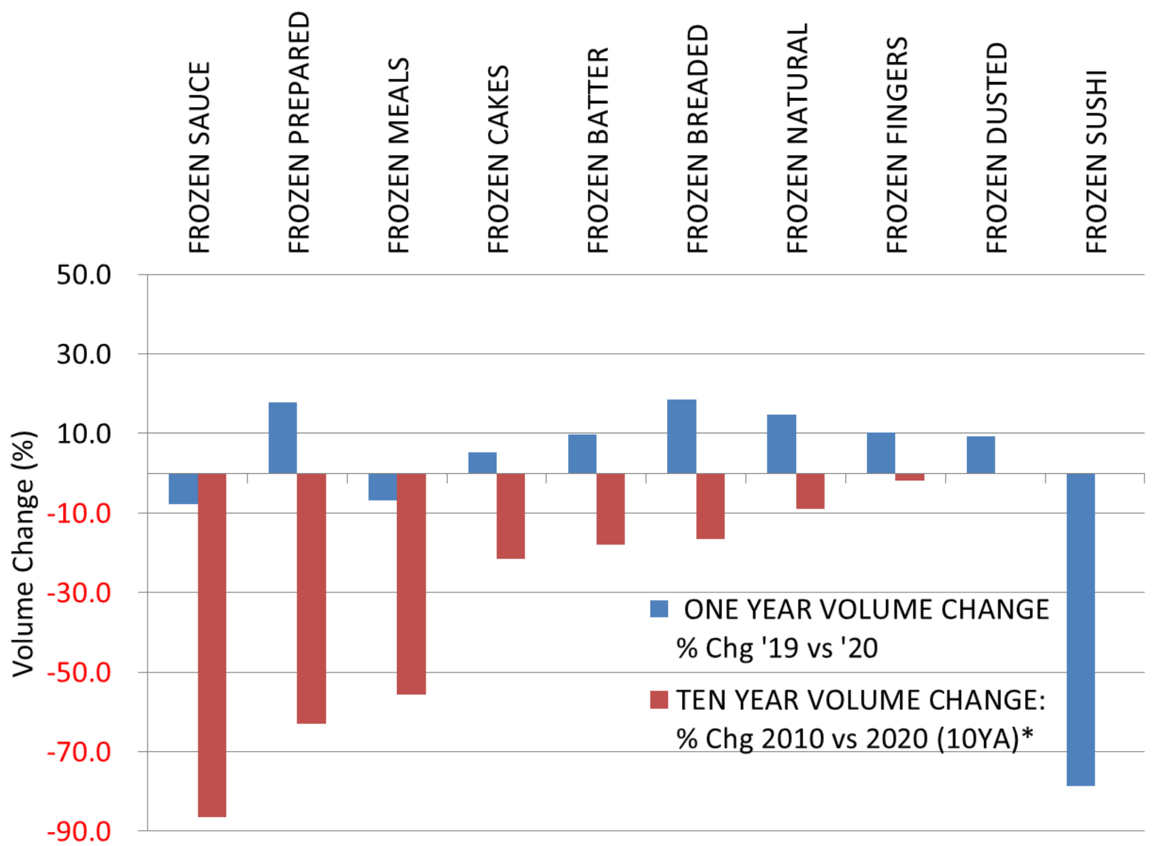
Segment value share of UK frozen seafood 2020 (£m)



Nielsen Scantrack YE 03.10.20

Over the 10 years to 3rd October 2020, none of the frozen segments were in full growth; even this boost from COVID-19 was not sufficient to overcome the long term volume decline in all segments. Frozen natural, fingers, batter and breaded segments saw an increase in value as a result of inflation and lost the least volume. Frozen meals, prepared and sauce were the hardest hit, losing over -50% volume in the past 10 years.

