

Aoife Martin

Operations Director
Seafish

 @SAGB



Shellfish
Association of Great Britain



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Chaos theory – The story of Shellfish over the last 36 months

Aoife Martin
Director of Operations

Presentation to: Shellfish Association of Great Britain – 52nd Annual Conference
10 May 2022





James Wilson
Deepdock Ltd

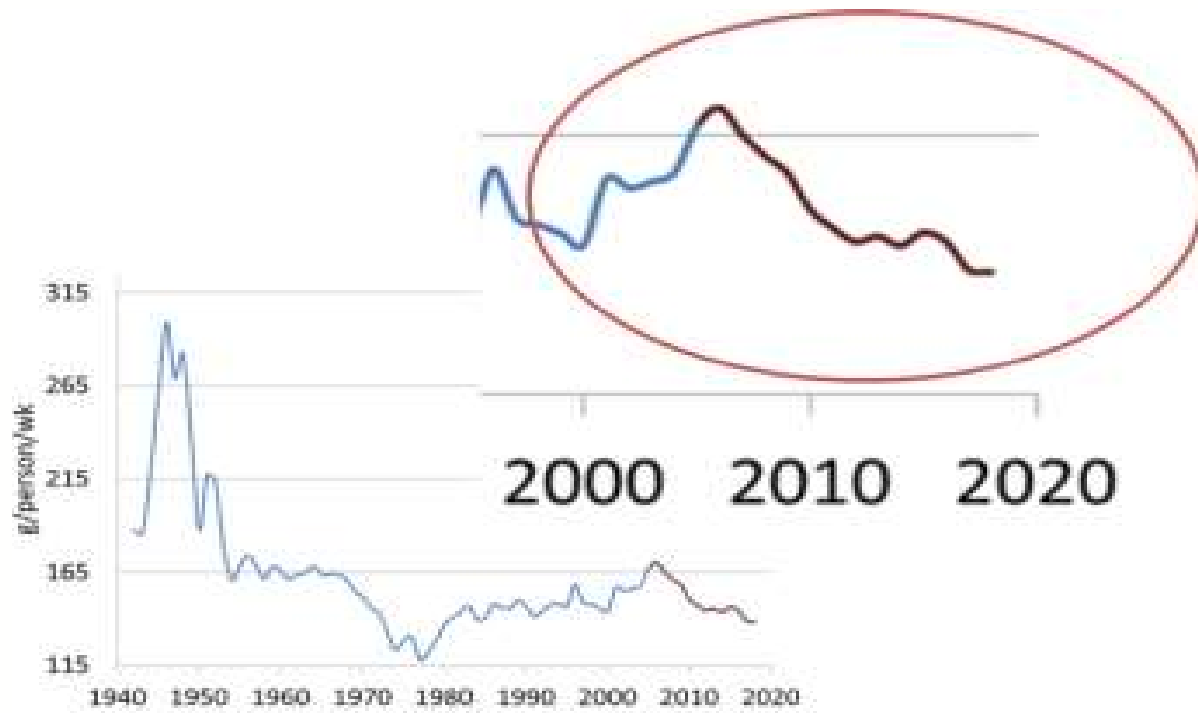


Iain Matheson
Lochbay Shellfish



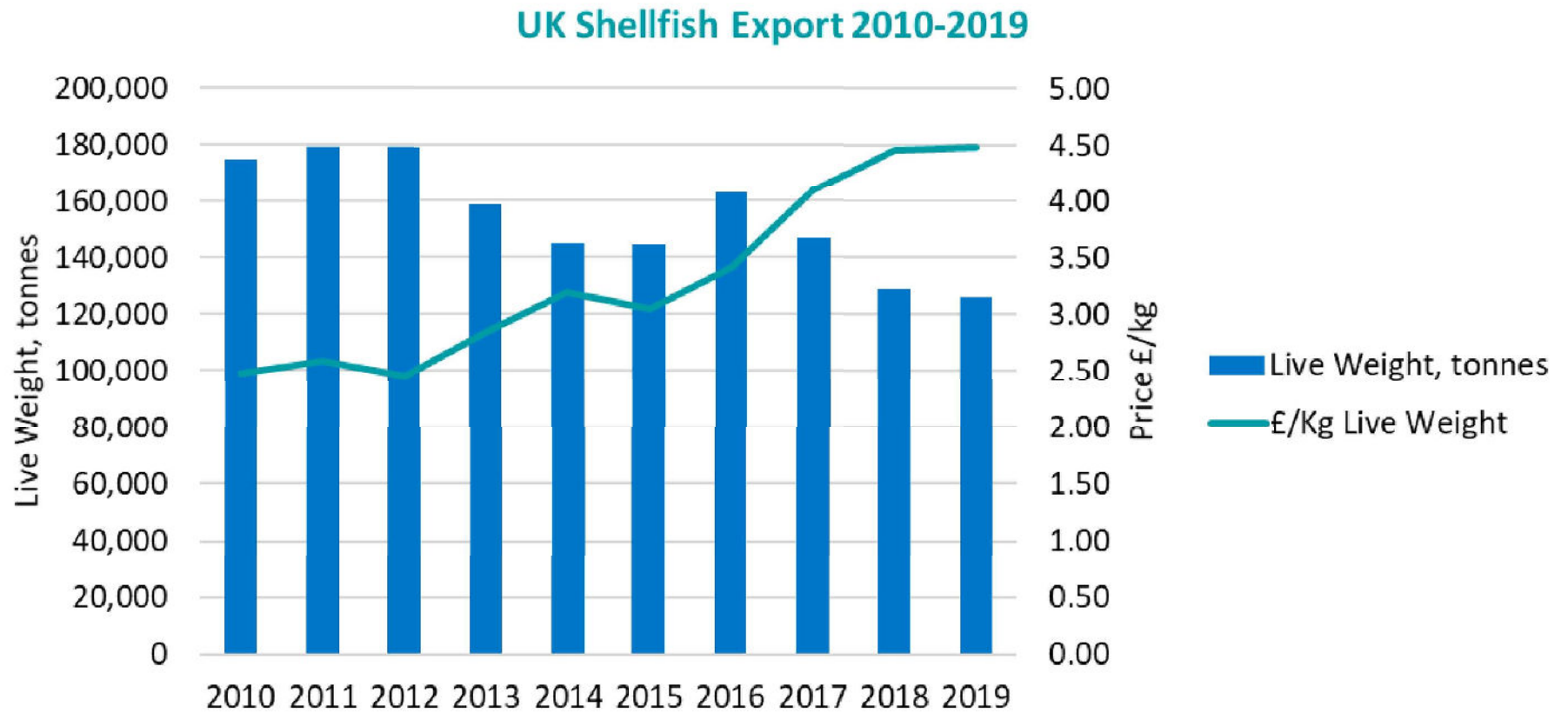
Andrew Brown
Macduff Shellfish

Long term Household Consumption of Seafood



(Defra Family Food)

