

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



Review of Covid-19 impacts on the UK seafood industry:

July-September 2020

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Introduction

This report is the second in a series of reviews on the impacts of the Covid-19 pandemic on the UK seafood sector. It takes a high-level view of the whole of the seafood supply chain to explore the impact on UK seafood markets, seafood business operations and consumer behaviour. This report covers July-September 2020.

In the UK, we export a large proportion of the seafood we catch and import much of the seafood we eat. Our seafood supply chain is heavily integrated into the global seafood supply chain. Therefore, the global responses to this world-wide pandemic have had wide-ranging consequences for the UK's seafood supply chain.

We have drawn on qualitative and quantitative data available at the time of writing. This includes official statistics, industry insights and published news articles. This report also includes data we collected during our regular [processing survey](#). Links to data sources and other resources are provided at the end for further information.

Report Status

This report builds on our earlier "[Review of Covid-19 impacts on the UK seafood industry: January – June 2020](#)".

Reports will continue to be produced quarterly, providing a rolling update of Covid-19 impacts on the UK seafood industry. We expect to release the next report, covering October to December 2020, in March 2021. It will feature data collected through our 2020 survey of the UK fishing fleet.

Acknowledgements

A special thanks to those who have shared invaluable industry insights with Seafish. Our thanks also go to our regional, economics and insight teams and other colleagues across Seafish who have provided input and feedback on this report.

Industry Impacts Overview

July and August: Restrictions ease and hospitality reopens

In the summer months, restrictions continued to ease in the UK, on the continent and further afield. In the first half of July, following the reopening of restaurants in Europe, UK foodservice markets gradually reopened. This allowed consumers to visit pubs and restaurants for the first time since many closed in March.

Pubs and restaurants first reopened for outdoor dining only, followed by indoor dining as the summer progressed. The wider UK hospitality industry also reopened in July in time for school holidays. While some holidaymakers made use of “travel corridors” established with Europe, many more stayed home or went away for staycations with coastal areas of the UK proving particularly popular.

Consumers shifted back to eating more meals out of home. Retail and direct sales declined from the highs of earlier in the year but remained relatively strong. In August, the foodservice sector and its suppliers saw an even greater boost with the launch of the UK-wide Eat Out to Help Out scheme. This helped processors and wholesalers sell stock - which had built up during lockdown - into foodservice, increasing demand for raw material once more.

The catching sector began to see better prices for some species as domestic and European foodservice markets returned and key export markets re-opened, however shellfish prices remained low. Some shellfish aquaculture businesses, with product largely destined for export and high-end foodservice, also continued to struggle with markets and price during this period.

Processing businesses that closed or reduced production during the height of lockdown continued to come back on-line throughout the summer. Some of the large shellfish processors were the last to restart operations by early August.

Late summer: Cases rise and restrictions increase

In August, Covid-19 cases began to rise again and restrictions increased, first on the continent and soon after in the UK. In September restrictions gathered pace across the UK.

Restrictions differed by home nation. They included variations on a “rule of six” limiting gatherings with different households, and a 10pm curfew for pubs and restaurants in England, Scotland and Wales. Towards the end of this period the operating environment became increasingly unstable for businesses as the threat of a ‘second wave’ and further restrictions picked up. Uncertainty around future trade arrangements with the EU added additional pressure.






With the increased restrictions set to combat the second wave of the virus, many consumers too lost confidence in dining out of home. They turned back to ‘in-home’ spending by the end of September. Financial uncertainty and concerns around future job security led many to reassess their spending priorities. This further impacted on their willingness to spend on eating out and other things considered luxuries.

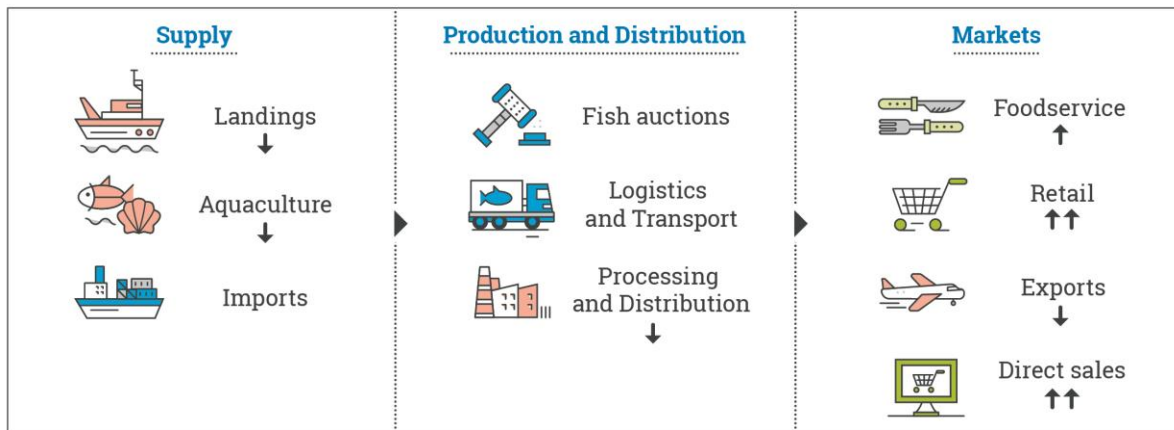
The following diagram provides a high-level overview of the direction and magnitude of Covid-19 impacts on different parts of the UK seafood supply chain from July-September 2020.

Supply Chain: Restrictions ease then return (July-September 2020)

Shocks: Foodservice demand increased as lockdown restrictions continued to ease around the world and schools broke up for the summer. Despite this shift in demand, retail and direct sales remained strong. Travel corridors to Europe opened up and exports destined for foodservice on the continent improved in the height of summer. Uncertainty increased towards the end of August and into September as restrictions returned in the UK and in key European seafood export nations.