Long & short term frozen segment volume trends (2010/19 vs 2020)



(Data: Nielsen Scantrack – 10yrs/52wks to 03.10.20)

UK frozen seafood segment performance to 2020

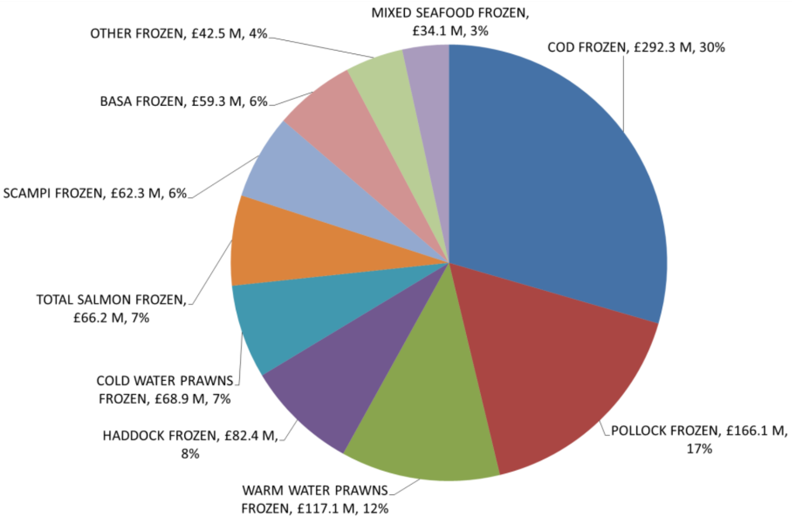
	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	Avg Price 2020	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*
FISH	3,835,603	3,846,870	4,140,337	7.6	21.0	394,698	393,616	424,635	7.9	-14.9	£9.75	-0.2	42.1
CHILLED	2,375,247	2,370,978	2,463,430	3.9	33.2	176,518	178,477	188,153	5.4	5.8	£13.09	-1.4	25.9
FROZEN	915,884	919,752	1,067,348	16.0	11.1	134,930	130,938	144,612	10.4	-19.7	£7.38	5.1	38.3
AMBIENT	544,471	556,140	609,559	9.6	-2.9	83,250	84,201	91,871	9.1	-37.4	£6.63	0.5	54.9
FROZEN NATURAL	289,573	290,641	333,822	14.9	24.4	29,752	29,286	33,599	14.7	-8.9	£9.94	0.1	36.4
FROZEN FINGERS	163,038	170,214	201,292	18.3	30.9	34,220	34,161	37,643	10.2	-1.9	£5.35	7.3	33.5
FROZEN BATTER	145,417	151,973	179,148	17.9	13.8	21,827	22,087	24,236	9.7	-18.0	£7.39	7.4	38.9
FROZEN BREADED	138,035	140,827	176,603	25.4	17.8	19,444	18,665	22,122	18.5	-16.7	£7.98	5.8	41.3
FROZEN PREPARED	37,370	34,169	41,177	20.5	-50.8	4,760	4,236	4,992	17.9	-63.0	£8.25	2.2	32.9
FROZEN MEALS	42,407	40,461	39,887	-1.4	-43.5	10,791	10,096	9,401	-6.9	-55.6	£4.24	5.9	27.5
FROZEN DUSTED	37,615	34,752	38,008	9.4	n/a	4,200	3,705	4,050	9.3	n/a	£9.39	0.1	n/a
FROZEN SAUCE	39,553	33,583	32,264	-3.9	-75.8	5,081	4,138	3,817	-7.8	-86.6	£8.45	4.2	80.1
FROZEN CAKES	22,122	22,202	24,942	12.3	18.2	4,804	4,498	4,738	5.3	-21.4	£5.26	6.7	50.4
FROZEN SUSHI	753	932	207	-77.8	n/a	51	66	14	-78.6	n/a	£14.65	3.5	n/a

*Nielsen Scantrack YE 15.06.19 (*10yr GB)*

Frozen Seafood Species

In 2020, cod continues to dominate the frozen seafood sector, despite share continuing to decline to 29.5% (-0.5pp). Cod still takes nearly double the share of next most popular species pollack, 16.8% (+0.1pp) which continues to grow. Scampi (+0.6pp) and basa (Pangasius) (+0.8pp) showed the strongest share growth, whilst cod and warm water prawns (-0.4pp) showed the greatest share decline.