Shellfish Export Overview to 2019

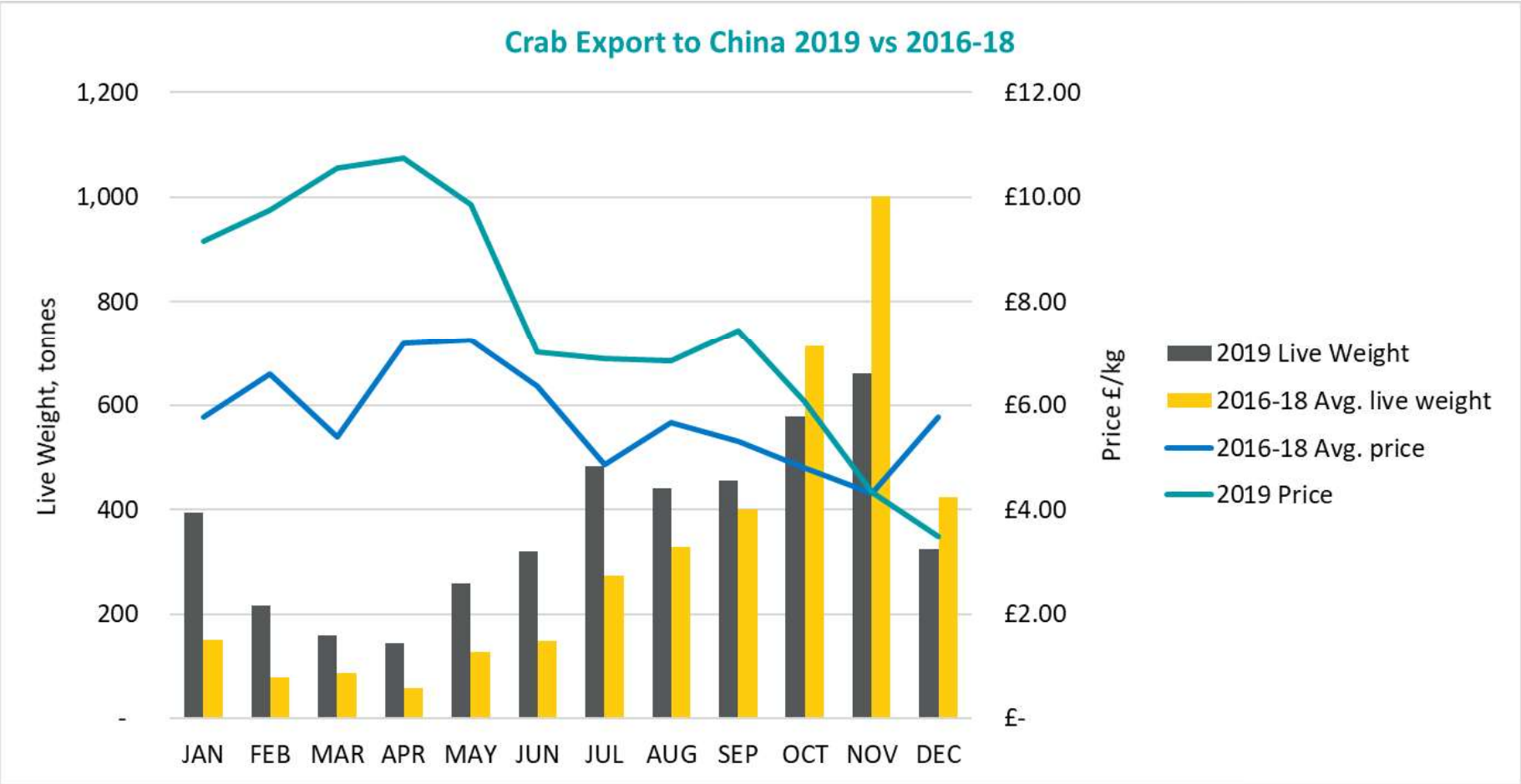


PART 1:

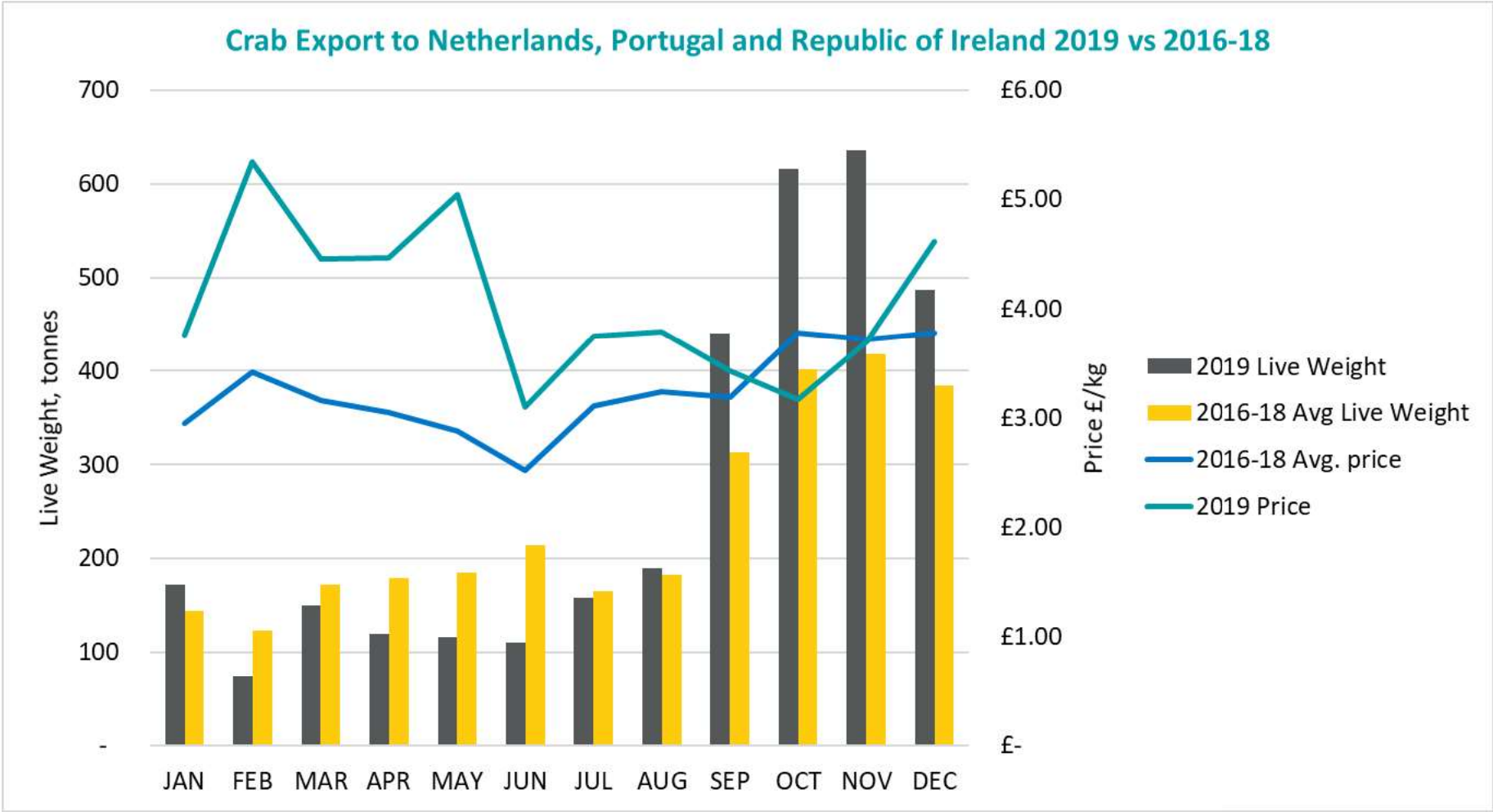
Crabs, China
& Climate Change

2019

Crab Exports to China



Crab Export to Netherlands, Portugal and Republic of Ireland



“

Regulations and markets have increased barriers to brown crab exports to China [but] poor supply of product has reduced the impact with demand in EU outstripping supply.

It is important that China remains open to brown crab exports as there is a risk that market awareness and competitiveness of the product will diminish against alternative crab species such as snow crab and king crab.

The Chinese market also provides a useful alternative market to the EU and prevents the big players in the EU, like France and Spain, having too great an influence on market value.

Andrew Brown
Macduff Shellfish

”



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Fishing continues to be restricted as Storm Dennis follows Storm Ciara



The Shetland midwater trawler Zephyr running up on a mark before shooting away west of the Butt of Lewis, before Storm Ciara heavily restricted fishing in all areas of the UK last week. (Photo: Ryan Cordiner)

NEWS

Fish are falling out of the sky in Merseyside during Storm Dennis

A stunned driver spotted the sea creature on her car roof



Fishing activity in all areas of Britain and Ireland was severely hampered last week as two deep cyclones quickly tracked across the North Atlantic, bringing successive storms, reports David Linkie.

With a lowest pressure reading of 943mb, Storm Ciara brought severe weather conditions to all areas, including a highest wind speed of 97mph in the UK and a gust of 136mph at Cap Corse in France.

Norwegian vessels engaged in the start of the blue whiting fishery west of Ireland took shelter in Killybegs, while other pelagic boats dodged at the south end of the Minch before rounding Barra Head late on Tuesday night as conditions started to moderate.

A small window of quieter weather provided a brief opportunity for skippers and crews to fish blues and mackerel again in the second half of last week.

The lull lasted only 48 hours before Storm Dennis roared in, bringing 70-knot winds across most of the country.

Unsurprisingly, the severe weather reduced the level of shellfish and whitefish supplies in all areas last week.



