SEAFISH

Market Insight Factsheet

Tuna (2017 Update)

January 2018

This factsheet provides a summary of the UK's value chain performance for tuna in 2016. It is intended to inform stakeholders of the UK seafood industry about the performance of the tuna product.

In 2016, overall consumption of tuna increased due to positive performance within commercial foodservice, which compensated for the continued decline in retail sales. Tuna trade also increased with imports and exports reporting both volume and value growth.

This document will now examine the detail behind the overall tuna performance, including;

- UK trade and supply,
  - tuna landings by UK vessels,
  - tuna imports to the UK,
  - tuna exports from the UK,
  - current stock overview,
- as well as the story around current tuna consumption in GB retail and commercial foodservice.

Seafish

Origin Way
Europarc
Grimsby DN37 9TZ

T: +44 (0)1472 252 300
F: +44 (0)1472 268 792
E: seafish@seafish.co.uk

www.seafish.org

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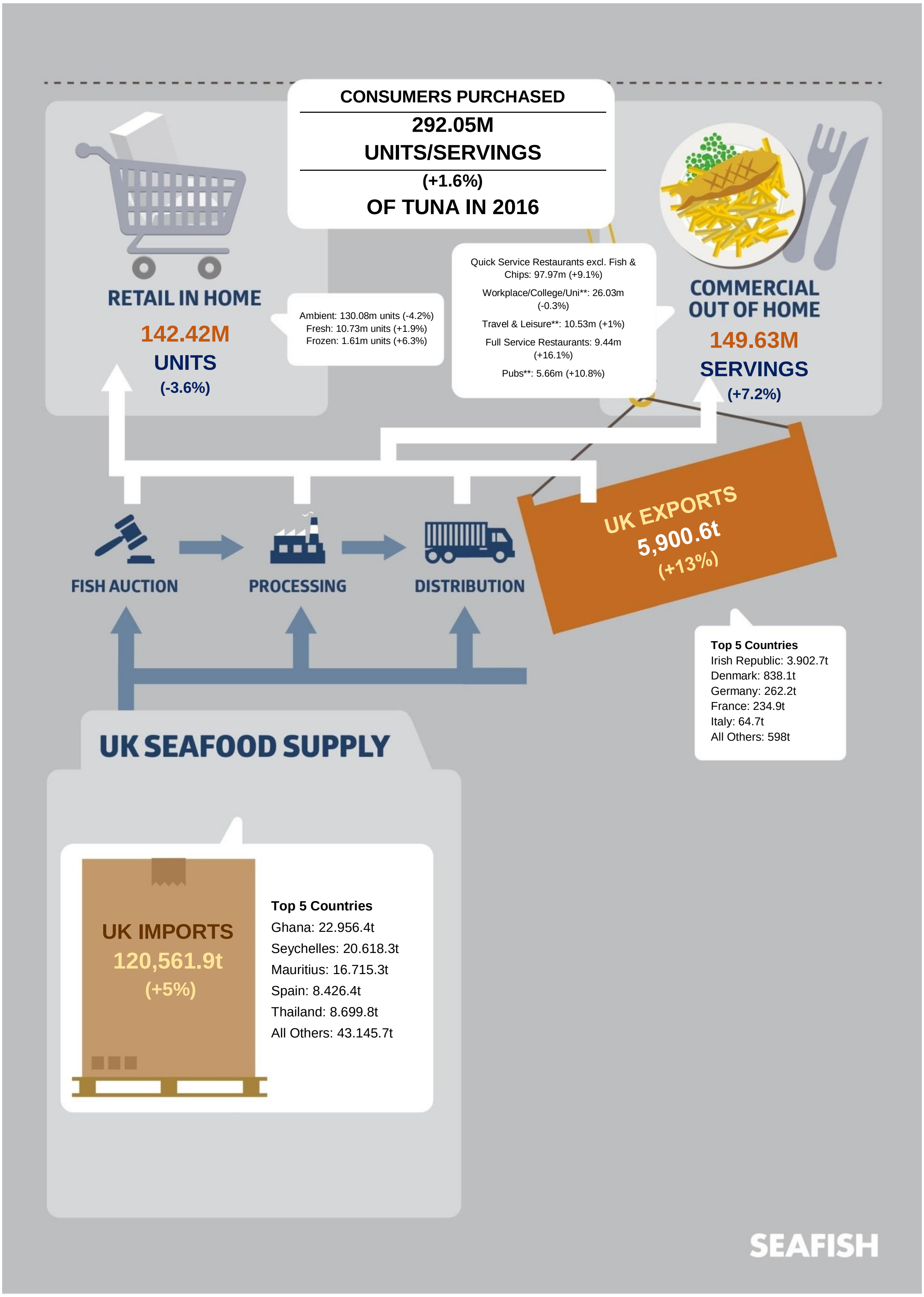


