SEAFISH

Market Insight Factsheet

Mackerel (2018)

Market Overview:

This factsheet provides a summary of the United Kingdom (UK) value chain for mackerel. It is intended to inform stakeholders of the UK seafood industry about the performance of the mackerel product.

In 2017 the volume of UK mackerel supply increased through a rise in import volume. However, landings and export volume of mackerel experienced declines. In 2018 (up to latest available data) sales of mackerel in retail increased and commercial food service decreased.

This document will examine the detail behind the overall mackerel performance including;

- UK trade and supply (2017)
    - Mackerel landings by UK vessels
    - Mackerel imports to the UK
    - Mackerel exports from the UK
- Future supply trendsMackerel consumer sales (2018 - up to latest available data)
    - Retail sales for consumers of the UK
    - Commercial foodservice sales for consumers of Great Britain (GB)

SEAFISH

Mackerel Trade and Supply

24.8% of the UK's annual mackerel supply is imported, or landed into the UK by foreign vessels; in 2017 UK vessels decreased share of supply by 8.5% (BTS, 2017; MMO, 2017).

UK Mackerel Trade and Supply

The table below provides a summary of the UK mackerel trade in 2017, compared to that of 2016, the previous year. It also references the percentage change from 2016 to 2017. Each section, landings, imports, supply, and exports, will be examined in greater depth under the appropriate section headings below.

UK Mackerel Trade Summary 2017

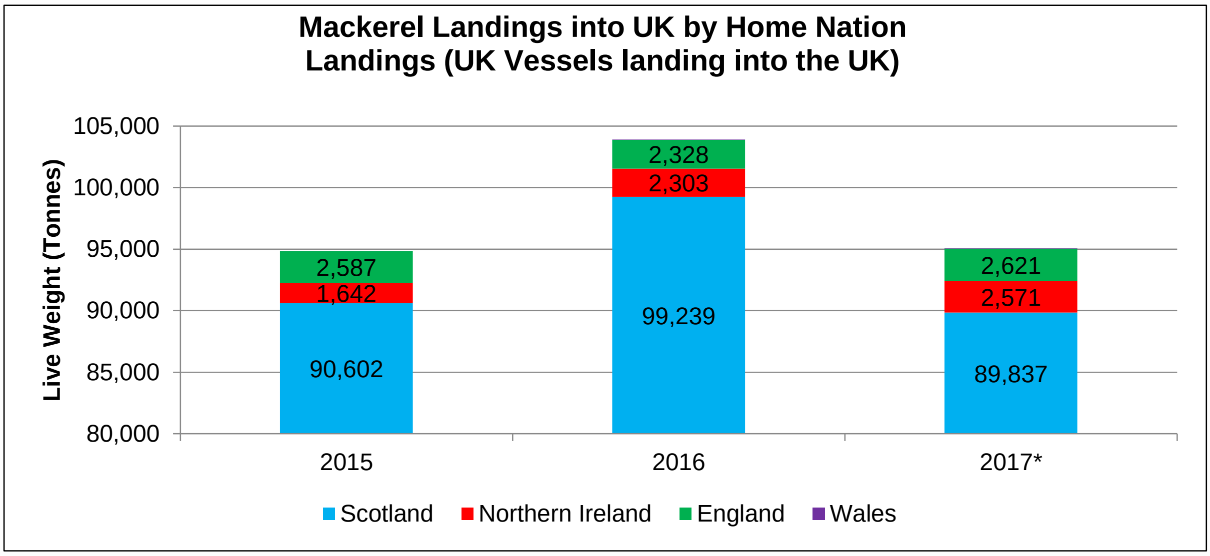
	2016			2017*			% Change vs. 2016		
	Value (£M)	Volume (Tonnes)	£/Kg	Value (£M)	Volume (Tonnes)	£/Kg	Value (£M)	Volume (Tonnes)	£/Kg
Mackerel landings into the UK by UK vessels	**£88.8**	**103,874**	**£0.86**	**£86.2**	**95,031**	**£0.91**	**-3.0%**	**-8.5%**	**6.1%**
Scotland	£85.3	99,240	£0.86	£81.3	89,837	£0.91	-4.7%	-9.5%	5.3%
Northern Ireland	£1.6	2,303	£0.70	£2.5	2,571	£0.97	54.3%	11.7%	38.2%
England	£1.9	2,328	£0.82	£2.4	2,621	£0.92	26.7%	12.6%	12.5%
Wales	£0.0	1	£1.68	£0.0	1	£4.22	17.3%	-53.3%	151.2%
Total UK mackerel imports	**£42.9**	**18,978**	**£2.26**	**£56.9**	**31,383**	**£1.81**	**32.8%**	**65.4%**	**-19.7%**
Netherlands	£3.7	3,268	£1.13	£13.1	10,401	£1.26	255.1%	218.3%	11.6%
Irish Republic	£2.3	2,154	£1.06	£6.4	6,221	£1.02	179.3%	188.8%	-3.3%
Norway	£0.3	241	£1.32	£5.3	5,492	£0.97	1572.7%	2175.1%	-26.5%
Denmark	£21.1	8,609	£2.45	£15.4	3,529	£4.36	-27.1%	-59.0%	77.8%
Sweden	£0.0	10	£2.56	£1.2	1,245	£0.93	4350.3%	12149.3%	-63.7%
All Others	£15.4	4,695	£3.29	£15.6	4,496	£3.46	0.9%	-4.2%	5.3%
Total UK mackerel supply	**£131.7**	**122,852**	**£1.07**	**£143.1**	**126,415**	**£1.13**	**8.7%**	**2.9%**	**5.6%**
Total UK mackerel exports	**£81.1**	**83,849**	**£0.97**	**£87.4**	**77,579**	**£1.13**	**7.7%**	**-7.5%**	**16.4%**
Netherlands	£3.7	3,268	£1.13	£13.1	10,401	£1.26	255.1%	218.3%	11.6%
France	£11.2	8,984	£1.24	£15.7	10,105	£1.55	40.4%	12.5%	24.8%
Romania	£8.0	10,229	£0.78	£10.0	9,381	£1.07	25.2%	-8.3%	36.5%
Latvia	£3.5	2,797	£1.27	£6.1	4,115	£1.49	73.1%	47.1%	17.7%
Ghana	£0.3	336	£0.78	£4.0	4,086	£0.99	1445.6%	1116.2%	27.1%
All Others	£15.4	4,695	£3.29	£15.6	4,496	£3.46	0.9%	-4.2%	5.3%
Mackerel landings abroad by UK vessels	**£99.5**	**113,458**	**£1.14**	**£154.8**	**131,427**	**£0.85**	**55.6%**	**15.8%**	**-25.6%**

