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Seafood Consumption (2022 Update)

A market insight analysis
(20m read)

June 2022 / By Richard Watson

This factsheet provides a summary of seafood consumption to March 2022

Consumption executive summary:

- Total UK seafood consumption (both in and out of home) in 2020 stood at 162.98g /person/wk. up +1.0% vs the previous year. This equates to just over one (1.16), 140g portion per person per week. This means that most people are still only eating around half of the amount of seafood recommended by health professionals.

- Seafood consumption has reached another pivotal point. After 10 years of decline, COVID-19 provided a temporary but welcome boost to seafood consumed through retail. But conversely, consumption in foodservice was impacted.

- In the short term, expect the decline in seafood consumption in both retail and foodservice to accelerate as shoppers trade down to cheaper seafood options and out of seafood all together. In retail, the economic climate may initially benefit the cheaper frozen seafood sector, but ultimately shoppers are likely to quickly return to chilled as observed post financial crisis of 2007/8. Foodservice may take longer to recover, as consumers eat out less often or trade down to cheaper formats and channels to save money.

- In December 2021 around 66% of seafood consumed was purchased through retail, with remainder sold through foodservice and a small number of independent fishmongers.

- At the end of 2021, UK retail seafood consumption had returned to decline. Seafood sales remained 8% higher than pre COVID-19, but this boost from additional meal occasions is shrinking fast.

- By March 2022, despite only relatively modest inflation (+2.2%), seafood category decline accelerated, worth £4.15bn (-4.0%) with a volume of 417,143 (-5.0%). Unusually for the category, chilled seafood consumption was also in decline.

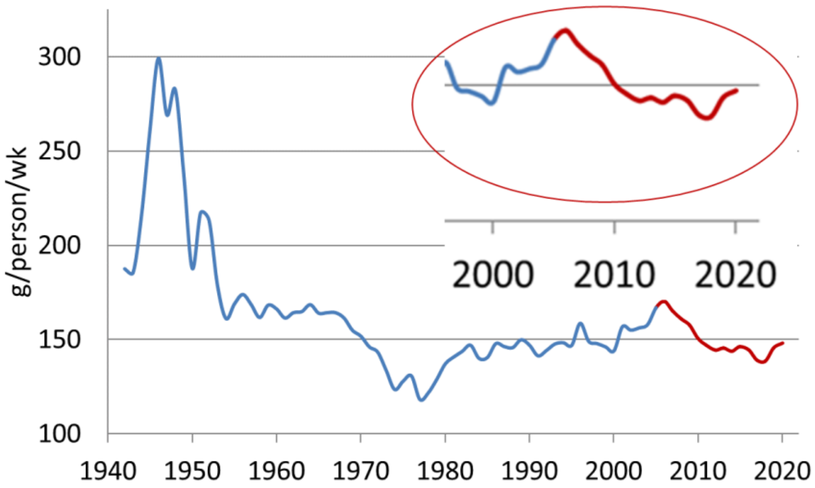
- In retail, the percentage of pre-packaged seafood sold continues to grow. This is not a new trend; most of the shift to prepack occurred several decades ago and not because of additional counter closures due to COVID-19. In 2019, pre COVID-19, the volume share of prepack seafood stood at 91%. This grew to 96% in 2020 and stood at 97% in 2021.

Long term trends in seafood consumption

The Defra Family Food dataset offers the best insight into long term seafood consumption trends. The most recent data released in 2022 covers UK consumption to 2020.

Seafood consumption 'in home' (which includes retail purchases and takeaways eaten in home) was at its peak (300g per person per week) just after the Second World War, as other proteins were still rationed. Consumption then declined, to its lowest level to date in the mid 1970's, coinciding with the UK falling into recession.

Long Term 'In Home' Seafood Consumption Trends (1940 to 2020)