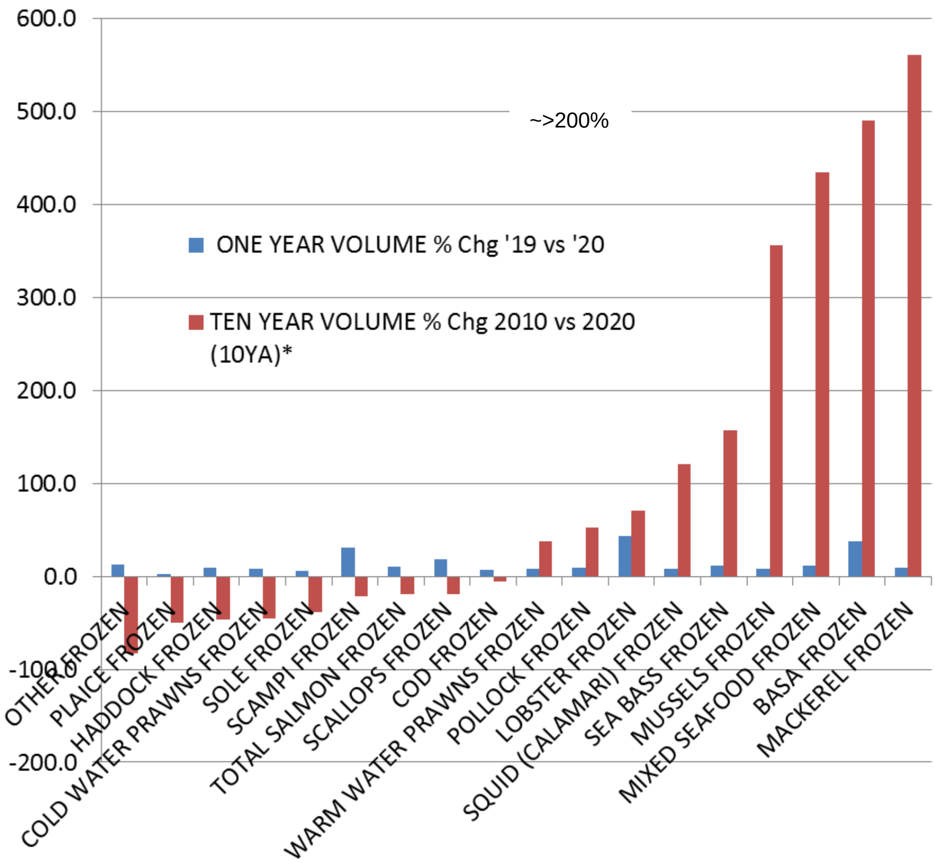
Top frozen species value share UK 2020



Nielsen Scantrack YE 103.10.20

In the 52wks to 3rd October 2020, frozen cod was worth £292.3m, with 41,566 tonnes; with volume and value increasing by +14.6% and +7.1% respectively. Most frozen species saw strong volume growth, especially species popular in coated products such as haddock and Alaskan pollack (coded pollock). Established farmed seafood species such as salmon, warm water prawn and basa and seabass also continued to perform strongly. Unusually, species also commonly associated with foodservice like lobster, scampi showed some of the highest annual growth, driven by foodservice closures and consumers dining in.

Frozen seafood species volume performance 2020



Nielsen Scantrack – 10yrs/52wks to 03.10.20)

In total seafood, warm water prawns and other aquacultured seafood species have grown in popularity. As a sector, frozen has also mirrored this trend, but the decline of traditional species has been much slower From 1974 to 2015, whitefish consumption declined over four times faster in the chilled sector, compared to in frozen (Defra Family Food). Frozen is also a popular format for shellfish; over the same period frozen shellfish consumption has grown significantly faster than that of chilled shellfish. This is likely due to shoppers recognizing the price, quality and convenience advantages of frozen.

