Market Insight Factsheet
Frozen Seafood in Multiple Retail (2019)

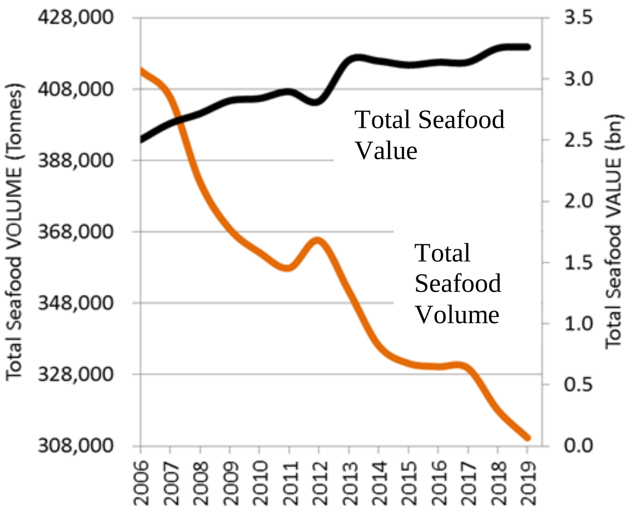
This factsheet provides a summary of the performance of the frozen seafood sector in the multiple retail seafood market up to June 2019.

This year, frozen seafood sector returned to characteristic decline , after experiencing a short period of growth last year as UK shoppers faced with building political and economic uncertainty switched to frozen to save money. UK frozen retail seafood sales were worth £905m (-0.2%) with a volume of 130,523 tonnes (-3.1%) in the 52 wks. to 15th June 2019.Frozen natural remains the key segment for frozen seafood by value and frozen fingers by volume. Only the frozen sushi segment has seen volume growth vs last year and 10 years ago.

This factsheet examines the detail behind the performance of the frozen seafood sector including historic and current frozen retail seafood sector trends, frozen seafood key performance indicators (KPIs) and frozen segment and species performance.

Historic retail seafood sector trends

Long term GB total seafood sector trends



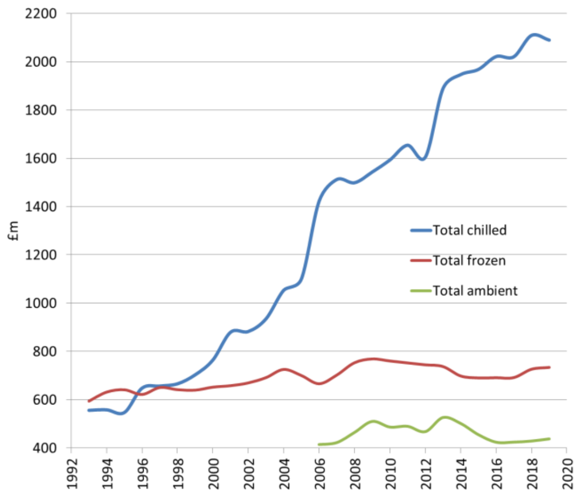
Over the long term, retail seafood sales have been in long term price driven growth as inflation drives average price and volumes decline

Chilled seafood has grown in popularity with British retail shoppers over the past 20 years. In the late 1990's both the volume and value of chilled seafood began to rise faster than that of frozen seafood. By 2005, chilled seafood had overtaken frozen seafood in volume sales. Overall GB seafood consumption had been growing slowly but steadily until recession hit in 2007, when the relatively high price of seafood meant it struggled to compete with cheaper proteins.

From 2007, seafood in multiple retail experienced a sustained period of inflation and price driven growth, resulting in falling consumption. Around 2009, retail shoppers became polarized, saving money where possible on basics, but not averse to spending more on quality. Austerity focused shoppers prioritised 'value for money', and the perceived 'superior freshness, health and quality' of chilled seafood resulted in renewed growth of the chilled sector at the expense of frozen and ambient, despite it being typically double their average price.