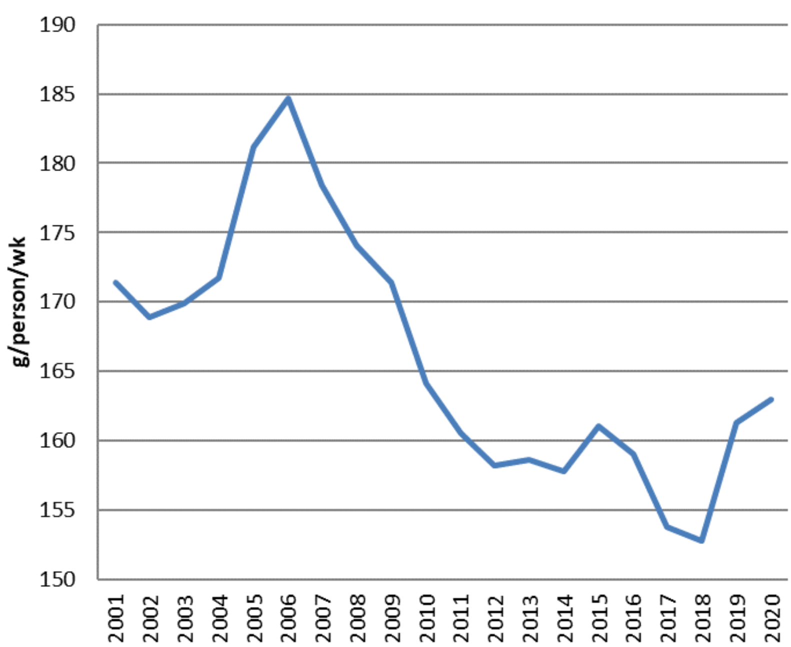
(Defra Family Food)

Seafood consumption began to rise throughout the 1980s as Britain became more prosperous; helped by a growing awareness of the health benefits of seafood, and technological breakthroughs in aquaculture bringing species including salmon and warm water prawns into the mainstream resulted in the start of a significant move away traditional whitefish species to farmed seafood which has continued to the present day.

From 2001, Defra family food also captures information on UK seafood eaten out of home, enabling both in and out of home to be combined to give a more complete picture of seafood consumption. The out of home component is relatively small at around 15g/person/wk. and has stayed relatively constant since 2001.

The 17.3% total fall in seafood consumption from 2006 to 2018 is predominantly down to a drop in 'in home' consumption. Seafood consumption started to recover in 2019 and then received a significant 10% boost from COVID-19 increasing meal occasions.

Total seafood consumption 2001 to 2020



(Defra Family Food)

Benchmarking seafood consumption

The Defra Family Food dataset is the UK seafood consumption benchmark. Latest data released in 2022 shows that in 2020 (runs two years in arrears), total seafood consumption (both in and out of home) stood at 162.98g /person/wk. up +1.0% vs the previous year. This equates to just over one (1.16), 140g portion per person per week. This means that most people are still only eating around half of the amount of seafood recommended by health professionals.

Total UK Seafood Consumption 2020 (Defra Family Food)

	2018	2019	2020	%Chg (19 vs 20)
SEAFOOD CONSUMPTION IN HOME	138.50	145.70	148.02	1.6
SEAFOOD CONSUMPTION OUT OF HOME	14.29	15.64	14.96	-4.3
TOTAL SEAFOOD CONSUMPTION (grams/person/week)	152.79	161.34	162.98	1.0
PORTIONS/ PERSON/ WEEK (140g portion)	1.09	1.15	1.16	1.0

(Defra Family Food)

Because of the protein and large number of essential nutrients contained in fish and shellfish, many experts recommend that we try to eat at least two portions of seafood every week. This recommendation has been made by the Scientific Advisory Committee on Nutrition (SACN), which advises the Food Standards Agency (FSA).

The SACN also suggest that at least one of our weekly portions of seafood should be oil-rich, such as trout, mackerel, or herring. By encouraging the public to increase their consumption by this achievable amount, the nation's general health would improve. Realistically seafood consumption needs to double to meet this.