Effect of shocks compared to same period in 2019

-  Strong positive effect
-  Mild positive effect
-  Similar
-  Mild negative effect
-  Strong negative effect



Further detail on individual business impacts within each area of the supply chain are not captured in this diagram, but explained in more detail in the following sections of this report.

Markets





Key points

- Foodservice markets in UK and Europe reopened in the summer.
- Consumption of meals out of home increased with seafood proving popular, particularly in coastal areas and big cities.
- Retail sales dropped back on previous months, but remained above 2019 levels.
- Demersal and shellfish export value was higher than in previous months, though below the same period in 2019.
- As previous supply chains reopened some businesses moved out of direct sales, while others expanded or rebalanced operations to keep this new channel open.



Retail

With the gradual easing of restrictions in July, consumers had the option and inclination to eat out more. As consumers opted to eat more meals out of home, retail sales decreased from record highs seen earlier in the year. Despite this reduction, larger multiple retailers continued to see seafood sales above last year's levels, particularly in frozen and chilled fish categories through this period.

UK retail 2020 compared to 2019				
	Chilled	Frozen	Ambient	Overall
Volume (Jul-Sep)	+12%	+12%	+3%	+10%
Volume (Jan-Sep)	+7%	+14%	+11%	+10%

Salmon retail sales also remained above 2019 levels through the summer, continuing to prove popular with consumers. Salmon retail sales volume was 16% higher than the same period in 2019, largely driven by chilled sales.

Online shopping (which consumers had shifted to in the first half of the year) remained popular throughout the summer. Shoppers tend to be less adventurous when making online purchases and more likely to stick to their shopping list and brands they know. An increased interest in health, value for money and family meals was noted. Retailers are likely to factor these considerations into their strategies going forward.

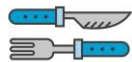


Many independent fishmongers reprioritised their offering as restrictions eased. This meant reducing deliveries and encouraging customers to come to the shop and meet the fishmonger.

Some businesses reported that they retained new customers they obtained during lockdown. Businesses that increased or improved their online marketing through websites and social media particularly benefitted. Others reported a decrease in sales during the summer compared to the height of lockdown. This was attributed to the return of the foodservice market and associated reduction in meals cooked at home.

GCH Fishmongers, a family run business in Bedford, launched an online platform and local home delivery service during lockdown. Their new customer base meant they continued to thrive through the summer. Owner Gary Hooper said:

“We saw new customers coming into the shop over the summer who found us during lockdown. We suspect many of these new customers used to get their fresh fish from the multiple retailers and it’s been great to see the increased interest in local independent businesses like ours.”



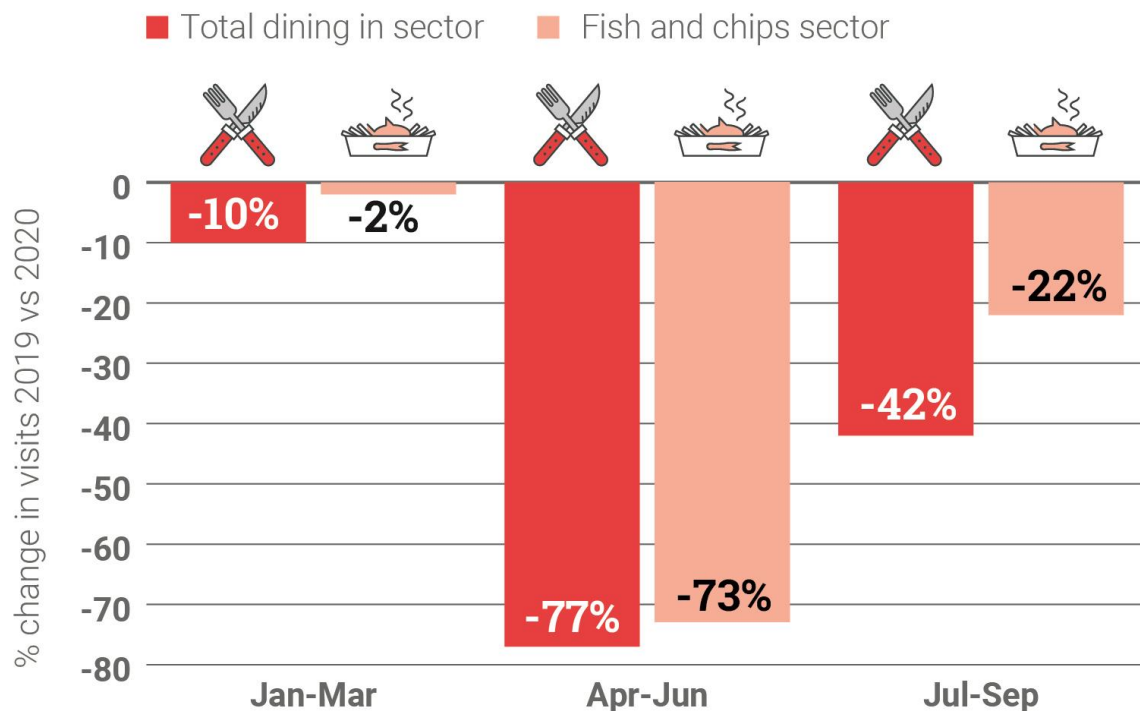
Foodservice

The reopening of the sector meant total visits to foodservice were up considerably compared to earlier in 2020. However, they were 42% lower than in July - September 2019.

Decline against last year was seen across all foodservice channels:

- The biggest declines were seen in workplaces – including offices and schools - and pub settings due to closures, restrictions and more working from home.
- Visits to foodservice for seafood specifically performed better than total foodservice, but there were still 32% fewer visits than the same period last year.
- Visits to fish and chip shops were less impacted than total foodservice.

