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the support it needs to thrive.

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Chilled Seafood in Multiple Retail (2020)

A market insight analysis
(20m read)

December 2020 Richard Watson

This factsheet provides a summary of the performance of chilled seafood in multiple retail to 3rd October 2020.

Key chilled facts/ Executive summary:

- Chilled seafood continues to dominate UK multiple retail, the only seafood sector in consistent long term growth since 2007. In 2020, the COVID-19 epidemic triggered panic buying, working from home and school closures. Whilst providing a greater short term boost to frozen and ambient, as the year progressed chilled seafood sales remained significantly more resilient.

- In 2020, the UK retail chilled seafood sector was worth £2.46bn (+3.9%) with a volume of 188,153 tonnes (+5.4%); and an average price of £13.09/kg (-1.4%).

- Chilled seafood lost share to frozen and ambient as school closures and working from home drove purchase of cupboard and freezer staples. Chilled seafood took a 59.5% (-2.9pp) share of the seafood UK retail market by value and 44.3 (-1.0pp) by volume.

- Compared with 2019, more shoppers bought chilled seafood more often, with a larger basket size. On average, chilled shoppers bought 0.38kg of chilled fish per trip spending £4.48. Compared to last year, more middle income shoppers from larger households purchased chilled seafood; along with more younger shoppers especially under 35's, and new families with older children.

- Chilled seafood shoppers are predominantly older (45-64) couples and singles, in two person households without children present. Where children are present they are typically aged 5-10 yrs.

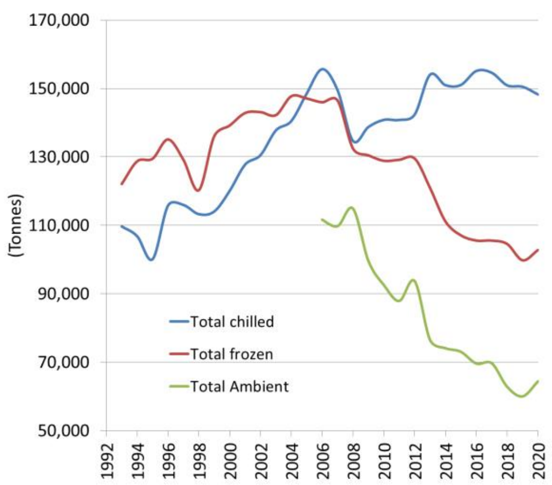
- The chilled natural segment (i.e. includes no additional ingredients), continues to take the largest share of chilled seafood. Most chilled segments were in growth compared to last year. The coated chilled segments, fingers (+67.2%) and battered (+23.5%) showed the highest volume growth boosted by working from home and school closures. Chilled sushi (-12.1%) and meals (-5.5%), showed the biggest declines in line with a fall in work lunch traffic.

- Salmon continues to dominate chilled seafood. For the first time, chilled warm water prawns replaced cod as the second most popular chilled species. Compared to last year, most of the top 5 species were in growth. Sea bass (+20.4%), basa (+13.2%) and salmon (+10.9%) showed the highest volume growth. Trout (-15.2%), crab (-11.5%) and plaice (-6.0%) showed the biggest declines.

Historic retail seafood sector trends

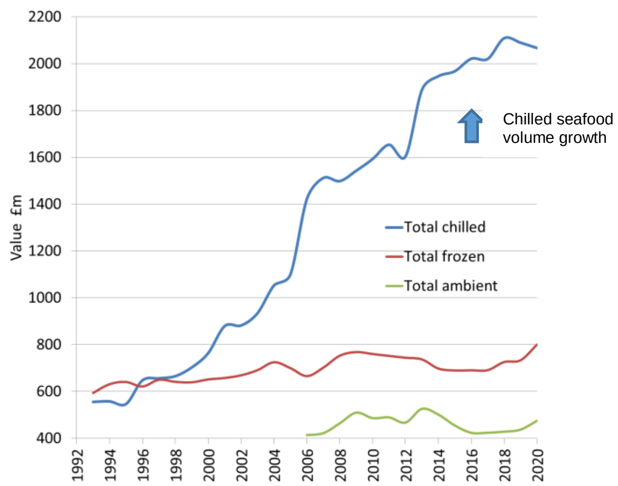
In the 52 wks. to 3rd October 2020, the total seafood category showed healthy growth driven by a boost to sales from panic buying, home working, school closures and the subsequent restrictions on foodservice. Total seafood Sales were worth £4.1bn (+7.6%), with a volume of 424,635 tonnes (+7.9%) and an average price of £9.75/kg (-0.2%) (Nielsen Scantrack) Over the past 20 years, chilled seafood has grown to dominate the category. In the late 1990's both the volume and value of chilled seafood began to grow rise faster than that of frozen and ambient seafood. By 2005, chilled seafood had overtaken frozen seafood volume sales, despite a much higher average price. Chilled was also the only seafood sector to grow from 2008 onwards through recession. In 2020 the COVID-19 epidemic triggered panic buying, working from home and school closures which had the effect of boosting weekly chilled seafood sales by up to +19%.

