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Report Highlights:

A declining commercial catch continues to characterize the UK's sea fishing industry. However, the salmon-focused aquaculture industry is also facing tough trading conditions as a result of low priced competition. Consumption of seafood in the UK remains strong, with supplies augmented by increased imports. Chilled and value added seafood continue to be star performers and even the frozen sector has shown sales progress.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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London [UK1]
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Executive Summary

UK landings in CY2003 decreased 4.5 percent to 444,624 MT. Once again, landings of demersal species fell. This reflects the concerns regarding the sustainability of European fish stocks and the policies implemented to address declining fish stocks. The pelagic catch increased by 9.7 percent, to help offset the decline in total landings.

Although the UK aquaculture industry is looking to capitalize on farmed cod, halibut and haddock production, salmon remains the focus of most production sites. But following consistent growth in UK farmed salmon production, the UK aquaculture industry has been characterized by tough trading conditions in recent months. However, salmon remains one of the UK's leading food exports. Indeed, CY2003 marked a surge in salmon exports by approximately 40 percent. This included a significant growth in exports to the U.S. as a result of supply-related problems for North America's farmed salmon producers.

Demand for fish and seafood continues to grow, with year on year growth of 8.5 percent in terms of value. Convenience and health remain the driving factors for the seafood category, and particularly for value added and chilled seafood products. Salmon is the most popular fish in the UK, accounting for 31 percent of sales by species. While cod and haddock remain perennial favorites, prawns and shrimp recorded sales growth of 24 percent in CY2003. In terms of distribution, supermarkets continue to hold the dominant position with an 88 percent share of the retail market.

Given the supply-related issues faced by the UK, there is a continued reliance on imports to meet demand for fish and seafood. There is particular emphasis on imports for supplies of cod and haddock. Collectively, these two species account for almost 200,000 MT of the UK's fish and fish product imports. The UK also exports considerable volumes of seafood, particularly shellfish and salmon, predominantly to other European member states. The U.S. has historically been a key supplier of canned salmon to the UK. Increasing shipments of Alaskan Pollack entering the country have supplemented canned salmon shipments, with the U.S. currently supplying 6 percent of the UK's seafood imports.

Note: conversion rate used throughout : US\$1 = BPS 0.55

SECTION I: SITUATION & OUTLOOK

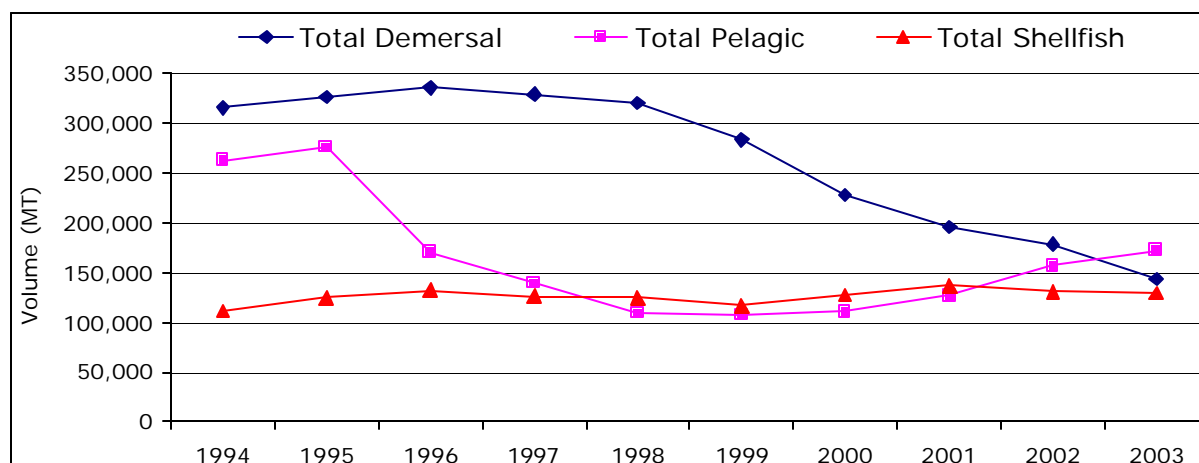
TOTAL EDIBLE FISHERY PRODUCTS

Production: Wild Catch

UK vessels landed 444,624 MT of fish into the UK in CY2003. This represents a decline in volume of 4.5 percent on the wild catch recorded in CY2002. The value of the wild catch also declined year on year by 5.6 percent to BPS 391.6 million (US\$ 705m). This decline in total wild catch was due largely to the 20 percent decline in volume of demersal landings to 143,240 MT. As illustrated in chart 1, demersal landings have fallen consistently in recent years and the volume landed in 2003 was less than half that recorded as recently as 1998. In contrast, pelagic landings increased for the fourth successive year, growing by 9.7 percent in 2003.

Shellfish have become increasingly important to the UK fishing industry. Although shellfish only accounted for 14 percent of landings in 1990, the 2003 catch represented 29 percent of the total wild catch volume. In terms of value, shellfish is even more important, accounting for 43 percent of the total wild catch value. Shellfish landings fell marginally in 2003 to 129,327 MT. Data for the UK wild catch by species type are detailed in Section II: Table 1.

Chart 1: UK Wild Catch, Landings by UK Vessels by Fish Type 1994-2003



Source: Fisheries Statistical Unit, Department for Environment, Food and Rural Affairs (Defra).

In the first six months of 2004, landings by UK vessels into the UK have increased by 7 percent over the same period in 2003. The key driver of this year on year increase is again due to the rise in pelagic volumes. Pelagic landings were 33 percent ahead of last year, while landings of demersal species and shellfish were down on 2003 landings by 10 percent and 1 percent respectively.

The UK fisheries sector has undergone significant structural change in recent years, largely through implementation of the European Union Common Fisheries Policy (CFP). Among the CFP objectives is a framework for bringing EU fleet capacity in line with available fishing opportunities through management of vessel numbers, capacity and effort. As a result of this exit regime, the number of vessels in the UK fleet has reduced by 15 percent between 1997 and 2002. Capacity has fallen by 25 percent over the same period.

The short to medium term outlook for the UK fishing industry remains dominated by EU fisheries policy, and particularly by the constraints on fishing of demersal species. Influencing factors include the limits on time at sea, quota cutbacks for the main whitefish species, and the implementation of plans to recover cod stocks. With these limits to production following several years of low profits, the future viability of a proportion of the UK fleet remains uncertain.

Production: Aquaculture

Salmon is the key focus of the UK aquaculture industry. Although the industry has performed strongly since its inception, with consistent year on year growth in output, trading conditions have been tough over the last two years. Results of the Scottish Fish Farms Annual Production Survey for CY2003 are not yet available but it is unlikely that the projected 2003 output estimate of 176,596 MT will be achieved. It is expected that production in CY2003 will be nearer the 145,609 MT recorded in CY2002.

