North Sea Fish
Work Package 3.1

Understanding current and anticipating future trends as a catalyst for the transition towards economically sustainable North Sea fisheries.

Executive Summary

This report will cover the fisheries sector in UK with a regional focus on Humber and Grimsby seafood processing cluster. It will contextualize the structure outlined by The University of Hull for work package 3.1.

A1. UK country overview and context setting.

Seafood is a multi-billion pound industry in the UK. Four out of five households consume seafood at least once a month and total purchases of seafood in the UK were worth £5.6 billion in 2011**.**

Key statistics:

UK Retail sector

In 2011 we purchased 356,000 tonnes seafood products worth £2.89bn. In 2011 the value of the UK retail seafood market grew by 4.3%. Whilst volume fell by -1.2%. This price driven growth reflecting the significant increases in the cost of seafood and rising food prices in general. The average price of seafood grew by 5.5% to £8.09/kg; chilled seafood saw higher price increases than frozen. Overall the most popular species of seafood in retail is salmon, followed closely by tuna, cod, haddock and warm water prawns then cold water prawns. Prawns are the most popular shellfish eaten but often cause the most confusion: Warm water prawns (commonly called tiger prawns, or king prawns) tend to be larger in size and are typically farmed (but some can be wild caught) and imported from the Far East, Warm water prawns can comprise several species. Cold water prawns (commonly called North Atlantic prawns or pink shrimp) are smaller and are typically enjoyed in a traditional prawn cocktail. Wild caught in colder northern waters of the species P. Borealis. Brown shrimp (C.Crangon) are typically enjoyed as potted shrimp in the UK Chilled seafood accounts for 56% of the market by value, frozen 27%, ambient (tinned etc) 18%. Exactly the same as 5 years ago! Over the past 20 years chilled seafood has grown in popularity compared to frozen. Supermarkets dominate the seafood retail market with over 87% share of spend.

Consumers and consumption - To be filled out by consumer team

Fish consumption has risen steadily since 1970's**.** In 2011 we ate over 900 million frozen fish fingers. Laid end on end these would stretch from lands end to John O'Groats and back nearly 50 times.

UK Fish Industry (2011 data due Sept 12)

In 2010 the UK fishing industry had 6477 vessels, most under 10m in length. There were 12700 UK fishermen in 2010 - 6889 in England & Wales, 5166 in Scotland and 648 in Northern Ireland.

UK Catch

In 2010, UK vessels landed 411,000 tonnes of seafood worth £549 million. Compared with 2009, this is an increase of 5% in quantity and a 5% increase in value. By volume the UK catch is spread fairly equally between demersal, pelagic and shellfish species. Shellfish, such as langoustine and scallops, account for almost half of all landings by value, followed by demersal species such as monkfish, and then pelagic species, such as mackerel. UK landings of whitefish have fallen by dramatically since the 1950's

UK ports by landing

Top three ports, by volume, are Peterhead, Shetland and Fraserburgh. The top English port is Plymouth.

UK seafood imports

The UK imports most of the seafood we eat. In 2011, a total of 718,000 tonnes of seafood worth £2.547 billion was imported into the UK. The average price of imported seafood has increased by 9% from last year. The UK appetite for warm water prawns in particular continues to grow with imports up 11% by volume. The imports reflect traditional British tastes in seafood. cod, haddock and other white fish from Iceland, Norway and Denmark. Warm water prawns from India and the Far East. Tuna from Mauritius and the Seychelles. Salmon from Faroe & Norway. Salmon and pollock from the USA. Cold water prawns from Denmark and Canada

UK seafood exports

The UK exports most of the seafood it catches. Foreign seafood markets greatly value UK species such as langoustine, crab and mackerel, while domestic consumers continue to focus mainly on a smaller range of species such as cod, salmon and haddock. In 2011, just over 435,000 tonnes of seafood worth £1.458 billion was exported from the UK. Total UK seafood exports showed price driven value growth of 9.9%, volume fell by -15%. Main export markets for UK seafood are France, Spain, Italy, the Irish Republic and the USA which between them accounted for around 50% (by value) of the seafood exported from the UK. High value shellfish like langoustine, crab and scallops and exported to the French, Spanish and Italian markets. Pelagic species are destined mainly for Russian, Dutch French markets

Processing

The UK fish processing industry provides 14,331 full time jobs in 384 units (2010). Humber and the Grampian region of Scotland dominate the processing industry. Concentrations of secondary processing units are found in the Humberside, North England and South/Midlands/Wales regions. Processors sell seafood products to wholesale, retail, foodservice and export markets, and demands vary depending on who they supply.