Over the 10 years to 3rd October 2020, frozen seabass, mussels, mixed seafood, bass and mackerel were the top performing species in volume growth of over 300%.

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 are usually the main driver of volume decline; but despite price increases of 30% and 94% respectively, frozen warm water prawns and lobster saw strong long term growth.

Long term, farmed frozen alternatives to cod and haddock such as seabass, pollock and basa (Pangasius) continue to grow volume very strongly (basa +491%) some from a small base, despite a higher average price per kg.

Frozen seafood species performance to 2020

	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	3,835,603	3,846,870	4,140,337	7.6	21.0	394,698	393,616	424,635	7.9	-14.9	£9.75	-0.2	42.1
FROZEN	915,884	919,752	1,067,348	16.1	11.1	134,930	130,938	144,612	10.4	-19.7	£7.38	5.1	38.3
COD FROZEN	264,493	255,069	292,347	14.6	26.6	42,434	38,816	41,566	7.1	-5.5	£7.03	7.0	34.0
POLLOCK FROZEN	123,981	141,500	166,106	17.4	76.4	27,337	29,303	32,126	9.6	52.3	£5.17	7.1	15.8
WARM WATER PRAWNS FROZEN	104,793	104,353	117,069	12.2	79.3	8,408	8,422	9,120	8.3	37.7	£12.84	3.6	30.2
HADDOCK FROZEN	74,978	71,376	82,447	15.5	-31.1	10,620	9,558	10,484	9.7	-46.7	£7.86	5.3	29.4
COLD WATER PRAWNS FROZEN	62,549	62,776	68,880	9.7	-3.0	5,969	5,544	5,998	8.2	-45.7	£11.48	1.4	78.7
TOTAL SALMON FROZEN	62,670	58,186	66,243	13.9	-14.0	7,737	6,886	7,593	10.3	-19.2	£8.72	3.3	6.5
SCAMPI FROZEN	48,196	48,407	62,300	28.7	-2.2	4,877	4,628	6,047	30.7	-21.6	£10.30	-1.5	24.6
BASA FROZEN	45,533	43,641	59,305	35.9	493.0	6,311	6,080	8,344	37.3	490.6	£7.11	-1.0	0.4
OTHER FROZEN	33,109	34,462	42,520	23.4	-78.2	9,953	10,123	11,383	12.4	-82.6	£3.74	9.7	25.3
MIXED SEAFOOD FROZEN	27,605	29,663	34,136	15.1	439.3	3,740	3,913	4,354	11.3	434.6	£7.84	3.4	0.9
SOLE FROZEN	8,815	10,939	11,404	4.3	-18.3	876	1,125	1,196	6.4	-38.2	£9.53	-2.0	32.1
SQUID (CALAMARI) FROZEN	7,353	8,356	9,873	18.2	220.7	773	1,004	1,083	7.9	120.3	£9.12	9.5	45.5
SHRIMPS FROZEN	3,818	6,136	8,512	38.7	n/a	282	494	606	22.7	n/a	£14.04	13.0	n/a
TUNA FROZEN	8,833	7,668	8,512	11.0	-4.8	1,241	992	1,036	4.5	-32.8	£8.21	6.2	41.6
SCALLOPS FROZEN	4,897	5,701	6,550	14.9	40.1	210	240	283	17.8	-18.9	£23.14	-2.5	72.9
SEA BASS FROZEN	4,756	4,762	4,850	1.9	67.7	346	370	413	11.6	157.6	£11.75	-8.7	-34.9
PLAICE FROZEN	4,919	3,890	4,410	13.4	-39.8	642	473	483	2.2	-50.2	£9.12	10.9	20.9
LOBSTER FROZEN	4,672	3,209	4,106	28.0	230.9	189	129	185	43.9	70.8	£22.16	-11.1	93.8
MUSSELS FROZEN	2,884	3,212	3,915	21.9	586.4	500	517	558	7.9	356.0	£7.02	13.0	50.6
MACKEREL FROZEN	2,319	1,844	2,005	8.7	466.1	248	204	224	9.7	560.6	£8.94	-0.8	-14.3
CRABSTICK FROZEN	2,456	2,147	1,540	-28.3	43.0	613	517	349	-32.4	15.6	£4.41	6.1	23.9