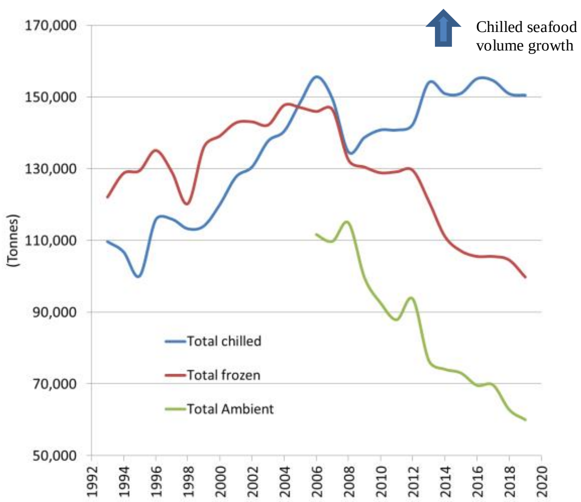
In October 2016, total seafood, which includes chilled, frozen and ambient, briefly returned to full growth for a short period. However, in 2017, signs began to emerge that building pressure from economic & political uncertainty, along with rising inflation and reduced spending power were are all beginning to impact on the seafood retail market once again. Total seafood volume returned to decline in January 2017 and notably, the chilled sector fell into volume decline in September 2017, which continued to late 2018.

Long term GB seafood sector value Trends



Nielsen GB Scantrack/TNS

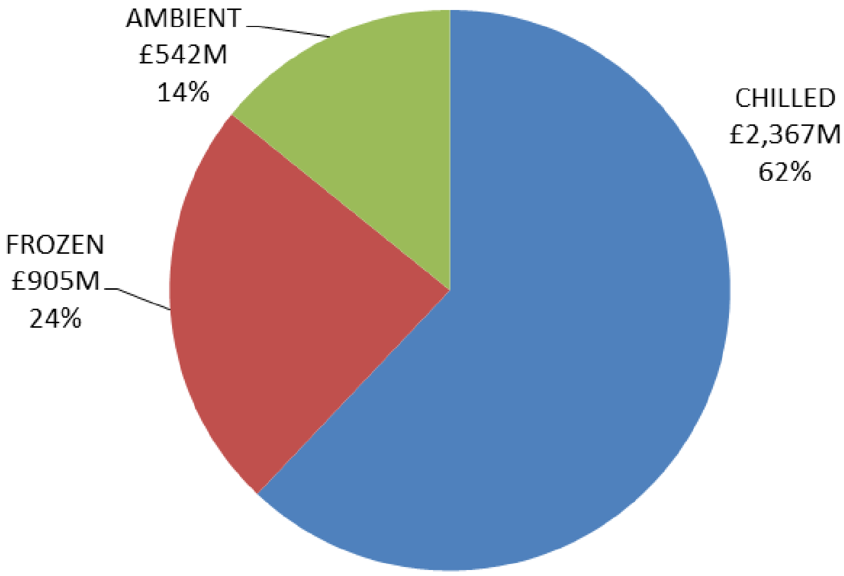
Long term GB seafood sector volume Trends.



Current seafood retail performance

Seafish has detailed GB EPOS data (Electronic Point of Sale) available for the past ten years, which can be used to get a long-term picture of the changes in the seafood sectors, segments and species. In addition, data from the main discounters, Aldi and Lidl, along with Northern Ireland is now available, covering the last 3 years. When combined with GB data, this allows a more complete UK snapshot of the current seafood retail market.

UK seafood sector share by value 2019



Nielsen Scantrack YE 15.06.19

In the 52 wks. to June 2019 the total seafood category was flat, narrowly missing out on full category decline as seafood inflation eased. Sales were worth £3.81bn (+0.2%), with a volume of 392,356 tonnes (-0.9%) and an average price of £9.72/kg (+1.1%) (Nielsen Scantrack: 52 weeks to 15.6.19).

