

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



UK Seafood Trade Report: October to December 2023

Analysis by Joe Cooper

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Acknowledgements

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UK Seafood trade 2023 October - December (Q4) Update

This report covers the key trends in UK seafood trade on a quarterly basis for a calendar year. It focuses on emerging changes to seafood trade flows in and out of the UK. The Seafish trade reports also monitor the impact of national, international, and global events on trade opportunities, and provide regular insights and analysis of UK seafood trade statistics.

The 12 months to December 2023 are compared to the previous year in this report. The most recent and significant trends in UK seafood trade are also presented, providing a detailed view of impacts on the UK seafood sector.

UK seafood trade has been volatile since 2020 when the coronavirus pandemic caused unprecedented trade issues globally. In 2021, complications from the UK leaving the European Union (EU) added to existing challenges. At the start of 2022, the Russian invasion of Ukraine led to higher prices in global markets and changes to trade flows of goods. At the same time, the UK was affected by a cost-of-living crisis as inflation soared above 10%. All these factors have, and continue to cause, significant disruption to the UK seafood supply chain.

Key points:

- Total seafood import volume continued to decline but the rate of decline slowed down compared to earlier in the year.
- However, imported tuna products remain under pressure driven by a lower global supply of tuna and increased prices for unprocessed tuna.
- Total seafood export volume remained steady as growth in pelagic and shellfish exports helped to offset some of the decline in demersal and salmon exports.
- Demand grows for some bivalve mollusc and cephalopod species primarily to the Indo-Pacific trading block known as the CPTPP.

Note:

Published HMRC overseas trade in goods statistics are provisional for up to 18 months and can be updated within this time. Therefore, the analysis presented in this document is provisional and subject to change.

Imports



Imports to the UK in the 12 months to December 2023:

- £3.45bn (-5.3%)
- 609,619 tonnes (-5.5%)
- £5.65/kg average price (+0.2%)

Q4 (Oct-Dec) 2023 Import Overview

A lower volume of seafood was imported than a year ago. The top imported species of tuna, cod, salmon and shrimp and prawn were imported in lower volumes than a year ago.

The rate of volume decline slowed down this quarter compared to earlier in the year. In the 12 months to December 2023, the volume of imports declined by 35,267 tonnes to 609,619 tonnes, an annual rate of decline of -5.5%. The annual rate of decline was much higher in July 2023 at -9.5%. The rate of decline slowed for cod, salmon, shrimp and prawn by the last three months of 2023. Conversely tuna import volumes were in accelerated decline.

Over the same period, the UK imported £3.45 billion of seafood, a decline of -5.3% compared to the year before (figure 1).