Foodservice 2019 vs 2020 by visit



Fish and chips

Fish and chip takeaway trade remained strong throughout this period as businesses made changes in response to the challenges. Some operated a reduced menu focussed on a smaller number of core items, and many businesses kept shorter operating hours. Others adapted their offerings to sell more locally sourced seafood which previously would have been exported and consumed abroad. Andrew Crook, President of trade body the National Federation of Fish Friers (NFFF), said:

“The fish and chip sector has been largely successful in innovating and adapting to meet the new operating environment, embracing timed ‘click&collect’ ordering, contactless payments and utilising social media platforms and local press to promote business through the summer.”

Businesses offering takeaway and delivery options also faced an increase in hidden operating costs. These included delivery vehicle insurance, card payment fees and delivery service fees from platforms such as Just Eat, Deliveroo and Uber Eats.

Some businesses reported reductions in takeaway fish and chip trade as pubs and restaurants reopened. Many businesses were also impacted by reduced staffing levels due to Covid-19 illness and self-isolation amongst employees.

Pubs, restaurants and hotels across the UK were able to reopen in July. Outdoor hospitality was the first part of the sector permitted to reopen and this stipulation encouraged businesses to invest in outdoor seating areas. Bob McCoubrey, owner of Mourne Seafood Bar said:

“Our investment in an outdoor seating area enabled us to help keep numbers of customers up, while accommodating social distancing. Many customers wanted and preferred the option of eating outside.”

Later in the summer, indoor seating was also allowed with added protections in place. To accommodate “one metre plus” social distancing requirements many pubs and restaurants reduced indoor seating capacity and invested in screens to help keep staff and customers safe.

Reopening was not without challenges. Last-minute cancellations and no-show bookings, on top of a reduction in covers, proved problematic for many businesses trying to find their feet again. Businesses also faced higher operating costs as they brought in measures to maintain social distancing. Technological solutions to allow customers to order from their table and the increase in card payments both came with fees attached.

Despite operational challenges, many foodservice establishments saw a considerable boost in trade in August with the launch of the Eat Out to Help Out scheme across the UK. The UK Government [reported that over 35 million meals were claimed under the scheme in the first two weeks](#). Some restaurants reported covering more servings than in August last year. Even those that didn't participate seemed to benefit from consumers' increased confidence to eat out. Some like Tesco Café offered their own discounts.

Anecdotal evidence from around the UK suggests that seafood proved particularly popular with those who flocked to the coast for summer staycations. Many restaurants in these areas were fully booked in August and into September. Commenting on this boost in custom Simon Vickers, owner and chef of the Griffin Pub and Restaurant situated on the Pembrokeshire coast said:

“We saw a huge demand for fresh fish when we reopened this summer. Customers were clearly eager to try fresh seafood after the restrictions to eating out we experienced in the spring!”

This increase in custom was critical for businesses seeking to make up for lockdown losses. However, even fully booked restaurants were, in most cases, serving many fewer diners due to social distancing requirements.

Some businesses continued offering their own version of Eat Out to Help Out discounts into September. However, new restrictions soon knocked business and consumer confidence again. The imposition of a 10pm curfew left businesses unable to offer a second dinner sitting, while the “rule of six” limited the number of people and households allowed to meet. Both of these impacted on foodservice trade.

Some areas like southwest England were still busy with tourists into September and consumers adapted their mealtimes to meet restaurant availability. This allowed businesses to make up for potential losses in dinner covers by staying busy through the usual afternoon lull.

In other areas foodservice businesses struggled as Eat Out to Help Out ended and restrictions returned. Some businesses felt that the scheme had given them a false sense of hope which evaporated overnight once it ended. Others began to question whether their investments in outdoor areas were worthwhile.

Additional financial concerns were raised around September with quarterly rent payments on pubs and restaurants coming due. These fears sat alongside wider concerns that many foodservice and hospitality outlets would not survive another extended period of restrictions. As the end of the Brexit transition period loomed larger it caused further concerns about future uncertainty in the seafood supply chain.

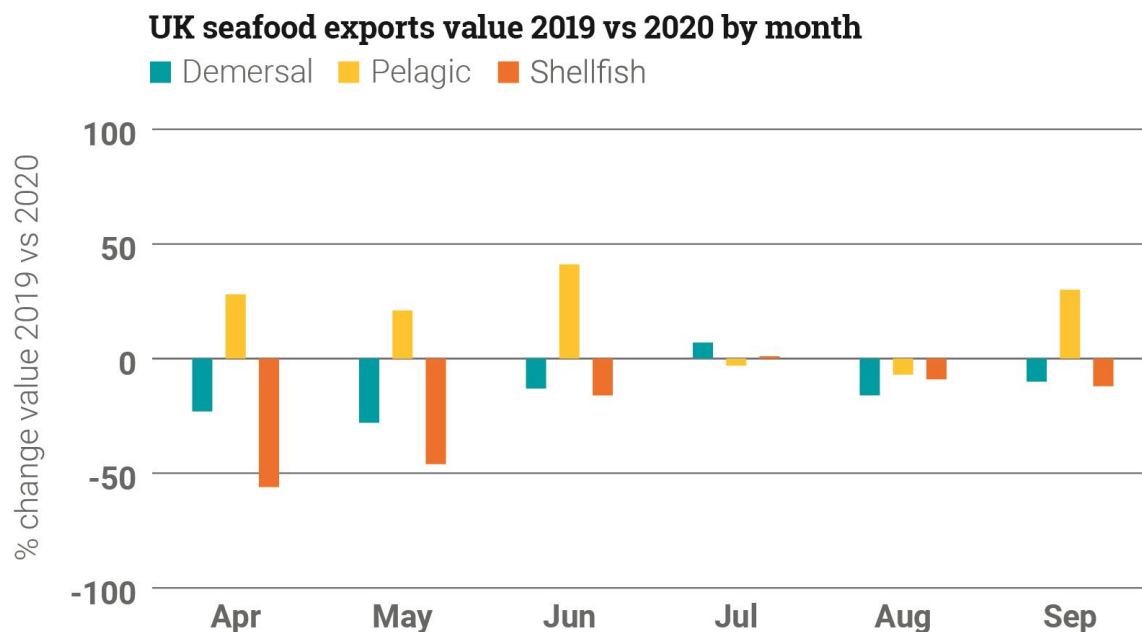


Exports

Summer saw the return of some export markets, in particular foodservice on the continent and elsewhere. July export values improved on the spring and were comparable to summer 2019 levels across some species groups.