Despite consistent growth, the industry remains dominated by a relatively small number of companies. In 2002, just fifteen companies accounted for over 76 percent of Scottish salmon production, many of them internationally owned. With continued competition from third country suppliers, longer-term forecasts for the industry indicate a stalling of production growth, with some analysts even predicting a decline in salmon production from Scottish fish farms. At the same time, the industry remains under scrutiny from domestic pressure groups when it comes to issues such as sustainability and compliance with environmental legislation.

Similar legislative constraints impact on farmed trout production. Trout production remains relatively static at just over 17,000 MT per year across some 360 units. An estimated 75 percent of this is destined for the table, with the remainder used for restocking/ongrowing. Retail sales have increased marginally over the last 12 months and are estimated at approximately US\$55m. The British Trout Association utilizes generic promotions in marketing trout to the UK consumer, but also has responsibilities for ensuring a favorable legislative framework for the industry and managing a research and development program. With trout sales likely to continue its consistent performance, no significant surge in production is expected in the medium term.

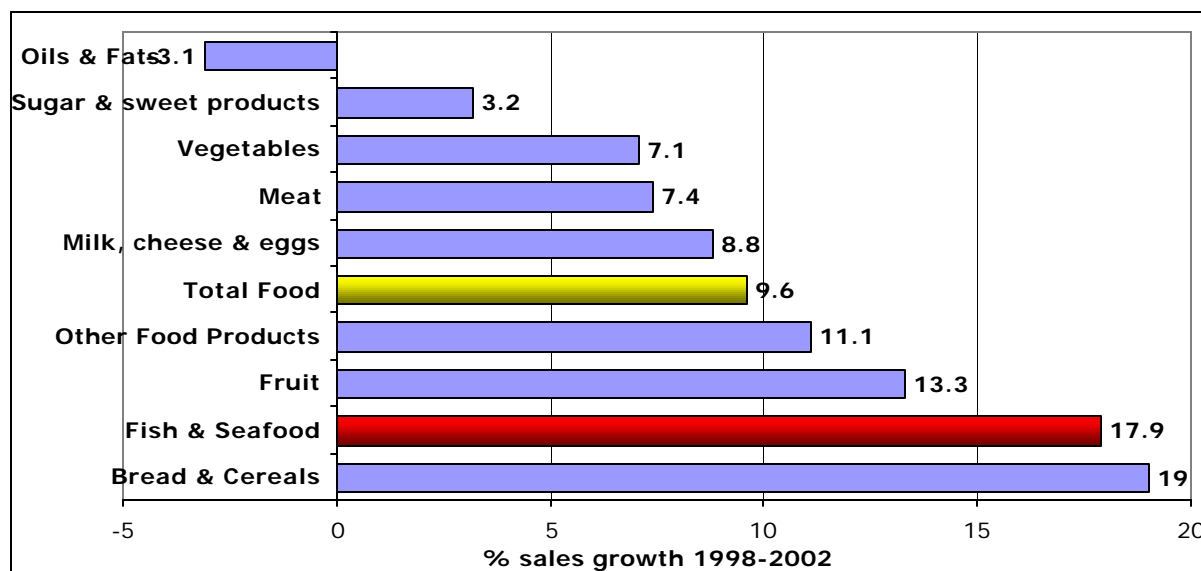
Farmed shellfish production in the UK is forecast to be in excess of 18,000 MT in CY2003. This represents a small growth on production volumes recorded in CY2002. The industry continues to be centered on mussel production and mussels account for over 90 percent of the total farmed shellfish in the UK.

Given concerns over the sustainability of the wild catch, the diversification of aquaculture into whitefish production continues to be heavily publicized, and buyer interest is reported as strong. Small quantities of farmed cod have already been available through upscale UK retailer Marks & Spencer. Johnson Seafarms have been at the forefront of exploring market development in the UK, with a drive to bring around 6,000 MT of farmed cod to market in 2006. However, gaining capital investment for such ventures has proved a challenge. Current production estimates remain relatively small as a result, although ambitious targets do exist for whitefish production. In addition to farmed cod, farmed halibut is also tipped to grow in importance. This follows the rapid expansion in Norwegian farmed halibut production, which has reportedly grown at faster rates than cod.

Consumption: Retail

The UK retail market for seafood continues to grow in both value and volume terms. In 2003, the sector was valued at BPS 1.81 bn (US\$ 3.26 bn) and volume sales of seafood totaled 288,041 MT. This represented year on year growth of 8.5 and 2.3 percent respectively. Overall, seafood remains one of the strongest performing sectors in the UK food market. The chart below illustrates the performance of the category between 1998 and 2002, relative to other product categories and the total food category. Convenience and health remain driving factors for the seafood category, and particularly for value added and chilled seafood products. The UK has the largest ready meals market in Europe while food scares and, more recently, obesity concerns have focused health as a priority among British consumers.

Chart 2: Consumer Expenditure on Food by Category. Percentage Change 1998 – 2002



Source: Expenditure and Food Survey/National Food Survey

The key driver to seafood category growth has been increased sales of chilled seafood. In terms of value, chilled sector sales increased by 12 percent in CY2003. This strong sector performance was fuelled by increased numbers of consumers buying chilled seafood and increased frequency of purchase. Shellfish and added value seafood products (fish-based ready meals, fish in sauce, pies & bakes, seafood selections, etc) showed the strongest growth in the chilled sector, recording year on year increases of 22 percent and 17 percent respectively.

Demographic variables have a strong influence on the types of fish and seafood purchased by consumers. For the market as a whole, seafood consumers tend to be older and better off than the norm. Age and income variables are even more exaggerated when looking at the chilled sector and seafood in its natural state. The hypothesis is that older consumers are more comfortable with seafood preparation. By contrast, frozen seafood purchases are characterized by younger consumers and lower income groups. Ready meal and easy-to-prepare fish dishes, whether frozen or chilled, appeal more to younger consumers. The size of the household also influences seafood purchases. For example, the presence of young children is considered an incentive to buying frozen seafood.

The increased availability of farmed salmon has contributed to strong chilled sector growth over the last decade. When analyzing sales of chilled seafood by species, salmon is the

number one seller by a significant margin with a share of 31 percent. The other leading species in the chilled sector are haddock, cod and prawns. Each accounts for approximately 12 percent of sector sales by value. Year on year performance indicates that prawns were the star performer in CY2003, with sales growth of 24 percent. More recent data reveals that prawn sales continue to grow at a fast rate and this is indicative of the continued strong performance of shellfish as a whole. However, given the supply side problems of key whitefish species, sales of both cod and plaice fell year on year in CY2003.