**Provisional data* *(BTS, 2017; MMO UK, 2017)*

Mackerel Landings by UK Vessels in 2017

In 2017, UK vessels landed just over 226,000 tonnes of mackerel into the UK or abroad, which was 4.2% more than 2016. The total value of this catch increased to approximately £241.0 million, which was 28.0% more than the previous year. The average price per kg in 2017 grew 23.0% to £1.07/kg (MMO, 2017).

Mackerel volumes landed by UK vessels into UK ports decreased 8.5% to just over 95,000 tonnes in 2017. Similarly value declines of 3.0% were experienced to £86.2m, with increases seen in average price per kg up 6.1% to £0.91/kg (MMO, 2017). UK vessels landed 131,427 tonnes of mackerel abroad in 2017, 15.8% more than 2016. Growth can also be seen in the total value of mackerel landed abroad by UK vessels growing 55.6% to £154,814. Average price could contribute to such growth with 34.6% rise seen in price per kg to £1.18 (MMO, 2017).

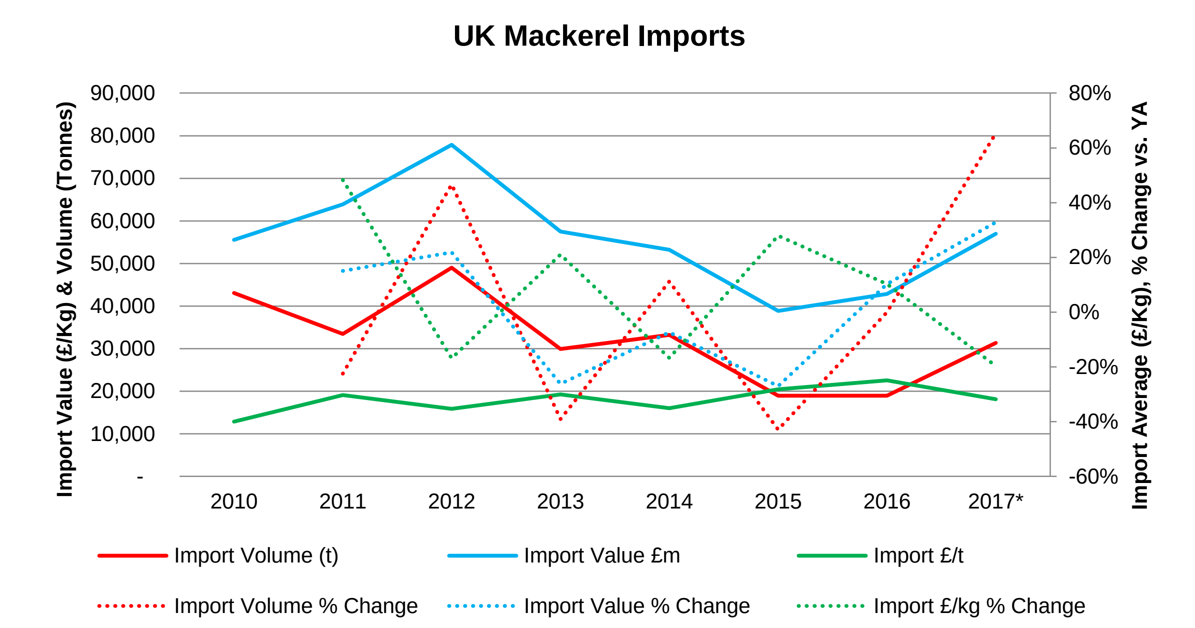


*Provisional data (MMO UK, 2017)

Mackerel Imports

As a consequence of consumer demand and volume availability, mackerel imports are subject to price fluctuations, much like all seafood species. As illustrated in the graph below, compared to the volume heights of 49,010 tonnes in 2012, volume decreased in 2015 by -61.3% to just over 18,900 tonnes with average price increasing by 29.0% to £2.05.

