SEAFISH

Market Insight Factsheet

Haddock (2018 Update)

Market Overview:
This factsheet provides a summary of the UK value chain for haddock. It is intended to inform stakeholders of the UK seafood industry about the performance of the haddock product.

In 2017 the volume of UK haddock supply increased through both a rise in import volume and UK vessels increasing their volume of landings. Export volume of haddock also increased. In 2018 (up to latest available data) sales of haddock in retail and commercial foodservice increased.

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

- UK trade and supply (2017)
  - Haddock landings by UK vessels
  - Haddock imports to the UK
  - Haddock exports from the UK
  - Future supply trends

- Great Britain (GB) sales to consumers (2018 - up to latest available data)
  - Current GB haddock sales in retail and commercial food service

Haddock Trade and Supply

58.4% of the UK's annual haddock supply is imported, or landed into the UK by foreign vessels, however, in 2017 UK vessels increased the share of supply by 0.5% (BTS, 2017; MMO, 2017).

UK Haddock Trade and Supply

The table below provides a summary of the UK haddock 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 Haddock Trade Summary 2017

	2016			2017*			% Change vs. 2016		
	Value £M	Volume Tonne	£/Kg	Value £M	Volume Tonne	£/Kg	Value £M	Volume Tonnes	£/Kg
Haddock landings into the UK by UK vessels	**£ 43.92**	**33,134**	**£ 1.33**	**£ 50.37**	**33,294**	**£ 1.51**	**14.7%**	**0.5%**	**14.1%**
Scotland	£ 41.75	31,595	£ 1.32	£ 47.20	31,305	£ 1.51	13.0%	-0.9%	14.1%
Northern Ireland	£ 1.02	839	£ 1.21	£ 1.91	1,273	£ 1.50	87.3%	51.8%	23.4%
England	£ 1.15	698	£ 1.64	£ 1.26	714	£ 1.76	9.9%	2.2%	7.5%
Wales	£ 0.00	1	£ 1.32	£ 0.0004	0	£ 1.83	-81.6%	-86.8%	39.4%
Total UK haddock imports	**£ 113.35**	**44,739**	**£ 2.53**	**£ 128.81**	**46,666**	**£ 2.76**	**13.6%**	**4.3%**	**8.9%**
Norway	£ 31.74	14,711	£ 2.16	£ 37.44	13,779	£ 2.72	18.0%	-6.3%	25.9%
China	£ 14.37	5,469	£ 2.63	£ 15.82	7,257	£ 2.18	10.0%	32.7%	-17.1%
Iceland	£ 29.76	7,851	£ 3.79	£ 27.90	7,179	£ 3.89	-6.2%	-8.6%	2.5%
Denmark	£ 8.08	4,115	£ 1.96	£ 13.00	5,817	£ 2.23	60.9%	41.4%	13.8%
Russia	£ 9.31	3,204	£ 2.90	£ 13.81	4,481	£ 3.08	48.4%	39.9%	6.1%
All Others	£ 20.09	9,389	£ 2.14	£ 20.84	8,153	£ 2.56	3.7%	-13.2%	19.5%
Total UK haddock supply	**£ 157.27**	**77,873**	**£ 2.53**	**£ 179.17**	**79,959.88**	**£ 2.76**	**13.9%**	**2.7%**	**8.9%**
Total UK haddock exports	**£ 3.66**	**1,197**	**£ 3.06**	**£ 3.50**	**1,203**	**£ 2.91**	**-4.4%**	**0.5%**	**-4.9%**
Irish Republic	£ 0.91	306	£ 2.98	£ 1.30	442	£ 2.95	43.4%	44.5%	-0.8%
France	£ 0.36	88	£ 4.07	£ 0.53	145	£ 3.65	48.2%	65.2%	-10.3%
Netherlands	£ 0.34	104	£ 3.31	£ 0.41	131	£ 3.15	20.0%	26.0%	-4.8%
Poland	£ 0.06	92	£ 0.70	£ 0.07	96	£ 0.72	6.9%	4.0%	2.8%
Denmark	£ 0.18	111	£ 1.65	£ 0.20	87	£ 2.29	9.6%	-21.1%	39.0%
All Others	£ 1.80	497	£ 3.62	£ 0.98	302	£ 3.24	-45.5%	-39.1%	-10.4%

