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Farmed Seafood in Multiple Retail (2022 Update)

A market insight analysis
(20m read)

June 2022 Richard Watson

This factsheet provides a summary of the performance of farmed seafood in multiple retail to May 2022.

Key Facts:

- The Food and Agriculture Organisation of the United Nations (FAO) predict that global farmed seafood supply for human consumption will hit 109 million tonnes, exceeding supply from wild caught by 47% in 2030.
- The past 40 years have seen a significant change in the type of seafood eaten in the UK. Since the 1970's, there has been a shift away from traditional wild caught white fish species including cod and haddock, towards farmed seafood species such as salmon and warm water prawns. More recently, the farmed 'white fish' species like basa, seabass and sea bream have become popular alternatives to traditional wild capture white fish species.
- Farmed seafood dominates seafood sales in UK retail and continues to grow share, despite a high average price of £15.95/kg, 95% higher than the average price of the wild caught species (£8.16).
- In the 52 weeks to 21st May 2022, farmed seafood accounted for an estimated 59% by value, and 40% by volume of the UK 'top-five' bestselling seafood species which in turn make up most UK seafood sales.
- In the 52 weeks to 21st May 2022, UK farmed seafood share of the 'top-five' seafood species was worth £1.6bn with 88,301 tonnes. Farmed species also grew share of the 'top-five' during COVID-19.
- Farmed seafood is most strongly represented in the chilled sector, taking a significant 70% (+2pp vs pre COVID-19) share by value and 59% (+2pp vs pre COVID-19) share by volume of the chilled 'top-five' species.
- Natural is the largest seafood category segment making up most retail seafood sales. Farmed seafood dominates the natural segment increasing its shave vs pre COVID-19 with a 77.2% share of the top 5 natural species; worth £1.05bn (+1.4%) and 58,834 tonnes.
- Salmon, warm water prawns, seabass, basa and trout are the top five most popular farmed seafood species in UK multiple retail.
- It is the 'white fish' alternatives to cod and haddock that have shown some of the fastest growth, with basa, continuing to be the fastest growing species showing volume and value increases approaching 800% despite a similar average price to cod.

What is farmed seafood?

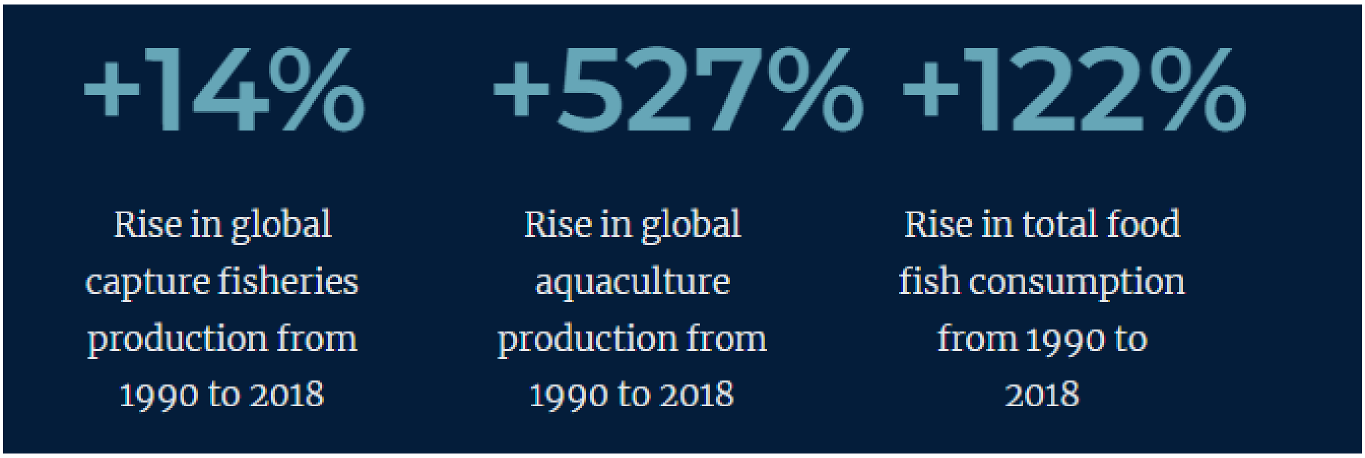
Salmon Sea Pens

Aquaculture is the farming, rearing or cultivation of aquatic animals and plants for food. Aquaculture occurs both inland, for freshwater species and in coastal brackish / seawater for marine species. Typically, marine fish are grown in net pens in the sea or estuaries whilst shellfish can be grown by "seeding" small shellfish on the sea-floor or by growing them on ropes, or in floating cages. A comprehensive overview of aquaculture standards, processes and key species can be found on Seafish Aquaculture Profiles – https://seafish.org/aquaculture-profiles/