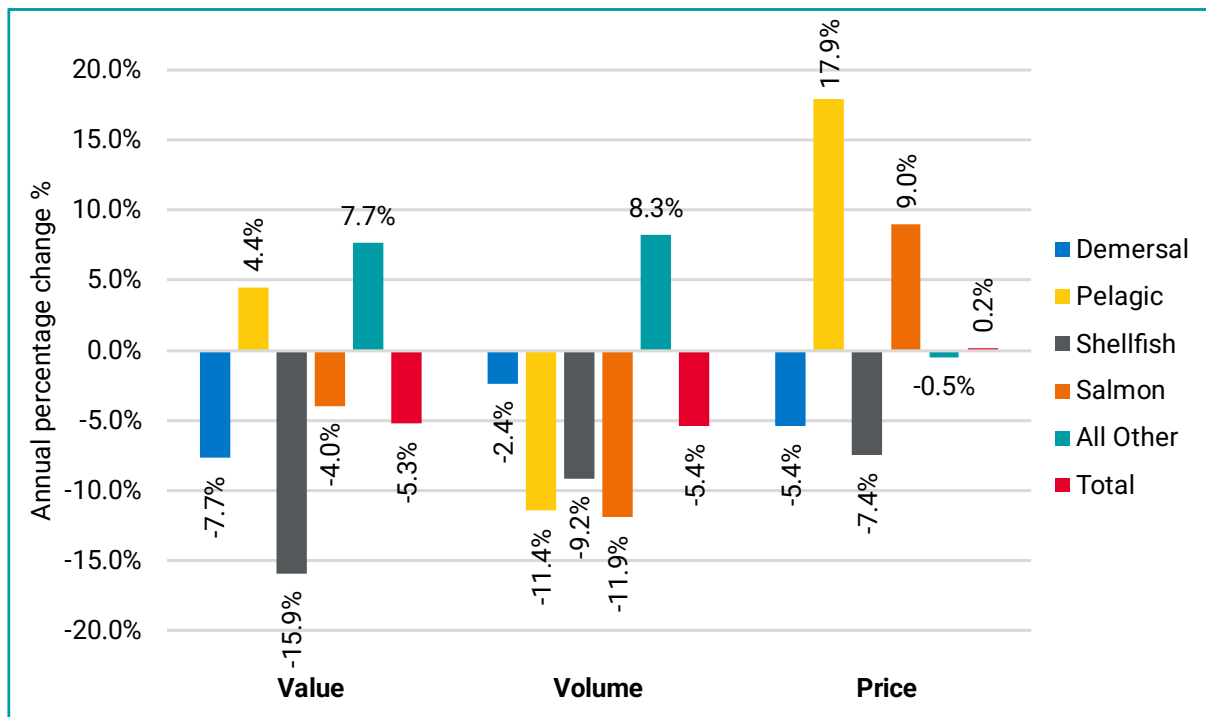


Figure 1: Annual change in seafood imports in the 4 quarters to Q4 (Oct-Dec) 2023 by species group. Showing the moving annual total to Q4 2023 compared to moving annual total to Q4 2022.

The average price for imported seafood fell in the final 3 months of 2023 but overall remained above 2022 prices. Price inflation eased to +0.2% down from +6.0% in the previous quarter, shown in figure 2. Imported seafood costs on average £0.01/kg more than it did a year ago.

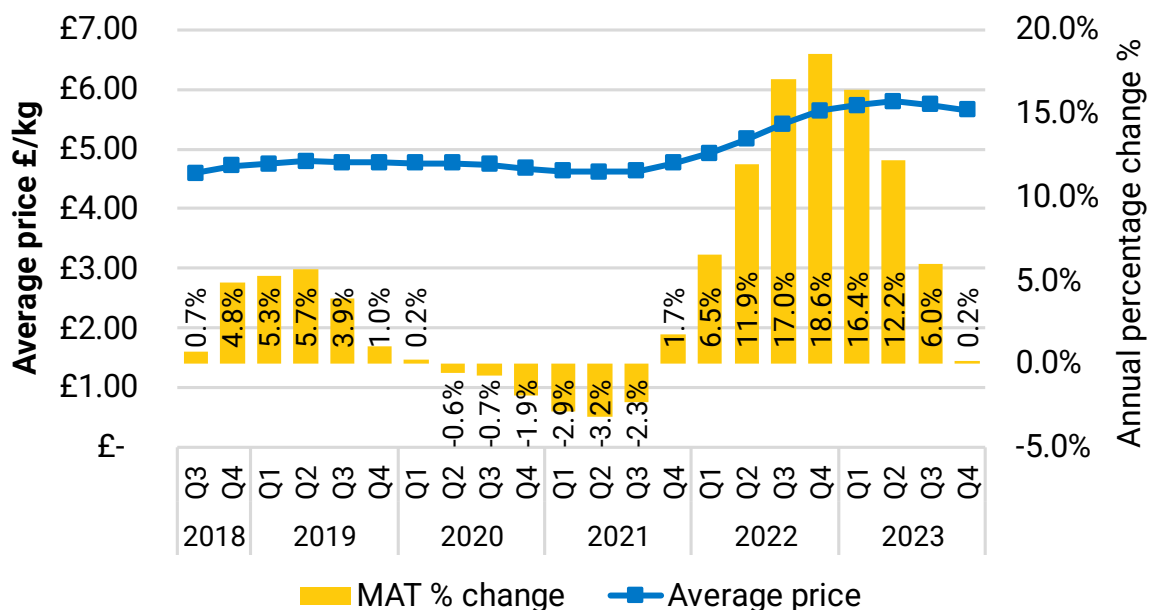


Figure 2: Moving average annual price of UK imported seafood products with year-on-year percentage change in price.