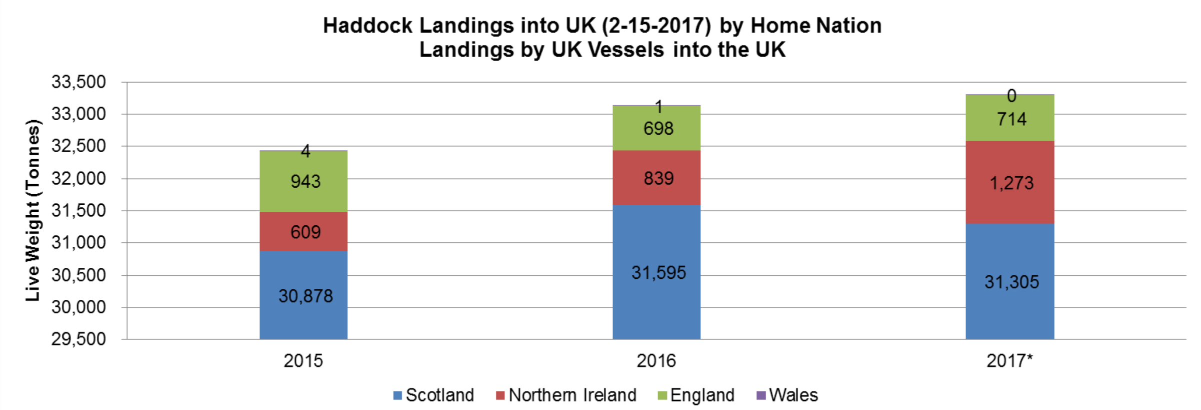
**provisional data* *(BTS, 2017; MMO UK, 2017)*

Haddock Landings by UK Vessels in 2017 - Volume and Value

In 2017, UK vessels landed just over 34,000 tonnes of haddock into the UK or abroad, which was -0.1% less than 2016. The total value of this catch increased to approximately £51.0million, which was 14.1% more than the previous year. The average price per kg in 2017 grew 14.7% to £1.51/kg (MMO, 2017).

Haddock landed by UK vessels into UK ports increased 0.5% to just over 33,200 tonnes in 2017. An increase in average price per kg up 14.1% to £1.51/kg consequently drove growth in value up 14.7% to £50.4million (MMO, 2017).

UK vessels also landed 714 tonnes of haddock abroad in 2017, -20.3% less than 2016. Such declines can also be seen in the total value of haddock landed abroad by UK vessels falling 17.1% to £675,000. Average price can contribute to the declines with growth of 32.1% seen in price per kg to £1.20 (MMO, 2017).



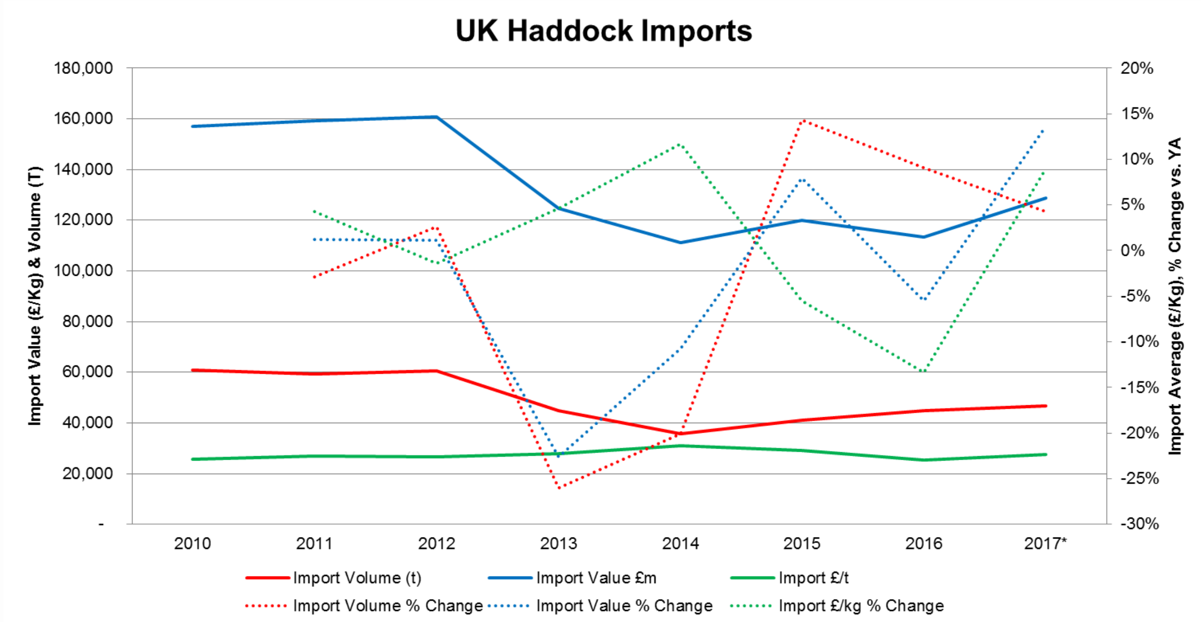
*provisional data (MMO, 2017)

Haddock Imports - Volume and Value

As a consequence of consumer demand and volume availability, haddock imports are subject to price fluctuations, much like all seafood species.

As illustrated in the graph below, when compared to 2013 the average volume decreased in 2014 by 20.1% to just over 35,800 tonnes from a previous 44,900 tonnes, the average price however increased by 11.7% to £3.10. Fortunately volume has slowly started to grow in recent years but still has a way to reach its heights of 60,936 tonnes in 2010.

2017 saw a healthy volume increase of 4.3% to around 46,666 tonnes, this is despite an 8.9% growth in average price per kg of £2.76 in 2017, however this is still less than 2014 at £3.10 £/kg. This has therefore contributed to the growth in value up 13.6% in 2017, versus 2016, to £128.8m (BTS, 2017).