Due to the supremacy of supermarket chains in the distribution of chilled seafood, private label dominates category sales. Indeed, less than 20 percent of consumer expenditure on chilled seafood is on branded product. Recent research into consumer perceptions has indicated that chilled seafood is perceived as tasting and looking better than frozen seafood. It is even regarded as healthier by UK consumers.

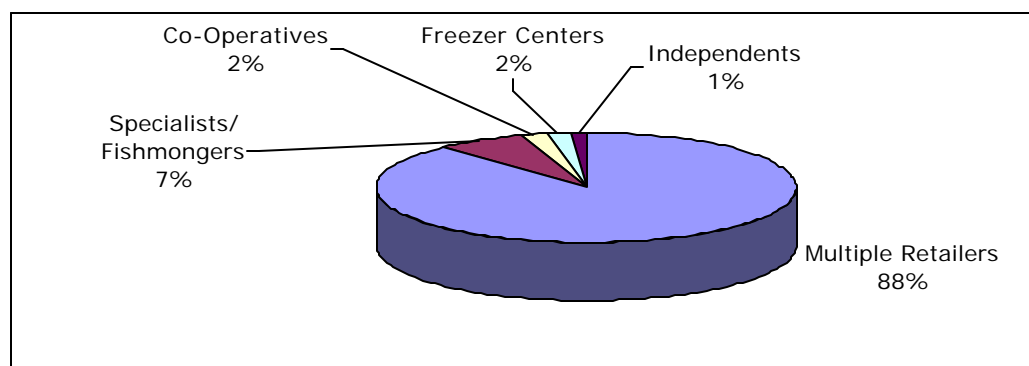
In contrast to the performance of the chilled sector, the value of frozen seafood sales increased by less than 4 percent in CY2003 and volume sales declined marginally year on year. However, the frozen sector remains critical to the seafood category as a whole because approximately 50 percent of seafood sales are of frozen products. The frozen sector continues to make efforts to broaden the product range, with new products and species introduced as it attempts to shed its commodity status. Pollack, hake and MSC-certified hoki are increasingly available in the frozen section at retail outlets, largely as a replacement for cod in ready meals. Premium frozen seafood ranges are also starting to appear in retailers. This indicates that consumers are trading up and shifting away from the perception of frozen food as a 'value' category. However, UK consumers are regarded as conservative in their tastes and have been relatively slow to accept non-traditional/exotic species in both the chilled and frozen sectors. At present, the sector continues to be very reliant on coated whitefish fillets and fish fingers.

The split between branded and private label products in the frozen seafood sector is fairly even, although private label share has increased marginally. Effective branding and high quality packaging are regarded as important for frozen seafood products because they strongly influence consumer perceptions of quality. Research has shown that frozen seafood offers consumers timesaving and convenience attributes. Consumers also associate frozen seafood with a long shelf life and reduced wastage.

In terms of sales of fish and seafood, the supermarkets continue to dominate distribution. Market share in CY2003 was recorded at 88 percent, and continues to rise. There has been a long-term decline in the number of independent fishmongers, with supermarkets capturing market share through the development of wet fish counters in stores. Indeed, year on year consumer expenditure on seafood at fishmonger outlets fell 7 percent in CY2003.

The supermarket retailers are also well placed to capitalize on the trends towards value added and convenience seafoods. The presence of wet fish counters encourage consumers to trial other seafood types. In addition, chiller cabinet displays have become a key sales point for the chilled seafood sector. They have served to boost the perception of seafood as convenient and fresh, and also facilitate the sale of pre-packed fresh and chilled fish. Prepacks are important for communicating cooking instructions, recipe ideas and nutritional information to consumers. This helps to overcome consumer concerns about preparation techniques, which is considered a key barrier to purchase, particularly among younger consumers. In terms of individual supermarket chains, market share and performance tends to reflect the relative success of the retailer as a whole. For example, Tesco, Morrisons, Asda and Waitrose have all recorded increases in market share over the last year, largely at the expense of the independent and specialist sectors.

Chart 3: Total UK Fish & Seafood Market – Value Share by Outlet Type 2003



The dominance of the supermarkets has led to changes in the supply chain. Wholesalers are no longer the essential link that they once were. For most categories, including frozen and processed seafood, the retailers are currently used to dealing with a small number of large suppliers to supply the entire category. With the growing importance of fresh and chilled seafood in supermarkets, this blueprint of a shortened supply chain has been applied to fresh fish purchases. The leading supermarket chains are able to source domestic fresh/chilled seafood directly from large port merchants. Similarly, the large supermarkets have typically worked with specialized seafood importers to develop a supply base of key species from all over the world. The process has been simplified by the fact that the leading importers of seafood also tend to be the leading processors. These importers/processors increasingly fulfill a category management role for the retailers. However, because of the specialist nature of this increasingly international market, these efforts to shorten the supply chain are unlikely to progress to the stage where leading retailers import fish and seafood directly on a regular basis. Although diminished, wholesalers are still a feature of the supply chain. However, their target market nowadays tends to be independent retailers, traditional fishmongers and upscale HRI outlets, as opposed to the multiple retailers.

Consumption: HRI Consumption

Consumer expenditure in the UK foodservice sector was valued at \$44 bn in CY2002 by Mintel. Increased disposable income levels have spurred food consumption outside of the home and the market size grew by 22 percent between 1998 and 2002. The UK has in excess of 300,000 HRI outlets and the HRI sector is naturally a very complex and dynamic market.

Fish usage in the foodservice sector is estimated to be relatively constant at approximately 165,000 MT per year. The majority of this usage is by the profit sector, where consumption continues to be dominated by fish and chip shops. Despite competition from other takeaway foods, there are an estimated 8,600 fish and chip shop outlets in the UK. Collectively, they sell an estimated \$860 million of seafood each year. The cost sector is declining in importance for the seafood category, with institutional caterers showing a preference for cheaper proteins. In common with the retail sector, consumers are faced with increasing range of seafood choice in most HRI outlets. Hotels and restaurants are leading the way and choice will continue to expand.

With such a fragmented HRI market, there are a number of supply chain models, dependent on the outlet type. But in general, the presence of wholesalers is being eroded. This is particularly true when looking at institutions and multi-outlet restaurant chains.

Importers/processors are increasingly selling fish and seafood products direct to these outlets where unit cost, high volume and product consistency are prime concerns.

For more information on the UK's HRI sector, please contact USDA/FAS London (email: aglondon@usda.gov).