Driving the falling prices are imported shellfish and demersal species, particularly shrimp and prawn, haddock, Alaska pollock, squid and mussels. Alaska pollock and haddock reached some of their highest prices towards the end of 2022 and start of 2023. Demand increased for cheaper whitefish alternatives to imported cod which became more expensive as a result of lower catches globally and sanctions placed on Russian imports following the war in Ukraine.

Average prices were higher than a year ago for some of the top imported products, such as most pelagic species, salmon and cod, which helped maintain the higher average price for the 12-month period.

Key import data observations

Tuna supply struggles with rising costs and consumer pressure:

Tuna remained the top seafood species imported to the UK by volume in 2023, making up 15.2% of total seafood imports, although this was down from 16.4% in 2022. Imported tuna products declined by -12.4% to 92,854 tonnes, declining more than any other top imported species such as cod, salmon and shrimp and prawn. This decline is down to poor catches globally with reduced supply of raw material available to key European canners, which in turn reduced the availability of product for import to the UK.

Across the world, the price for canned tuna had risen because of lower catches in the Indian and Atlantic Ocean. Tuna catches from other major fishing areas were also lower in 2023, in part due to fishery management measures constraining fishing effort. These measures included the closure of drifting fish aggregating device (dFAD) fishing between July-September in the Western and Central Pacific Ocean and a 72-day closure of the purse-seine tuna fishery in the Eastern Pacific Ocean ending in October. Catch volumes started to recover towards the end of the year as fisheries management measures ended.

Exacerbating the situation was the rising price of olive oil, used in some canned tuna products, triggered by the climate crisis. Poor olive harvests in Southern Europe were caused by droughts and extreme heat events in 2023 leading to olive oil prices rising 50% in a year. This occurred just as the price for sunflower oil – another common ingredient in canned tuna - began to fall from all-time highs following the start of the war in Ukraine. Ukraine and Russia are the two world's largest exporters of sunflower oil.

Canned tuna exports worldwide were lower in 2023. The decline in raw material availability and lower imports resulted in the price of imported tuna products increasing 17.4% in the UK.

Imported tuna prices were highest from the EU in 2023. UK business looked to reduce their reliance on this market by importing more from the rest of the world. Ecuador was the top supplying country of tuna to the UK in 2023 supplying 25.8%, up from 21.2% in 2022. The proportion imported from the Philippines also increased from 5.8% to 9.2%. A higher volume was imported from both Ecuador (+6.3%) and the Philippines (+38.3%). The EU supplied 14.3% of UK's imported tuna, down from 25.2% in 2022 as the volume imported halved (-51.3%). The price of importing tuna from the EU increased +91.8% over 2023 while prices of imports from Ecuador only increased +6.4%. Read more about [canned seafood in UK retail](#).

Exports

Exports from the UK in the 12 months to December 2023:

- £1.73bn (+0.5%)
- 334,841 tonnes (+1.9%)
- £5.17/kg average price (-1.5%)

Q4 (Oct-Dec) 2023 Exports Overview

Total seafood exports from the UK remained relatively stable in terms of value and volume although there was a change in species composition with a slightly higher volume of cheaper seafood exports. This was driven by increased exports of small pelagic species, some shellfish species, and trout, while lower volumes of demersal species and salmon were exported (figure 3) compared to 2022. The value of seafood exported from the UK remained similar to 2022.