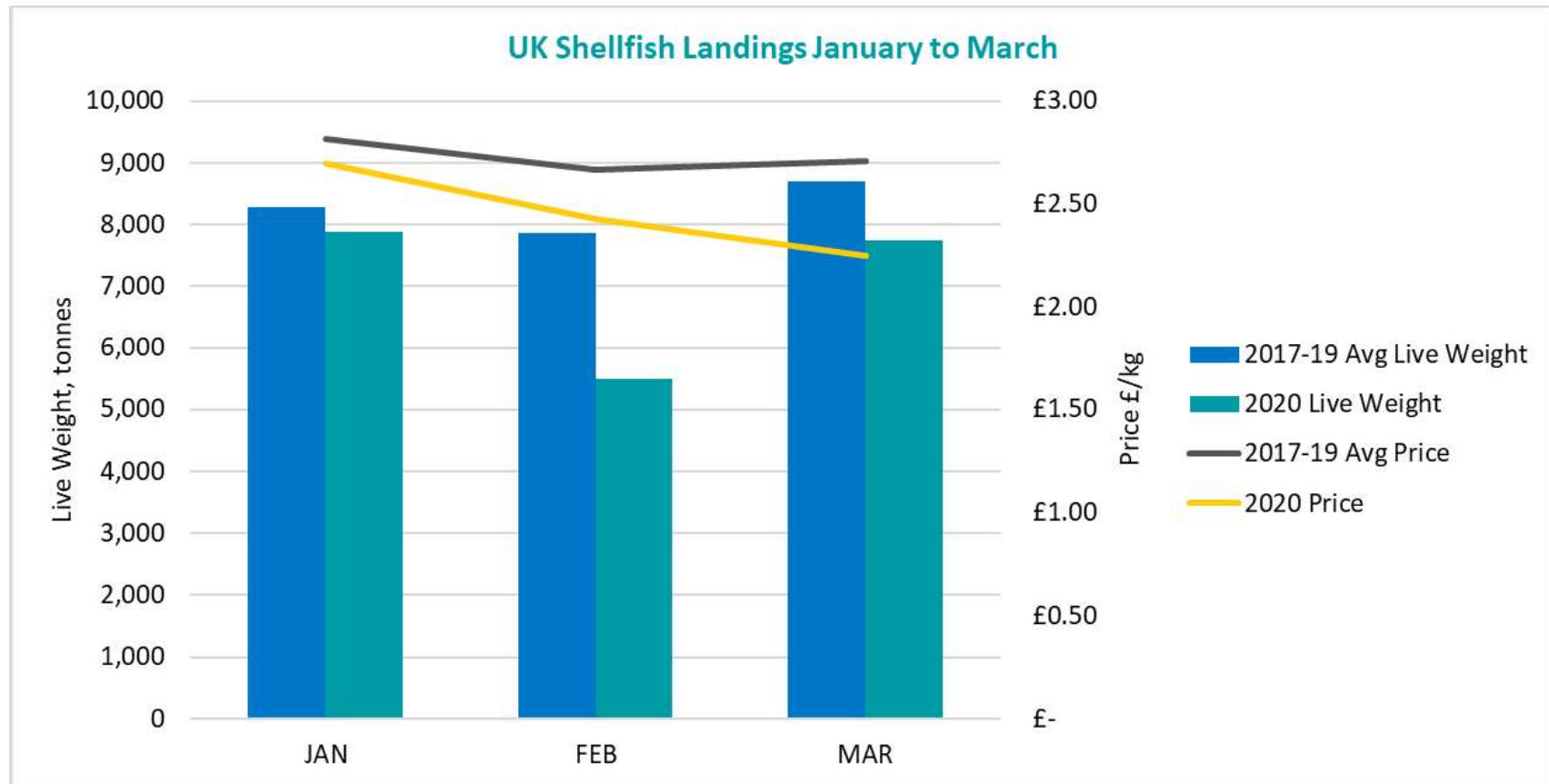
▲ The calm before the storm – the Brixham beamer Catharina towing in the Channel 24 hours before Storm Ciara brought wind speeds in excess of 60 knots. (Photo: Declan Horan)

SEVERE WEATHER LIMITS WHITEFISH SUPPLIES AT PETERHEAD

Storm Dennis takes a toll on trading at Grimsby Fish Market

Swansea's West Pier has been completely destroyed during Storm Dennis

Shellfish Landings – January to March 2020 vs 2017-2019 average



“

Storm Denis was a disaster for our business – in 24 hours we lost 30% of our product, as it was washed away from the cultivation grounds. These were the mussels that we had planned to harvest and sell during late summer.