*Nielsen Scantrack YE 03.10.20 (*10yr GB)*

The frozen seafood shopper

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

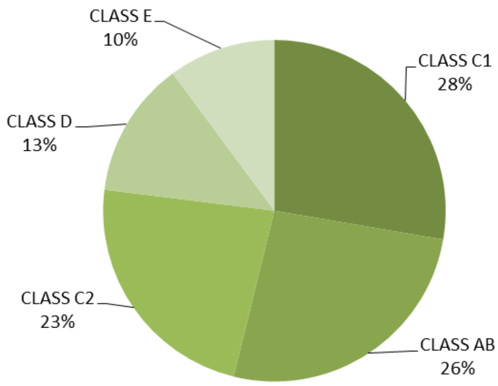
Frozen seafood is becoming a polarised purchase with more of the most affluent (AB) shoppers and more of the least affluent (E) shoppers buying seafood compared to last year. Likewise, the smallest and largest household are increasing share as the core 2 person demographic shrinks. Frozen seafood is also becoming a significantly older purchase with the less than 35 yrs group declining the most.

Seafood sector demographics 2020 (volume)

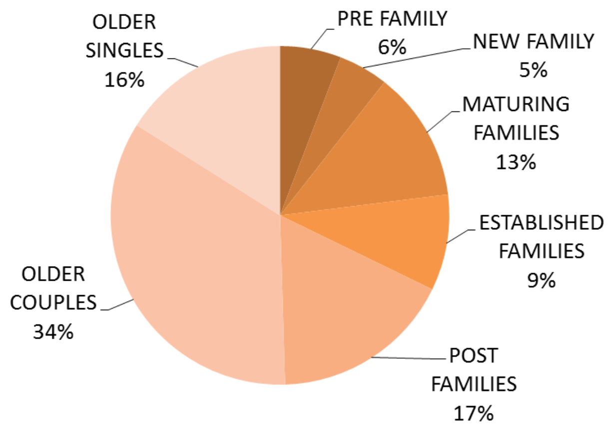
	TOTAL FISH	FROZEN	AMBIENT	CHILLED
CLASS AB	29.5	26.1	28.3	33.2
CLASS C1	27.9	27.7	27.9	28.2
CLASS C2	21.6	23.1	22.6	19.7
CLASS D	11.4	12.9	11.9	9.6
CLASS E	9.6	10.1	9.3	9.2
SIZE 1 MEMBER	23.5	20.0	22.2	27.3
SIZE 2 MEMBERS	41.2	38.8	39.1	44.6
SIZE 3.4 MEMBERS	28.6	32.5	30.8	23.8
SIZE > 5 MEMBERS	6.7	8.6	7.9	4.3
<35 YEARS	12.1	12.5	14.8	10.2
35 TO 44 YEARS	16.2	17.6	17.6	14.0
45 TO 64 YEARS	37.8	38.7	39.0	36.2
65+ YEARS	34.0	31.2	28.6	39.5
CHILDREN YES	24.2	28.8	27.0	18.4
CHILDREN NO	75.8	71.2	73.0	81.6
CHILD 0 TO 4 YEARS	23.4	24.1	22.1	23.4
CHILD 5 TO 10 YEARS	40.1	40.1	40.3	40.0
CHILD 11 TO 15 YEARS	36.5	35.8	37.7	36.6
PRE FAMILY	5.8	5.0	7.3	5.8
NEW FAMILY	4.7	5.5	5.0	4.0
MATURING FAMILIES	12.4	15.2	14.1	9.0
ESTABLISHED FAMILIES	9.2	10.7	10.4	7.1
POST FAMILIES	17.3	16.3	18.5	17.6
OLDER COUPLES	34.4	33.5	30.9	37.3
OLDER SINGLES	16.1	13.9	13.9	19.2