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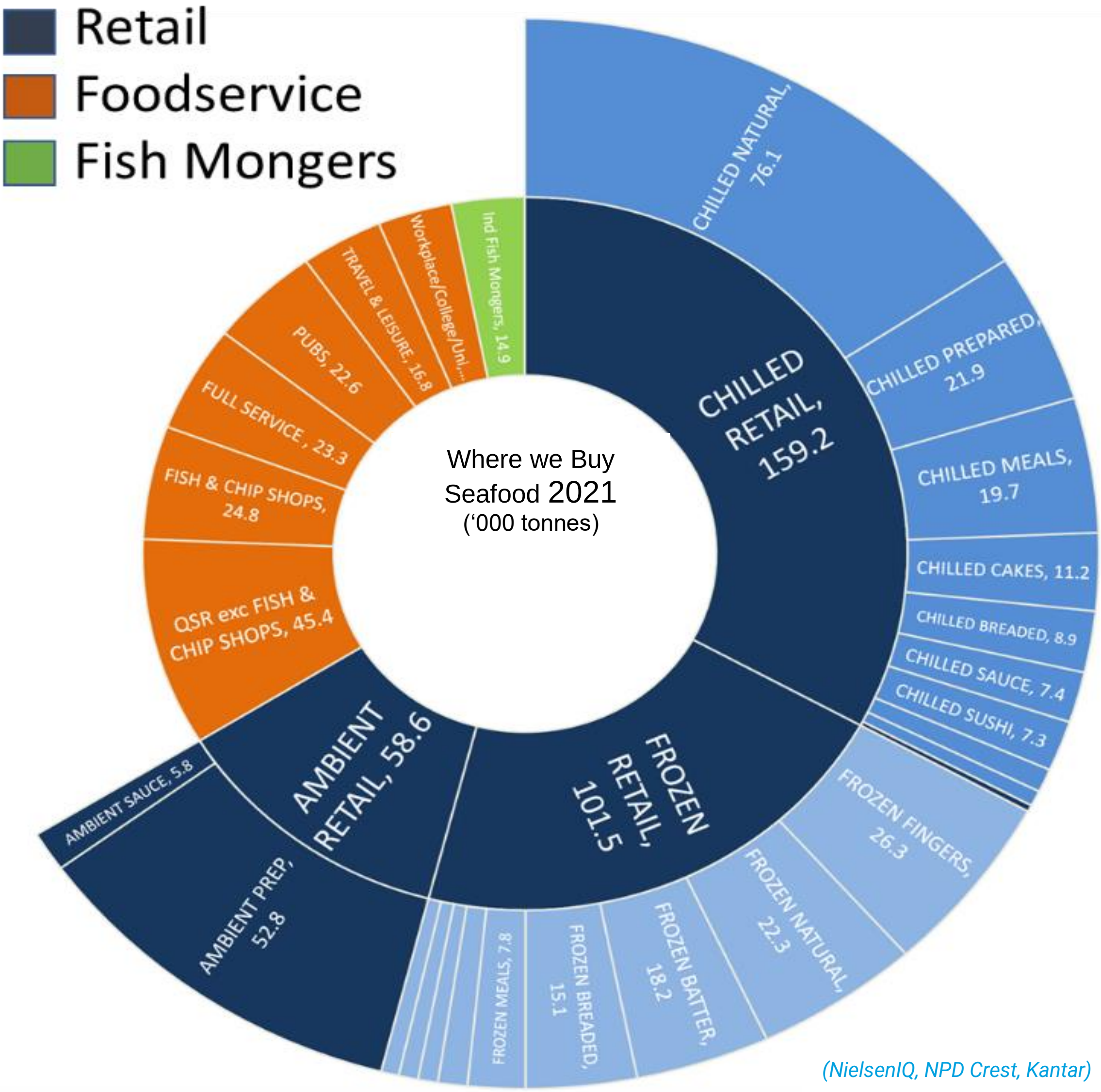
Where consumers buy seafood

In 2019 (Pre COVID-19), around 66% of seafood consumed was purchased through retail, with remainder sold through foodservice and a small number of independent fishmongers. Remarkably, by the end of 2021, this overall ratio remained almost the same, despite significant disruption and changes within the respective sectors during the past two years.



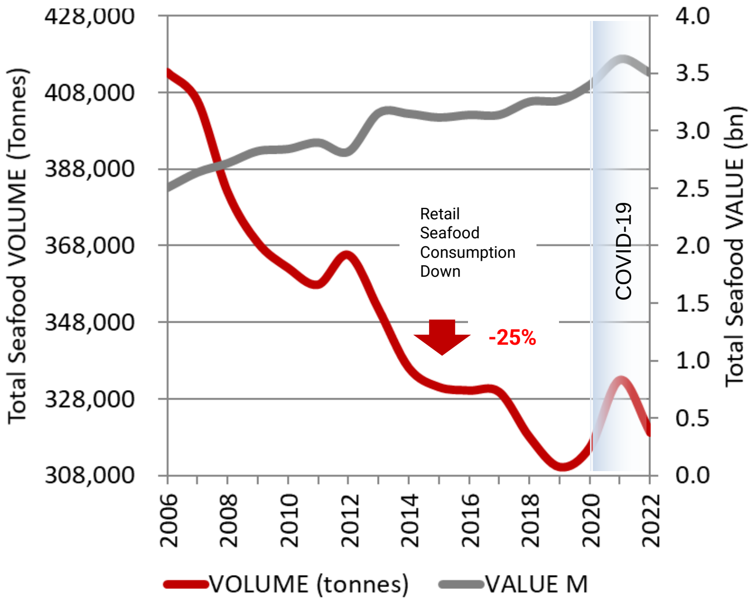
(NielsenIQ, NPD Crest, Kantar)

Retail trends

The overall decline in UK seafood consumption since 2007/8 is being driven by a fall in retail purchases, which until the arrival of COVID-19 in 2020 had declined by -25% over the past 10 years, equating to around £5.5bn lost out of retail seafood sales (worst case GB excluding discounters). During this period, only the chilled seafood sector saw any significant growth.