* Including: quick service restaurants, fish & chip shops, pubs, full service restaurants (including café/bistros), travel & leisure, workplace/college/university

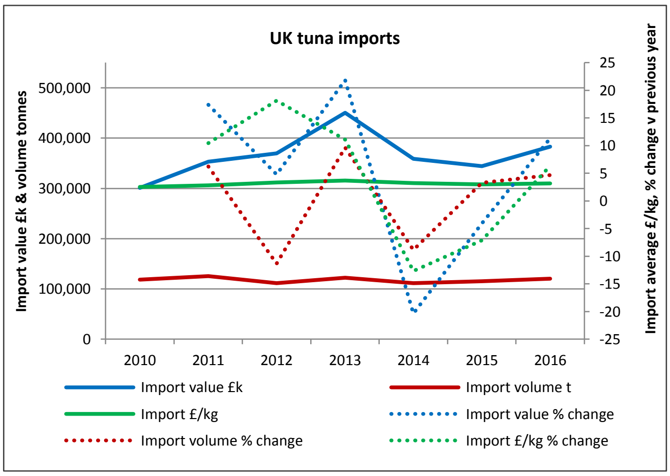
** Small sample size so only use directionally

Tuna imports[1] into the UK: 120,561.9t (+5%), £383.335m (+11%), £3.18/kg (+6%)

The UK imports all of its tuna from overseas and it is the third largest import species in terms of value and volume. The tuna species included in this analysis are; skipjack or stripe-bellied bonito, yellowfin, albacore or longfinned tunas, bigeye and bluefin (Atlantic/Pacific/southern).

UK import trends since 2010

During 2016 tuna imports returned to growth across all measures (volume and value).

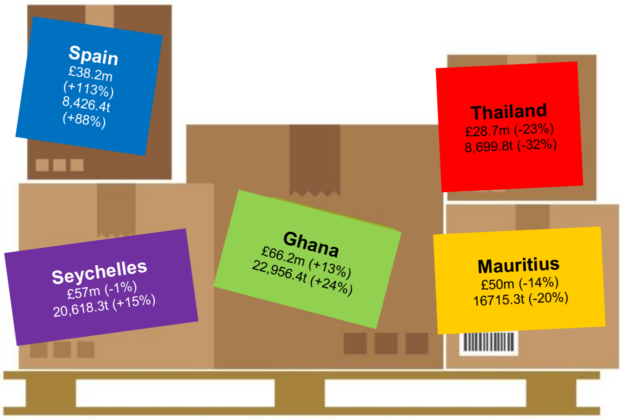


Import volume increased 5% to over 120,500 tonnes and imports value increased 11% to more than £383m. The average price per kg rose 6% to £3.18.

This is a positive recovery from the slump of 2014/2015.

UK top 5 import markets 2016

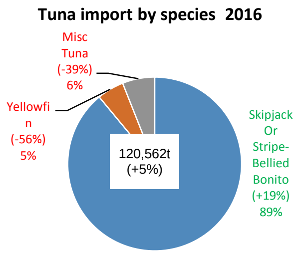
By value the suppliers of more than 60% of the UK's tuna in 2016 were (in order of size) Ghana, Seychelles, Mauritius, Spain and Thailand.

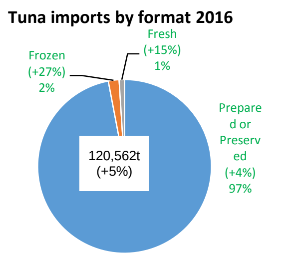


Ghana maintained lead position, supplying more volume and value of tuna to the UK than any other country. The Seychelles moved up to the second position despite declining value, as Mauritius fell to third place supplying less volume and value. Spain became fourth largest supplier of tuna to the UK in 2016 (were seventh in 2015) due to increased volume and value. This moved Thailand to fourth place as tuna supply fell in terms of volume and value.

UK imports by species & format

In 2016 almost 90% of the UK's tuna imports were skipjack or stripe-bellied bonito and this volume increased almost 20% (from 2015).





By format, the volume imported as "prepared or preserved" i.e. canned, increased 4% to account for 97% of tuna imports.