Foodservice exports remained highly sensitive to Covid-19 spikes, local lockdowns and other restrictions. Reduced order quantities, uncertainty around continuity of demand, and potential for disruptions in logistics chains left many exporters wary. This was a particular issue for wild caught and farmed fresh shellfish product.

Restrictions increased in France, Spain and other key European export markets in August and September. This resulted in demersal and shellfish export values dropping below 2019 levels. International tourism also reduced in August and September as travel corridors that had opened in July closed again.



	Demersal	Pelagic	Shellfish
Apr	-23%	28%	-56%
May	-28%	21%	-46%
Jun	-13%	41%	-16%
Jul	7%	-3%	1%
Aug	-16%	-7%	-9%
Sep	-10%	30%	-12%

Ongoing market volatility forced businesses to be more agile and adapt the way they worked with customers and suppliers. Mark Stephen, Director of Jack Taylor Ltd, a fresh fish processor and exporter based in Fraserburgh, commented:

“About 85% of our product is normally sold into European restaurant, hotel and catering outlets, with the remainder supplying retail customers. We started to see a gradual return of business in the late summer after rapidly losing around 60% of our market when Europe entered its first lockdown.

“Since then we have been working much more closely with our customers. The constant dialogue has helped us manage the continued volatility in the market and accommodate changes in customer orders with short notice as countries reintroduce stricter restrictions across Europe.”

Some businesses, particularly those specialising in a few select species, faced ongoing challenges through the summer. Paul Leeman, of Seafresh N.I. Ltd, said:

“There has continued to be no market over the summer for our live velvet crab. We normally supply live crab throughout the year to the Spanish foodservice sector, which is our only market for this species.”

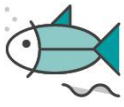
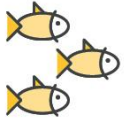

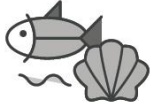
UK seafood businesses faced issues in reaching other important markets. Continued restrictions, increased transport costs (particularly air freight) and reduced transport

availability to markets further afield, such as Asia, the Middle East and the USA, all had adverse effects.

A perception in China that Covid-19 could be present on food packaging also caused issues. Chinese associations called for an import ban on meat and seafood and the Chinese government advised consumers not to eat raw seafood. This caused particular issues in the shellfish export market. In 2019, nearly 10% of UK shellfish exports by value went to China. Andrew Rooney, owner of Rooney Fish and Millbay Oysters, commented:

“The Chinese market for our finished product (oysters) has continued to be very limited due to Covid-19, with further impacts on sales due to the closure of the Beijing wet fish market and seafood scare stories in China affecting business. We have been making less than 10% of the sales we normally do. Significant price drops and increases in flight and packaging costs have all affected our profitability.”

Overall this period saw better export markets than earlier in the year, but trade was still below normal levels. Many exporters faced a challenging operating environment through the summer as they sought to adapt quickly to rapid changes in demand.

UK exports 2020 compared to 2019				
	Demersal	Pelagic	Shellfish	Overall
Value (Jul-Sep)	-7%	+8%	-7%	-15%
Volume (Jul-Sep)	+9%	+27%	-7%	0%
Value (Jan-Sep)	-14%	+4%	-25%	-20%
Volume (Jan-Sep)	-7%	+14%	-20%	-8%



Direct sales to consumers

Prior to the lockdown period in early 2020, direct sales to consumers were a relatively small market for UK seafood. Direct sales however remained above pre-lockdown levels into the summer, even as restrictions eased and consumers started eating out of home more.

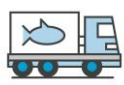
As traditional markets returned, businesses throughout the seafood supply chain had to decide whether to continue selling directly to consumers or not. Those businesses that only saw direct sales as way to get through the initial shock of lockdown readily shifted back to supplying more commercial markets with better margins.

Businesses that did see direct sales as a viable long-term market began to dominate the space. Home delivery and weekly mail order volumes declined, before settling at a more manageable level. Some businesses hired additional staff to allow them to continue new or expanded direct sales operations alongside returning traditional markets.

Production and Distribution

Key points

- Fish auctions adjusted to continued price volatility, working to remain agile in the face of demand uncertainty.
- Transport and logistics systems ran more smoothly than in the spring.
- Most processing businesses were back online by August, having made changes to ensure safe working while meeting ever-changing demand.
- Virtual training courses gained popularity and some safety training for fishermen was possible in small groups in the summer.



Transportation & Logistics

Through the summer, fish auctions continued to see heightened price volatility due to short-term changes in demand. Prices proved particularly sensitive to volume and quality. Fish auctions were forced to adjust to this new normal. They worked to remain agile and responsive to changes in demand as the second wave of infections led to increased national and local restrictions.

Some transport and logistics issues cropped up during this period but to a much lesser extent than in the spring. Raw material and product was moving effectively, albeit at times more slowly, at a higher cost, or through different routes. Limitations on seafood exports to China caused logistics issues and disrupted international supply chains.