In 2020, COVID-19 panic buying doubled frozen and ambient seafood sales for a couple of weeks, but sales quickly fell. However, the subsequent home working, school closures and restrictions on foodservice resulted in significantly more in home meal occasions. This had the effect of increasing UK Grocery sales by around 10%, boosting seafood sales by a similar amount.

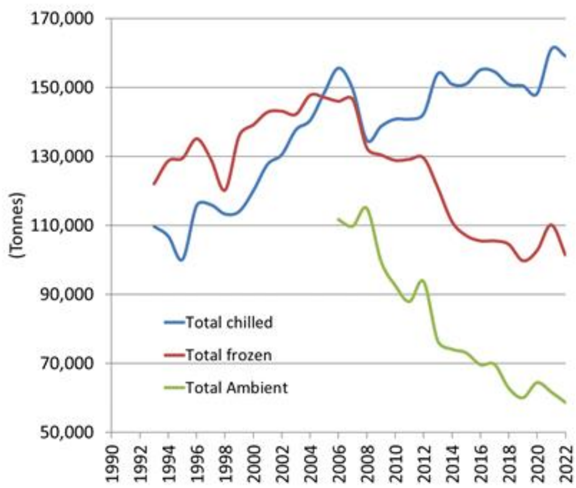
Long Term Retail Total Seafood Consumption Trend (GB excluding discounters)



(NielsenIQ)

Through 2020, frozen and ambient seafood performed strongly; uncertainty over the evolving pandemic meant shoppers kept cupboards and freezers full. Frozen natural, prepared, and frozen coated seafood such as breaded, battered, cakes and fingers grew strongly. As a result, most frozen species saw strong volume growth, especially species popular in coated products such as haddock and Alaskan pollack. Established frozen 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, likely driven by foodservice closures and consumers dining in.

Long Term GB Retail Seafood Sector Consumption Trends to 2022



(NielsenIQ)

By mid-2021, seafood sales remained elevated, but the market showed clear signs of returning to pre COVID-19 trading patterns. Sales of frozen seafood had slowed, and ambient seafood returned to decline, with chilled seafood once more returning to drive category growth. By the end of 2021 retail sedood consumption had returned to decline, the reversion to pre COVID-19 trading patterns complete, with only chilled seafood sales in growth and both frozen and ambient seafood sectors in decline. At the end of 2021, UK retail seafood consumption remained 8% higher than pre covid but the boost from additional meal occasions is shrinking fast.

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By March 2022, despite only relatively modest inflation (+2.2%) seafood category decline accelerated; worth £4.15bn (-4.0%) with a volume of 417,143 (-5.0%). Unusually for the category, chilled seafood consumption was also in decline.

In retail, the percentage of pre-packaged seafood sold continues to grow, as it has done over the long term, with shoppers reporting wanting to be in and out of store as quickly as possible. This is not a new trend; most of the shift to prepack occurred several decades ago and not because of additional counter closures due to COVID-19. In 2019, pre COVID-19, the volume share of prepack seafood stood at 91%. This grew to 96% in 2020 and stood at 97% in 2021. This puts more emphasis on the need to provide prepack products which meet shopper requirements around freshness, minimizing handling/preparation, and ease of cook.

Seafood purchases in foodservice

Seafood consumption declined for many years after the financial crisis in 2007/8 but started to pick up around 2016/17, driven by sales in the cheaper quick service and independent fish & chip shop channels. However, the impact of COVID-19 resulted in many operators remaining closed for long periods. All channels were hit hard particularly the workplace and travel & leisure. The quick service channel fared the best due to the independent nature of takeaways and fish & chip shops, some of which remained open. By the end of 2021 recovery was slower than expected, with seafood servings only reaching 80% of pre COVID-19 levels. Foodservice was predicted to return to pre-covid levels by the end of 2022, but the current economic climate this looks unlikely.

Seafood outlook

The next five years is looking challenging for seafood consumption. The Bank of England recently predicted that UK households face the biggest cost of living squeeze in 30 years, this was before factoring in the rapid escalation of the conflict in the Ukraine and the subsequent changes in the commodity markets. Economists predict the average household could be between £1,000 to £2,500 worse off over 2022, with further falls in real incomes to come in future years. Being one of the highest priced proteins, seafood consumption falls when personal finances are under pressure. In the short term, the decline in seafood consumption in both retail and foodservice to may accelerate as shoppers trade down to cheaper seafood options and out of seafood all together. In retail this may initially benefit cheaper frozen seafood sector, but ultimately shoppers are likely to return to chilled as observed post financial crisis of 2007/8. Foodservice may take longer to recover, as consumers eat out less often or trade down to cheaper formats and channels to save money.