Foodservice

The foodservice sector covers fish and chip shops, canteens, hotels and restaurants. In 2011, UK consumers spent an estimated £49bn on eating out of home, with meals that included seafood worth £2.7bn down -13% from 2010. The continued recession driving consumers to save money be eating at home and trading down to cheaper out of home options. An estimated £583m was spent on fish and chips, down 12% as consumer spends is focused on outlets offering deals and offers. Fried fish dominates the foodservice sector, with 33% of the sector share, followed by seafood sandwiches, such as prawn and tuna. Whitefish, such as cod, haddock and pollock, is the most popular choice in foodservice, making up more than 80% of the total spend.

*source Seafish Industry Authority (www.seafish.org)

A2. UK country details of strategic national organisations

Defra – www.defra.org - The Department for Environment, Food and Rural Affairs (Defra) is a government department in the UK. They make policy and legislation, and work with others to deliver our policies in - areas such as:

the natural environment, biodiversity, plants and animals
sustainable development and the green economy
food, farming and fisheries
animal health and welfare
environmental protection and pollution control
rural communities and issues.

They work directly in England and work closely with the devolved administrations in Wales, Scotland and Northern Ireland, and we generally lead on negotiations in the EU and internationally.

Seafish Industry Authority – www.seafish.org - Seafish was founded in 1981 by an Act of Parliament and supports all sectors of the seafood industry for a sustainable, profitable future. It is the only pan-industry body offering services to all parts of the seafood industry, including catching and aquaculture, processors, importers, exporters and distributors of seafood and restaurants and retailers. Seafish is funded by a levy on the first sale of seafood landed and imported in the UK. It aims to support and improve the environmental sustainability, efficiency and cost-effectiveness of the industry, as well as promoting sustainably-sourced seafood.

Our services are grouped into six themes as follows:

Information - support for industry's business decisions
Safety - creating a safer working environment at sea
Environment - protecting the environment at sea and on land
Regulation - understanding, interpreting and responding to legislation for industry
Standards - supporting quality and efficiency standards
Consumers - the authoritative voice on seafood for consumer

Seafood Scotland – www.seafoodscotland.org – Seafood Scotland was set up "by the industry for the industry" in 1999 to increase the value of return to the Scottish seafood sector. Seafood

Scotland, in its role as an inter-branch organisation under Article 13 of Council Regulation (EC) 104/2000 will undertake measures of common interest that benefit the seafood sector. Seafood Scotland's activities will respect the aid intensities allowed by articles 17, 19 and 20 of Commission Regulation (EC) No 736/2008 on state aid to small and medium sized enterprises active in the production, processing and marketing of fisheries products. The board consists of representatives from the Scottish catching, seafood processing and fish farming sectors, with board meetings joined by observers from the Scottish Government, Scottish Enterprise and Highlands & Islands Enterprise. Dealing with all seafood species, Seafood Scotland is a non-political organisation that works throughout the supply chain with fishermen, fish/shellfish farmers, processors, retailers, food service companies, caterers, NGOs and consumers. A small organisation, Seafood Scotland's strength lies in its "hands on" approach, level of expertise and high credibility within the seafood industry. Seafood Scotland is the delivery partner in Scotland for Seafish Industry Authority, which also holds a seat on the Seafood Scotland Board.

Our mission...	To develop & enhance the competitive performance, quality practices and global reputation of a sustainable Scottish seafood industry.
Our vision...	To establish Seafood Scotland as the reputable and recognised authority leading the Scottish seafood industry to grow and develop by 2014.
Our values...	At Seafood Scotland we care passionately about the Scottish seafood industry and the wealth of superb quality seafood it has to offer from a variety of sustainable sources.

Working with integrity and accountability, we are committed to support the industry to ensure it can meet its full capability.

Marine Management Organisation – www.marinemanagement.org.uk - The Marine Management Organisation (MMO) has been established to make a significant contribution to sustainable development in the marine area and to promote the UK government's vision for clean, healthy, safe, productive and biologically diverse oceans and seas.

We are an executive non-departmental public body (NDPB) established and given powers under the Marine and Coastal Access Act 2009. This ground-breaking act brings together for the first time key marine decision-making powers and delivery mechanisms. We have incorporated the work of the Marine and Fisheries Agency (MFA) and acquired several important new roles, principally marine-related powers and specific functions previously associated with the Department of Energy and Climate Change (DECC) and the Department for Transport (DfT). The establishment of the MMO as a cross-government delivery partner therefore marks a fundamental shift in planning, regulating and licensing activity in the marine area with the emphasis on sustainable development.