Import volume has slowly started to grow in recent years and in 2017 increases of 65.4% were seen, around 31,300 tonnes, this is despite a 19.7% decline in average price per kg of £1.81 in 2017. However this is still less than 2015 at £2.05 £/kg which could therefore have contributed to the growth in total import value, up 32.8% in 2017 versus 2016, to £56.9m (BTS, 2017). The graph overpage is based on the actual product weight across all types of mackerel products, e.g. whole, fillets, prepared etc.



** Provisional data* *(BTS, 2017)*

Supply from the five countries importing the most mackerel into the UK by volume (Netherlands, Irish Republic, Norway, Denmark and Sweden) had an overall positive performance in terms of volume growth with the exception of Denmark. Noteworthy growth came from both Norway and Sweden; substantial increases in volume in 2017, compared to 2016, led to significant value and volume increases (BTS, 2017).

Future Supply Trends

The stock of North East Atlantic mackerel is in good condition, the spawning stock is well above the precautionary reference point at around 3.5 million tonnes, and there have been a succession of larger year classes since the early 2000s. The fishing mortality (F) has declined from high levels in the mid-2000s, but remains above the target reference point of F being equivalent to that believed to generate the Maximum Sustainable Yield (FMSY). Over 1 million tonnes of mackerel has been caught each year since 2014, however this figure is unlikely to be realised for 2018 as the advised catch of <550,948 t is around a 30% reduction from that in 2017 (≤ 857,185 t) (RASS, 2018).

There have been concerns over the management of the mackerel stock, and this has been flagged as a moderate risk in the Risk Assessment for Sourcing Seafood (RASS) as there is no agreed international Total Allowable Catch (TAC) involving all parties participating in the fisheries on this stock. The ‘agreed’ TAC for 2018 of 816,797 tonnes relates to the sum of unilateral quotas of the fisheries’ participants.

Landings of mackerel have typically been in line with the TAC with slight deviation, and this would imply that the total catch of mackerel in 2018 would be down by at least 20% on that caught in 2017 (RASS, 2018).

The outlook for this stock is uncertain. On the one hand the official International Council for Exploration of the Sea (ICES) stock assessment suggests that the stock is declining, on the other, the pelagic industry and some scientists believe the stock size has greatly increased and is considerably higher than that calculated by the ICES assessment (RASS, 2018).

*Icelandic fishing year = 1st September – 31st August

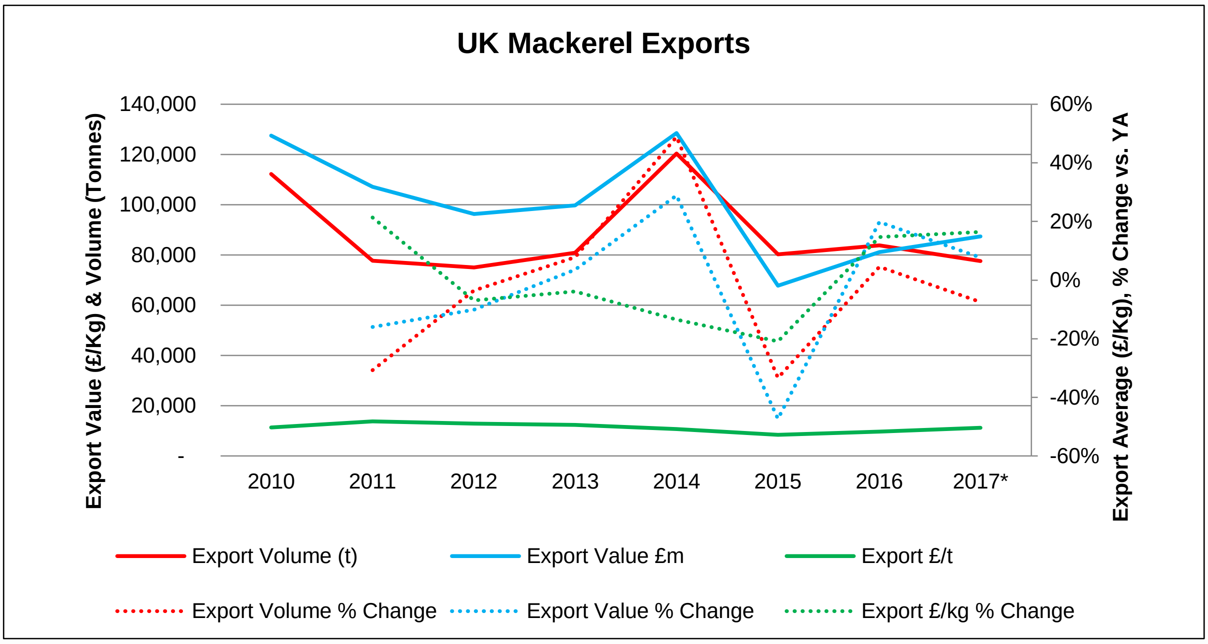
Mackerel Exports from the UK

With the exception of a sharp increase in 2014, mackerel exports have been in steady decline since 2010, however, in 2016 volume and value of mackerel exports from the UK started to increase. This continued in 2017 in terms of value, up 7.7% to £87.4m, however declines have occurred in volume down 7.5% to 77,579 tonnes when compared to 2016, possibly as a result of the growth in price per kg up 16.4% to £1.13 £/kg (BTS, 2017).

The top five countries in terms of volume exports, mentioned in order of highest volume of exports, Netherlands, France, Romania, Latvia & Ghana, have all experienced value growth in 2017, compared to 2016. With the exception of Romania, experiencing a volume decline of 8.3%, each of the other countries has experienced value growths. All the export countries have seen increases in average price per kg.