Chilled seafood continues to dominate UK multiple retail In the 52 wks. ending June 15th 2019, chilled seafood sector value remained flat, as deflation tempered value growth; worth £2,367m (+0.0%) and volume of 180,253 tonnes (+1.4%); with an average price of £13.13/kg (-1.4%). Both chilled and frozen lost value share to ambient

Impact of the discounters on seafood sales

- Since opening UK stores in 1990, Aldi and Lidl have strongly grown grocery share. Both discounters over trade in seafood particularly frozen and ambient, proving popular with shoppers due to price, quality and regional sourcing messaging.
- Discounters are projected to be fastest growing channel to 2021 (IGD). In June 2019, Aldi and Lidl combined took a 19.6% volume share of the total UK seafood. Combined seafood sales were worth £503m (+5.8%), with a volume of 76,447 tonnes (0.7%) and an average price of £6.58/kg (+5.1%)

Frozen seafood

In the 52 wks. to 15th June 2019, frozen seafood took the second largest share of the category behind chilled; with both value and volume in decline. Frozen seafood was worth £905m (-0.2%) with a volume of 130,523 tonnes (-3.1%); with an average price of £6.94/kg (+3.1%). Over the long term (10 years to 15th June 2019), frozen seafood has been in decline, with volume down by -26.5% and value down by -2.4%. Frozen average price per kg grew by 32.8%, compared to chilled which experienced a lower price increase of 25%

Frozen seafood KPI's

In the 52wks. to 15th June 2019, fewer shoppers bought frozen seafood and average price increased. Penetration remained significantly higher than that of chilled or ambient seafood, with 85.9% of shoppers buying frozen seafood. Compared with the previous year, shoppers bought frozen seafood less often with a smaller basket size. On average, frozen shoppers bought 0.52kg of frozen fish per trip spending £3.46; buying frozen seafood 10.7 times per year, spending a total of £37.12, equating to 5.63kg over the year.

Frozen seafood KPI's 2019

		Pen %	Freq	AWOP (Kg) 52w	Avg Spend (£) 52w	Trip Spend (£)	Price per Kg	Avg Trip Kg
TOTAL FISH	16-Jun-18	96.80	30.40	14.76	129.91	4.27	8.80	0.49
	15-Jun-19	96.70	30.20	14.52	130.35	4.32	8.98	0.48
	% Change	-0.1	-0.9	-1.6	0.3	1.2	2.0	-0.8
CHILLED	16-Jun-18	81.50	19.80	7.65	92.39	4.66	12.08	0.39
	15-Jun-19	82.30	19.80	7.64	92.38	4.67	12.09	0.39
	% Change	1.0	-0.3	-0.1	-0.0	0.2	0.1	0.1
FROZEN	16-Jun-18	86.80	10.90	5.85	37.43	3.44	6.40	0.54
	15-Jun-19	85.90	10.70	5.63	37.12	3.46	6.60	0.52
	% Change	-1.0	-1.2	-3.8	-0.8	0.4	3.1	-2.6
AMBIENT	16-Jun-18	78.50	9.40	3.80	22.94	2.43	6.04	0.40
	15-Jun-19	78.20	9.20	3.74	23.17	2.52	6.20	0.41
	% Change	-0.3	-2.7	-1.6	1.0	3.8	2.6	1.1

Nielsen Homescan YE 15.06.19

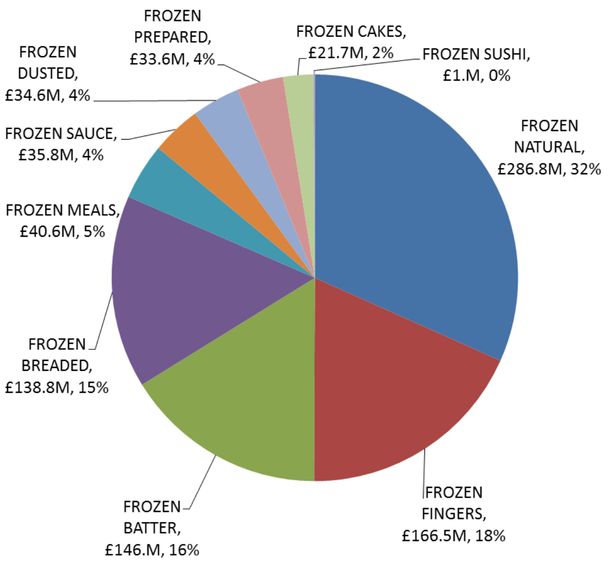
Frozen seafood segments

Within frozen it is only the top 3 larger segments which are growing value share. The frozen natural segment (i.e. includes no additional ingredients) takes the largest share by value 32%, (+0.4pp), followed by fingers 18%, (+0.8%) and batter 16%, (+0.2%). The biggest segment share declines were prepared, sauce and dusted. Frozen fingers continue to take the largest share by volume of the frozen seafood sector and grow share (+1pp) along with frozen natural, batter, breaded and sushi.