Long Term GB Seafood Sector Value Trends.



Nielsen GB Scantrack/TNS

Long Term GB Seafood Sector Volume Trends.



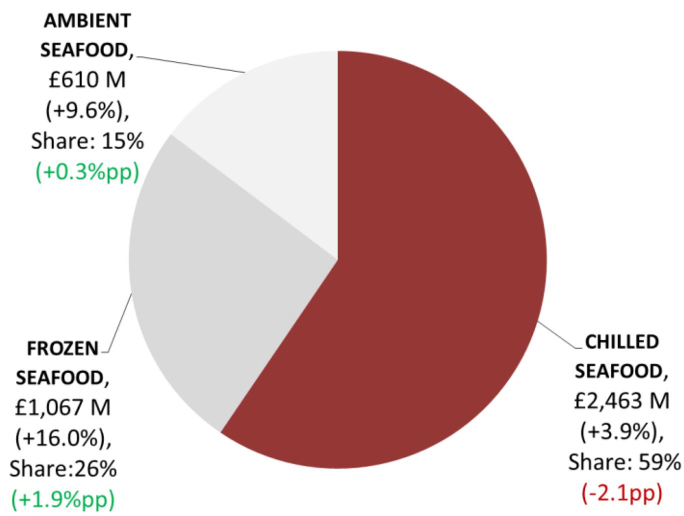
Chilled seafood performance

Unusually, this year chilled seafood lost share to frozen and ambient. Chilled still took the largest share of the seafood category but share declined by a significant -2.1pp.

In the 52 wks. to 3rd October 2020, chilled seafood was worth £2.46bn (+3.9%) with a volume of 188,153 tonnes (+5.4%); and an average price of £13.09/kg (-1.4%).

Historically the only seafood segment in volume growth, chilled did not benefit to the same extent as frozen or ambient from panic buying but through the year, chilled sales remained higher for longer as frozen and ambient tailed off. Chilled weekly sales remain 17.9% higher than last year at (w/e 03.10.20) compared to 7.4% for frozen.

UK seafood sector share by value 2020



Nielsen Scantrack YE 03.10.20

Over the long term (10 years to 3rd October 2020), chilled seafood remains he only seafood sector in growth, with value up +33.2% and volume up by +5.8%. Chilled average price per kg fell by -1.4% whilst frozen and ambient experienced inflation.

Chilled seafood KPI's

In the 52 wks. to 3rd October 2020, more shoppers bought chilled seafood more often with a larger basket size. On average, chilled shoppers bought 0.38kg of chilled fish per trip spending £4.48; buying chilled seafood 18.8 times per year, spending a total of £84.39, equating to 7.08kg over the year.