Farmed seafood - a global perspective

Farmed or aquacultured seafood plays an increasingly important role in feeding the world and shows no sign of slowing. In 2020 the Food and Agriculture Organisation of the United Nations (FAO) reported:

"The fisheries and aquaculture sector significantly expanded in the past decades and total production, trade and consumption reached an all-time record in 2018 However since early 1990s, most growth in production from the sector as a whole has been from aquaculture, while capture fisheries production has been relatively stable"



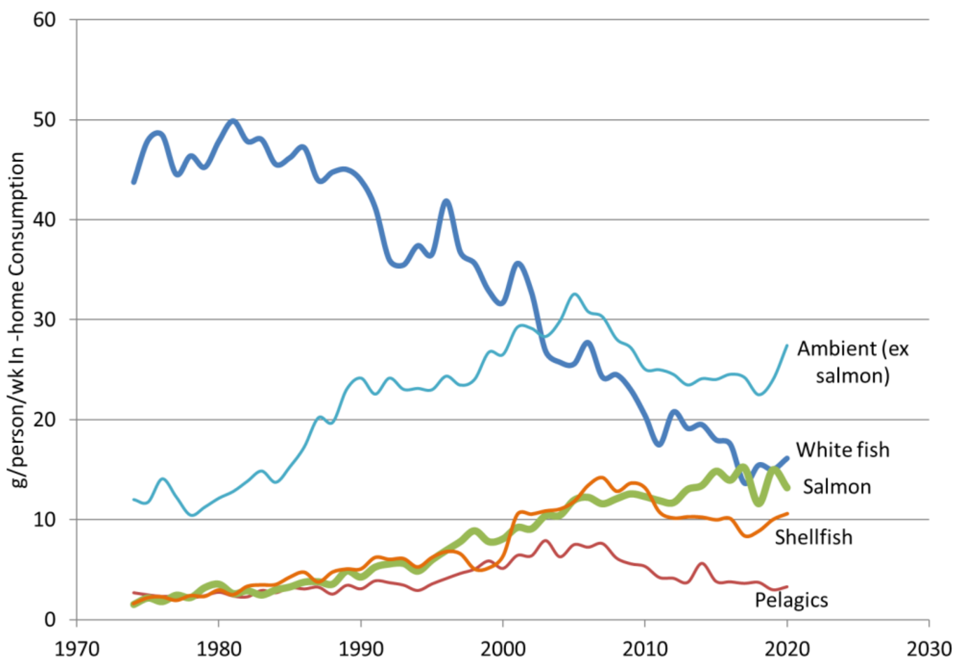
In 2018, total global capture fisheries production reached the highest level ever recorded at 96.4 million tonnes whilst global aquaculture production attained another all-time record high of 114.5 million tonnes worth $263.6 billion USD.

In 2017 the FAO predicted that global farmed seafood supply for human consumption will hit 109 million tonnes, exceeding supply from wild caught by 47% in 2030.

Changing tastes in UK seafood

The past 40 years has seen a significant change in the type of seafood eaten by UK households. Since the 1980s, there has been a significant shift away from traditional wild caught white fish species including cod and haddock, towards farmed seafood species such as salmon and warm water prawns. And more recently, the farmed 'white fish' species including basa, seabass and sea bream and have become popular alternatives to the traditional wild capture white fish species.

Long Term trends UK Seafood Eaten In-Home



Defra Family Food

Chilled whitefish consumption fell -67% from 1988 to 2019 pre COVID-19, compared to chilled salmon up +321% (Defra family food). Salmon continued to grow through austerity, despite being typically over double (104%) the price of total cod. COVID-19 boosted overall home meal occasions, which benefited frozen coated sales, which in turn gave a short term boost to frozen core species such as cod, haddock and Alaskan pollack.