In the 52wks to 15th June 2019, only frozen fingers and sushi were in full growth, with frozen sushi showing the highest growth from a small base. Frozen natural was in price driven growth along with batter and breaded, with the remaining sectors in full decline.

Frozen natural was worth £287m (+1.0%), with 28,958 (-2.2%) tonnes and an average price of £9.90/kg (3.2%). Frozen natural has one of the highest average prices of all the frozen segments, second only to frozen sushi.

Segment value share of UK frozen seafood 2019 (£m)



Over the 10 years to 15th June 2019, none of the frozen segments were in full growth; frozen natural and fingers saw an increase in value as a result of inflation and lost the least volume. Frozen meals, prepared and sauce were the hardest hit, losing over -50% volume.

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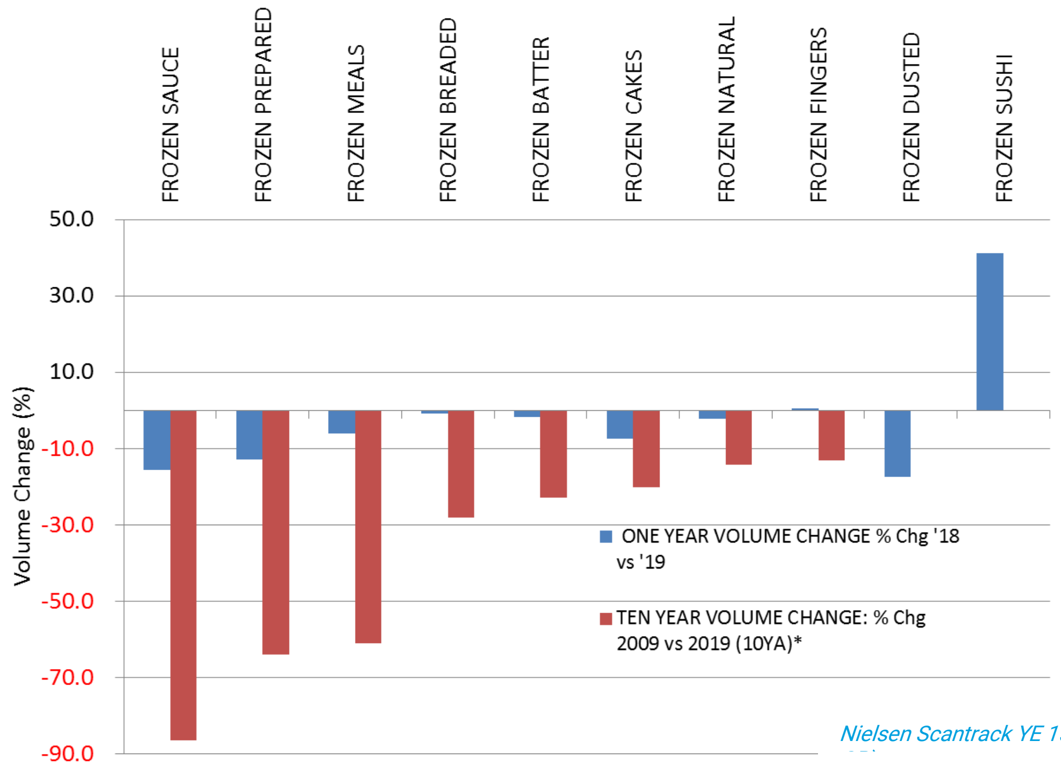
Long & short term frozen segment volume trends (2009) s 2019)