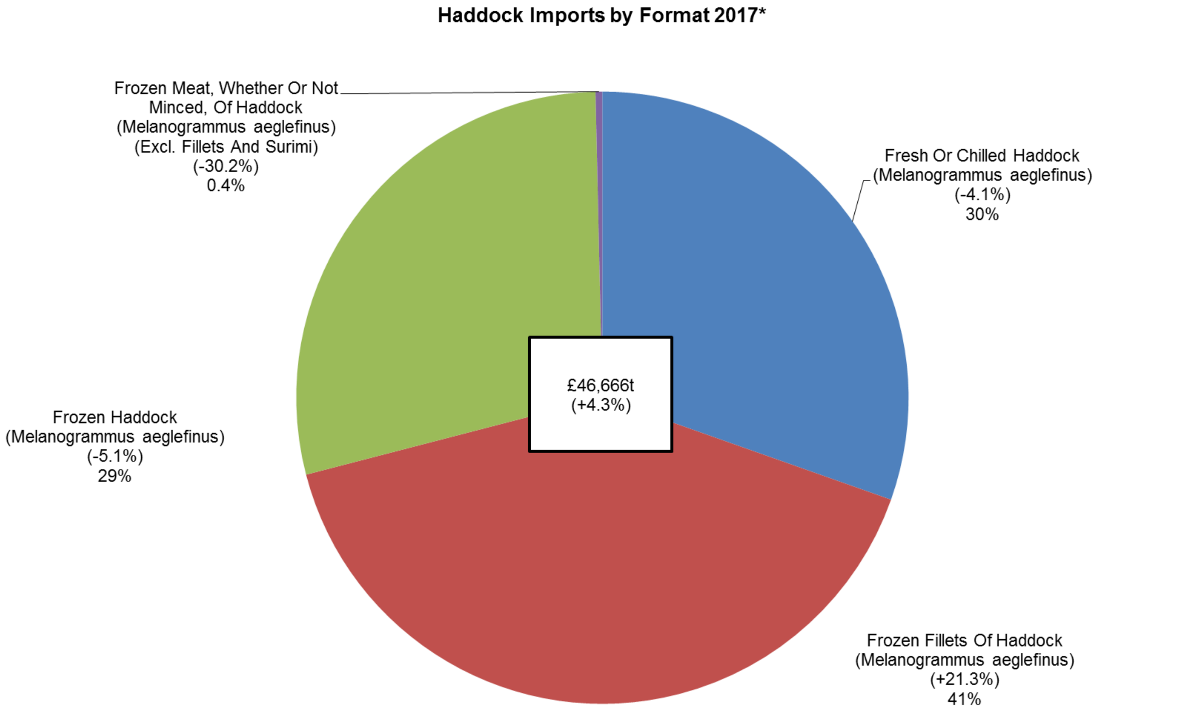


*provisional data (BTS, 2017)

The supply of haddock from the five countries importing the most haddock into the UK in terms of volume (Norway, China, Iceland, Denmark and Russia) had mixed performance in terms of volume growth; Norway and Iceland experienced declines, China, Demark and Russia all experienced growth. Noteworthy performances came from Denmark with a 41.4% volume and 60.9% value growth, and Russia with 39.9% volume and 48.4% value growth (BTS, 2017).

Haddock Imports by Format

In terms of format 69.6% of haddock imports are frozen in either fillet or whole format whereas 30.4% are in chilled format. The chart below illustrates haddock imports by format, with the growths representing a percentage change vs. 2016 (BTS, 2017).



**provisional data* *(BTS, 2017)*

Future Supply Trends

Haddock is part of the cod (Gadidae) family and is caught in the North Atlantic Ocean. The majority entering the UK market is sourced from North East Atlantic waters, principally Iceland, North East Arctic and the North Sea. According to Seafish's Risk Assessment for Sourcing Seafood (RASS) the status of these locations are generally favourable, with low to medium risks across four environmental risk areas; stock status, management, bycatch and habitat (RASS, 2018).

The species is characterised by wide fluctuations in stock size, which can result in large variations in catches.

- The Icelandic stock has been increasing in recent years, with corresponding increases in Total Allowable Catches (TAC) from a recent low of 30,000 tonnes in 2014/5* to 41,000 tonnes in 2017/8* with a further increase to 57,982 tonnes advised in 2018/9*.