Current retail performance of farmed seafood

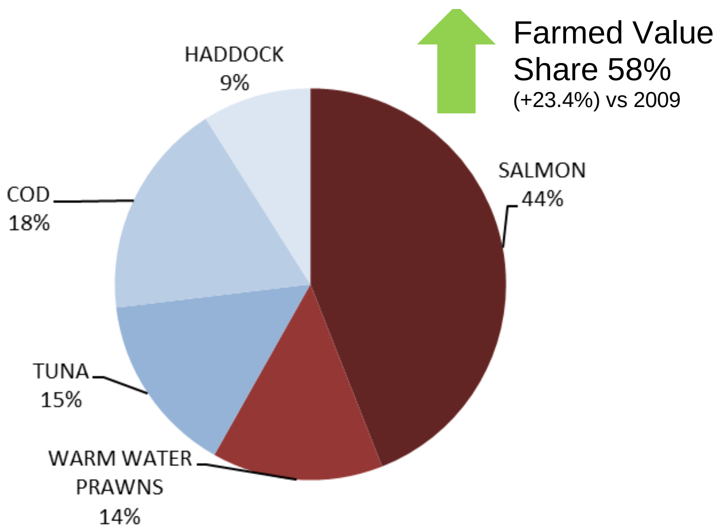
It may be a surprise for UK shoppers to know how much of the seafood they purchase is farmed, and indeed which species are farmed. Many shoppers are aware of the existence of farmed salmon and prawns, but most assume their purchases are wild caught as it's not common practice to have 'farmed' in a prominent place on front of pack. Shoppers are less likely to associate aquaculture with other farmed species such as seabass, oysters, mussels, and turbot.

Methodology- Traceability data is not available to establish precise ratio of farmed to wild for each species on retail sale. But import statistics, country of origin and aquaculture production figures, can be used to estimate whether the majority of a given species i.e., salmon, warm water prawns basa, seabass and sea bream are farmed. For the purposes of this factsheet, the assumption has been made that where most of the supply is estimated to be farmed, the species is classified as farmed.

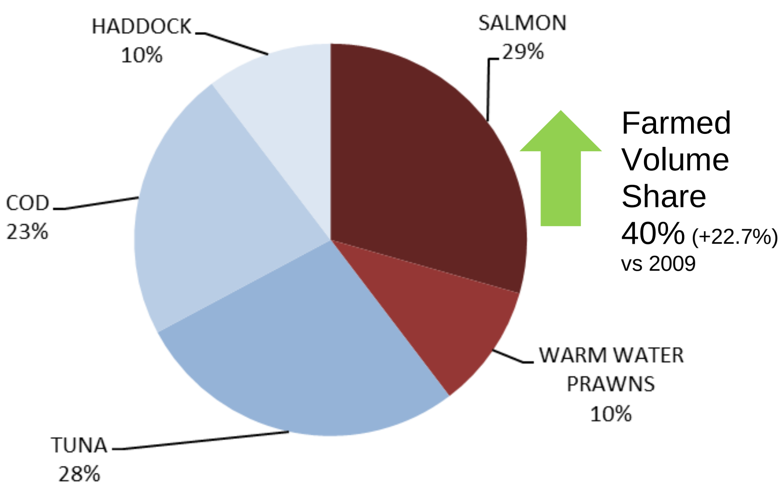
In the 52 wks. to May 2022, farmed seafood accounted for an estimated 59% by value, and 40% by volume of the UK top five bestselling seafood species which in turn make up the majority of UK seafood sales. Farmed seafood share of the 'top-five' has grown significantly over the long term, with farmed increasing both value and volume share by 23% from 2009 to 2022. In the 52 weeks to 21st May 2022, UK farmed seafood share of the 'top-five' seafood species was worth £1.6bn with 88,301 tonnes. Farmed species also grew share of the 'top-five' during COVID-19.

For the total seafood category (all seafood species, products, and formats), farmed species are estimated to have a 45% and 30% share of value and volume respectively.