*Nielsen Scantrack YE 15.06.19 (*10yr*

UK Frozen seafood segment performance to 2019

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	Avg Price 2019	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*
FISH	3,657,583	3,808,127	3,813,921	0.2	17.8	402,521	395,995	392,356	-0.9	-18.0	£9.72	1.1	43.6
CHILLED	2,289,040	2,366,768	2,366,779	0.0	37.4	180,319	177,810	180,253	1.4	9.9	£13.13	-1.4	25.0
FROZEN	859,328	906,756	905,348	-0.2	-2.4	134,383	134,746	130,523	-3.1	-26.5	£6.94	3.1	32.8
AMBIENT	509,215	534,603	541,793	1.3	-11.8	87,819	83,439	81,580	-2.2	-43.1	£6.64	3.7	55.0
FROZEN NATURAL	272,618	283,988	286,812	1.0	13.5	29,819	29,596	28,958	-2.2	-14.2	£9.90	3.2	32.2
FROZEN FINGERS	147,106	159,400	166,466	4.4	11.5	33,636	33,662	33,865	0.6	-13.0	£4.92	3.8	28.2
FROZEN BATTER	132,844	144,077	145,969	1.3	-6.6	21,656	21,982	21,584	-1.8	-22.9	£6.76	3.2	21.1
FROZEN BREADED	124,732	135,144	138,794	2.7	-11.1	17,839	19,044	18,894	-0.8	-28.0	£7.35	3.5	23.4
FROZEN MEALS	39,701	41,766	40,623	-2.7	-50.5	10,604	10,840	10,177	-6.1	-61.0	£3.99	3.6	26.9
FROZEN SAUCE	44,197	41,474	35,836	-13.6	-70.3	5,774	5,312	4,486	-15.6	-86.5	£7.99	2.3	119.8
FROZEN DUSTED	40,715	40,081	34,560	-13.8	n/a	4,857	4,492	3,710	-17.4	n/a	£9.31	4.4	n/a
FROZEN PREPARED	36,804	37,990	33,596	-11.6	-57.1	5,054	4,857	4,237	-12.8	-63.9	£7.93	1.4	18.9
FROZEN CAKES	19,761	22,105	21,714	-1.8	4.9	5,084	4,912	4,542	-7.5	-20.1	£4.78	6.2	31.4
FROZEN SUSHI	849	730	979	34.0	n/a	59	49	69	41.1	n/a	£14.20	-5.0	n/a

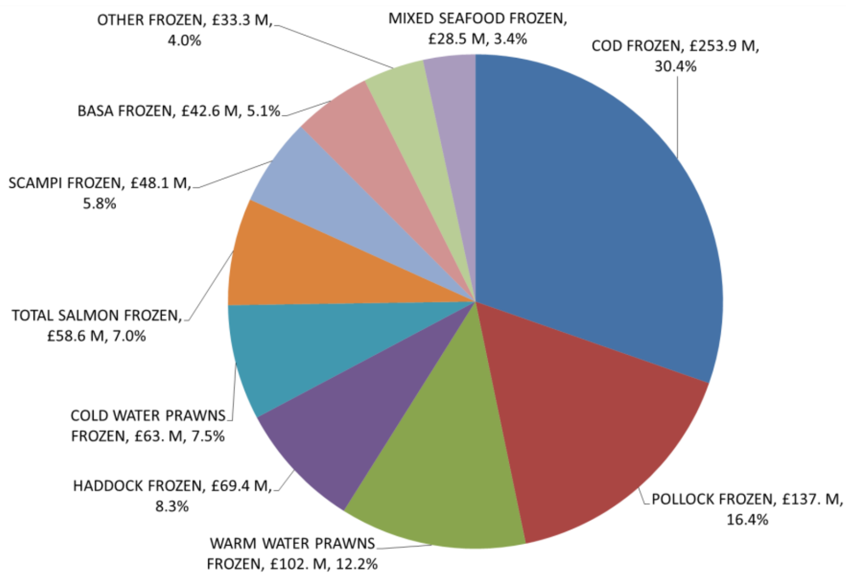
*Nielsen Scantrack YE 15.06.19 (*10yr GB)*

Frozen Seafood Species

In 2019 , cod continues to dominate the frozen seafood sector, despite share declining to 30.4% (-1.0pp) but still taking nearly double that of next most popular species Pollack, 16.4% (+2.2pp) which continues to grow steadily.