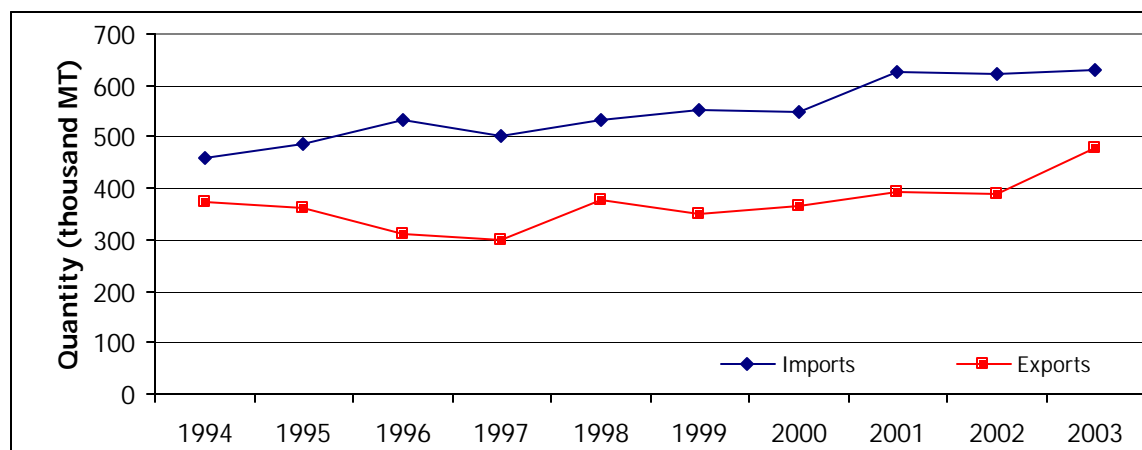
Industry Marketing

The Sea Fish Industry Authority (Seafish) works across all sectors of the UK seafood industry, including fishermen, processors, wholesalers, importers, exporters, fish friers, food service and retailers. Through its activities, Seafish aims to raise standards, improve efficiency and ensure that the UK industry develops in a viable way.

Seafood promotion by Seafish includes elements of consumer PR, health campaigns, an education program, competitions and awards. A highlight of the PR campaign is Seafood Week. It is supported by thousands of special events, tastings and promotions across the country. In 2004, the event included support from the UK's major retailers, restaurant and pub chains, seafood processors and fish and chip shops.

Trade

Chart 4: UK Imports and Exports of Fish and Fish Products 1994 – 2003



Source: Defra

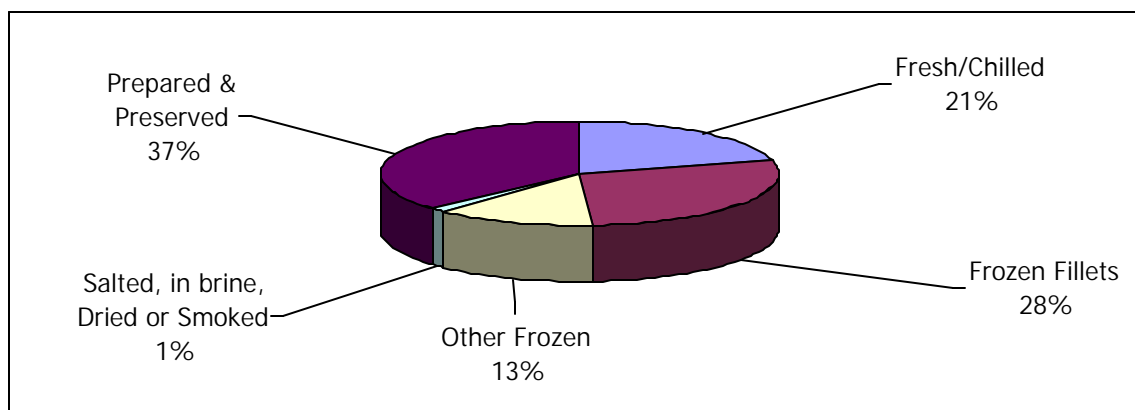
The UK remains a net importer of fish and fish products. Total category imports in CY2003 increased marginally to 631,975 MT. The range of seafood products imported into the UK is diverse and increasingly reflects the demand for value added/prepared seafood (see Chart 5). However, given the UK supply limitations of whitefish, there is a naturally a strong emphasis on imports of both cod and haddock in the trade data. Over 130,000 MT of cod were imported in CY2003. Collectively, cod and haddock accounted for over 36 percent of UK seafood imports. Key trading partners varies depending on the fish type imported. However, there is an obvious focus on Iceland, the Faroe Islands, Russia and Norway for demersal species, whilst Mauritius, Ghana and the Seychelles are a key source of prepared/preserved tuna.

Imports from the U.S. totaled 27,731 MT in CY2003, representing a decline of 18 percent on CY2002 volumes. However, this was due largely to a decline in the volume of canned salmon

shipped to the UK. Indeed, canned salmon and Alaska Pollack feature prominently in the product/species types exported from the U.S. to the UK.

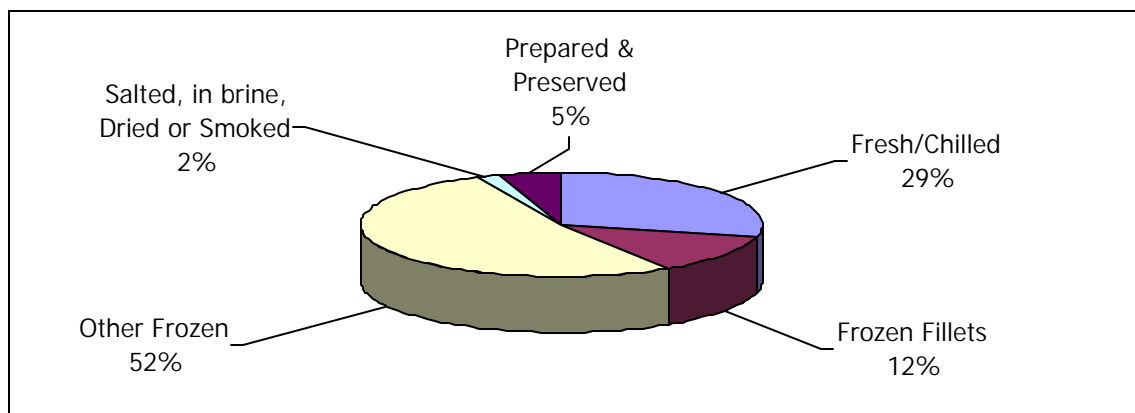
As illustrated in Chart 4, UK exports increased significantly in CY2003 to 479,000 MT despite the concerns over the supply situation. EU member states are the key customers for UK seafood, with France and Spain the two largest export markets. Major non-EU recipients of UK fish and fish products include Russia, the U.S and China. All showed significant increases in shipments in CY2003. Trade of specific product types with specific countries can be identified as contributing to the increase in exports. These include a 30,000 MT increase in shipments of frozen fish to Russia, Lithuania and the Netherlands; a 145 percent increase in fish fillets to Germany and a 121 percent increase in salmon exports to the U.S.