Farmed seafood value share of 'top-five' species 2022



Farmed seafood volume share of 'top-five' species 2022



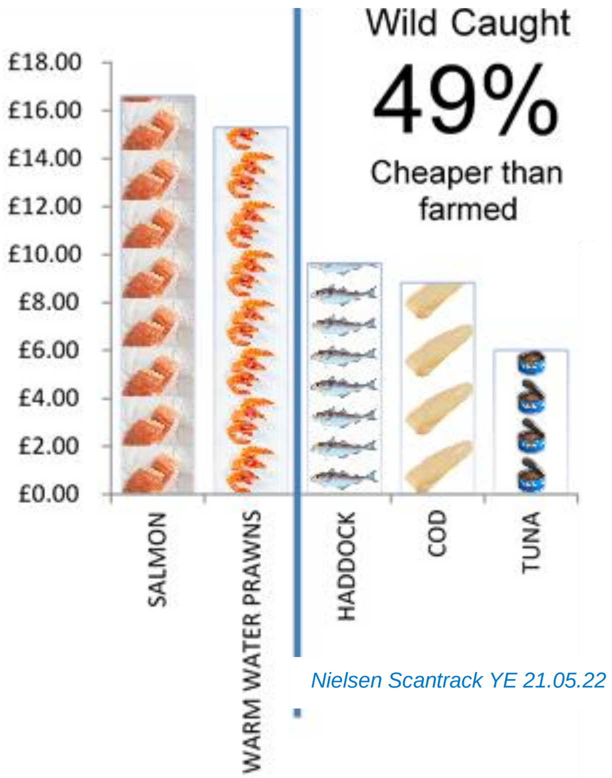
Nielsen Scantrack YE 21.05.22

Why is farmed so popular?

It's a common consumer misconception that farmed seafood is a cheap and cheerful option. In May 2022, several farmed species have an average price over double that of cod or haddock. Of the 'top-five' species, the average price of the farmed species is £15.95/kg, 95% higher than the average price of the wild caught species (£8.16).

In surveys, seafood shoppers state they are prepared to pay more for fresher/higher quality seafood and may be finding the consistency and value for money they are looking for in farmed species.

Average Price of Farmed vs Wild in Top 5 Total Retail 2022



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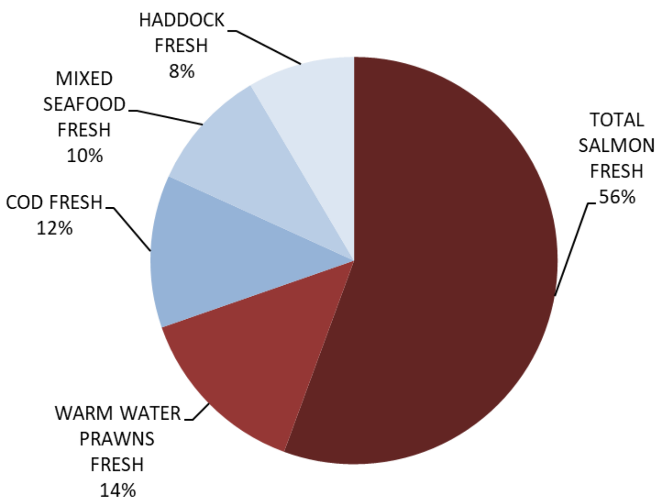
Farmed seafood sector performance

Farmed seafood is most strongly represented in the chilled sector, taking a significant 70% (+2pp vs pre COVID-19) share by value and 59% (+2pp vs pre COVID-19) share by volume of the chilled top 5 species. This is also without taking into account mixed seafood ranked at number four, which typically contains a large proportion of farmed salmon and sometimes farmed warm water prawns.

Chilled salmon dominates as the most popular chilled species, with warm water prawns second. Farmed species are less prominent in the frozen and ambient sectors.

Farmed share of the 'top-five' chilled sector 2022 (value)



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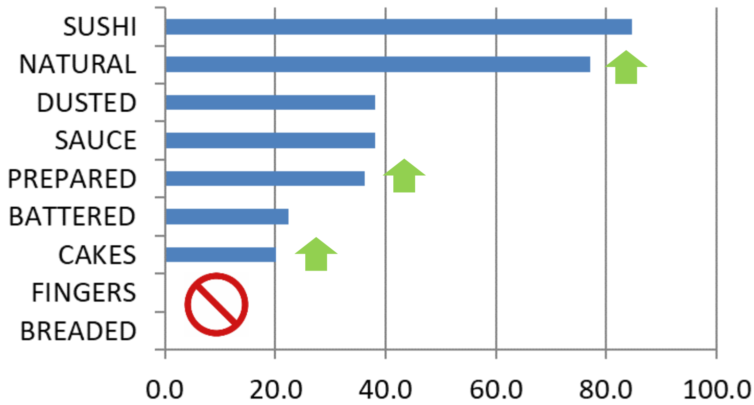
Farmed seafood segment performance