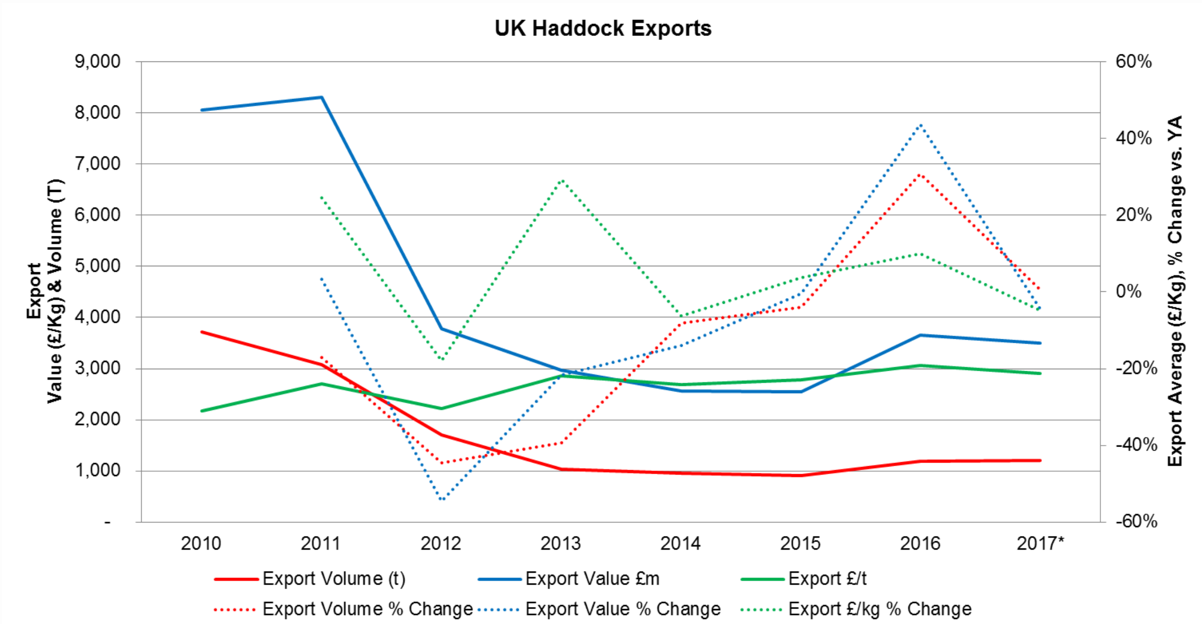
- The Northeast Arctic stock's most recent peak in catches was in 2016 at 233,416 tonnes, but stock levels have fallen since and the TAC in 2018 is advised to be 152,000 tonnes.
- The North Sea, Skagerrak and West of Scotland stock has decreased in recent years with landings falling from 43,711 tonnes in 2013 to 32,827 tonnes in 2017.
- The Irish Sea stock has increased since 2011 with agreed TACs rising from 1317 tonnes in 2011, to 3207 tonnes in 2018 (RASS, 2018).

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

Haddock Exports from the UK - Volume and Value

Haddock exports have been in a steady decline since 2011, however in 2016 volume and value of haddock exports from the UK increased. This has continued slowly in 2017 in terms of volume, up 0.5% to 1,203 tonnes. However declines have occurred in value down -4.4% to £3.5million when compared to 2016, the same is seen in price per kg down by 4.9% to £2.91 £/kg (BTS, 2017).

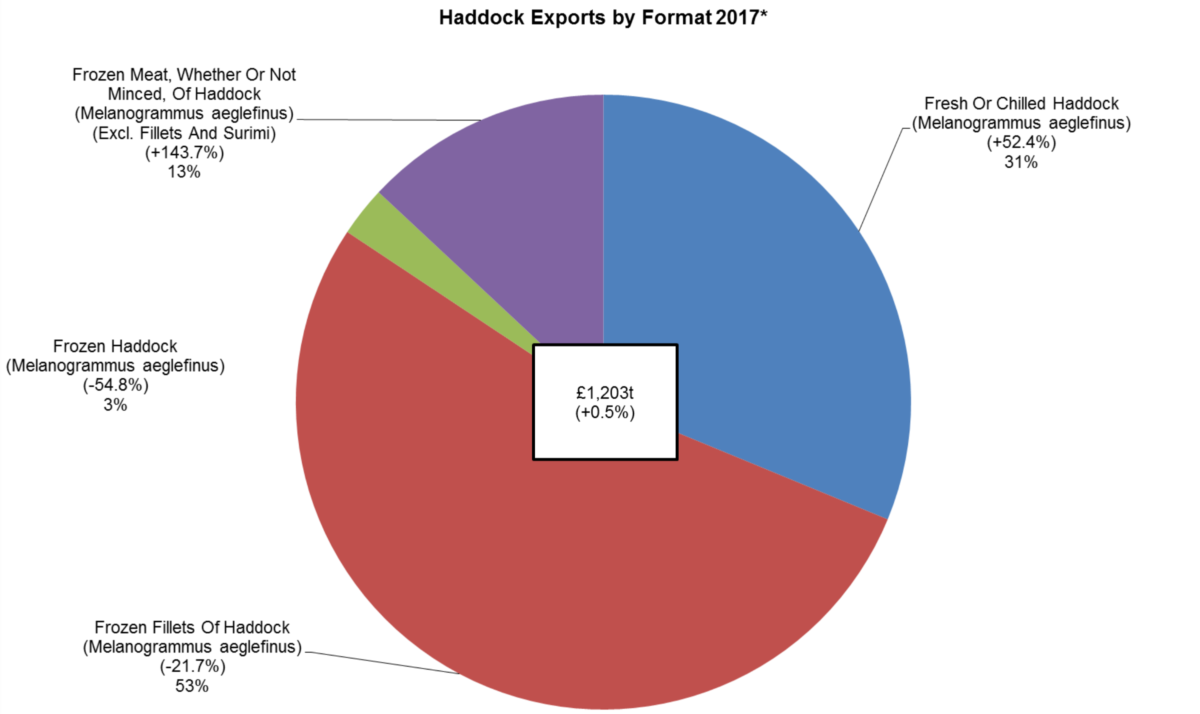
The top five countries in terms of volume exports have remained largely unchanged since 2016, with the exception of France taking over from China's second place spot. Each of the five trading partners, mentioned in order of highest volume of exports, Irish Republic, France, Netherlands, Poland and Demark, have experienced volume growth in 2017, compared to 2016. With the exception of Demark, experiencing a value decline of 21.1%, each of the other countries has seen value growths. Poland and Demark are the only export countries out of the five with increases in average price per kg. Noteworthy performances are the Irish Republic with a 44.5% volume and 43.4% value growth and France with a 65.2% volume and 48.2% value growth (BTS, 2017).