In the 52wks to 15th June 2019, frozen cod was worth £253m, with 39,135 tonnes, with volume and value decreasing by -3.5% and –7.8% respectively. Other species losing share include haddock, salmon, basa and other (cheaper products where the seafood is not named). Frozen species gaining value share seafood include Pollack, warm water and cold water prawns.

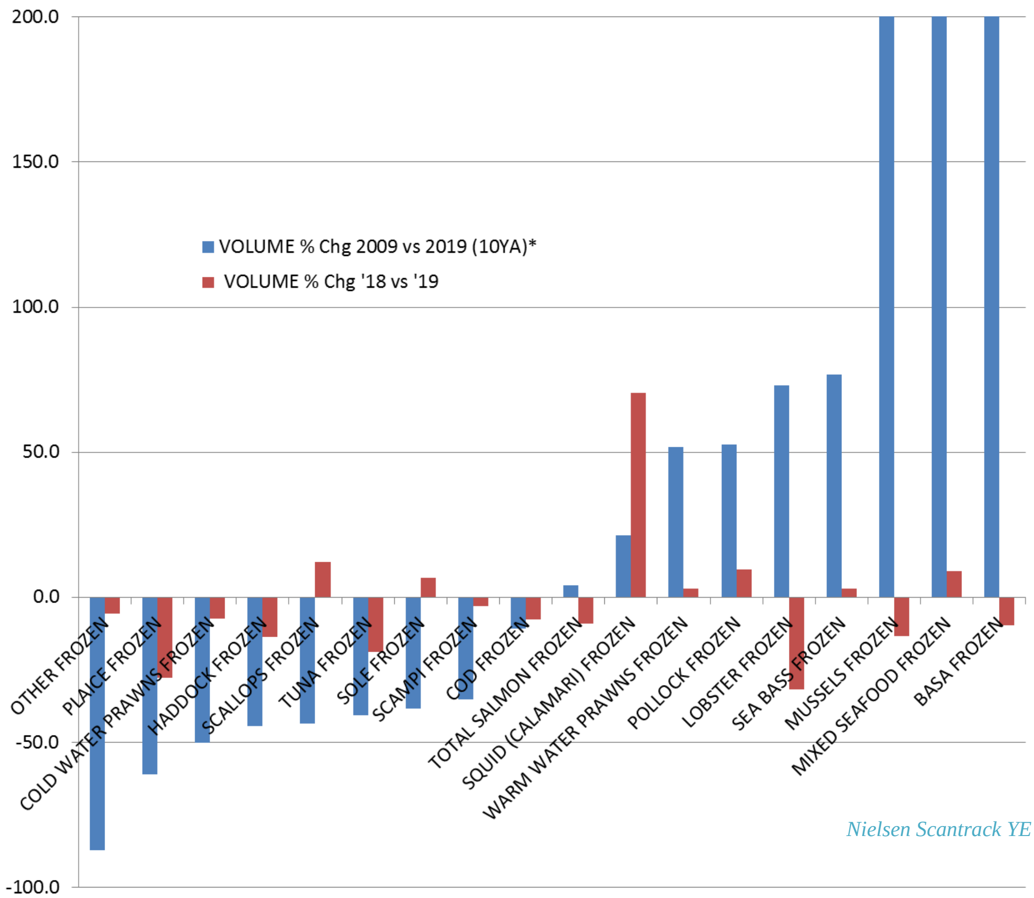
Top frozen species value share UK 2019



Nielsen Scantrack YE 16.06.18

The overall consumption of traditional whitefish species has been in steady decline since the 1980's, whilst salmon,

Frozen seafood species volume performance 2019



*Nielsen Scantrack YE 15.06.19 (*10yr GB)*

warm water prawns and other aquacultured seafood species have grown in popularity. As a sector, frozen has also mirrored this trend, but the decline of traditional species has been much slower From 1974 to 2015, whitefish consumption has declined over four times faster in the chilled sector, compared to in frozen (Defra Family Food). Frozen is also a popular format for shellfish; over the same period frozen shellfish consumption has grown significantly faster than that of chilled shellfish. This is likely due to shoppers recognizing the price, quality and convenience advantages of frozen.