Farmed seafood species, typically salmon, warm water prawns and basa, are ranked in the 'top-five' species of most of the seafood category segments listed by NielsenIQ. However, farmed species are not represented in the fingers or breaded segments which are dominated by cod, haddock, pollock and scampi. The strongest segments for farmed seafood representation are 'natural' and 'sushi' where they make up over three quarters of the segment. The other segments have a similar share of farmed seafood between 20%-40%% in the top 5, where present.

Natural is the largest seafood category segment making up the majority of retail seafood sales. Farmed seafood dominates the natural segment increasing its share vs pre COVID-19 with a 77.2% share of the 'top-five' natural species; worth £1.05bn (+1.4%) and 58,834 tonnes. Salmon makes up the majority with 58.3% increasing share vs pre COVID-19, and warm water prawns taking 19% of the natural segment 'top-five'.

Over the past year, farmed seafood share was in growth in the natural, prepared and cakes segments.

Farmed Seafood Share of 'top-five' by Segment (Value)



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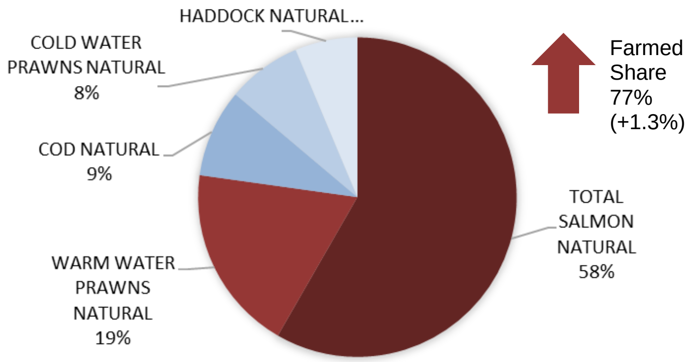
Natural segment – farmed share of 'top-five' species UK (Value) 2022



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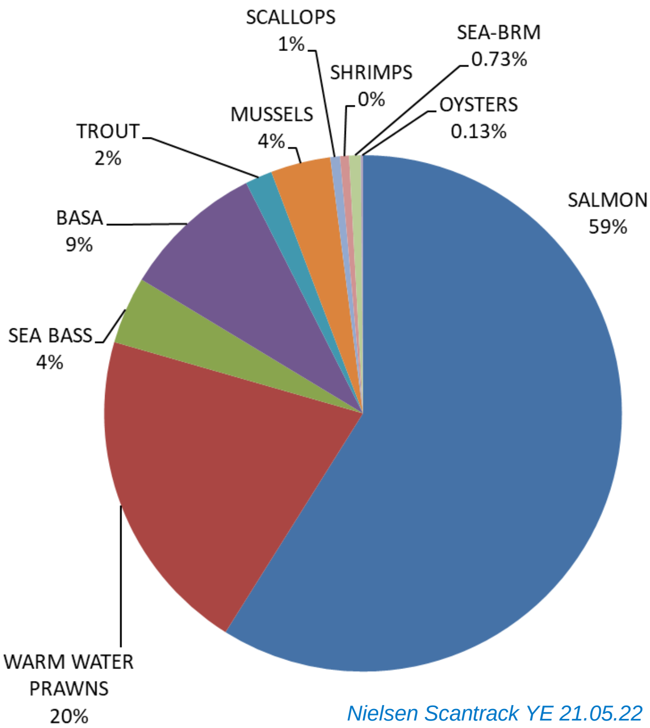
Farmed species performance

Salmon, warm water prawns, seabass, basa and trout remain the top five most popular farmed seafood species in UK multiple retail.

Salmon continues to dominate the UK seafood category and grow share accounting for an estimated 29.1% of all seafood sales by value and 17.5% by volume; and makes up nearly 60% of all farmed species purchases. In the 52wks to May 2022, salmon was worth £1.19bn, (-2.9%) with 71,925 tonnes (-4.3%). Salmon is the only species where the Nielsen data allows an estimation of farmed vs wild to be made. In the 52wks to 21st May 2022, farmed salmon made up over 90% of salmon sold in UK retail by value. The amount of wild caught salmon continues to decrease year-on-year despite being significantly cheaper than farmed.