**provisional data* *(BTS, 2017)*

Haddock Exports by Format

In terms of format, 68.8% of haddock exports are frozen in either fillet or whole format whereas 31.2% are in chilled format. The chart below illustrates haddock imports by format with the growths representing a percentage change vs. 2016 (BTS, 2017).



*provisional data (BTS, 2017)

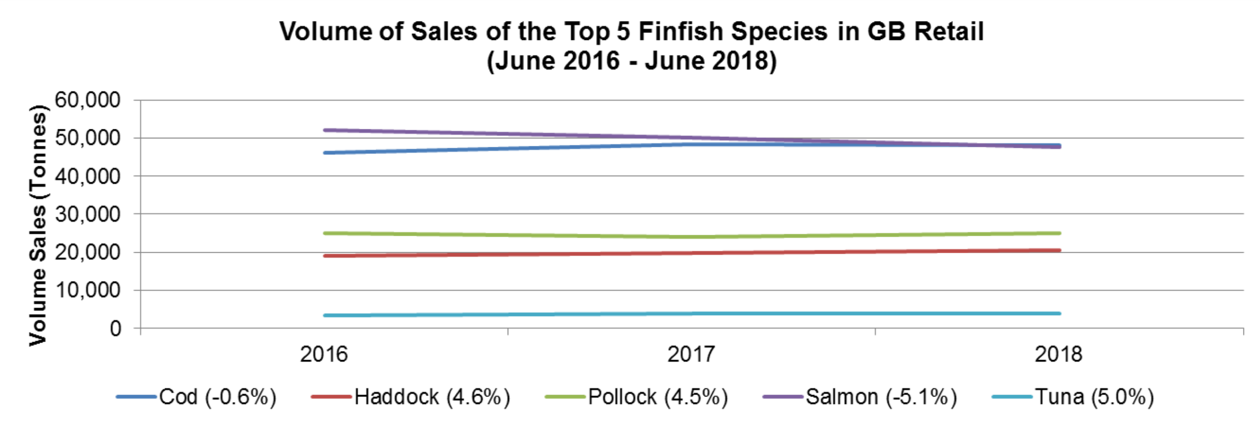
Haddock Sales to Consumers

Haddock is a white fish species popular with UK consumers when eating in and out of the home. The performance of haddock in retail, the shoppers, and how it performs in the commercial foodservice market is examined in the next sections. The retail and foodservice data described is based on GB consumers.

Haddock in Retail

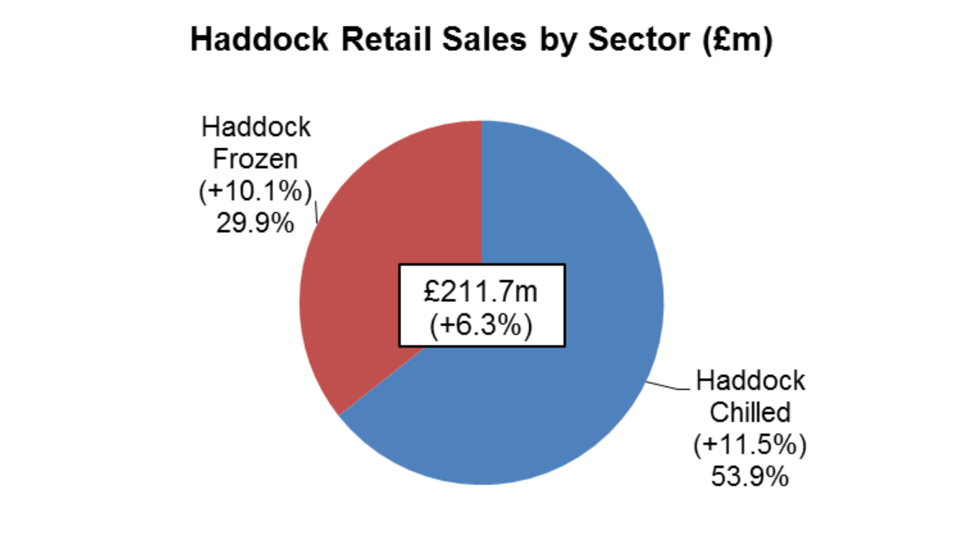
Over the 52 weeks ending 16th June 2018, GB shoppers purchased just over 20,600 tonnes of haddock equating to a retail value of £211.7 million. By both volume and value, Haddock was the 5th bestselling species behind Salmon, Cod, Tuna and Warm Water Prawns (Nielsen, 2018).