Noteworthy growth performances for 2017 are the Netherlands and Ghana due to dramatic increases in volume versus the very low quantities exported in 2016 (BTS, 2017).

The graph below is based on the actual product weight across all types of mackerel products, e.g. whole, fillets, prepared etc.



**Provisional data* *(BTS, 2017)*

Mackerel Sales to Consumers

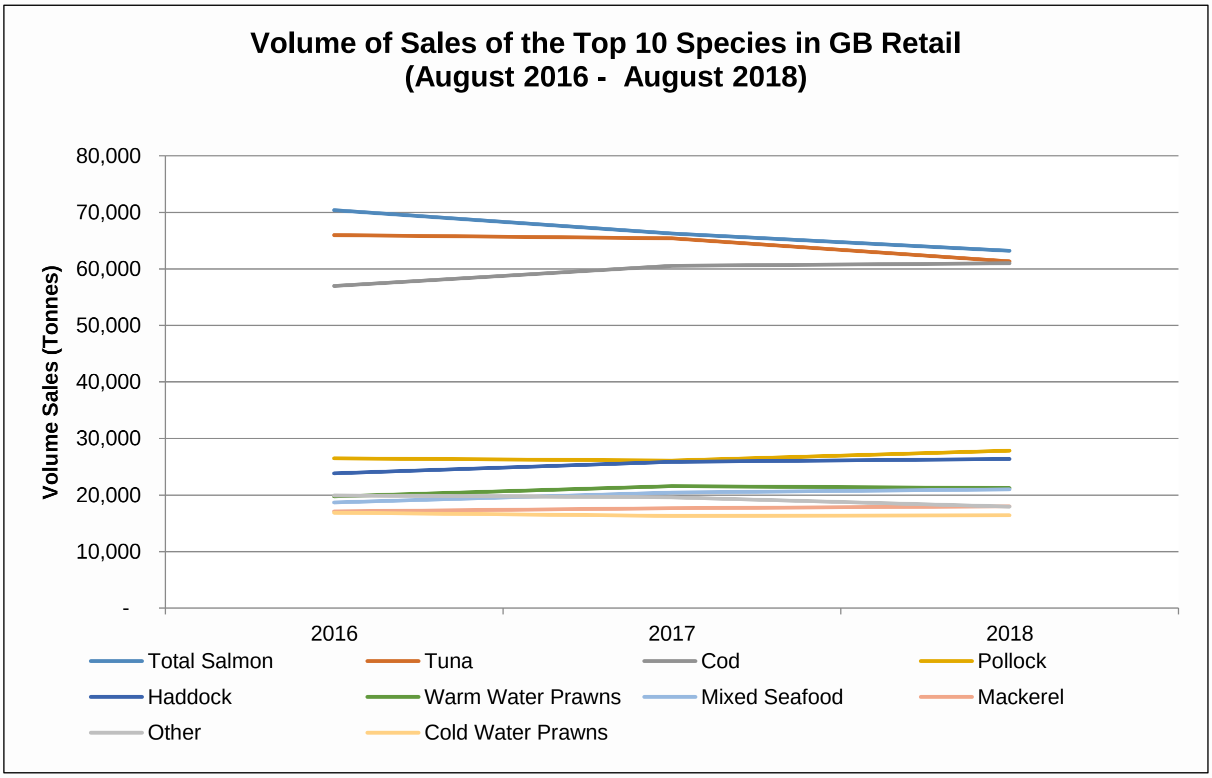
Mackerel is a pelagic fish species and is purchased by UK consumers when eating in and out of the home. The performance of mackerel in retail, the shoppers, and how it performs in the commercial foodservice market, is examined in the following sections.

The retail scan track data is based on UK consumers with retail home scan and foodservice data based on GB consumers.

Mackerel in Retail

Over the 52 weeks ending 11th August 2018, UK shoppers purchased just over 18,000 tonnes of mackerel equating to a retail value of £131.1million. By volume, mackerel was the 8th bestselling fish of all seafood species (Nielsen, 2018).