Export volumes overall saw an increase of 6,398 tonnes (+1.9%) to 334,841 tonnes in the 4 quarters to Q4 2023. Annual export value increased by £7.9 million (+0.5%) to £1,730.3 million.

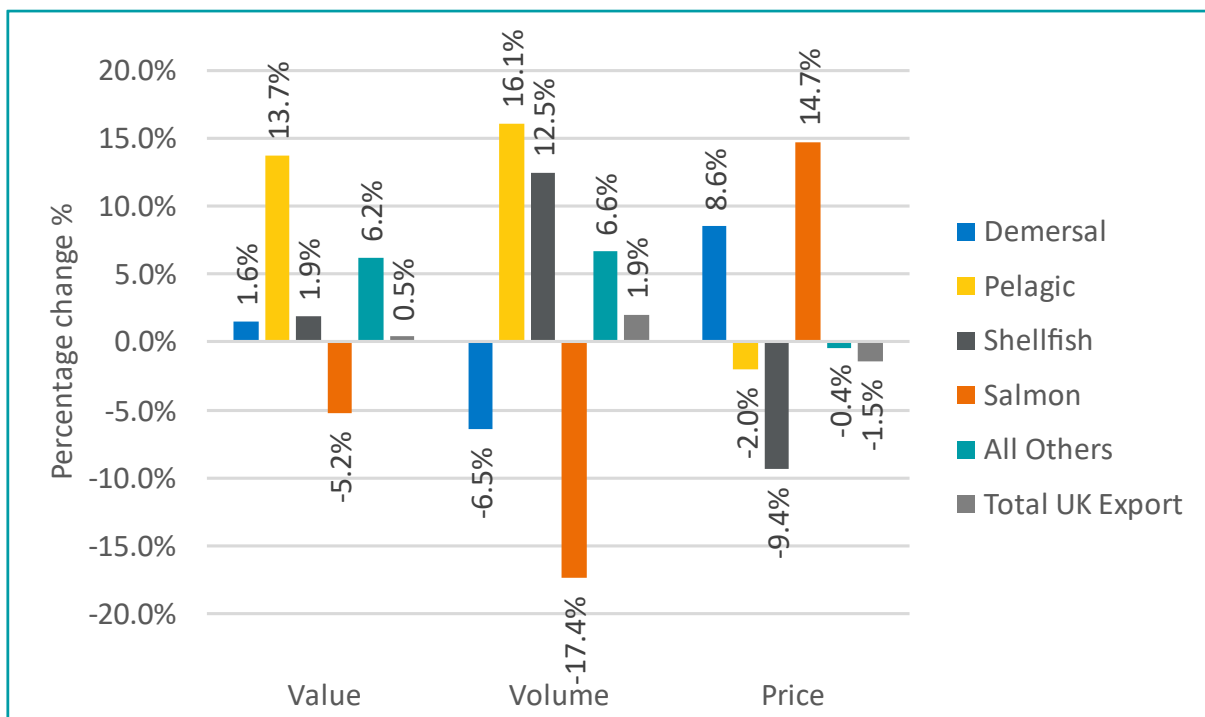


Figure 3: Annual change in seafood exports in the 4 quarters to Q4 (Oct-Dec) 2023 by species group. Moving annual total to Q4 2023 compared to moving annual total to Q4 2022.

The average price of exported seafood decreased by £0.08/kg over the year, falling -1.5% below 2022 levels but remained higher than pre-2022 levels (figure 4).