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

- Defra Family Food Datasets 2019/20
- NPD Crest Q4 2021
- Nielsen Scantrack – UK EPOS from key retailers (including composite data from discounters Aldi & Lidl and N. Ireland) excludes seafood sandwiches
- Nielsen Homescan – GB (including discounters) consumer panel of 15,000 households excludes seafood sandwiches

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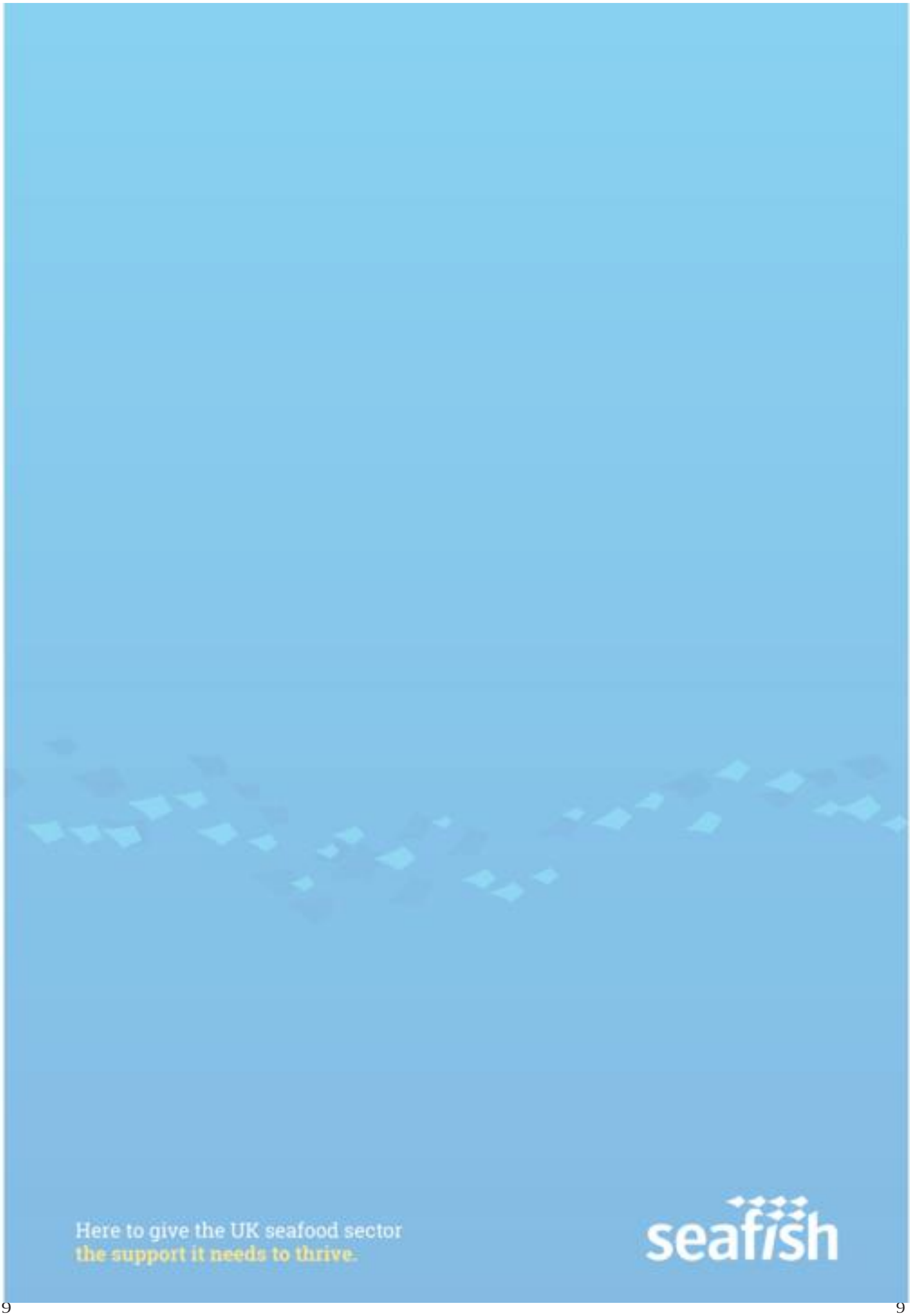
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