Chart 5: UK Edible Fishery Product Imports by Product Type CY2003



Source: Defra

Chart 6 : UK Edible Fishery Product Exports by Product Type CY2003



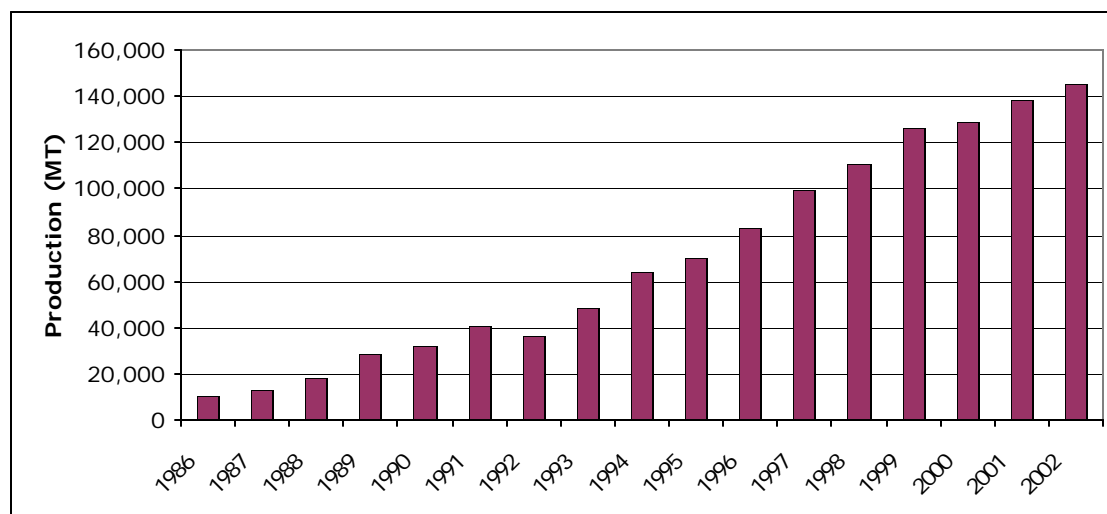
Source: Defra

Salmon and Salmon Products

Production

The chart below illustrates the impressive long-term growth in UK production of farmed salmon. However, tough trading conditions have continued to impact upon the profitability of UK farmed salmon producers, as mentioned in the aquaculture section. Low cost competition from Norway has been the key contributory factor to downwards pressure on prices. Like other EU sites, Scottish aquaculture sites are typically located in smaller lochs and bays than their Norwegian counterparts and cannot achieve comparable economies of scale.

Chart 7: Annual Production of Atlantic Salmon 1986-2002.



Source: Scottish Fish Farms Annual Production Survey 2002

There has been considerable speculation about the possible imposition of safeguard measures against imports of farmed Atlantic salmon from Chile, Norway and the Faroe Islands to protect the domestic industry. The document outlining this request reported that the average production cost in the UK for farmed salmon was £2.18 (\$3.92) per kilo. Trade data reveals that the average price of the 5,400 MT imported from Norway in CY2003 was just £2.15 (\$3.87) per kilo.

Rationalization and restructuring have been the media buzzwords in describing the Scottish salmon farming industry over the last eighteen months. Several farms have entered into receivership over the last year as a result of the squeeze on prices. With continued uncertainty, production forecasts indicate a decline in production in the short to medium term. Indeed, one report indicates that the annual production of farmed salmon could fall back to 130,000 MT in 2005. In the absence of published results from the CY2003 Scottish Fish Farms Annual Survey, speculation about current production volumes continues, although media reports suggest that the expected output in CY2004 will be nearer 140,000 MT.

Trade

Imports of fresh-frozen and chilled salmon continued their downward trend in CY2003, falling by 9 percent to 11,309 MT. Norway remains the key supplier to the UK and increased shipments by 50 percent in CY2003 at the expense of other key suppliers. UK imports of salmon in CY2004 have surged. In the first three quarters of 2004, imports were 46 percent above shipments over the same period in CY2003. Again, Norway has increased shipments to the UK. The other standout performance is from China, with volumes more than 500 percent up on CY2003 data. By contrast, U.S. exports of fresh and frozen salmon to the UK reduced to 730 MT, marking the lowest annual volume of exports in recent years.

Salmon remains one of the UK's leading food exports and is particularly valuable to the Scottish economy. Strong growth in exports over the last decade has been associated with increased production. However, CY2003 saw a surge in salmon exports, with both volume and value of shipments increasing by approximately 40 percent. Trade generated \$288 million of revenue from exports of some 70,000 MT. The majority of UK salmon exports are to other EU member states, with France traditionally the key overseas market. Exports to France increased by 12 percent in CY2003 and trade continues to benefit from the promotional activity of Scottish Quality Salmon(SQS) in this market.

The U.S. is the key market for Scottish salmon outside of the European Union and exports more than doubled in CY2003. Export volumes totaled 14,166 MT, due largely to supply-related problems for North America's farmed salmon producers. Exports in the first three quarters of CY2004 have fallen by 13 percent on the same period last year, but remain ahead of the volumes recorded in CY2002.

Consumption

Salmon consumption has been the key driver behind fish consumption over the last decade. It is sold in a variety of different cuts, is considered easy to cook and is also regarded as a premium fish. In addition, it benefits from the positive health attributes associated with oily fish. Indeed, recent research from Taylor Nelson Sofres indicated that the typical salmon buyer is someone who:

- does his/her best to eat healthy foods
- has a preference for natural/wholefoods
- is concerned with the taste of food
- is less likely to eat snack foods and eat in front of the TV, or buy convenience foods

Salmon remains the most important species in the fresh/chilled sector. Annual retail sales in the current year are estimated at approximately \$300m according to the latest Mintel report on the UK fish market. Salmon increasingly features as an ingredient in fresh and frozen ready meal solutions. New product development appears to build on salmon's positioning as a premium fish and seeks to add further value to the product.

Despite its current popularity, farmed salmon was the subject of a health scare at the start of the year. The scare was related to toxin levels found in farmed salmon and generated significant media coverage. However, in the aftermath of the scare, leading UK retailers claimed that they had not witnessed a downturn in sales of salmon.

Marketing

Scottish Quality Salmon (SQS) is the main trade association representing the salmon industry. SQS provides support and expertise to the Scottish salmon industry, through information, reassurance and technical support. The organization is dedicated to improving the quality and sustainability of salmon farming and its membership represents approximately 65 percent of industry output.