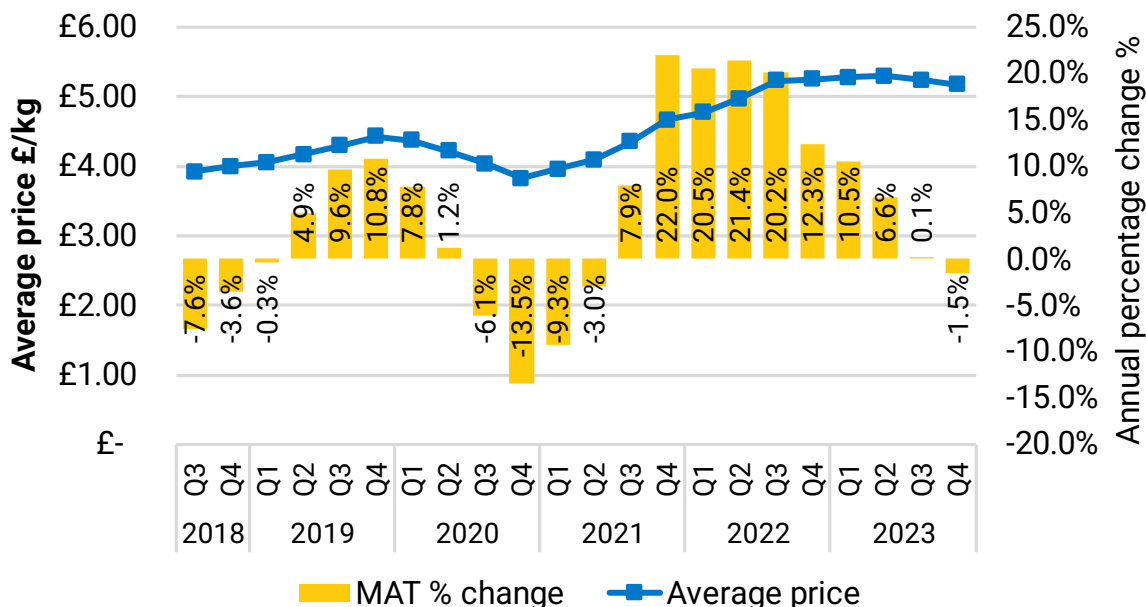


Figure 4: Moving average annual price of UK exported seafood products with year-on-year percentage change in price.

Over the 12-month period, 70% of UK exports were destined for the EU. This was similar to 2022. However, there was some diversification in export markets over the same period with an increase in exports to Spain, Ireland, China, Netherlands, Poland, Japan and Vietnam and a decline in share going to France and USA.

Overall shellfish exports increased by value and volume. Specifically, export volumes increased for bivalve molluscs and cephalopods but declined for crustaceans. The export value of whelks, clam and cuttlefish products also increased with rising demand from the EU and the Indo-Pacific trading block known as the CPTPP.

The UK is on track to join the CPTPP in 2024 when it will benefit from a reduction in most export tariffs to 0%. Other food and drink exports such as whisky, chocolate and wine from the UK to CPTPP countries were also up in 2023. Indicating that the CPTPP countries are becoming increasingly important UK export markets. Total seafood export value to the trading block was up 26.4% to £80.6 million. The value of whelk, clam and cuttlefish exports to the block increased 124.9% to £5.9 million with significant growth to markets in Vietnam (+143.3%) and Japan (+159.7%). The Indo-Pacific trading block represents a growing opportunity for UK exporters as it is expected to account for half of the world’s middle-class consumers in the coming decades.

Shaping the seafood trade landscape

Noteworthy national and international developments from October to December 2023 influencing UK seafood trade opportunities.

In December 2023, as part of the annual fisheries negotiations the UK signed 3 fishing agreements for 2024. These are the UK-EU bilateral agreement, the UK-EU-Norway trilateral agreement and coastal state multi-lateral agreements. The outcome is that the UK fleet will gain access to 80,000 more tonnes of catch in 2024 than in 2023 totalling 750,000 tonnes. This is across species of herring, blue whiting, nephrops, cod, haddock, saithe, plaice and whiting.

The UK share of the total allowable catch (TAC) was set to increase for herring and blue whiting, but a declining mackerel TAC has meant that overall, there is a lower volume of major pelagic species available to the UK fleet for 2024. In the North Sea and West of Scotland (ICES areas 4-6), major whitefish and nephrops stocks catch allowances are set to increase 25% but decline slightly by -0.3% in the Irish sea, Celtic Sea and English Channel (ICES area 7). These areas refer to statistical geographic areas of ocean assigned by the International Council for the Exploration of the Seas (ICES). Exporters may benefit from the increased supply of landings from those fisheries with higher TACs; cod, haddock, saithe, plaice and whiting.