Over the 10 years to 15th June 2019, frozen warm water prawns, squid, pollock, seabass, basa and mixed seafood were amongst the top performing species in volume growth.

Over the same 10 year period, frozen species in full decline included haddock, cold water prawns, scampi and the cheaper 'other' unnamed seafood. Significant price increases are usually the main driver of volume decline; but despite price increases of 24% and 71% respectively, warm water prawns and squid saw strong long term growth.

Frozen haddock declined heavily despite relatively modest price increases, compared to the sector average. Frozen cold water prawns and tuna however experienced some of the largest average price increases of 63% and 112% respectively over the same period; this undoubtedly impacted on the significant volume declines

Long term, farmed frozen alternatives to cod and haddock such as seabass, pollock and basa (Pangasius) continue to grow volume very strongly (basa +1,096%) some from a small base, despite a higher average price per kg. Over the past 3 years volume growth in some of the farmed whitefish species has slowed. Over the short term (52wks to 15th June 2019) key species in full growth included pollock, warm water prawns and mixed seafood; whilst frozen cod and salmon declined.

Frozen seafood species performance to 2019

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	Avg Price 2019	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*
FISH	3,657,583	3,808,127	3,813,921	0.2	17.8	402,521	395,995	392,356	-0.9	-18.0	£9.72	1.1	43.6
FROZEN	859,328	906,756	905,348	-0.2	-2.4	134,383	134,746	130,523	-3.1	-26.5	£6.94	3.1	32.8
COD FROZEN	246,185	263,091	253,911	-3.5	6.7	42,505	42,426	39,136	-7.8	-10.8	£6.49	4.6	19.7
POLLOCK FROZEN	107,753	119,351	137,020	14.8	72.1	25,287	26,647	29,216	9.6	52.6	£4.69	4.7	12.7
WARM WATER PRAWNS FROZEN	94,231	100,480	101,961	1.5	88.3	7,956	8,055	8,299	3.0	51.8	£12.29	-1.5	24.0
HADDOCK FROZEN	70,666	77,280	69,425	-10.2	-35.5	10,529	11,008	9,512	-13.6	-44.3	£7.30	4.0	15.9
COLD WATER PRAWNS FROZEN	63,771	62,568	63,025	0.7	-18.6	5,880	6,055	5,611	-7.3	-50.1	£11.23	8.7	63.2
TOTAL SALMON FROZEN	60,235	61,456	58,577	-4.7	14.2	8,450	7,775	7,063	-9.2	4.0	£8.29	4.9	9.8
SCAMPI FROZEN	47,468	47,944	48,139	0.4	-26.2	4,730	4,839	4,690	-3.1	-35.1	£10.26	3.6	13.8
BASA FROZEN	46,086	46,257	42,602	-7.9	1,244.3	7,084	6,490	5,873	-9.5	1,095.5	£7.25	1.8	12.5
OTHER FROZEN	38,182	34,884	33,253	-4.7	-83.5	11,936	10,395	9,800	-5.7	-87.1	£3.39	1.1	28.5
MIXED SEAFOOD FROZEN	21,530	25,659	28,502	11.1	363.1	2,793	3,488	3,802	9.0	372.7	£7.50	1.9	-2.0
SOLE FROZEN	10,018	9,272	9,936	7.2	-16.4	1,115	944	1,008	6.8	-38.4	£9.86	0.4	35.7
SQUID (CALAMARI) FROZEN	3,580	6,142	8,726	42.1	106.7	343	607	1,035	70.5	21.3	£8.43	-16.7	70.5
TUNA FROZEN	7,833	9,011	7,898	-12.4	26.6	1,200	1,292	1,047	-18.9	-40.5	£7.54	8.1	112.7
SHRIMPS FROZEN	772	2,933	5,773	96.8	n/a	57	211	455	116.1	n/a	£12.68	-8.9	n/a
SCALLOPS FROZEN	5,105	4,855	5,697	17.3	-1.4	230	214	241	12.3	-43.4	£23.68	4.5	74.1
SEA BASS FROZEN	5,038	4,606	4,576	-0.7	37.4	369	334	344	2.9	76.7	£13.31	-3.5	-22.3
PLAICE FROZEN	6,634	5,490	4,137	-24.7	-58.9	885	717	519	-27.6	-60.9	£7.97	4.1	5.2
LOBSTER FROZEN	5,977	4,701	3,422	-27.2	225.1	317	191	131	-31.6	72.9	£26.22	6.4	87.9
MUSSELS FROZEN	3,006	3,134	2,628	-16.1	258.9	500	522	452	-13.4	260.8	£5.81	-3.2	-0.5
CRABSTICK FROZEN	2,045	2,284	2,292	0.3	125.8	575	590	554	-6.1	93.9	£4.14	6.9	16.4
MACKEREL FROZEN	1,959	2,186	2,077	-5.0	371.4	229	239	226	-5.4	365.5	£9.20	0.4	1.2
WHITEBAIT FROZEN	1,710	2,000	1,510	-24.5	n/a	274	342	290	-15.3	n/a	£5.21	-10.9	n/a
TROUT FROZEN	756	3,139	1,501	-52.2	8.2	76	317	164	-48.4	34.2	£9.18	-7.4	-19.4
KIPPER FROZEN	1,567	1,519	1,485	-2.2	-53.3	252	239	224	-6.2	-60.8	£6.63	4.2	19.0
CRAB FROZEN	1,117	1,241	1,460	17.6	3,103.6	95	98	195	97.9	3,946.2	£7.49	-40.6	-20.8
HAKE FROZEN	524	476	1,155	142.8	-54.7	71	76	180	136.3	-52.1	£6.41	2.7	-5.5
LANGOUSTINE FROZEN	303	517	895	73.1	94.6	8	18	45	148.9	-21.8	£20.09	-30.5	148.9
COCKLES FROZEN	79	247	881	255.8	1,047.1	7	22	62	187.9	1,397.1	£14.22	23.6	-23.4