The imports of both frozen and fresh tuna experienced double-digit growth however, combined they only account for 3% of total tuna imports.

Current stock overview[2]

Globally, the majority of tuna is caught by Japan and Taiwan. Other important fishing countries include; Indonesia, Philippines, Spain, Republic of Korea, Papua New Guinea, France, Ecuador, Mexico, Maldives, Islamic Republic of Iran, United States of America, Seychelles, Venezuela, Sri Lanka, Colombia, China, Vanuatu, Panama and Ghana.

The majority of tuna sold in the UK comes from yellowfin and skipjack tuna stocks, managed through Regional Fisheries Management Organisations (RFMOs). However, there are ongoing concerns over illegal, unregulated and unreported (IUU) fishing for continued sustainability.

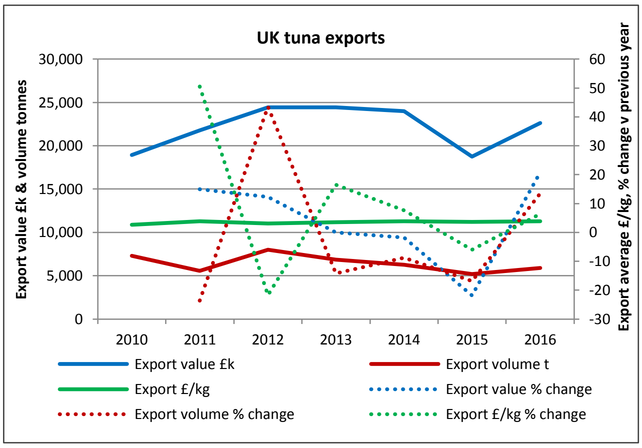
Currently Yellowfin tuna stocks are overfished in the Indian Ocean and stocks in the Atlantic are fully exploited. In contrast, stocks of Skipjack tuna in both the Indian and Atlantic Ocean are healthy.

[1] Provisional HMRC data via BTS Dec'16
[2] Seafish, Risk Assessment for Sourcing Seafood

Tuna exports[3] from the UK: 5,900.6t (+13%), £22.627m (+21%), £3.83/kg (+6%)

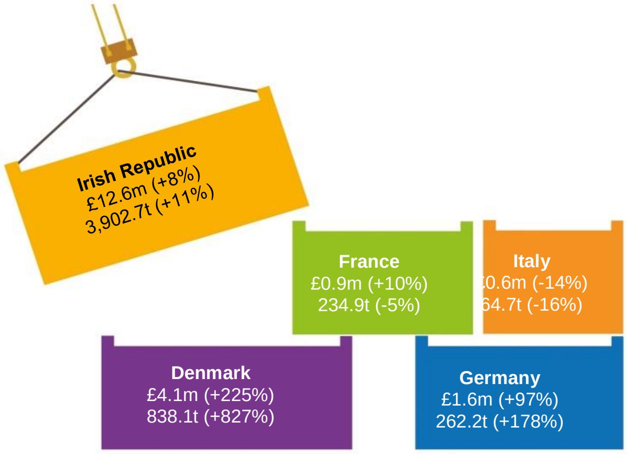
UK exports[4] trends since 2010

Tuna exports returned to growth across all measures (volume and value) in 2016.



Export volumes increased 13% to just over 5,900 tonnes, and the average price per kg rose 6% to £3.83/kg, delivering just under £23m of export sales, 21% more than in 2015.

UK top 5 export markets 2016



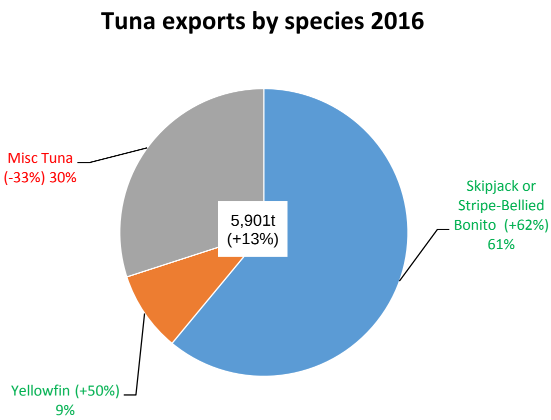
In 2016 the value and volume of exports to the top three destinations, Irish Republic, Denmark and Germany, increased whilst the average price per kg fell, especially for Denmark and Germany.

Despite the volume of UK exports to France being lower than in 2015, the overall value rose. Thus the average price per kg increased. Exports to Italy decreased in terms of volume and value despite a rise in the average price per kg.