The introduction of the Border Target Operating Model in August 2023 had not appeared to impact imports to the UK by December. However, as businesses prepare for new border checks on imported seafood from the EU in April 2024, there is some concern that there may still be some disruption. To help address this, the UK government issued an update for goods passing through the ports of Dover and Eurotunnel. Ashford Borough Council will be responsible for SPS checks at Sevington border control post (BCP) for goods entering Great Britain via the short straits. The location of the BCP should help reduce disruption to traffic at the ports from April 2024 when physical checks begin.

Annex

Data Source

HMRC monthly data via Business Trade Statistics (BTS), processed by Seafish.

HMRC Overseas Trade in Goods Statistics are processed using the EUMOFA (EU Market Observatory for Fisheries and Aquaculture Products) methodology enabling allocation of each product to species, species groups, processing and preservation states as well as converting reported weight to live weight.

Please note that destination and origin countries are as reported and we don't correct the data to account for the Rotterdam effect¹. Published HMRC trade data is provisional for up to 18 months and so can be updated within this time.

Values quoted are based on Cost, Insurance and Freight (CIF) delivery terms value for imports to the UK and the Free on Board (FOB) delivery terms value for exports from the UK.

Volumes refer to actual product weight of "goods" without packaging. Live weight conversions may be applied using conversion factors following the EU Market Observatory for Fisheries and Aquaculture (EUMOFA) methodology.

As of January 2021, there has been a break in the time series for UK export statistics and for import statistics as of January 2022. Following the ending of the free movement of people and goods and services between the UK and the EU, HMRC has revised the method of compiling GB - EU trade statistics, to use customs declarations rather than intrastat records. Records of trade between NI and the EU continue to be collected via intrastat records. UK-EU trade statistics from 2021, rely on the use of both customs declarations and intrastat records. For further details please see <https://www.uktradeinfo.com/trade-data/help-with-using-our-data/#our-data-sources>.

Country of Consignment/dispatch (COD): The country from which the goods were originally dispatched to the UK without any commercial transaction in any intermediate country (either with or without breaking bulk consignments during transit). This is not necessarily the country of origin, manufacture or the last country from which the goods were shipped to the UK.

¹ The Rotterdam effect refers to the distortion of official trade statistics when commodities passing through major ports en route to their final destination are mis-reported as consigned to or from that port.

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Seafish species groups

Pelagic:

Anchovy, Blue Whiting, Herring, Horse mackerel, Mackerel, Misc. Pelagic, Sardine, Sprat, Swordfish, Tuna.

Demersal:

Alaska pollock, 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:

Clam, Shrimps & Prawns, Crabs, Crayfish, Cuttlefish, Lobster, Mussels, Nephrops, Octopus, Other cephalopods, Other crustaceans, Other molluscs and aquatic invertebrates, Oyster, Rock lobster and sea crawfish, Scallops, Sea cucumber, Squid, Whelk.

Salmon: Salmon.

All other:

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, Surimi, Tilapia, Trout.

Overall excludes: Non-food

Reference:

Seafish Trade and Tariff Tool:

<https://public.tableau.com/profile/seafish#!/vizhome/SeafishTradeandTariffTool/Overview>

For more information please contact:

**Joe Cooper
Trade Analyst**

E: joe.cooper@seafish.co.uk

Seafish

18 Logie Mill
Logie Green Road
Edinburgh
EH7 4HS

www.seafish.org

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

The logo for Seafish, featuring the word "seafish" in a white, lowercase, sans-serif font. Above the letter "i" in "fish", there is a stylized graphic of a fish's tail or a cluster of small, white, diamond-shaped elements arranged in a wave-like pattern.

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