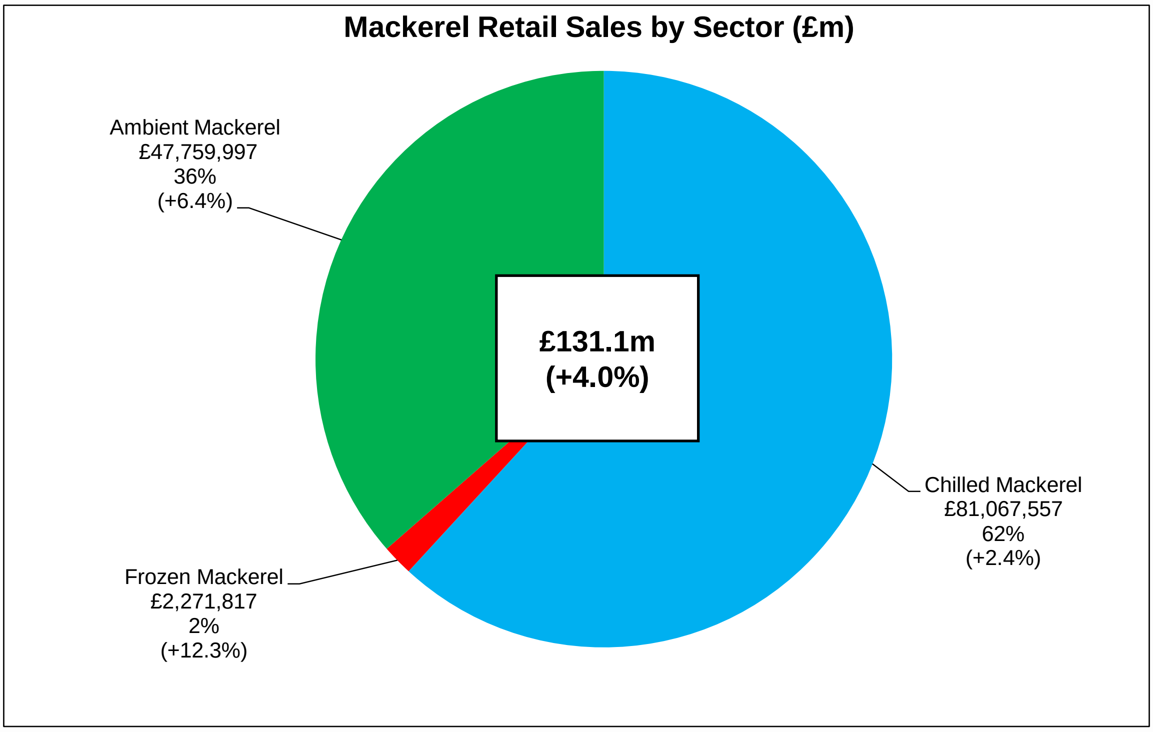
Out of the top selling species, mackerel is reporting the fifth strongest growth in terms of volume (+0.7%) when compared to 2017. Total sales value increased 4.0% and unit value increased by 5.5%. Additionally price per kg (£7.30/kg, +1.9%) has increased with decreases in price per unit (£1.30, -1.4%) when compared to 2017 (Nielsen, 2018).



(Nielsen ScanTrack, 11.08.2018)

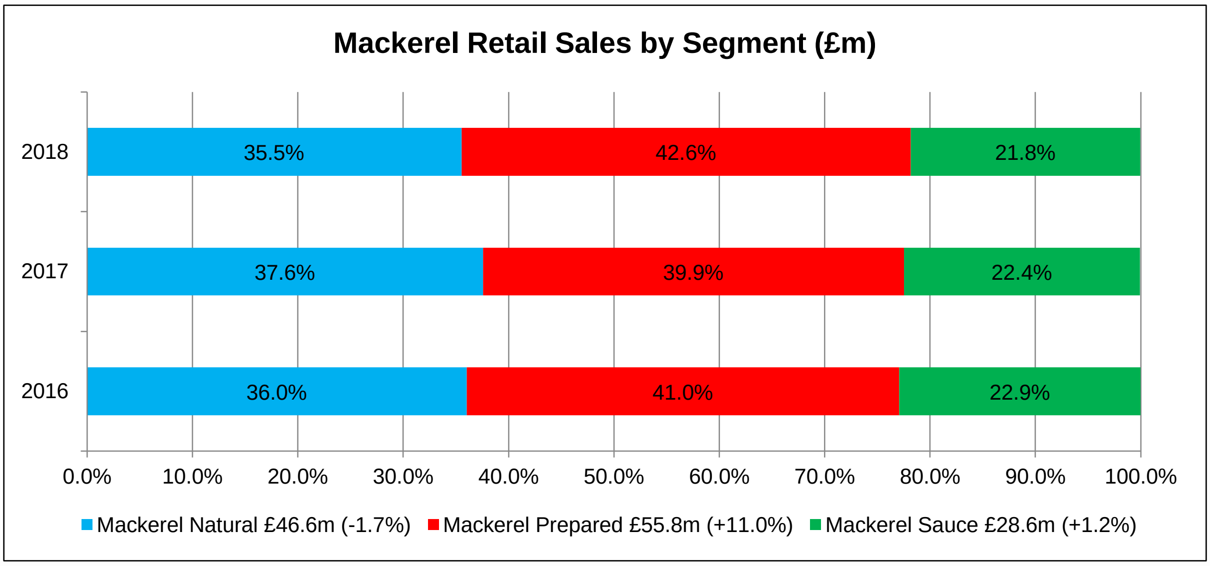
As illustrated below and compared to 2017, value sales of mackerel increased across the frozen, chilled and ambient sectors with the largest growth experienced within the frozen sector. The majority of mackerel sold in retail is chilled which represents 62% of mackerel value, 54% of volume and 37% of unit sales (Nielsen, 2018).

In terms of volume, each sector with the exception of chilled experienced growth; frozen (+3.8%), ambient (+8.6%), chilled (-2.8%).