Chilled 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

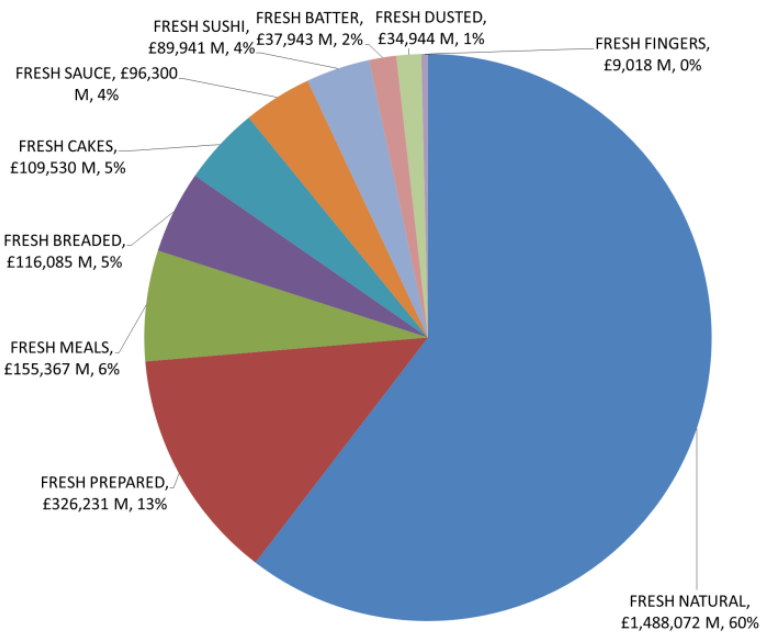
Chilled seafood segment performance

It is the chilled natural segment (i.e. seafood with no additional ingredients), which continues to take the largest share of the chilled seafood sector. Natural continues to grow both value, 60.4% (+1.0pp) and volume 47.9% (+1.9pp) share. In the 52wks to 8th October 2020 chilled natural was worth £1.48bn (+5.6%), with 90,150 (+9.8%) tonnes.

Most chilled segments were in growth compared to last year. The coated chilled segments, fingers (+67.2%) and battered (+23.5%) showed the highest volume growth boosted by working from home and school closures. Chilled sushi (-12.1%) and meals (-5.5%), showed the biggest declines in line with a fall in work lunch traffic.

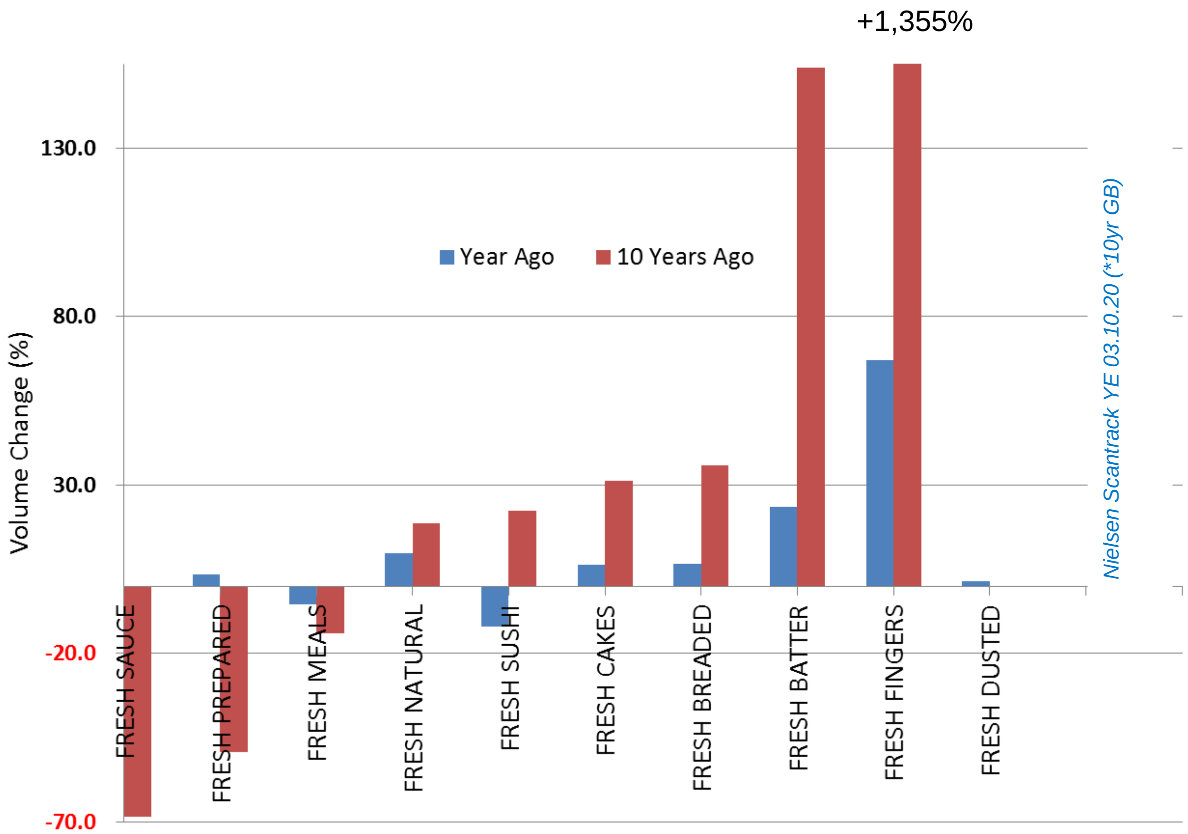
Most chilled segments were also in growth over the long term (10yrs to 3rd October 2020). Chilled fingers (+1146%) and batter (+154%) showed the highest volume growth; whilst chilled sauce (-68.6%) and prepared (-49.2%), saw the greatest volume declines.