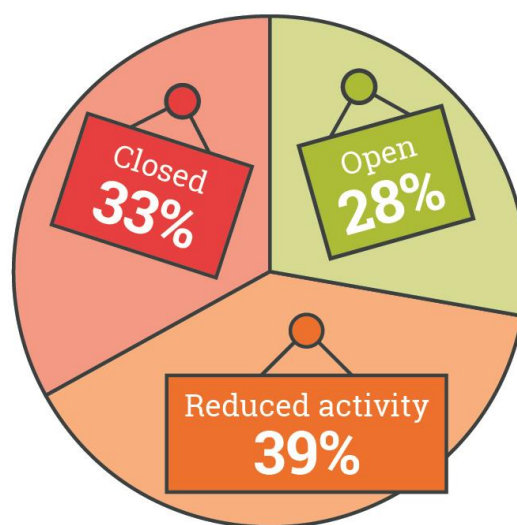
Processing

Businesses continued to adapt to meet the ever-changing operating environment as restrictions began to ease. Close to three-quarters of processing businesses closed completely or reduced production at some point during the first lockdown. By the end of the summer most were back online and rebuilding capacity.

With factories traditionally designed to maximise the use of space, most processing businesses had to adapt considerably to ensure a Covid-safe working environment. Paul Treadgold, Health and Safety Officer at Flatfish Ltd, explained how they met these challenges:

“We have managed the risks of Covid-19 in the factory with a number of control measures. These included social distancing on our production lines and work areas,

Sector experience

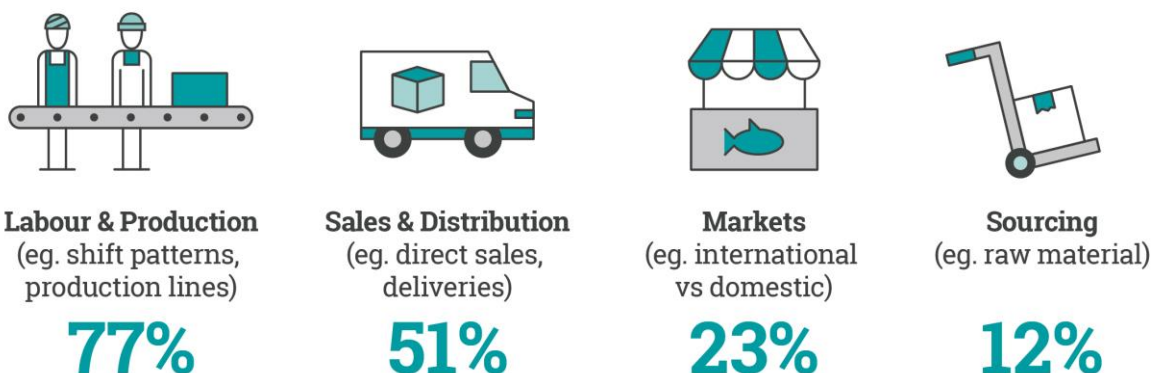


additional PPE, enhanced hygiene protocols, an internal track and trace system, stricter procedures for visitors to the factory, and additional staff communications and discussion forums to support employees.”

While necessary to allow the business to continue functioning safely, Treadgold noted that these measures have added up-front costs to the business and disrupted operations:

“We have maintained these controls at the same level since introducing them in March, regularly reviewing and improving controls day by day. Though we have been able to adapt successfully, the additional equipment, cleaning staff and staff downtime during team talks have come at an additional financial cost to the business.”

Processors also made changes to their sales and distribution channels. Nearly a quarter reported shifting their sales between international and domestic markets to adapt to changes in demand and keep businesses running.



Larger shellfish processors were some of the last to re-start operations toward the end of the summer. Many of these businesses supply scallops and nephrops into foodservice markets. However, their cold stores were full following excess supply from strong 2019 landings and a lack of foodservice demand from April to June.

The re-emergence of foodservice markets in July allowed these processors to shift this frozen stock. They were then able to re-start production, increasing demand for raw material once more. Daniel Whittle, Managing Director of Whitby Seafoods, one of the main scampi processors in the UK, noted that:

“The UK Government’s Eat Out to Help Out scheme helped a lot. It resulted in a significant increase in foodservice demand for scampi over the summer, which helped to clear stocks that had built up during the first lockdown. The impact of the high retail demand during lockdown, and the high demand seen in August has allowed us to continue buying raw material, which has meant the prawn boats could keep fishing.”

Businesses supplying the foodservice sector were cautiously optimistic in July as pubs and restaurants reopened in the UK and Europe. Many that had to close during the first lockdown reported doing well through the summer as foodservice demand picked up. Despite the re-emergence of the foodservice market, some processors were still struggling to get payments from these customers through the summer.

Some foodservice and hospitality contracts did not return in the summer, such as those for office canteens, school cafeterias and spectator sporting events (such as Wimbledon, The Open Golf, Regatta Sailing Week, Formula 1 Grand Prix). This significantly impacted businesses supplying these channels. Workplaces and educational establishments account for 7% of total seafood servings in foodservice and were down around 45% compared to the same period last year.

Businesses supplying retail continued to do well throughout the summer as retail sales remained strong. However, businesses supplying both retail and foodservice faced challenges balancing increased production levels while maintaining social distancing in factories as foodservice demand returned.

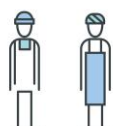
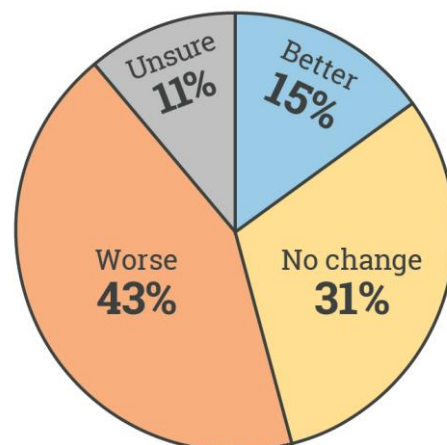
Processors supplying export markets fared better compared with April to June. Some businesses however struggled to source the necessary supply to meet returning demand which risked the permanent loss of export custom. There were also issues as European foodservice markets reopened only to close again. As restrictions ramped up again in France, Spain and other key markets in August and September, uncertainty increased.