(Nielsen ScanTrack, 11.08.2018)

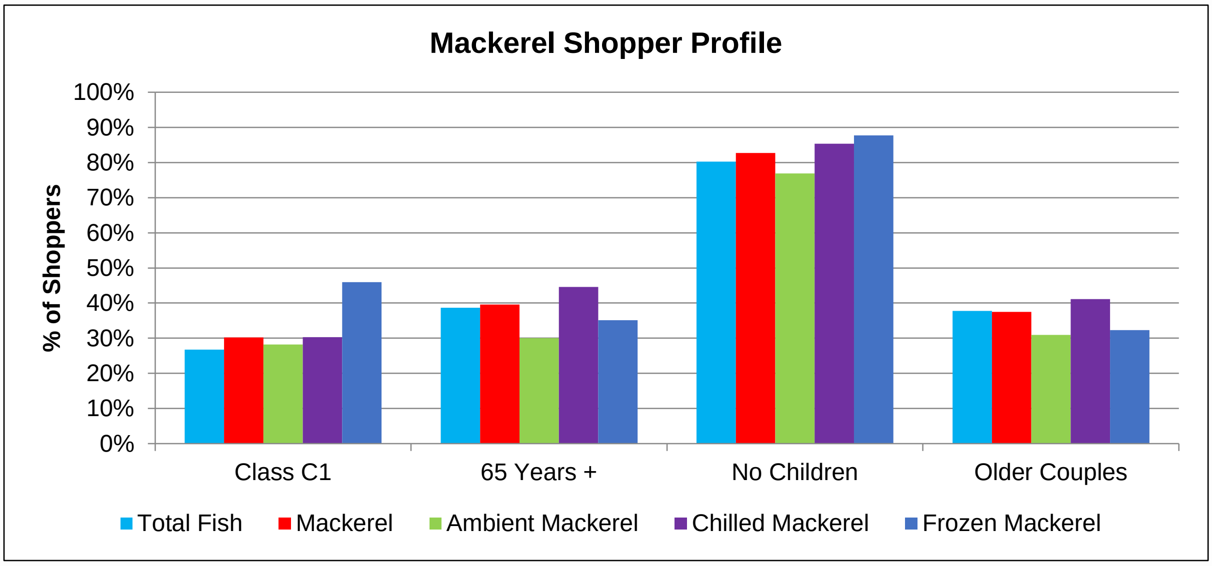
By product format, 'prepared' mackerel has the largest share of value sales, increasing 11.0% in value compared to 2017. The segments that have grown in their share of sales value are: cakes, prepared and sauce. Breaded, natural and sushi lost share of sales value (Nielsen, 2018).



(Nielsen ScanTrack, 11.08.2018)

Mackerel Shopper

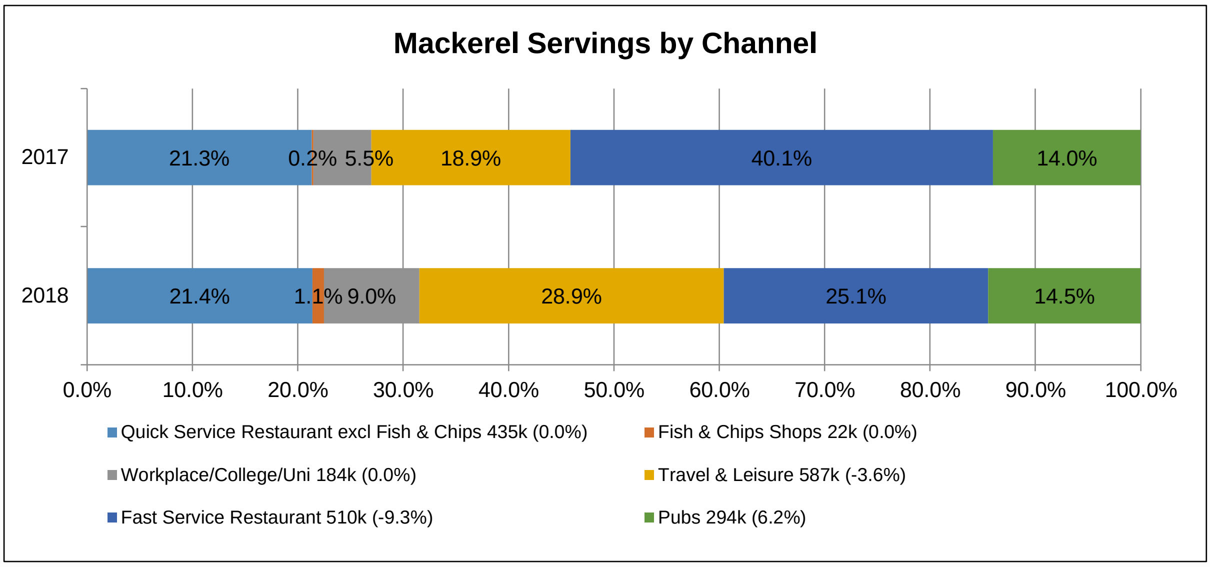
In comparison to the overall seafood shopper profile, the mackerel shopper is similar in terms of age i.e. from an older (65+) demographic with no children, but is quite distinct in terms of affluence with the average mackerel shopper more affluent than the total fish shopper, specifically in the frozen sector (Nielsen, 2018).