Nielsen Homescan YE 03.10.20

Class - share of frozen seafood 2020 (volume)



Household type - share of frozen seafood 2020 (volume)



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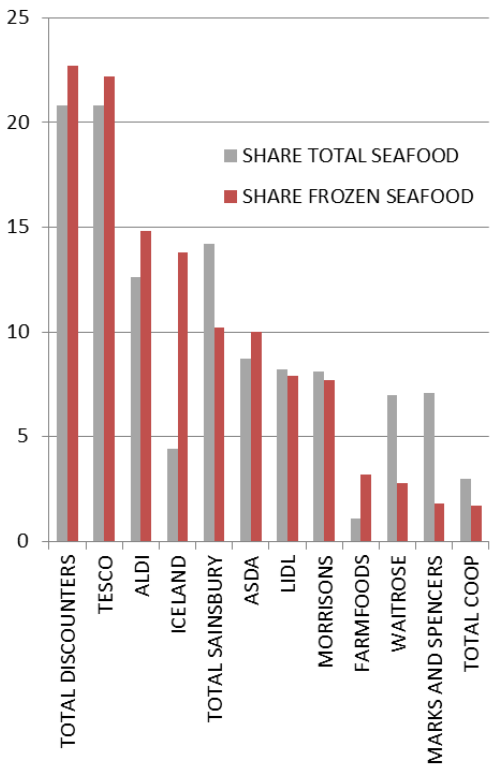
Where are shoppers purchasing frozen seafood?

The percentage of pre-packaged seafood continues to grow strongly as it has done in previous years, with shoppers wanting to be in and out of store as quickly as possible and reporting being intimidated by having to ask the fishmonger. Some retailers have already made the decision to remove seafood counters from store, at the current rate of change it is likely that others may soon follow. In October 2020, 97% of seafood was sold prepack, rather than from a fish counter. This puts more emphasis on the need to provide prepack products which meet shopper requirements around freshness, minimising handling/preparation and ease of cooking.

This year, for the first time, Tesco has been displaced by the combined discounters Aldi and Lidl as the largest GB seafood 'retailer'. 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 12.8% in 2020 (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 2020 (volume)



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The effect of COVID-19 on frozen seafood

The COVID-19 pandemic has had a huge impact on UK retail, with seafood gaining additional sales from panic buying, home working, school closures and the subsequent restrictions on foodservice.