UK Chilled Seafood Segment Value Share 2020



Nielsen Scantrack YE 03.10.20

Chilled Seafood Segment Volume Performance 2020



Chilled Seafood Segment Performance to 2020

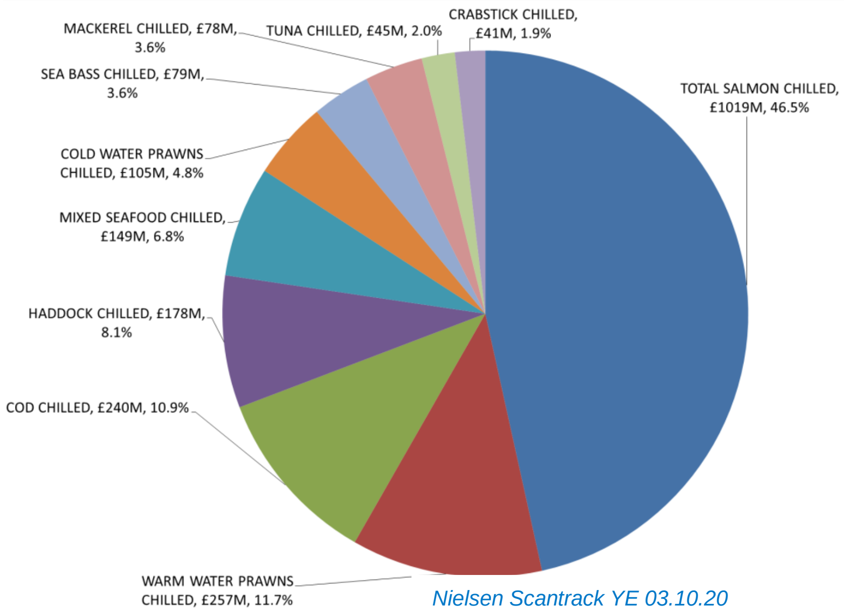
	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	Avg Price 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 03.10.20 (*10yr GB)*

Chilled seafood species

Salmon continues to dominate the chilled seafood sector, increasing its value share of the top ten chilled species to 46.5% (+1.2pp), selling over four times its nearest competitor. Smoked salmon makes up around a quarter of chilled salmon sales (25.7%) but continues to lose volume share.

UK Chilled Seafood Species Value Share 2020



Nielsen Scantrack YE 03.10.20

For the first time, chilled warm water prawns 11.7% (+0.8pp) have replaced cod as the second most popular chilled species. Cod and haddock share remained the same as last year.