(Nielsen HomeScan, 14.07.2018)

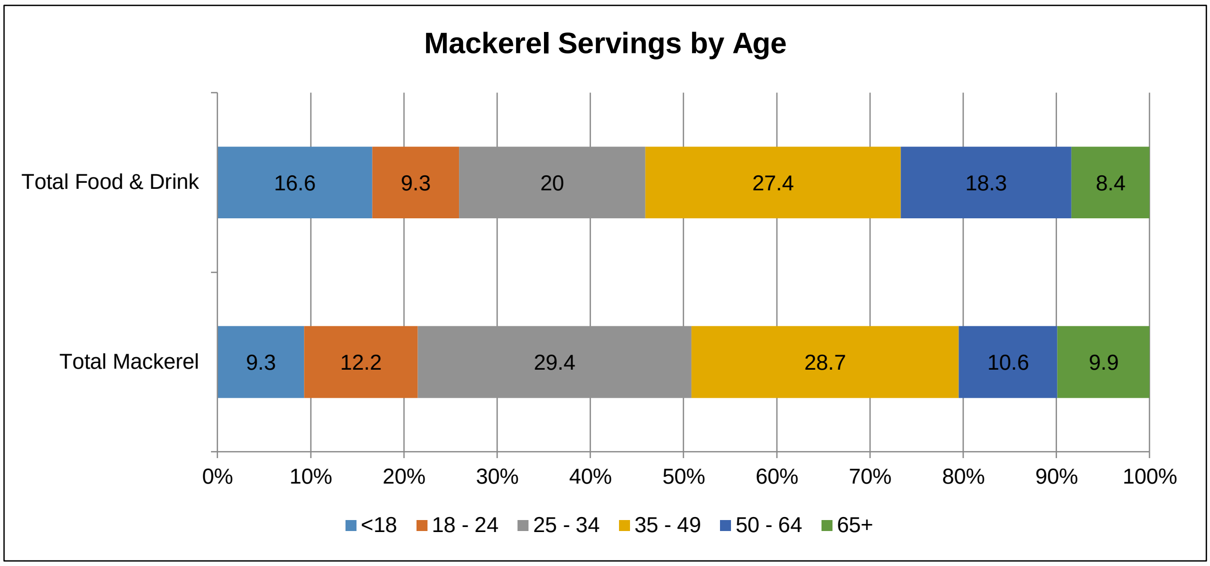
Mackerel in Commercial Foodservice

Regarding out of home eating within the commercial foodservice market, mackerel has experienced an challenging year with average annual servings decreasing by 11.2% in value to just over 2 million. Such declines are largely as a result of mackerel servings declining in all channels, with the exception of Pubs (NPD/Crest, 2018).



(NPD/Crest, 2018)

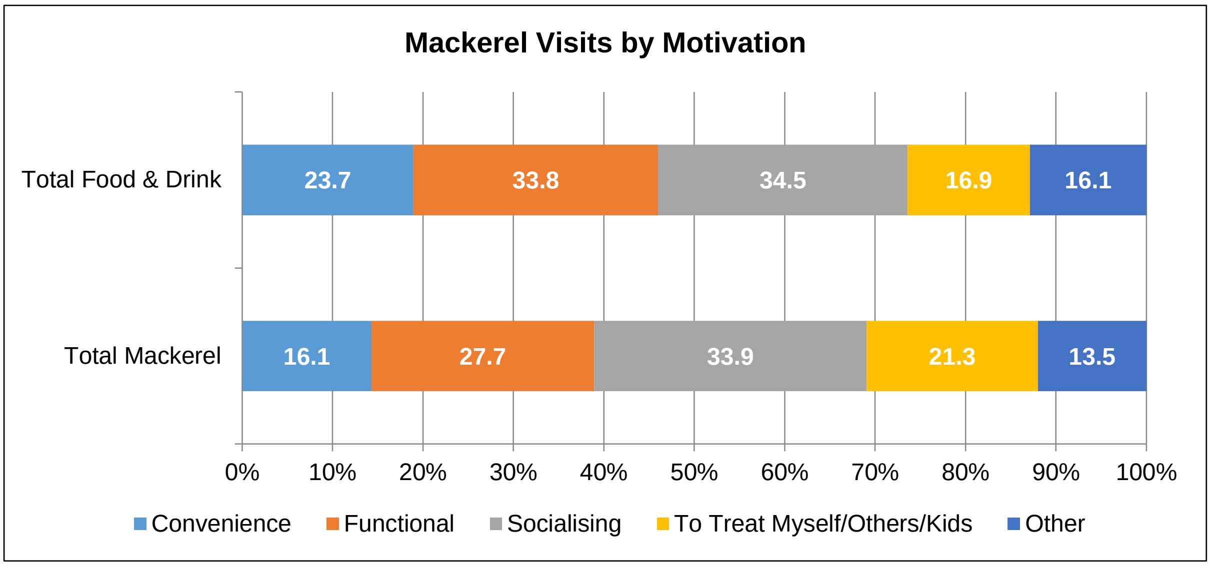
In foodservice, mackerel predominantly appeals to consumers in the 25 - 49 age range. Compared with performance in total food and drink, mackerel has potential to expand its clientele in the younger and older generations particularly those 50 - 64 years of age and 18 years of age and younger.