Some processors that had previously expanded into direct sales through necessity dropped them as their traditional markets returned. Others continued offering online ordering and home deliveries to consumers, investing in new packaging lines and online marketing platforms.

Reports of rogue fish-sellers selling directly to consumers resurfaced as lockdown restrictions eased. Some processors expressed concern around issues of product integrity, quality and species being falsely marketed by rogue operators. Fears were noted that this could impact on consumer confidence and affect their willingness to buy genuine product from reputable suppliers.

Despite changes and operating uncertainty up to the end of September, around one third of processing businesses expected no change in their business profits this financial year, while 15% expected an increase in business profits and 43% expected a decrease in business profits. These expectations may be explained both by changes in markets, product demand and operating costs.

**Expected business profits
2019 compared to 2020**



Workforce

Concerns were raised across the supply chain around a replacement for the Job Retention Scheme (the 'furlough scheme'). Processing businesses were concerned around the cost of maintaining staff levels while sales volumes were reduced, and keen to avoid having to make redundancies only to be faced with potential recruitment issues and costs when sales picked up again.

The reintroduction of more stringent restrictions in September brought a heightened risk of redundancies. Foodservice and hospitality were considered to be at particularly high risk.

Some job cuts were announced during the summer, for example at Marks & Spencer and the Zizzi/ASK Italian chains.

Businesses continued to utilise additional personal protective equipment (PPE). They also allowed employees to work from home through the summer where possible.

Larger factories implemented additional measures such as restricting access to non-employees and conducting temperature checks prior to entry. Some businesses trialled worker bubbles to limit contact between employees while allowing workers back on site.

Employers and learners became more comfortable using online videoconferencing software for training. There was a steady increase in the delivery of courses to onshore seafood businesses during the summer. Many businesses saw advantages in online learning, as opposed to in-person training. Jennifer Howatson, HR Manager at Young's Seafood in Annan noted:

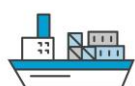
“We have found that remote training courses are advantageous as they save on travel time and costs when compared with traditional classroom taught programmes.”

Fishermen's safety training also increased. Some in-person training resumed for smaller groups as restrictions eased in July and August.

Supply and Primary Production

Key points


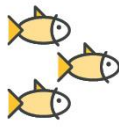


- Imports recovered somewhat as foodservice demand returned.
- The value of UK shellfish and demersal landings were still well below the same period in 2019.
- Some aquaculture businesses struggled with poor demand while others capitalised on direct sales to see them through this period.



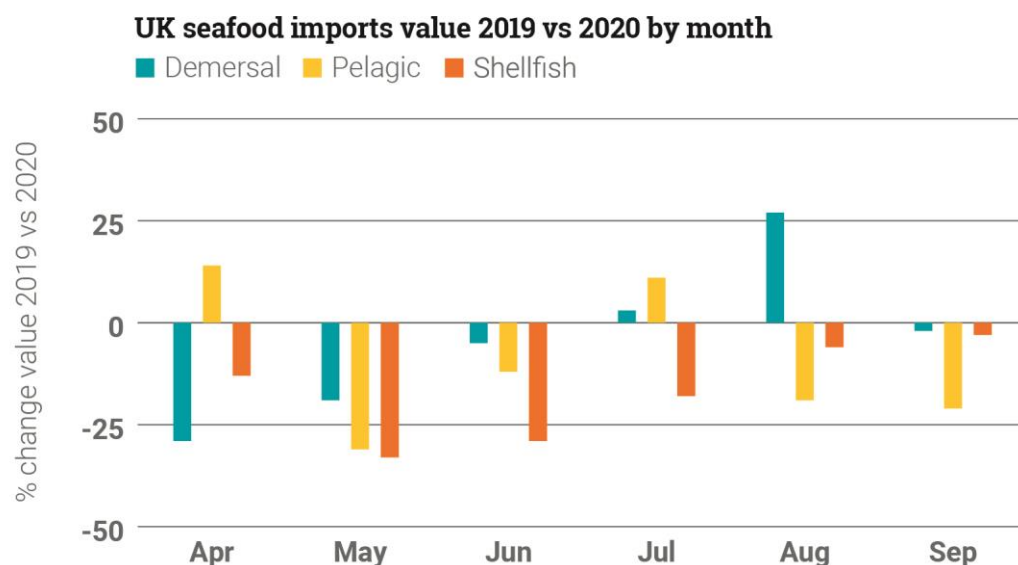
Imports

Imports recovered somewhat from the lows of earlier in the year as foodservice demand re-emerged and retail demand remained strong. Some imports remained low as businesses needed to sell off stock remaining from the lockdown period before importing new raw material.

UK imports 2020 compared to 2019

	 Demersal	 Pelagic	 Shellfish	 Overall
Value (Jul-Sep)	+8%	-9%	-9%	-5%
Volume (Jul-Sep)	+7%	-15%	-16%	-5%
Value (Jan-Sep)	-8%	-10%	-14%	-9%
Volume (Jan-Sep)	-9%	-11%	-24%	-9%

Import values for demersal species increased compared to the spring as demand for fish and chips remained strong. Imports of chilled fish products also picked up to meet the renewed foodservice demand for fresh fish. Shellfish import values remained below 2019 levels, with farmed shrimp production in southeast Asia and India still recovering from the first wave of restrictions.