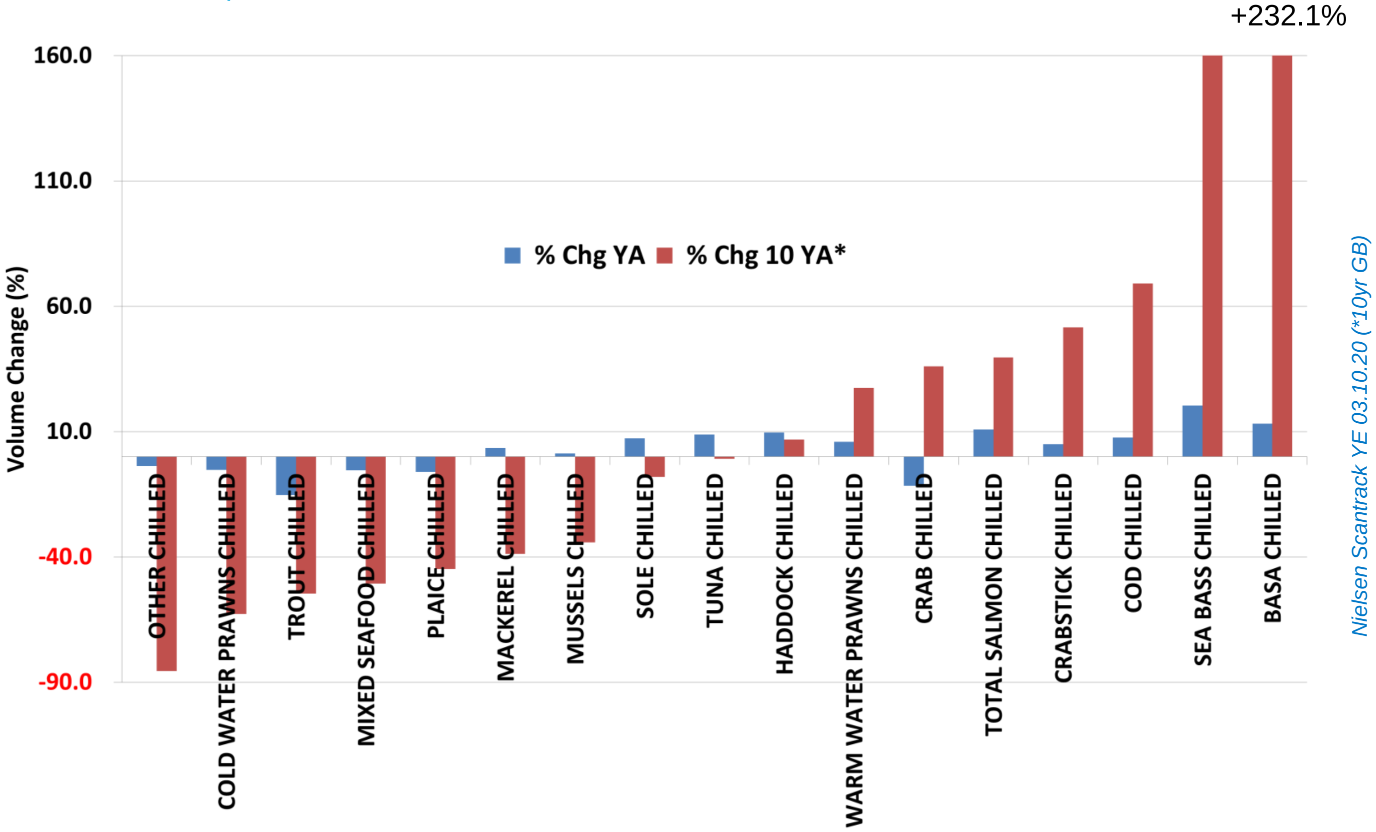
Farmed seafood typically makes up around 75% of the top 5 chilled species by value, significantly higher proportion than in the frozen sector. The consumption of traditional whitefish species has been in steady decline since the 1980s, whilst salmon and other aquacultured seafood species such as warm water prawns, basa, sea bass and bream and salmon continue to grow in popularity despite being over 65% more expensive per kg than cod.

Compared to last year most of the top 5 species were in growth. Sea bass (+20.4%), basa (+13.2%) and salmon (+10.9%) showed the highest volume growth. Trout (-15.2%), crab (-11.5%) and plaice (-6.0%) showed the biggest declines.

Most chilled species were also in growth over the long term (10yrs to 3rd October 2020). Basa (+232.1%), sea bass (+178.2%) and cod (+69.1%) showed the highest volume growth; whilst the cheaper "other" seafood where the species is not identified, saw the greatest volume decline (-85.5%) as shoppers' choices premiumised; along with chilled cold water prawns (-62.7%) and chilled trout (-54.6%) showed the biggest declines.

Price changes have typically influenced the majority of species trends since 2008, where significant price increases have impacted negatively on volume sales. The main exceptions to this are chilled salmon and warm water prawns sea bass and basa where consumption has continued to increase despite double-digit price increases. The availability and subsequent 10yr drop in the average price of chilled cod has undoubtedly contributed to its 10 year volume growth.