Top Farmed Species 2022 (Volume)



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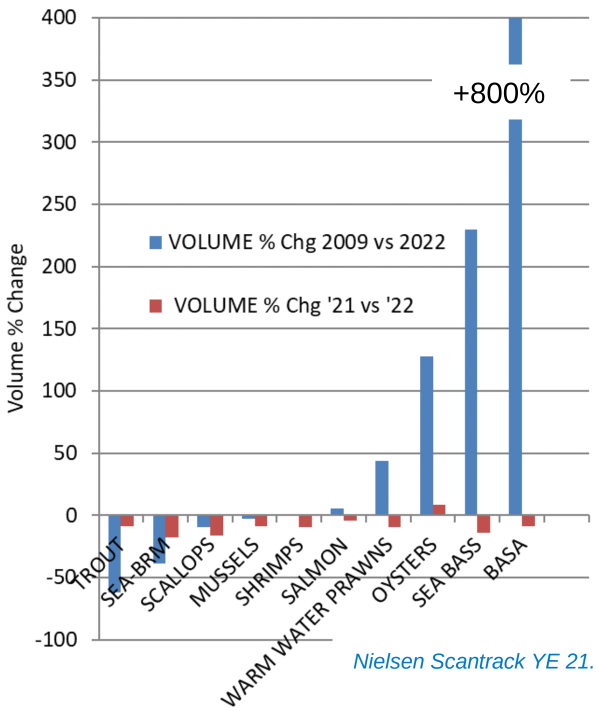
Oysters were the only species in growth in the 52 wks. to May 2022 as the seafood category returns to full decline. Over the long term, 10 yrs. to May 2022, warm water prawns, basa, seabass, seabream and tilapia were in full growth. It is the 'white fish' alternatives to cod and haddock that have shown some of the fastest growth with seabass continuing to be amongst the fastest growing species, with volume and value increases of 230%, despite having an average price (£16.35/kg), double that of cod (£8.83/kg)

Salmon, and warm water prawns continue to grow despite some of the highest long term price increases.

Farmed seafood species performance to 2022



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Farmed seafood species performance to 2022

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2020 52wks to 21.5.22	2021 52wks to 21.5.22	2022 52wks to 21.5.22	% Chg '21 vs '22	% Chg 2009 vs 2022	2020 52wks to 21.5.22	2021 52wks to 21.5.22	2022 52wks to 21.5.22	% Chg '21 vs '22	% Chg 2009 vs 2022	Avg Price 2022	% Chg '21 vs '22	% Chg 2009 vs 2022
TOTAL SEAFOOD	3,971,056	4,356,474	4,096,472	-6.0	25.7	407,665	441,076	409,870	-7.1	-19.1	£9.99	1.2	51.5
SALMON	1,100,018	1,229,711	1,193,821	-2.9	61.2	64,625	75,184	71,925	-4.3	5.6	£16.60	1.5	52.6
WARM WATER PRAWNS	363,009	411,934	383,543	-6.9	86.6	25,279	27,681	25,079	-9.4	43.8	£15.29	2.8	29.8
SEA BASS	74,850	95,920	84,002	-12.4	229.6	4,595	5,967	5,139	-13.9	230.0	£16.35	1.7	-0.1
BASA	68,442	88,576	78,775	-11.1	779.2	8,852	11,858	10,835	-8.6	831.5	£7.27	-2.7	-5.6
TROUT	33,583	35,676	32,449	-9.1	-34.5	2,248	2,259	2,066	-8.6	-62.3	£15.71	-0.6	73.7
MUSSELS	24,067	27,562	25,104	-8.9	3.9	4,164	5,014	4,566	-8.9	-2.6	£5.50	0.0	6.8
SCALLOPS	16,913	21,711	18,508	-14.8	15.7	695	882	738	-16.3	-9.4	£25.09	1.9	27.7
SHRIMPS	10,821	13,378	12,869	-3.8	n/a	614	757	688	-9.1	n/a	£18.71	5.9	n/a
SEA-BRM	14,102	14,105	11,471	-18.7	-3.4	1,003	1,080	890	-17.6	-38.8	£12.89	-1.3	58.0
OYSTERS	1,305	1,743	1,876	7.6	-12.6	53	147	160	8.4	127.5	£11.75	-0.7	-40.2

*Nielsen Scantrack YE 21.05.22(*10yr GB)*

The farmed seafood shopper

Key performance indicators (KPIs) show seabass and basa as having strong metrics in comparison with total seafood. Many metrics are down in line with the category return to decline.