*Nielsen Scantrack YE 16.06.18 (*10yr GB)*

Key Facts:

- The frozen seafood sector is the second largest seafood sector behind chilled; typically seen in long term decline as seafood shoppers trade out into chilled. Last year frozen seafood experienced a short period of growth primarily as shoppers faced with building political and economic uncertainty, switched to frozen to save money. UK frozen retail seafood sales were worth £905m (-0.2%) with a volume of 130,523 tonnes (-3.1%); with an average price of £6.94/kg (+3.1%). (Nielsen Scantrack: 52 wks. to 15th June'19)

- Frozen natural remains the key segment for frozen seafood by value and frozen fingers by volume. Only the frozen sushi segment has seen volume growth over the past 10 years.

- Frozen remains a key sector for shellfish and traditional seafood species. Although typically in decline, the rate of decline has been much slower in frozen than in the chilled sector

- In 2019, cod continues to dominate the frozen seafood sector, despite share declining to 30.4% selling nearly over twice its nearest competitor, pollock by value.

- Farmed whitefish alternative species including seabass and basa (which are no longer 'cheap') along with the 'convenient' mixed seafood have seen the some of the largest volume growth over the long term. Shoppers have remained focused on value for money as the cheaper whitefish alternative pollock (Alaskan pollock) also showed strong growth

Over the long term (10yrs to 15th June 2019):

- Top performers include:
    - Segments: NONE
    - Species: frozen warm water prawns, pollock, seabream, seabass , basa and mixed seafood
- Struggling performers include:
    - Segments; All
    - Species; plaice, cold water prawns, cod, haddock and tuna.

Over the short term (52 wks. to 15th June 2019);

- Top performers include;
    - Segments: Frozen SUSHI
    - Species: many species including squid, Pollack, mixed seafood and shrimp
- Struggling performers include:
    - Segments: All except frozen sushi
    - Species: frozen sole, plaice, cod and scallops

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
  - Homescan – GB (including discounters) consumer panel of 15,000 households excludes seafood sandwiches

- Defra Family Food Survey 2017/18

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