UK exports by species

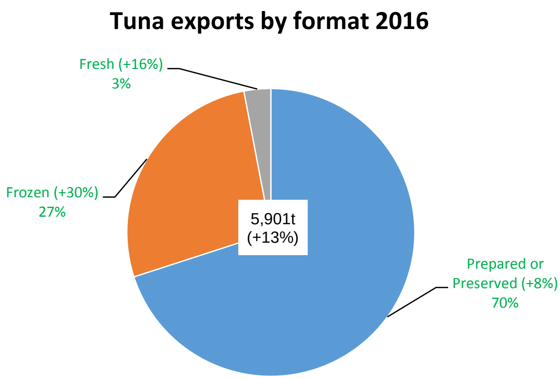
Over 60% of the tuna exported by the UK is skipjack or stripe-bellied bonito and volumes have increased 62% (from 2015).

Exports of yellowfin tuna have also increased and now account for 9% of all exports.



UK exports by format

The exports of all formats increased and whilst prepared and preserved still accounts for the majority, frozen tuna has increased its share of tuna exports to 27%.



[3] Provisional HMRC data via BTS Dec'16
[4] Provisional HMRC data via BTS Dec'16

GB tuna consumption: 292.05m units/servings (+1.6%)

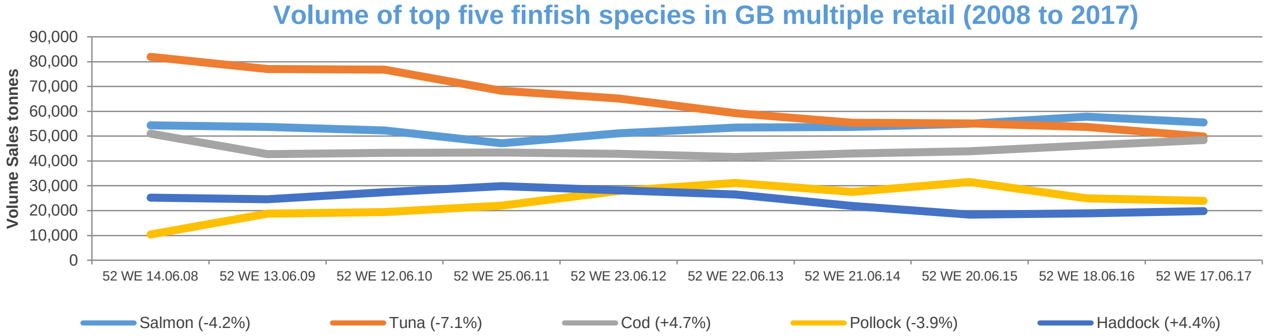
Tuna in retail[5]

Over the 52 weeks ending 17 June 2017, GB shoppers bought almost 50,000 tonnes of tuna, in over 140m packs for over £314m within the major multiple supermarkets.

By volume, tuna was the second bestselling species behind salmon. By value, tuna is the third bestselling species behind salmon and cod.

Out of the top five finfish species, tuna is showing the weakest sales performance with all measures declining: sales value by 1.4%, volume 7.1% and unit sales 3.6%.

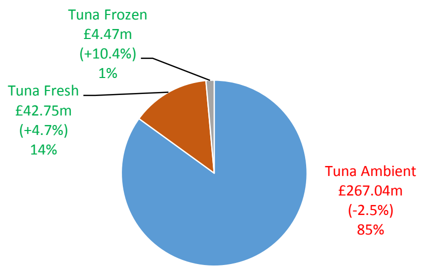
These trends suggest that shoppers are buying smaller packs to compensate for the higher price per kg. The average price per unit increased just over 2% to £2.21, whilst the average price per kg increased over 6% to £6.30.



Tuna retail sales by sector

The majority of tuna sales are in ambient format e.g. in cans or pouches. The overall decline of tuna sales in multiple retail is driven by the decline in the value of the ambient segment.