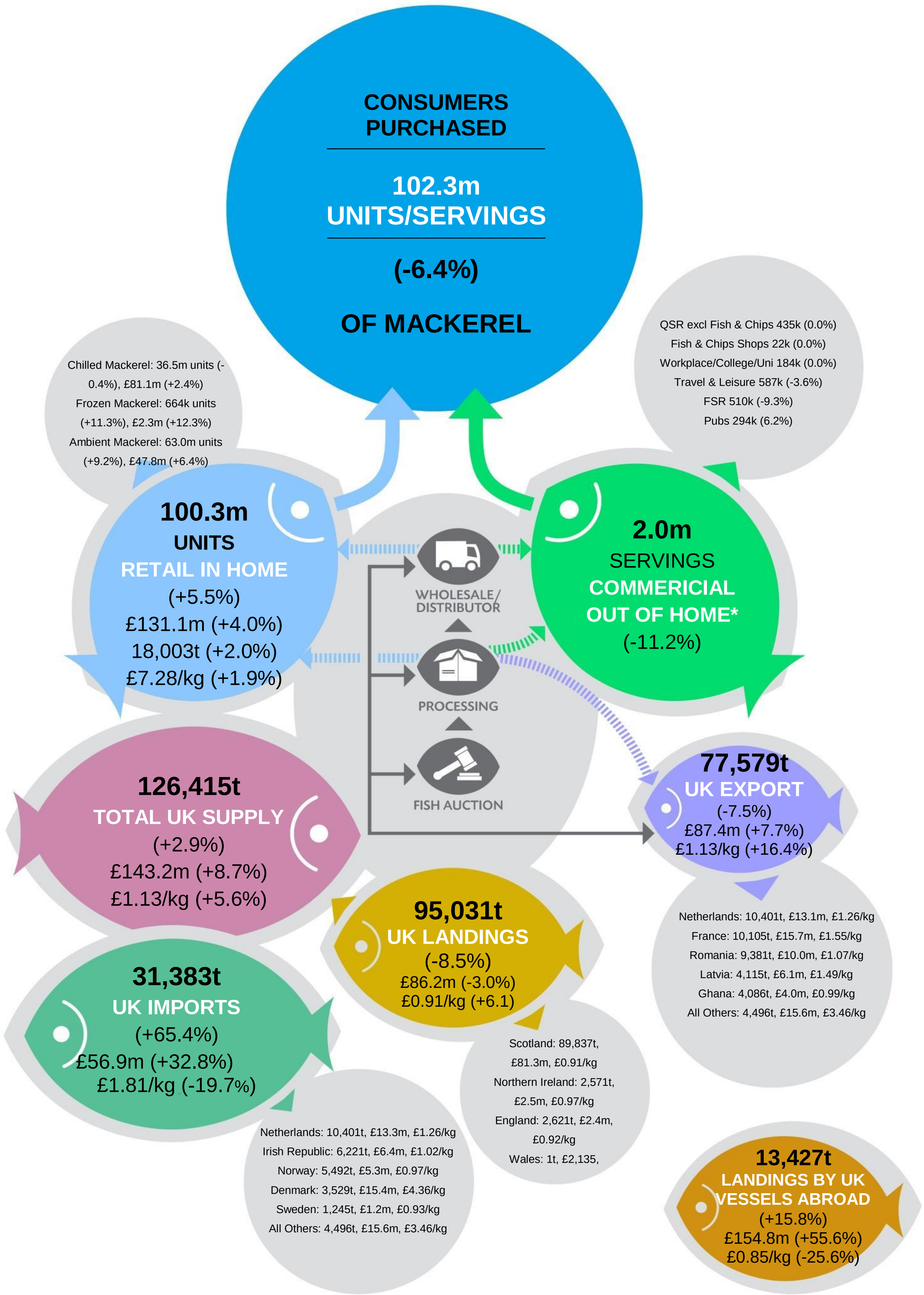
(NPD/Crest, 2018)

On average, mackerel over indexes in the fast service restaurant channel with a more affluent consumer. Mackerel appeals slightly more to male consumers and to adult only occasions. Mackerel is most likely to be consumed at dinner and lunch; however Quick Service Restaurant (QSR) is performing well within the snack occasions (NPD/Crest, 2018).

Compared to total out of home consumption, mackerel is most likely to be consumed when diners are eating out for treating occasions. It is also popular with the socialising and functional diners, i.e. just to fulfil the need to eat. Conversely it is eaten less for 'convenience', compared with total food and drink eaten out of home. The graph below illustrates mackerel consumption in commercial foodservice by main motivation (NPD/Crest, 2018).



(NPD/Crest, 2018)



=*Including: quick service restaurants, fish & chip shops, pubs, full service restaurants (including café/bistros), travel & leisure, workplace/college/university

References:

- MMO (June, 2018) UK and foreign vessels landings by UK port and UK vessel landings abroad underlying dataset March 2017: 2014, 2015, 2016 and 2017 (provisional year to date)
- HMRC via BTS (December, 2017) Provisional Trade Data
- Seafish (2018) Risk Assessment for Sourcing Seafood (RASS) – www.seafish.org/rass/
- Nielsen (11.08.2018) ScanTrack Data
- Nielsen (14.07.2018) HomeScan Data
- NPD Crest (3YE March 2018) Mackerel Report

**NB: 2017 data on imports, exports, and landings is provisional and is subject to change. The provisional data is finalized approximately nine months after calendar year end.*

Further Reading:
The NPD Group - YE Jun 18 Mackerel Report (subscribers only)
Context Report (subscribers only)

Subscribe to Market Insight Reports:
Individuals working full time for a seafood business can apply for a password to access Seafish Retail, Foodservice, Shopper and Trade Reports directly. Click here to subscribe.

For other factsheets in this series go to our market insight factsheet page

S Pegg
Seafish | Origin Way,
Europarc,
Grimsby, DN37 9TZ
T: +44 (0) 1472 252300
F: +44 (0) 1472 268792

e: info@seafish.co.uk
w: www.seafish.org

Our Mission: supporting a profitable, sustainable and socially responsible future for the seafood industry.