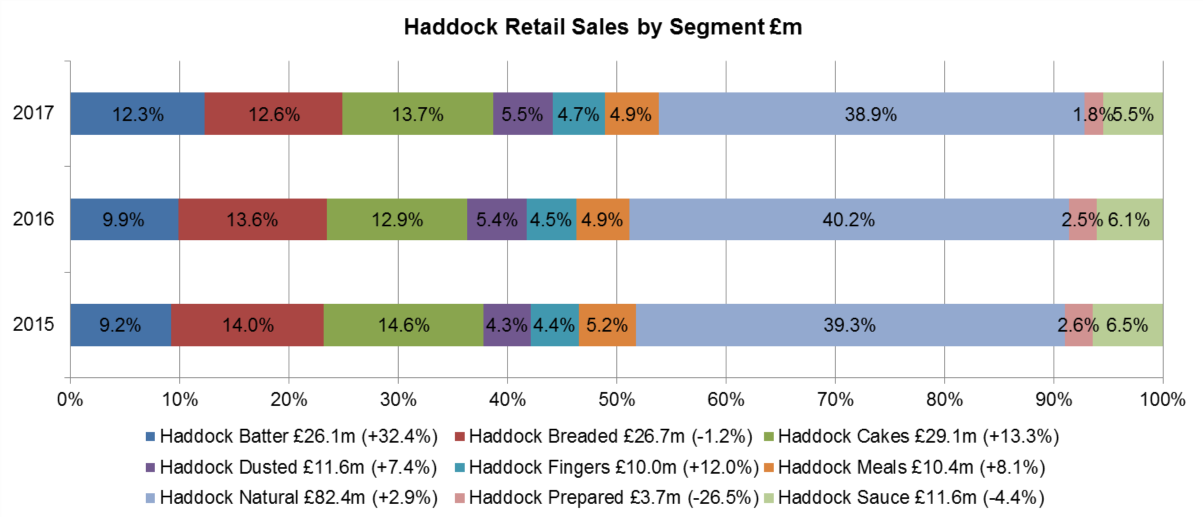
Out of the five top selling finfish species, haddock is reporting the second strongest growth in terms of volume (4.6%) when compared to 2017. Total sales value increased 6.3% and unit value increased 4.2%. Additionally price per kg (£10.25/kg, +1.7%) and price per unit (£3.17, +2.0%) have increased when compared to 2017 (Nielsen, 2018).



(Nielsen ScanTrack, 16.06.2018)

Value, volume and unit sales of haddock increased across the frozen and chilled sectors. In terms of value and volume, chilled reported the highest growth whilst frozen gained higher growth in unit sales. As illustrated below and compared to 2017, the majority of haddock sold in retail is chilled which represents 53.9% of value, 40.2% volume and 57.7% of unit sales (Nielsen, 2018).



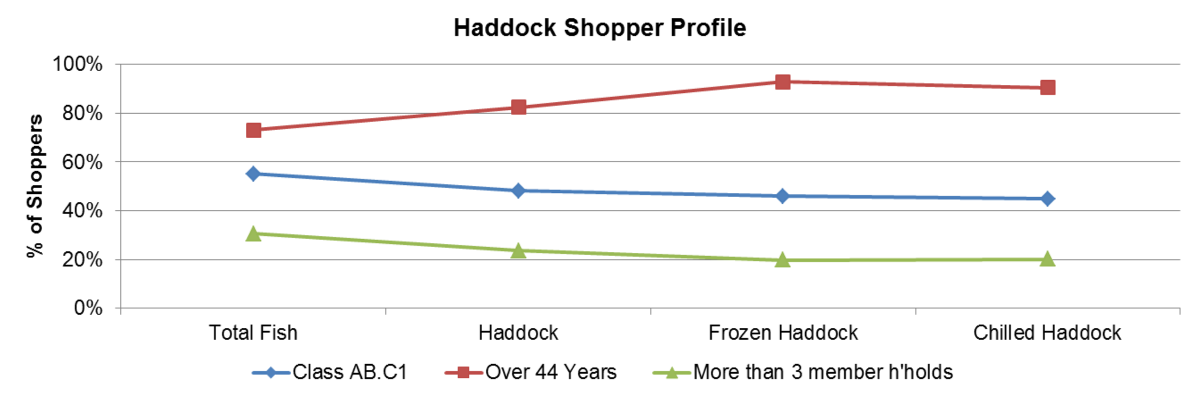


(Nielsen ScanTrack, 16.06.2018)

By product format, 'natural' haddock remains the largest share of value sales, increasing 2.9% when compared to 2017. The segments that have grown in their share of sales value are: batter, cakes, dusted, fingers and meals. Breaded, natural, prepared and sauce lost share of sales value (Nielsen, 2018).

Haddock Shopper

In comparison to the overall seafood shopper profile, the haddock shopper is distinct. For example, the average shopper for both frozen and chilled haddock is less affluent, older and from smaller households – less than three people (Nielsen, 2018).