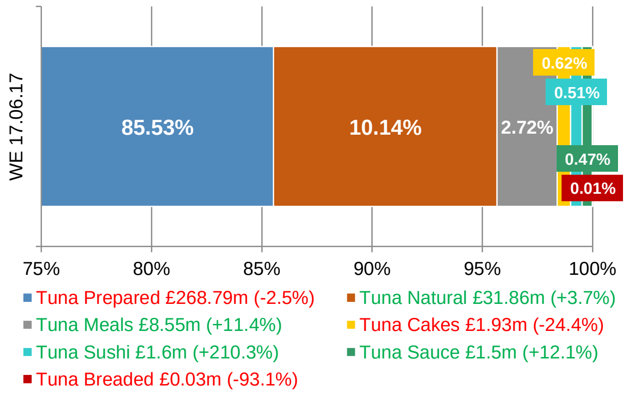
Both fresh and frozen tuna sales are increasing due to the positive performance of: fresh sauce, sushi, meals and natural, frozen prepared and natural. However the fresh and frozen segments are still only 15% of the value of tuna sales to GB shoppers.



Tuna retail sales by segment

Overall, prepared tuna (tuna processed in format different to the other segments e.g. canned tuna in brine) is the largest segment, but it lost share of sales along with cakes and breaded.

The segments that have increased their sales and market share are natural, meals, sushi and sauce.



Tuna shopper in GB retail[6]

In comparison to the overall seafood shopper, the average tuna shopper profile is slightly more affluent ABC1 social class, younger with 51% <44 years old and from larger, >3 member households.

Only 67% of the population bought tuna (compared to >96% for total seafood), which is 0.8% less than in the previous year. However, those who did buy tuna, bought it 1.8% more often, despite the 5.1% higher average price per pack.

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[5] Nielsen ScanTrack 17.06.17

[6] Nielsen HomeScan 17.06.17 NB. Due to small sample sizes for the fresh and frozen sectors, analysis has been limited to total tuna.

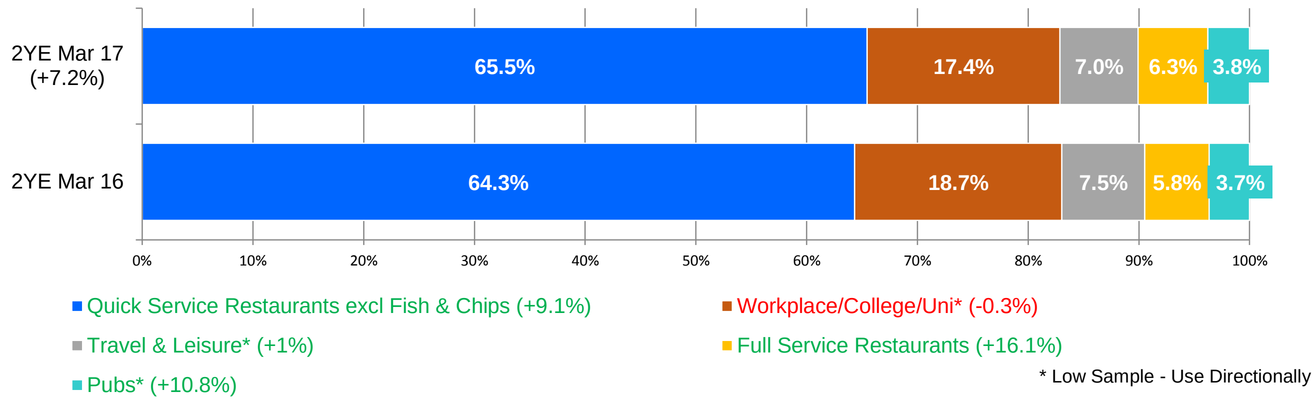
Tuna in GB commercial foodservice[7]

Within the out of home commercial foodservice market, tuna has experienced a very positive year with servings increasing over 7% to almost 150m a year.

The channels that drove the majority of this growth were quick service restaurants excl. fish and chips and full service restaurants.

Pubs and travel & leisure also experienced growth but from a smaller base.

Tuna servings by channel

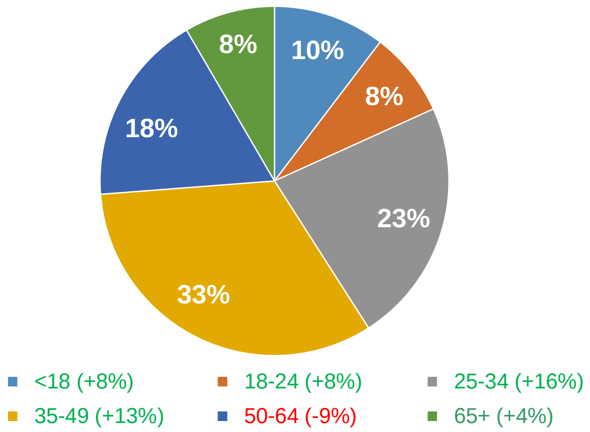


Tuna servings by age

Tuna servings are increasing to all age groups except the 50-64 year olds who bought fewer servings this year in all channels except full service restaurants.