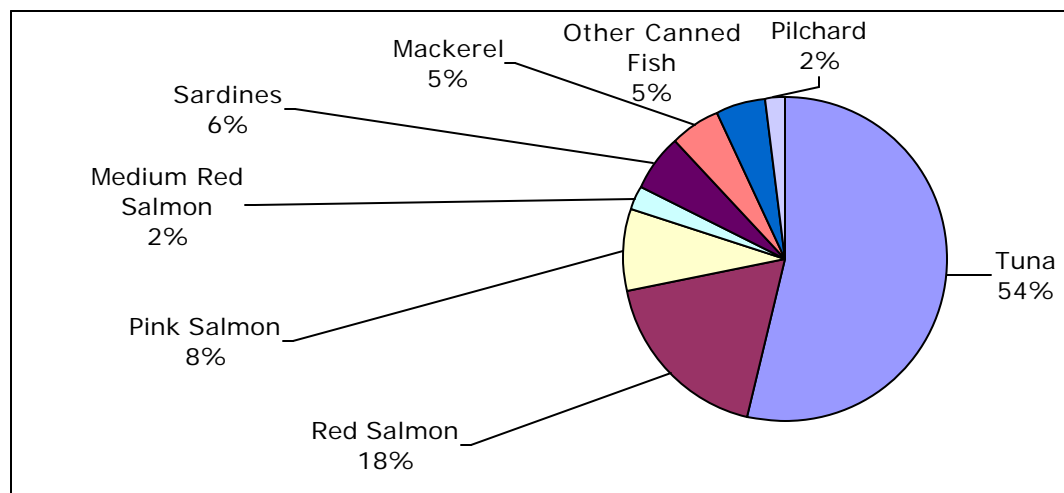
In addition to salmon farmers, SQS has members from throughout the supply chain, including feed companies, salmon smokers and processors. SQS maintains the Tartan Quality Mark. This is a recognized trademark to assure retailers and consumers that all aspects of husbandry, temperature, hygiene control, processing and handling have been overseen by food certification inspectors. Indeed, the latest promotional campaign run by SQS seeks to communicate the standards and working practices of its members. In addition to a high profile consumer media campaign, promotional materials including education leaflets, posters and postcards were distributed to the trade.

Salmon – Canned

The UK is a key export market for U.S. canned salmon. With no domestic production of canned salmon, the UK is almost wholly reliant on the U.S. and Canada for its supplies. In CY2003, approximately 90 percent of the UK's 22,676 MT of canned salmon imports were from North America. The U.S. accounted for the majority of this import volume, although import data can be notoriously misleading. Product that is recorded as Canadian is often Alaskan salmon that has been packed or trans-shipped through Canada.

The canned seafood category as a whole is in decline, with value sales falling by 3.6 percent between 1999 and 2004. Although new product development and promotional developments are an attempt to challenge consumer perceptions, canned seafood remains very much the poor relation of the seafood sector. Long term prospects are hampered by the limited opportunity to introduce premium products into the category. The category continues to be dominated by tuna, as illustrated in Chart 8.

Chart 8: Species Share of Canned Seafood Market by Value 2003



Source: Seafish

Canned salmon sales are dominated by the John West and Princes brands. Both have recently developed new packaging formats. Private label salmon is still discounted heavily at key times of the year. Canned salmon consumption is characterized by a reliance on older consumers. Approximately three quarters of canned salmon is purchased by consumers over the age of 45 and is particularly reliant on consumers 65+.

Groundfish, Whole/Eviscerated

The UK's reliance on imported whole/eviscerated groundfish fish again increased in CY2003. Imports were up by 10 percent year on year and look set to increase by a similar proportion in CY2004. Baltic waters remain the key source of supplies, with the Faroe Islands, Russia, Iceland and Norway supplying 85 percent of the 82,058 MT imported in CY2003. Cod and haddock are the key species imported, accounting for over 90 percent of the imported volume.

Exports of whole/eviscerated groundfish have also increased year on year, to 24,752 MT in CY2003. Exports are set to increase again in CY2004, following strong trade with China. Traditionally, France and Portugal were the key export markets for cod and haddock from the UK. However, China has emerged as a leading purchaser of whole/eviscerated groundfish from the UK. Export volumes to China in CY2003 were fifteen times the size of shipments in CY2001, totaling 8,335 MT. Frozen cod is the major product type exported to China and in the first three quarters of CY2004, exports were 32 percent up on CY2003 volumes.

Domestic consumption of whole groundfish is forecast to continue its decline in the short term. The main factor for this decline is consumer preference for products that meet their demands for convenience, such as pre-packed and part-prepared meals. However, the consumption of whole groundfish uses only a small proportion of domestic and imported supplies. The majority is utilized by the processing sector, although this too has downsized, and groundfish processing volumes are unlikely to return to the volumes seen through the 1990s. This has led to processors looking for alternative species, but has prompted increased product choice in the retailers' freezer and chiller cabinets.

Groundfish, Fillets

With the downwards trend in wild catch, imports remain fundamental to the UK's supply of fillets. As a result of this reliance, import volumes increased by 10 percent in CY2003. Cod is the key species imported, with cod fillets accounting for approximately two thirds of the 127,585 MT imported by the UK. Norway, Iceland and Denmark remain key suppliers to the UK. However, China has joined this group of key suppliers by more than doubling exports of groundfish fillets to the UK in CY2003. UK imports in the current year to date are on a par with CY2003 shipments. U.S. shipments of groundfish fillets to the UK increased marginally in CY2003 to 7,429 MT. Alaska Pollack accounts for the majority of these imports of U.S. origin. The relatively low price of Pollack means that it is increasingly attractive to the processing sector.

UK exports of groundfish fillets increased significantly on CY2002 levels, recording growth of 167 percent in CY2003. However, these trade figures have been distorted by the transshipment of Alaska Pollack through the UK. Exports of Alaska Pollack increased by 263 percent over the same time period, with the majority of shipments destined for EU neighbors.

SECTION II – STATISTICAL TABLES

Table 1 – UK Wild Catch, Landings by UK Vessels in the UK, 2000 – 2003

Source: Fisheries Statistical Unit, Department for Environment, Food and Rural Affairs (Defra).