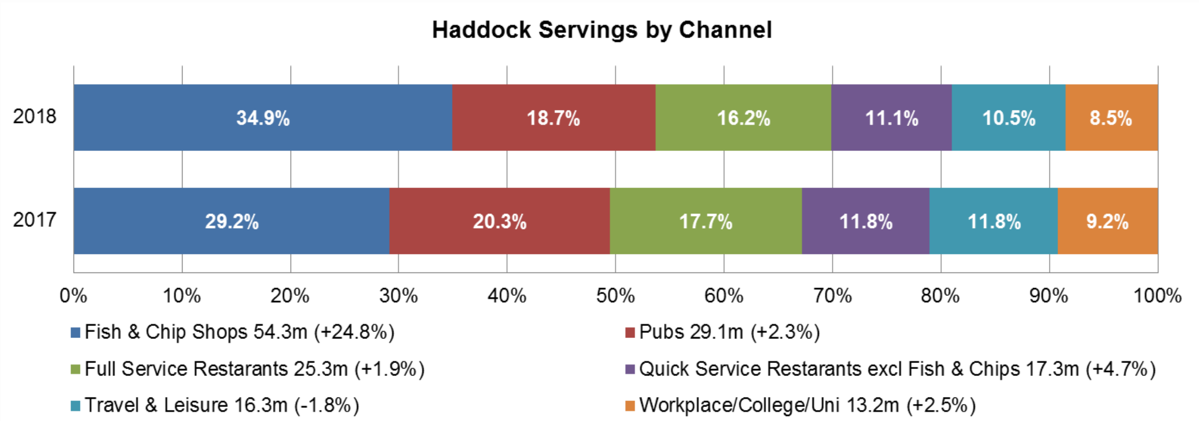


(Nielsen HomeScan, 16/06/2018)

Over the last year more households purchased frozen haddock for a higher price, however, volume per trip decreased. In contrast fewer households purchased chilled haddock less frequently, with an increase in volume purchased per trip (Nielsen, 2018)

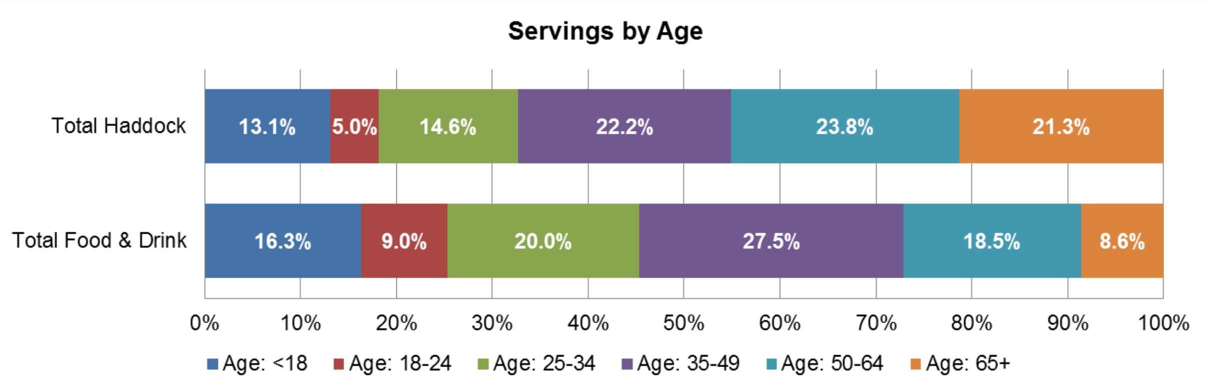
Haddock in Commercial Foodservice

When looking at out of home eating in the commercial foodservice market, haddock has experienced a very positive year; average annual servings increased 11.0% in value to over 155million. Such growth is largely as a result of the positive performance in four of the six channels, specifically Fish and Chip shops (NPD/Crest, 2018).



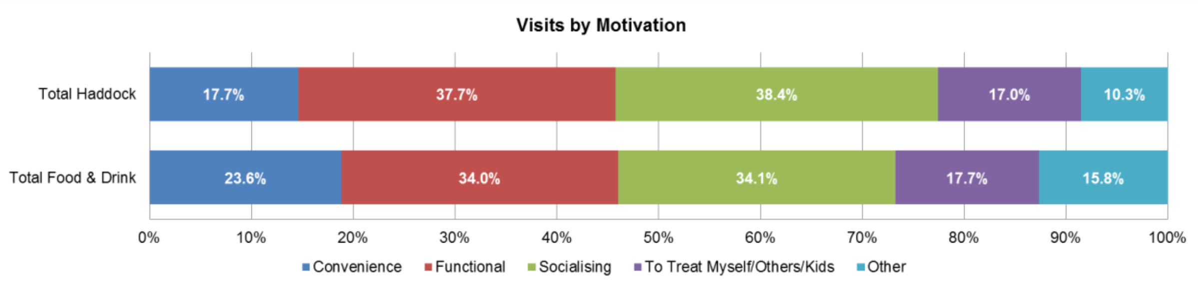
(NPD/Crest, 2018)

Haddock continues to appeal more to an older consumer and needs to expand its clientele to include younger generation particularly those 49 years of age and younger. On average, Haddock over indexes in the fast service restaurant channel with the less affluent consumer, in contrast, it appeals to more affluent consumers in the pub channel. Haddock appeals slightly more to male consumers and to parties with children in quick service restaurants, while underperforming with families in pubs. Haddock consumption is spread across the week but sees peak performance on Fridays & Saturdays (NPD/Crest, 2018).