Consumers who are aged between 35 and 49 years old buy the majority of tuna in foodservice outlets. They are increasing their share of servings within the quick service restaurant excl. fish & chip channel.

Overall tuna servings by age

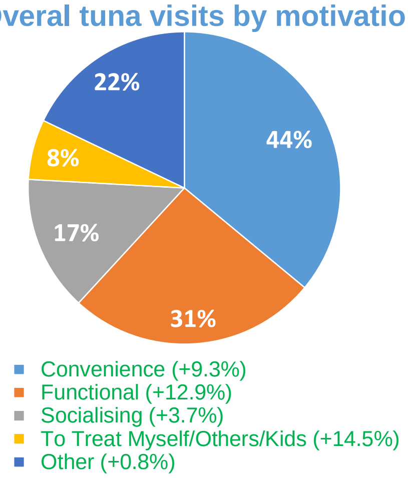


Tuna also over performs total seafood with the 25 to 34 year old age group, who are buying more tuna serving compared to the previous year in all except the full service restaurant channel.

Tuna visits by motivation

The key motivations to buy tuna are that it is a convenient and functional solution to satisfy hunger; both of these motivations have increased in the last year.

Overal tuna visits by motivation



People are also increasingly buying tuna as a treat; this motivation has the highest growth rate of 14.5% and presents further opportunities to build sales.

Other growth opportunities for tuna within foodservice include options for diners to eat when socialising, for example sharing platters, small tapas style dishes and premium "food on the move" solutions with gourmet sandwiches.

[7] NPD Crest 2YE March 2017

Topline facts, challenges and opportunities

- Demand for tuna remains flat despite rising prices, therefore suppliers have a strong base demand upon which to build further share.

- The majority of tuna traded (imported and exported) is skipjack or stripe-bellied bonito in "prepared or preserved" format, however frozen and fresh tuna is becoming more popular.

- Within retail, tuna is showing the weakest sales performance out of the top five seafood species, with all sales measures declining, as shoppers buy smaller packs to compensate for the rising prices. This trend is driven by the dominant ambient sector i.e. tuna in cans or pouches. In contrast, sales of fresh and frozen tuna are increasing in the following segments: fresh sauce, sushi, meals and natural, frozen prepared and natural.

- These retail trends suggest that tuna remains popular in formats that are relevant to today's consumer needs and shopping habits. Therefore the challenge is to expand consumer base, especially the ambient sector, by engaging with the shopper and educating them on how it is a convenient format, delivering quick and easy, healthy and tasty meals when combined with a multitude of accompaniments and flavours.

- Within foodservice, tuna has experienced a very positive year with servings increasing in quick service restaurants excl. fish and chips, full service restaurants, pubs and travel & leisure. Whilst tuna is considered a convenient and functional solution to satisfy hunger, it is increasingly being bought as a treat.

- In order to build on this performance in foodservice, operators need to keep on track with current trends, offer new options for diners to eat when socialising, for example sharing platters, small tapas style dishes and premium "food on the move" solutions with gourmet sandwiches.

- Also the key flavours that are worth considering for tuna include warm and spicy Middle Eastern and Hispanic flavours, and bold libatious flavours like tequila and lime sauce, bourbon glaze and spicy, ethnic spiked mayonnaise.

Data:

- Provisional HMRC data via BTS Dec'16 (The data does not imply the country of origin or geographic catch area of the seafood. The 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. The volumes quoted are based on the actual product weight of the "goods" themselves without any packaging.)
- Seafish, Risk Assessment for Sourcing Seafood
- Nielsen ScanTrack & HomeScan 17.06.17
- NPD Crest 2YE March 2017
- All calculations in this report were performed on the source data which may include many decimal places. For presentation purposes, the data in this report has been rounded at the end to reduce decimal places as far as possible. Therefore, manual calculations may provide slightly different results to those shown; please contact Seafish for the source data if you require further information.
- (%) values represent change from the previous year unless otherwise stated

Further reading:

- Ambient report_17.06.17.ppt (subscribers only)
- Context report_17.06.17.ppt (subscribers only)
- To see the other factsheets in the series, please visit here http://www.seafish.org/research-economics/market-insight/market-insight-factsheets

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Seafish

Origin Way
Europarc
Grimsby DN37 9TZ

T: +44 (0)1472 252 300
F: +44 (0)1472 268 792
E: seafish@seafish.co.uk

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