LANDINGS BY UK VESSELS IN THE UK					
Quantity (metric tonnes)					
	2000	2001	2002	2003	% change 2002-2003
Cod	36985	28086	25724	15509	-39.7
Dogfish	7303	6976	5781	6512	12.6
Haddock	50278	42330	51874	40661	-21.6
Hake	3452	2217	2075	1938	-6.6
Lemon Sole	3978	3594	2323	2195	-5.5
Anglerfish	14704	15139	13119	10117	-22.9
Plaice	8582	7665	5939	4365	-26.5
Saithe (coley)	10154	9653	9888	8481	-14.2
Sole	1803	2148	2140	2261	5.7
Whiting	23303	15140	11430	8162	-28.6
Other Demersal	66707	62582	47776	43039	-9.9
Total Demersal	227249	195530	178069	143240	-19.6
Herring	39469	43808	42466	55249	30.1
Mackerel	54617	63912	96609	106476	10.2
Other Pelagic	16242	18937	17731	10332	-41.7
Total Pelagic	110328	126657	156806	172057	9.7
Crabs	25682	24959	23261	23838	2.5
Nephrops	28299	28405	28382	27641	-2.6
Other Shellfish	73038	82799	79106	77848	-1.6
Total Shellfish	127019	136163	130749	129327	-1.1
TOTAL	464596	458350	465624	444624	-4.5

Table 2 – Salmon and Salmon Products, PS&D

Country	United Kingdom						
Commodity	Salmon, Whole/Eviscerated				(MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Beginning Stocks	1800	1800	500	500	1600	800	(MT)
Total Production	159850	149500	163650	142200	0	140000	(MT)
Intra-EC Imports	2100	2500	2150	3600	0	3000	(MT)
Other Imports	8800	8800	7650	11800	0	9500	(MT)
TOTAL Imports	10900	11300	9800	15400	0	12500	(MT)
TOTAL SUPPLY	172550	162600	173950	158100	1600	153300	(MT)
Intra-EC Exports	49500	49200	49050	44800	0	43500	(MT)
Other Exports	17350	21200	12300	16200	0	14900	(MT)
TOTAL Exports	66850	70400	61350	65000	0	58400	(MT)
Domestic Consumption	74100	65200	78500	65800	0	67100	(MT)
Other Use/Loss	31100	26500	32500	26500	0	26800	(MT)
TOTAL Utilization	105200	91700	111000	92300	0	93900	(MT)
Ending Stocks	500	500	1600	800	0	1000	(MT)
TOTAL DISTRIBUTION	172550	162600	173950	158100	0	153300	(MT)

Table 3 – Salmon & Salmon Products, Prices Table

Country	United Kingdom		
Commodity	Salmon, Whole/Eviscerated		
Prices in	pence	per uom	kg
Year	2003	2004	% Change
Jan	225	235	4%
Feb	225	235	4%
Mar	225	235	4%
Apr	225	220	-2%
May	225	230	2%
Jun	215	230	7%
Jul	200	230	15%
Aug	200	230	15%
Sep	235	230	-2%
Oct	235	225	-4%
Nov	235		-100%
Dec	235		-100%
Exchange Rate	0.55	Local Currency/US \$	
Date of Quote	11/1/2004	MM/DD/YYYY	

Table 4 – Salmon & Salmon Products, Import Matrix

Country	United Kingdom		
Commodity	Salmon, Whole/Eviscerated		
Time Period	CY	Units:	MT
Exports for:	2002		2003
U.S.	1636	U.S.	730
Others		Others	
Norway	3618	Norway	5392
Faroe Islands	2638	Faroe Islands	1693
Chile	1650	Denmark	900
Ireland	852	Ireland	733
Denmark	781	Germany	588
France	481	China	547
China	357	Chile	412
Germany	194	France	158
Belgium	119	Sweden	70
Singapore	83	Netherlands	46
Total for Others	10773		10539
Others not Listed	292		40
Grand Total	12701		11309

Table 5 - Salmon & Salmon Products, Export Matrix

Country	United Kingdom		
Commodity	Salmon, Whole/Eviscerated		
Time Period	CY	Units:	MT
Exports for:	2002		2003
U.S.	6076	U.S.	14166
Others		Others	
France	24893	France	27954
Spain	5694	Germany	6095
Germany	4399	Spain	5651
Belgium	2097	Ireland	3563
Japan	1379	Japan	3252
Ireland	1228	Belgium	2541
Netherlands	1027	Denmark	1530
Italy	1006	Netherlands	1302
Denmark	976	Canada	1090
Hong Kong	250	Taiwan	735
Total for Others	42949		53713
Others not Listed	1566		2506
Grand Total	50591		70385

Table 6 – Salmon Canned, PS&D

PSD Table							
Country	United Kingdom						
Commodity	Salmon, Canned				(MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Beginning Stocks	6250	6250	2350	2450	1100	1800	(MT)
Total Production	0	0	0	0	0	0	(MT)
Intra-EC Imports	800	1100	700	700	0	1200	(MT)
Other Imports	22100	21600	24800	24800	0	24300	(MT)
TOTAL Imports	22900	22700	25500	25500	0	25500	(MT)
TOTAL SUPPLY	29150	28950	27850	27950	1100	27300	(MT)
Intra-EC Exports	775	600	775	550	0	600	(MT)
Other Exports	125	150	150	200	0	200	(MT)
TOTAL Exports	900	750	925	750	0	800	(MT)
Domestic Consumption	25900	25750	25825	25400	0	25300	(MT)
Other Use/Loss	0	0	0	0	0	0	(MT)
TOTAL Utilization	25900	25750	25825	25400	0	25300	(MT)
Ending Stocks	2350	2450	1100	1800	0	1200	(MT)
TOTAL DISTRIBUTION	29150	28950	27850	27950	0	27300	(MT)

Table 7 – Salmon Canned, Prices Table

Canned Salmon Landed Prices (BPS/MT)				
Country of Origin	2000	2001	2002	2003
US	2776	2546	2540	2505
Canada	2605	1401	2840	3271
EU (1)	4315	3724	4320	3879
(1) Intra EU shipments are not subject to customs tariffs. Source: Customs and Excise, Intrastat				

Table 8 – Salmon Canned, Import Matrix

Commodity	Salmon, Canned		
Time Period	CY	Units:	MT
Exports for:	2002		2003
U.S.	17770	U.S.	13834
Others		Others	
Canada	5984	Canada	6643
Chile	765	Chile	748
Netherlands	387	Ireland	407
France	244	Germany	325
Thailand	89	Thailand	233
South Korea	69	Netherlands	177
Germany	68	France	131
Ecuador	34	South Korea	100
Ireland	32	Spain	40
Norway	25	Norway	16
Total for Others	7697		8820
Others not Listed	33		22
Grand Total	25500		22676

Table 9 – Salmon Canned, Export Matrix

Commodity	Salmon, Canned		
Time Period	CY	Units:	MT
Exports for:	2002		2003
U.S.	18	U.S.	22
Others		Others	
Ireland	570	Ireland	421
Germany	126	Germany	81
France	19	France	53
Spain	18	Netherlands	28
Chile	18	Spain	18
Belgium	14	Hong Kong	14
Czech Republic	14	Malta	13
Cyprus	13	Singapore	12
Netherlands	10	Thailand	11
Colombia	9	Bermuda	11
Total for Others	811		662
Others not Listed	56		69
Grand Total	885		753