	Demersal	Pelagic	Shellfish
Apr	-29%	14%	-13%
May	-19%	-31%	-33%
Jun	-5%	-12%	-29%
Jul	3%	11%	-18%
Aug	27%	-19%	-6%
Sep	-2%	-21%	-3%



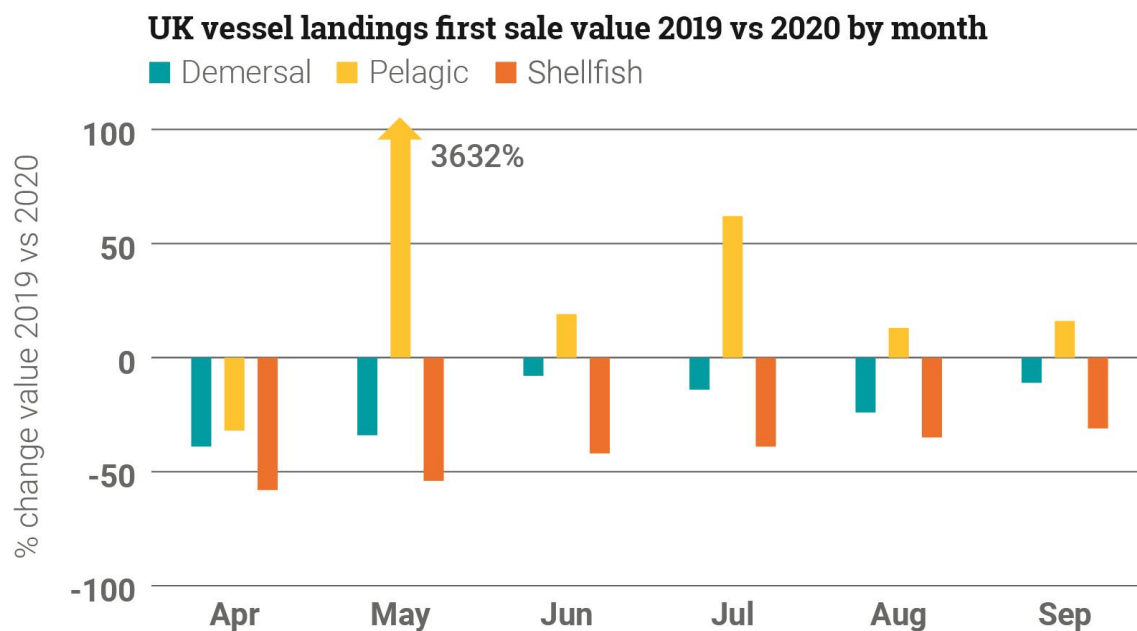
Landings

Pelagic landings remained strong as large trawlers shifted to the summer herring season. The value of UK shellfish - and to a lesser extent demersal - landings were still well below the same period in 2019. Both rely more heavily on export and UK foodservice markets.

With ongoing challenges in export markets, many shellfish fishermen struggled with poor prices through the summer. Some invested in holding tanks to help manage supply and improve prices for fresh lobsters and crabs. Many continued to sell direct to consumers. James Roberts, skipper-owner of the Bonnie Grace, an under 10m vessel working static nets and pots from Newlyn, Cornwall, said:

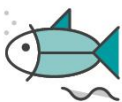
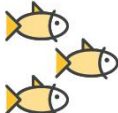


"I started selling some fish and lobsters directly during lockdown and continued to sell lobsters directly to local families through the summer as traditional demand and wholesale market prices remained deflated."

The market for nephrops slowly strengthened as foodservice demand improved prices for whole nephrops and helped shift frozen tail stock. Due to the high levels of frozen nephrops stock from the strong 2019 fishery, many Scottish operators turned to other fish species to supplement their income, where quota allowed. Similar issues arose for scallop dredge operators, with a backlog of stock and an oversupply to the market causing record low prices at the start of the summer.



	Demersal	Pelagic	Shellfish
Apr	-39%	-32%	-58%
May	-34%	3632%	-54%
Jun	-8%	19%	-42%
Jul	-14%	62%	-39%
Aug	-24%	13%	-35%
Sep	-11%	16%	-31%

Strong domestic demand for whitefish species, in particular cod and haddock, was seen at major UK fish auctions as merchants returned to the market. Prices for fresh product were exceptionally sensitive to volumes, quality and size throughout the summer, with no market for small or lower-quality fish. Some exported whitefish species, like monkfish, received reasonable prices but others, like hake, struggled to sell. Supermarket promotions in France helped prices of some export species into August. Summer squid and inshore mackerel fishing in Scotland also provided a good opportunity for some vessel owners to diversify their catches.

UK landings 2020 compared to 2019	 Demersal	 Pelagic	 Shellfish	 Overall
Value (Jul-Sep)	-16%	+19%	-35%	-20%
Volume (Jul-Sep)	-12%	+12%	-17%	-3%
Value (Jan-Sep)	-21%	+25%	-40%	-20%
Volume (Jan-Sep)	-14%	+14%	-23%	-3%

The Marine and Coastguard Agency (MCA) resumed fishing vessel surveys at the end of July, prioritising under 15m vessels categorised as high risk. The Fishermen's Mission launched a support line to direct fishermen to social, emotional and financial support.



Aquaculture

The effects of lockdown on future aquaculture supply due to ongoing disruptions to aquaculture production cycles continued to be an issue. Many shellfish farms saw limited demand through the summer. Some farms were not expecting to sell any product this year while others have diversified into domestic markets. Those able to adapt their product offerings and sales avenues, utilising government support where possible, fared better in the ever-changing operating environment.

Direct sales see Fowey Shellfish through the summer

With around 90% of their mussels sold into the UK foodservice market, Fowey Shellfish saw sales plummet overnight when the UK entered lockdown in March. Their mussel sales fell from 7-8 tonnes to less than 1 tonne per week.

Explaining how they adapted, director James Fox-Davies said:

"To keep the business going we used a government grant to develop a web shop and strengthen our Instagram presence so we could sell direct to the public."

Like many seafood businesses, Fowey stepped back from direct sales when their main foodservice market returned. Fox-Davies added:

"In July and August, when foodservice re-opened, we saw business boom in southwest England, where our business is based. Our mussel sales hit a weekly record of 10-11 tonnes per week as tourists flocked to Devon and Cornwall and many residents opted for staycations. This boost in sales tailed off somewhat as kids went back to school, but remained high through September as people made up for the holidays they missed in the first half of the year."