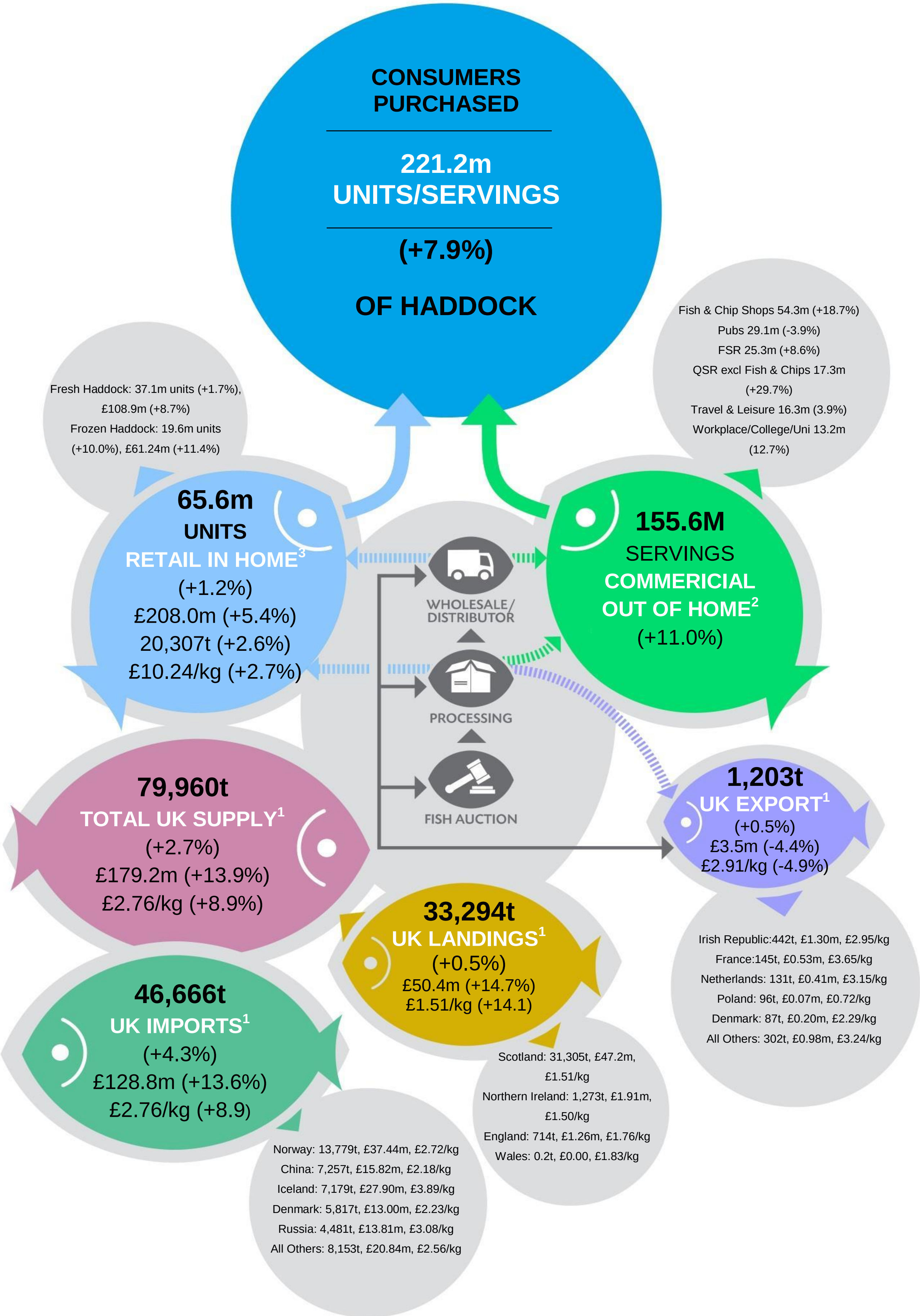


(NPD/Crest, 2018)

Haddock is most likely to be consumed when diners are eating out for a social occasion, a trend that is increasing year on year; it is also popular with 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 haddock consumption in commercial foodservice by main motivation (NPD/Crest, 2018).



(NPD/Crest, 2018)



1: Year Ending December 2017 Provisional Data
2. 2 Year Ending March 2018
Including: quick service restaurants, fish & chip shops, pubs, full service restaurants (including café/bistros), travel & leisure and workplace/college/university
3. Year Ending June 2018

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 (16.06.2018) ScanTrack & HomeScan Data
- NPD Crest (2YE March 2018) Haddock 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:

Haddock Report_16.06.2018.pptx	(subscribers only)
Q1 18 Haddock report	(subscribers only)

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