Table 10 – Groundfish, Whole/Eviscerated, PS&D

Commodity	Groundfish, Whole/Eviscerated				(MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Beginning Stocks	6100	6100	4500	4300	4000	3800	(MT)
Total Production	68300	66500	60000	61000	0	57200	(MT)
Intra-EC Imports	11600	11000	12300	8200	0	9600	(MT)
Other Imports	75800	71100	78200	81200	0	76200	(MT)
TOTAL Imports	87400	82100	90500	89400	0	85800	(MT)
TOTAL SUPPLY	161800	154700	155000	154700	4000	146800	(MT)
Intra-EC Exports	12100	13700	11500	15600	0	14650	(MT)
Other Exports	10200	11100	5200	13700	0	12400	(MT)
TOTAL Exports	22300	24800	16700	29300	0	27050	(MT)
Domestic Consumption	9200	9100	8700	8900	0	8900	(MT)
Other Use/Loss	125800	116500	125600	112700	0	107250	(MT)
TOTAL Utilization	135000	125600	134300	121600	0	116150	(MT)
Ending Stocks	4500	4300	4000	3800	0	3600	(MT)
TOTAL DISTRIBUTION	161800	154700	155000	154700	0	146800	(MT)

Table 11 – Groundfish, Whole/Eviscerated, Prices Table

Commodity	Groundfish, Whole/Eviscerated		
Prices in	pence	per uom	kg
Year	2003	2004	% Change
Jan	464	420	- 9%
Feb	420	420	0%
Mar	425	425	0%
Apr	440	440	0%
May	474	420	- 11%
Jun	474	464	- 2%
Jul	484	464	- 4%
Aug	441	441	0%
Sep	484	464	- 4%
Oct	484	464	- 4%
Nov	464		- 100%
Dec	425		- 100%
Exchange Rate	0.55	Local Currency/US \$	
Date of Quote	11/1/2004	MM/DD/YYYY	

Table 13 – Groundfish, Whole/Eviscerated, Import Matrix

Country	United Kingdom		
Commodity	Groundfish, Whole/Eviscerated		
Time Period	CY	Units:	MT
Imports for:	2002		2003
U.S.	26	U.S.	23
Others		Others	
Faroe Islands	24183	Faroe Islands	26265
Russia	20834	Russia	24519
Norway	9864	Iceland	14462
Iceland	8904	Norway	5595
Denmark	4295	Ireland	3448
Ireland	3924	Denmark	3089
Sweden	913	Germany	2090
Germany	773	France	1741
South Africa	138	Portugal	334
France	131	South Africa	128
Total for Others	73959		81671
Others not Listed	480		364
Grand Total	74465		82058

Table 12 – Groundfish, Whole/Eviscerated, Export Matrix

Country	United Kingdom		
Commodity	Groundfish, Whole/Eviscerated		
Time Period	CY	Units:	MT
Exports for:	2002		2003
U.S.	279	U.S.	436
Others		Others	
France	6520	China	8335
China	3260	France	6142
Portugal	3018	Spain	3529
Spain	1993	Portugal	2680
Netherlands	482	Canada	949
Hong Kong	472	Norway	430
Ireland	436	Ireland	407
Canada	271	Denmark	322
Norway	167	Netherlands	277
Belgium	151	Thailand	184
Total for Others	16770		23255
Others not Listed	303		1061
Grand Total	17352		24752

Table 13 – Groundfish, Fillets, PS&D

Country	United Kingdom						
Commodity	Groundfish, Fillets				(MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Beginning Stocks	9000	9000	4600	1600	2800	1500	(MT)
Total Production	40400	37200	40700	36500	0	35500	(MT)
Intra-EC Imports	29900	28500	30200	29600	0	30500	(MT)
Other Imports	103100	99100	97400	103600	0	103100	(MT)
TOTAL Imports	133000	127600	127600	133200	0	133600	(MT)
TOTAL SUPPLY	182400	173800	172900	171300	2800	170600	(MT)
Intra-EC Exports	21100	24300	12200	22600	0	23000	(MT)
Other Exports	1300	1800	1700	2200	0	1800	(MT)
TOTAL Exports	22400	26100	13900	24800	0	24800	(MT)
Domestic Consumption	155400	146100	156200	145000	0	144600	(MT)
Other Use/Loss	0	0	0	0	0	0	(MT)
TOTAL Utilization	155400	146100	156200	145000	0	144600	(MT)
Ending Stocks	4600	1600	2800	1500	0	1200	(MT)
TOTAL DISTRIBUTION	182400	173800	172900	171300	0	170600	(MT)

Table 14 – Groundfish, Fillets, Prices Table

Commodity	Groundfish, Fillets		
Prices in	pence	per uom	kg
Year	2003	2004	% Change
Jan	484	525	8%
Feb	488	525	8%
Mar	500	551	10%
Apr	440	551	25%
May	551	0	-100%
Jun	504	488	-3%
Jul	520	488	-6%
Aug	535	535	0%
Sep	484	410	-15%
Oct	535	375	-30%
Nov	551		-100%
Dec	441		-100%
Exchange Rate	0.55	Local Currency/US \$	
Date of Quote	11/1/2004	MM/DD/YYYY	

Table 15 – Groundfish, Fillets, Import Matrix

Import Trade Matrix			
Country	United Kingdom		
Commodity	Groundfish, Fillets		
Time Period	CY	Units:	MT
Imports for:	2002		2003
U.S.	7251	U.S.	7542
Others		Others	
Norway	27112	Iceland	26658
Iceland	25207	China	22351
Denmark	16306	Denmark	20999
Germany	11110	Norway	20226
China	10953	Russia	9597
Faroe Islands	9365	Faroe Islands	7930
Russia	3185	Germany	5314
Spain	2101	Poland	2657
Poland	846	Spain	1086
Thailand	765	Canada	1044
Total for Others	106950		117862
Others not Listed	1883		2181
Grand Total	116084		127585

Table 16 – Groundfish, Fillets, Export Matrix

Export Trade Matrix			
Country	United Kingdom		
Commodity	Groundfish, Fillets		
Time Period	CY	Units:	MT
Exports for:	2002		2003
U.S.	69	U.S.	419
Others		Others	
France	3022	Germany	12509
Germany	2222	France	5498
Ireland	1585	Ireland	2243
Netherlands	1104	Spain	1179
Denmark	635	Sweden	1002
Spain	323	Denmark	964
Belgium	231	Netherlands	598
Norway	124	China	501
Canada	109	Norway	344
Malta	78	Belgium	259
Total for Others	9433		25097
Others not Listed	264		600
Grand Total	9766		26116