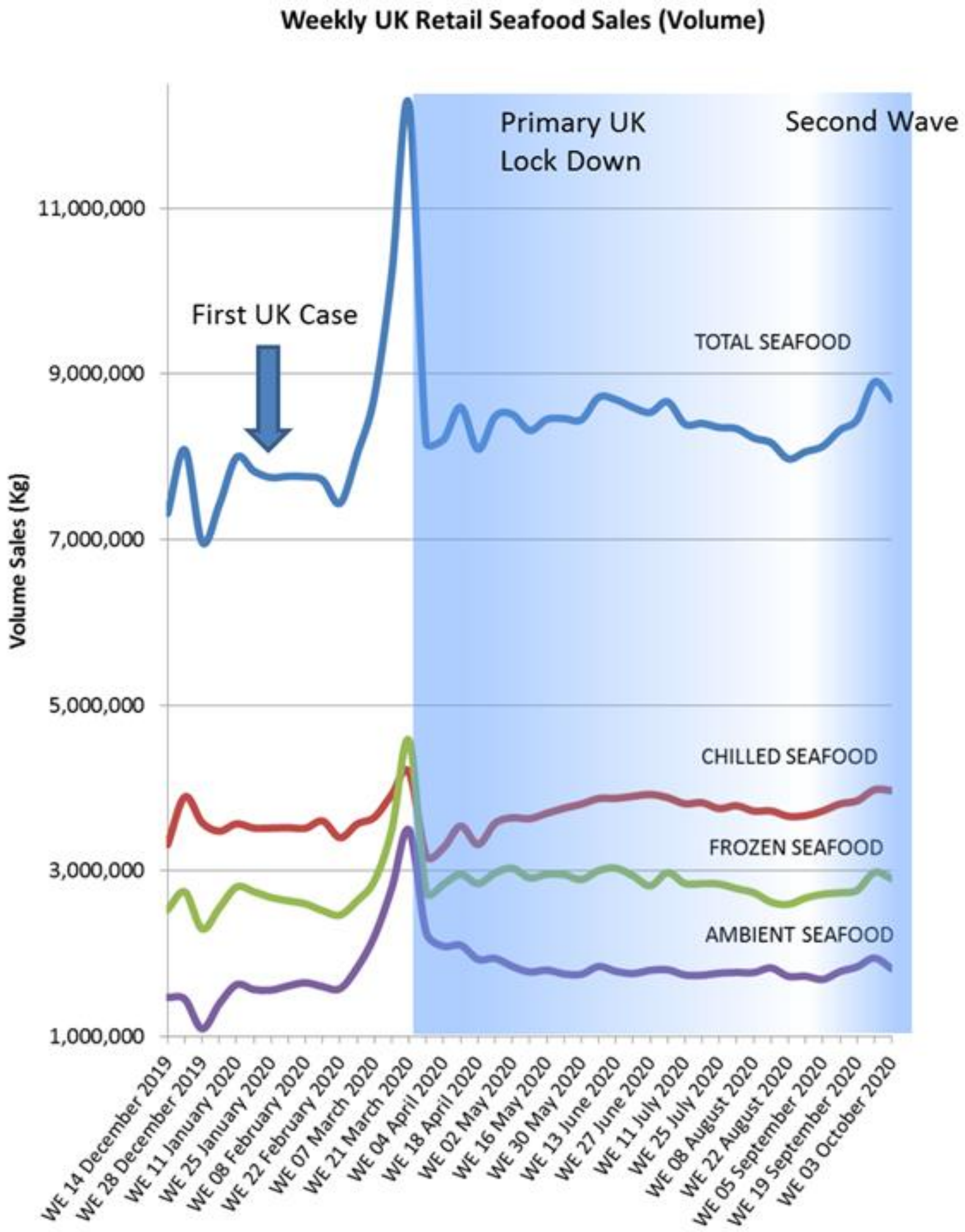
Panic buying in March 2020 lasted four weeks, at its peak, total seafood weekly volume sales grew by 58%, driven by strong demand in all sectors, especially frozen and ambient as shoppers prioritised cupboard and freezer staples. At its peak, frozen seafood consumption briefly outstripped chilled for the first time since 2005 as volume sales grew by +74%.

During the summer months as lockdown eased seafood sales began to return to normal. However, COVID-19 cases began to build again in autumn triggering a second lockdown and seafood sales have begun to increase once more. As of w/e 3rd October 2020, total seafood volume sales remain 12.4% higher than last year and frozen seafood sales remain are 7.4% higher than last year.

A second sharp panic buying spike of seafood is unlikely. A smaller broader 'hump' is more probable as households keep cupboards and freezers stocked in preparation for the unknown. A second lockdown planned for the first week in November 2020 should see a rise in frozen and ambient sales.

Trends w/e Oct 3rd 2020:

- Volume sales across all sectors still remain higher than last year. Chilled performing strongly: chilled (+17.9%), Frozen (+7.4%), ambient (+9.1%)
- Natural (+22.1%), fingers (+14.7%), prepared (12.5%) and cakes (+10.5%) are key segments in growth vs same week last year
- Top species performers include: Anchovy (+58.7%) Langoustine (+33.1%) and octopus (+45.7%) vs same week last year. Suggesting despite some foodservice re-opening consumers are purchasing seafood to dine in



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 - 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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