Chilled Seafood Species Volume Performance 2020



Chilled 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)*
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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
TOTAL SALMON CHILLED	942,843	960,126	1,018,934	6.1	71.1	48,553	51,127	56,681	10.9	39.7	£17.98	-4.3	22.6
WARM WATER PRAWNS CHILLED	237,496	242,307	256,945	6.0	55.1	15,181	16,079	17,028	5.9	27.5	£15.09	0.1	21.7
COD CHILLED	226,374	229,198	239,659	4.6	47.7	19,747	20,434	21,991	7.6	69.1	£10.90	-2.8	-12.7
HADDOCK CHILLED	173,180	167,820	177,786	5.9	9.9	15,674	15,143	16,602	9.6	6.8	£10.71	-3.4	2.9
MIXED SEAFOOD CHILLED	153,670	157,274	148,997	-5.3	-14.8	16,103	16,101	15,227	-5.4	-50.6	£9.79	0.2	72.3
COLD WATER PRAWNS CHILLED	109,363	103,912	104,751	0.8	-41.3	8,323	8,270	7,839	-5.2	-62.7	£13.36	6.4	57.3
SEA BASS CHILLED	64,422	63,580	78,837	24.0	220.1	3,908	3,879	4,672	20.4	178.2	£16.87	3.0	15.1
MACKEREL CHILLED	81,013	77,787	78,387	0.8	-6.3	9,768	8,758	9,067	3.5	-38.8	£8.65	-2.7	53.1
TUNA CHILLED	46,302	44,164	44,525	0.8	2.2	3,366	3,403	3,703	8.8	-0.8	£12.03	-7.3	3.0
CRABSTICK CHILLED	35,847	38,997	40,720	4.4	68.0	8,242	9,530	10,013	5.1	51.6	£4.07	-0.6	10.8
OTHER CHILLED	45,572	43,741	39,843	-8.9	-71.9	5,341	5,540	5,335	-3.7	-85.5	£7.47	-5.4	94.7
TROUT CHILLED	34,340	34,465	30,706	-10.9	-20.0	2,480	2,286	1,939	-15.2	-54.6	£15.84	5.1	76.1
SOLE CHILLED	20,341	19,035	19,894	4.5	-14.8	1,374	1,275	1,369	7.4	-8.1	£14.54	-2.7	-7.3
CRAB CHILLED	21,407	19,964	19,629	-1.7	100.1	1,031	851	753	-11.5	36.1	£26.06	11.1	47.1
MUSSELS CHILLED	20,506	20,061	19,275	-3.9	-26.5	3,818	3,611	3,663	1.4	-34.2	£5.26	-5.3	11.8
BASA CHILLED	17,069	16,302	18,082	10.9	294.0	1,678	1,534	1,736	13.2	232.1	£10.41	-2.0	18.6
PLAICE CHILLED	19,728	14,487	14,038	-3.1	-36.3	1,795	1,159	1,090	-6.0	-44.7	£12.88	3.0	15.4

*Nielsen Scantrack YE 03.10.2020 (*10yr GB): 'Other ' is where the seafood species is not identified i.e. ' fish fingers' or 'fish' pie*

The chilled seafood shopper

Nielsen demographics describe the chilled seafood shopper as more affluent than the average seafood buyer. Chilled seafood shoppers are predominantly older (45-64) couples and singles, typically in two person households without children present. Where children are present they are typically aged 5-10 yrs. IGD surveys suggest chilled seafood shopper as being fairly unique in being predominantly male and more affluent than buyers of other chilled proteins. Where living in a household with young children, the seafood is usually eaten by the shopper only. This unique profile of the chilled seafood shopper opens up opportunities around male targeted flavours, cross promotions and marketing opportunities.

Compared to last year, more middle income shoppers from larger households purchased chilled seafood. Also, younger shoppers especially under 35's and new families with older children purchased chilled seafood.