In the 52 weeks to May 2022 fewer people purchased salmon more often but spending less on smaller baskets. For warm water prawns, more people purchased prawns less more often but with smaller, more expensive baskets.

Demographics show that farmed seafood shoppers are significantly more affluent than the average seafood shopper, a trend which has increased compared to pre COVID-19. Farmed seafood shoppers also belong to smaller one or two member households where it's less common for children to be present, again a trend which has increased over COVID-19. Where children are present, they are more likely to be in the 0 to 4 and 11 to 15 year age brackets, with children in the mid age group missing out. Farmed seafood also over indexes in pre-family and older couples/singles purchases, being less important to new, maturing, and established families.

Top farmed species KPI's 2022

	Penetration (% of shoppers buying)	Annual Frequency of purchace	Annual Purchase volume (kg)	Annual Purchase Value (£)	Average Spend per Trip (£)	Average Volume per trip (kg)
TOTAL FISH						
24-Apr-21	96.3	30	15.9	£148.68	£4.95	0.53
23-Apr-22	95.6	29.2	15.0	£141.35	£4.84	0.51
% Change	-0.8	-2.7	-6.2	-4.9	-2.3	-3.5
TOTAL SALMON						
24-Apr-21	66.9	11.4	3.8	£57.52	£5.04	0.34
23-Apr-22	66.1	11.6	3.8	£56.48	£4.89	0.33
% Change	-1.3	1.2	-1.6	-1.8	-3.0	-2.8
WARM WATER PRAWNS						
24-Apr-21	48.5	6.5	1.8	£25.60	£3.93	0.28
23-Apr-22	45.1	6.2	1.7	£25.00	£4.01	0.28
% Change	-7.0	-4.1	-5.0	-2.3	1.9	-0.9
SEA BASS						
24-Apr-21	14.7	3.8	1.1	£18.31	£4.86	0.28
23-Apr-22	13.3	4.1	1.2	£19.72	£4.81	0.29
% Change	-9.7	8.8	10.4	7.7	-0.9	1.49
BASA						
24-Apr-21	27.4	3.4	1.5	£11.46	£3.35	0.44
23-Apr-22	25.3	3.6	1.6	£11.66	£3.29	0.46
% Change	-7.6	3.8	6.6	1.8	-2.0	2.68

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Seafood demographics % shoppers 2022 (volume)

	TOTAL FISH	TOTAL SALMON	WARM WATER PRAWNS	SEA BASS	BASA	TROUT	SEA-BRM
CLASS AB	30.7	36.1	35.1	40.0	24.7	37.7	38.9
CLASS C1	29.6	30.7	30.4	27.8	31.2	28.8	28.2
CLASS C2	20.0	17.5	17.5	19.5	21.3	15.6	20.5
CLASS D	12.1	9.6	9.7	8.1	13.4	8.9	10.1
CLASS E	7.6	6.0	7.3	4.6	9.3	9.0	2.2
SIZE 1 MEMBER	23.3	24.3	26.6	18.9	19.8	27.6	25.1
SIZE 2 MEMBERS	39.1	41.7	41.5	47.0	40.0	51.5	33.5
SIZE 3.4 MEMBERS	30.1	28.0	26.4	28.5	32.1	16.2	38.0
SIZE > 5 MEMBERS	7.6	6.0	5.5	5.6	8.1	4.7	3.5
16 TO 34 YEARS	11.5	11.5	10.4	10.7	13.4	4.5	20.6
35 TO 44 YEARS	15.0	13.4	14.0	12.2	15.8	8.8	19.5
45 TO 64 YEARS	37.2	36.5	38.5	35.6	35.1	27.3	25.2
65+ YEARS	36.3	38.6	37.1	41.5	35.7	59.4	34.6
CHILDREN YES	24.4	21.5	19.7	22.4	27.3	8.5	35.7
CHILDREN NO	75.6	78.5	80.3	77.6	72.7	91.5	64.3
CHILD 0 TO 4 YEARS	23.7	25.0	22.3	23.8	27.6	26.3	31.8
CHILD 5 TO 10 YEARS	38.5	38.0	40.2	41.1	39.3	44.5	35.7
CHILD 11 TO 15 YEARS	37.7	36.9	37.4	35.1	33.2	29.2	32.4
PRE FAMILY	5.3	6.2	6.1	5.3	4.3	2.7	3.8
NEW FAMILY	4.6	4.9	3.7	4.8	5.0	2.1	14.8
MATURING FAMILIES	12.5	10.2	10.3	11.8	14.4	4.9	13.6
ESTABLISHED FAMILIES	9.8	8.6	7.9	7.0	10.4	4.2	8.6
POST FAMILIES	15.1	15.0	16.0	13.8	16.2	12.3	15.5
OLDER COUPLES	35.8	37.7	37.0	43.2	35.8	49.5	26.8
OLDER SINGLES	16.9	17.3	18.9	13.9	13.8	24.4	16.9