We have a wide range of responsibilities, including:

- implementing a new marine planning system designed to integrate the social requirements, economic potential and environmental imperatives of our seas
- implementing a new marine licensing regime that is easier for everyone to use with clearer, simpler and quicker licensing decisions
- managing UK fishing fleet capacity and UK fisheries quotas
- working with Natural England and the Joint Nature Conservation Committee (JNCC) to manage a network of marine protected areas (marine conservation zones and European marine sites) designed to preserve vulnerable habitats and species in UK marine waters
- responding to marine emergencies alongside other agencies

- developing an internationally recognised centre of excellence for marine information that supports the MMO's decision-making process.

Fisheries Local Action Groups (FLAGS) – Through Marine Management Organisation AXIS 4 funding, FLAGs have been set up in six areas in England, covering around 20 per cent of the English coastline. The groups are sharing a total of around £7.3 million to help build a more sustainable economy for the fisheries areas they represent.

The six FLAGs and the amount of funding available to them is:

- Hastings – £963,000
- North and West Cumbria – £1.35 million
- East Riding of Yorkshire (the 'Holderness Coast') – £1.15 million
- North Norfolk – £1.22 million
- Cornwall and the Isles of Scilly – £1.13 million
- Northern Devon – £1.05 million.

Membership of the FLAGs includes a diverse range of stakeholders who represent the interests of those within the area. These include those working in the community, processing companies, local authorities, the Marine Management Organisation, private sector businesses and inshore fisheries and conservation authorities (IFCAs). The strategies the FLAGs have submitted link to a range of themes which meet the Axis 4 objectives and set out the groups' priorities for developing their areas. They were produced following consultation with a wide range of individuals and organisations. Some of the ideas put forward by the groups include developing local brands and new markets for fish products, encouraging co-operation and communication within the fishing industry and working with partners, such as the IFCAs, on initiatives to help people learn more about the local marine environment and fishing.

Grimsby Fish Merchants Association – www.grimsbyfishmerchants.co.uk - Grimsby F.M.A was incorporated in 1911. Membership has declined in recent times due to retirement and consolidation, despite this there are 85 full members and 11 associate members. The majority of members are small processors employing between 5 - 20 staff. However we are proud the large Grimsby based companies who supply 70% of the nation's chilled seafood to the major high street retailers are members and support the work of the Association. Collectively members employ circa 3500 people. The Association has a board of seven directors, including one from Hull. We are pleased to have several Hull based processors as members thus creating a strong and focused voice for the Humber processing industry. The Chief Executive is responsible for the day to day running of the business and is supported by one part-time member of staff. Grimsby FMA is the only Association that is run on a full time basis. One of the primary roles is working with various partners within the industry to develop a focused and cohesive industry; this is essential when lobbying

Humber Seafood Group (HSG) – The HSG is representative board of the Humber Seafood processors cluster at which Grimsby is at the heart of the processing. The board is chaired by industry and has key operating partners including Seafish Industry Authority and Grimsby Fish Merchants Authority. The board has a representation of the Cluster including seafood processing, fish market, chilled storage and distribution, logistics, funding and packaging. HSG has an emphasis on processing skills, competitiveness, productivity, trade, accreditation and logistics

B1 – Humber and Grimsby regional Key Fish Types

Overview

The Humber Seafood processing Cluster is at the heart of the UK's seafood processing industry. The region has the largest number of processing units in UK, the majority being primary processing units. It is estimated that the region is processing 70% of UK's seafood. The main processors are;

Young's Seafood (part of Findus Group)
Coldwater (part of Icelandic Group)
Seachill (part of Icelandic Group)
Morrisons (retailer)
Five Star (part of Bhopara Group)

All major retailers and food service organisations source their seafood from this region. Historically, the region had a world renowned fishing (catching) fleet until the mid-1970's when the fishing grounds were diminished and the sector had to re-invent itself into a receiver of imported seafood and a processor of primary, secondary and mixed category. Today, there are approximately 3,500 FTE's employed directly in seafood processing and another 5,000 employees in the supply chain within the regional cluster. The region has a strong emphasis on best in class processing skills, competitiveness, productivity, trade and logistics.

Regional key fish types being processed;

Cod – sourced in fresh format from Iceland, Norway and Faroe Islands
Haddock – sourced in fresh format from Iceland, Norway and Faroe Islands
Salmon – sourced fresh from aquaculture farms in Scotland and Norway
Pollock – sourced frozen from USA and China
CW Prawns – sourced from Iceland
WW Prawns – sourced from Thailand, Indonesia and Seychelles
Various Flat-Fish species – sourced fresh from local catch landings, Iceland and Norway

Regional Volumes and values by fish type;

Regional current us of technology

Packaging

Regional key trends

Fish market
Pricing
Supply

Regional economic consequences

Regional future strategies, including technology

Branding
Increase sales
New supplies – Russia