Chilled Seafood Demographics 2020

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

Nielsen Homescan YE 03.10.20

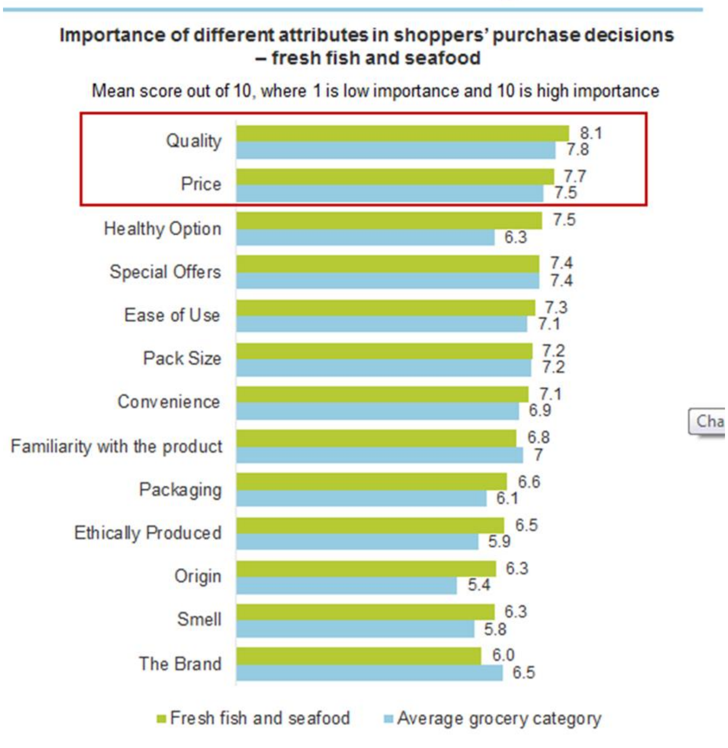
Quality is important to all seafood shoppers, but is paramount to chilled seafood shoppers. Seafood has the highest average price of the mainstream proteins, and with seafood prices rising over twice as fast as that of meat, chilled seafood has to offer 'value for money' to remain attractive to shoppers. Fortunately chilled seafood shoppers are fairly unique in that they are prepared to pay more for higher quality, but in a recent IGD survey, seafood came second for categories with the lowest availability satisfaction score, suggesting shoppers struggle to find the quality they want.

Lower than average satisfaction with availability of fresh fish

With 30% (double the category average) of fresh fish shoppers claiming that they would 'go without' if they can't find the product they want.

Quality is of No1 importance to shoppers when purchasing fresh fish and seafood

IGD ShopperVista



The effect of COVID-19 on chilled 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 which grew up to +119% as shoppers prioritised cupboard and freezer staples. Chilled seafood was less in demand but still peaked at +19%.

During the summer months as lockdown eased, seafood sales began to return to 'normal' trading patterns as frozen and ambient faded and chilled seafood sales increased. A second wave of 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 weekly volume sales remain 12.4% higher than last year. All sectors are also performing strongly with chilled (+17.9%), frozen (+7.4%) and ambient (+9.1%) 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.