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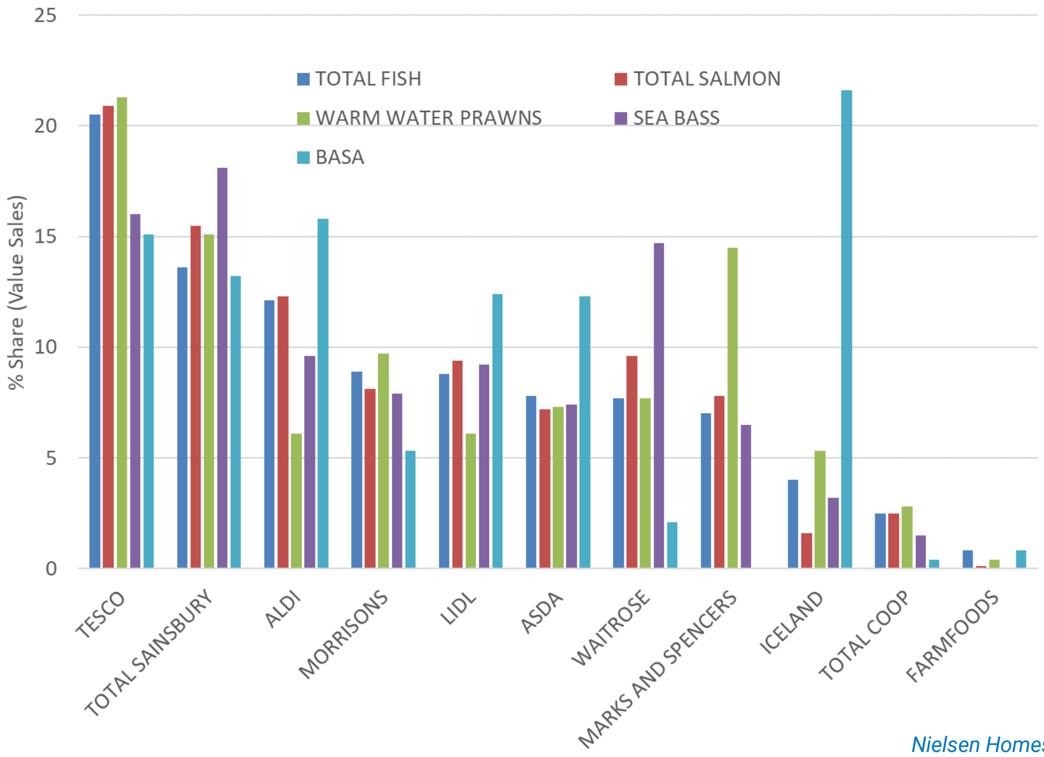
Farmed seafood retailer share of trade 2022 (value)



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Interestingly, different retailers overtrade in different farmed seafood species linked to store demographics. Tesco is currently the largest seafood retailer by both volume and value, taking the largest share of salmon and warm water prawns, whilst Waitrose and Sainsbury's overtrade in seabass. Iceland Aldi take the largest share of basa.

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 2022

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the support it needs to thrive.

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