Mussel producers were concerned that the imposition of further restrictions in the run up to Christmas could affect them adversely. The nature of production cycles meant that they had dodged the worst of the impacts as the spring lockdown coincided with their low season.

Two UK commercial shrimp farming ventures continued to capitalise on the market's growing demand for locally sourced food. Flo-Gro Fresh, the UK's first domestically cultured warm water prawn producer, saw their business grow, despite production challenges. Ralph Maxwell, Managing Director of Flo-Gro explained:

“By mid-July larvae suppliers had reorganised their transportation networks and we were able to resume production. Sales through our new online shop and new-found online retail customers continued to grow week on week. We are now looking at how we can sustainably expand the business to meet this new retail demand alongside our traditional foodservice markets as they reopen.”

Salmon exports remained below the record high levels seen in 2019. They were impacted both in terms of value and volume, selling for lower average prices overall.

**UK salmon
exports 2020
compared to 2019**



Salmon

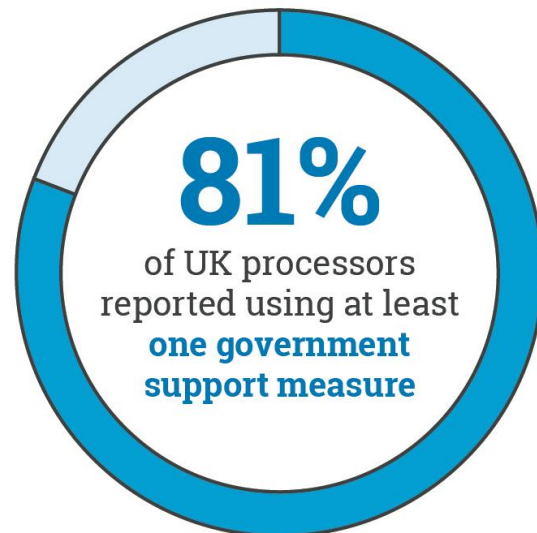
Value (Jul-Sep)	-22%
Volume (Jul-Sep)	-10%

UK Government Response

Seafood businesses utilised the initial raft of Covid-19 [government support measures](#) to varying degrees from April to September. 81% of seafood processors reported using at least one government support measure.

The Job Retention Scheme (the ‘furlough scheme’) was the scheme with the greatest uptake, with 62% of processors reporting using it.

Further government support measures were announced throughout the summer to address continued concerns around employment and business finances. Generally these were not specific to parts of the seafood sector as some earlier packages had been. The Eat Out to Help Out scheme was targeted to support the hospitality, foodservice and tourism sectors but had knock-on effects elsewhere in the seafood supply chain.



References and Data Sources

Retail

Data Source: Nielsen Scantrack UK year ending 03.10.2020

Reference:

- Q3 Seafish COVID-19 Seafood in retail factsheet (*not yet published*):
<https://www.seafish.org/insight-and-research/retail-data-and-insight/>

Foodservice

Data Source: The NPD Group/Snap my Eats (September 2020) Foodservice COVID-19. *Foodservice data are only available at the level of Great Britain, rather than United Kingdom.*

Reference:

- Q3 Seafish COVID-19 Seafood in foodservice factsheet (*not yet published*):
<https://www.seafish.org/insight-and-research/foodservice-data-and-insight/>

Trade (Imports and Exports)

Data Source: HMRC monthly data via Business Trade Statistics (BTS), processed by Seafish. 2020 data are provisional. Species groups are defined as follows:

- Pelagic includes: Anchovy, Blue Whiting, Herring, Horse mackerel, Mackerel, Misc pelagic, Sardine, Sprat, Swordfish, Tuna
- Demersal includes: Alaska pollack, Cod, Coley, Dogfish, Grenadier, Haddock, Hake, Halibut, Ling, Megrin, Monkfish, Other flatfish, Other groundfish, Plaice, Pollack, Ray, Redfish, Seabass, SeaBream, Shark, Sole, Toothfish, Turbot, Whiting
- Shellfish includes: Clam, Cold Water Shrimps & Prawns, Crabs, Crayfish, Cuttlefish, Lobster, Mussels, Nephrops, Octopus, Other cephalopods, Other crustaceans, Other molluscs and aquatic invertebrates, Oyster, Prepared and preserved shrimps & prawns, Rock lobster and sea crawfish, Scallops, Sea cucumber, Squid, Warm Water Shrimps & Prawns
- All Others includes: Carp, Catfish, Caviar, livers and roes, Cobia, Eels, Nile Perch, Other freshwater fish, Other marine fish, Other products, Other salmonids, Pink cusk-eel, Ray's Bream, Salmon, Surimi, Tilapia, Trout
- Overall excludes: Non-food

Reference:

- Q3 Seafish COVID-19 impact on seafood imports and exports: (*not yet published*):
<https://www.seafish.org/insight-and-research/import-and-export-data-and-insight/>
- Seafish Trade and Tariff Tool:
<https://public.tableau.com/profile/seafish#!/vizhome/SeafishTradeandTariffTool/Overview>

Processing

Data Source: Seafish processing sector census 2020 preliminary results (*not yet published*). For related information see: <https://www.seafish.org/insight-and-research/seafood-processing-data-and-insight/>

Landings

Data Source: MMO monthly landings statistics. 2020 data are preliminary.

<https://www.gov.uk/government/collections/monthly-uk-sea-fisheries-statistics#2020>

Real-time industry data

Data source: Seafish horizon intelligence, July-September 2020. Real time intelligence on notable changes affecting the seafood industry sourced from the general media (media, newspaper articles and social media) and from industry and other stakeholder debates and conversations.

<https://www.seafish.org/insight-and-research/current-and-future-trends/>

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

The Seafish logo features the word "seafish" in a white, lowercase, sans-serif font. Above the letters "i" and "s" are three stylized white fish icons, each composed of a series of small, overlapping diamond shapes.

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