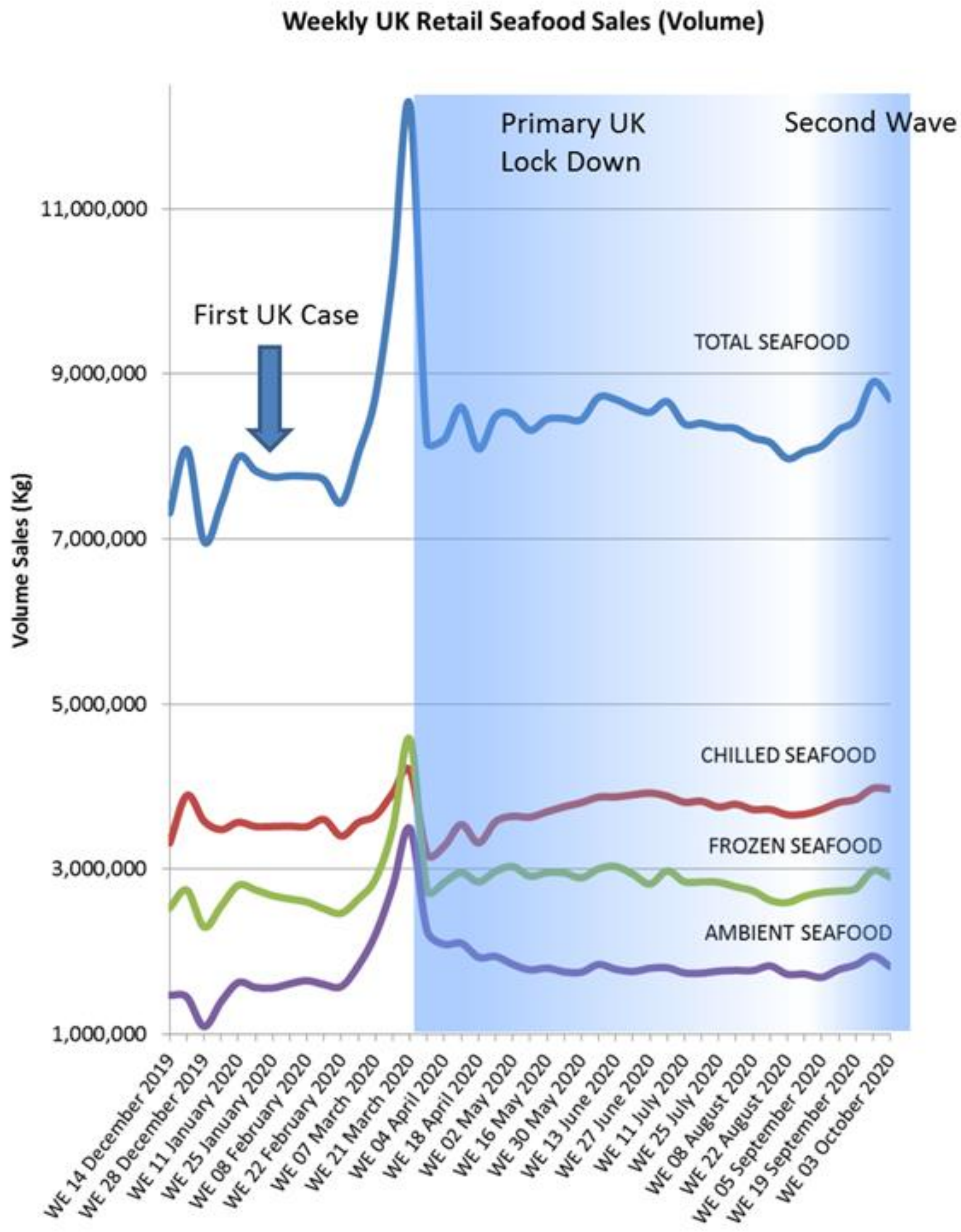
Trends w/e Oct 3rd 2020:

- Natural (+22.1%), fingers (+14.7%), prepared (12.5%) and cakes (+10.5%) are the 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 foodservice closures are driving some consumers to purchasing seafood to dine in.

Impact of COVID-19 on Seafood Volume Sales

% CHG	Peak Increase	Pre Peak vs Post Peak (WE Feb 1st vs WE 3rd Oct '20	WE 3rd Oct '20 vs Last Year
TOTAL SEAFOOD	57.8	11.9	12.4
TOTAL CHILLLED	19.1	12.7	17.9
TOTAL FROZEN	73.5	10.1	7.4
TOTAL AMBIENT	116.5	13.0	9.1

Nielsen Scantrack YE 03.10.20



Weekly UK Retail Seafood Sales (Volume)
Primary UK Lock Down
Second Wave
First UK Case
TOTAL SEAFOOD
CHILLED SEAFOOD
FROZEN SEAFOOD
AMBIENT SEAFOOD
Volume Sales (Kg)
11,000,000
9,000,000
7,000,000
5,000,000
3,000,000
1,000,000
WE 14 December 2019
WE 28 December 2019
WE 11 January 2020
WE 25 January 2020
WE 08 February 2020
WE 22 February 2020
WE 07 March 2020
WE 21 March 2020
WE 04 April 2020
WE 18 April 2020
WE 02 May 2020
WE 16 May 2020
WE 30 May 2020
WE 13 June 2020
WE 27 June 2020
WE 11 July 2020
WE 25 July 2020
WE 08 August 2020
WE 22 August 2020
WE 05 September 2020
WE 19 September 2020
WE 03 October 2020

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, 2018/19.

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Richard Watson Seafish Origin Way, Europarc, Grimsby, DN37 9TZ T: +44 (0) 1472 252 331	e: info@seafish.co.uk w: www.seafish.org f: +44 (0) 1472 268 792

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