”

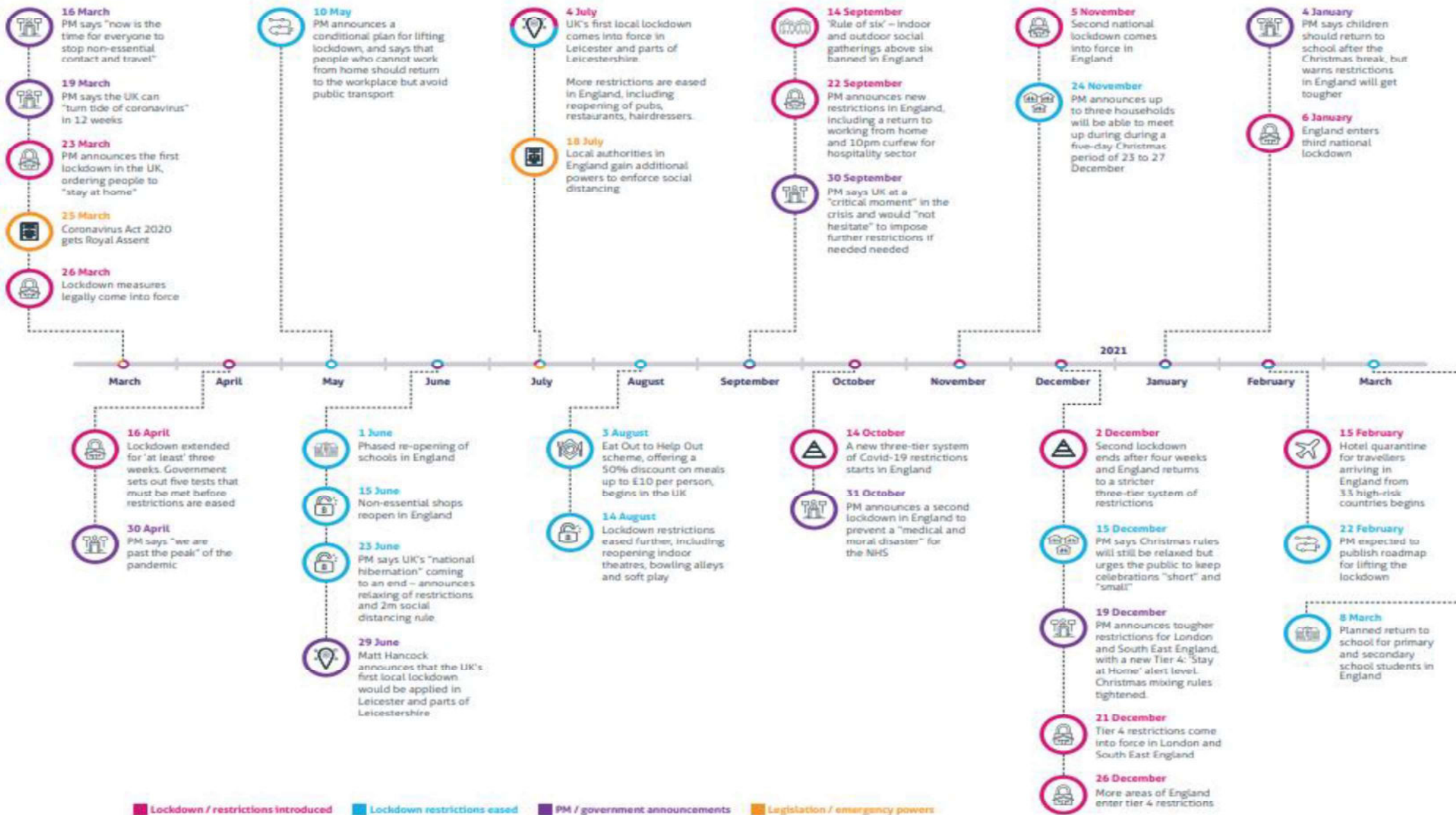
James Wilson
Deepdock



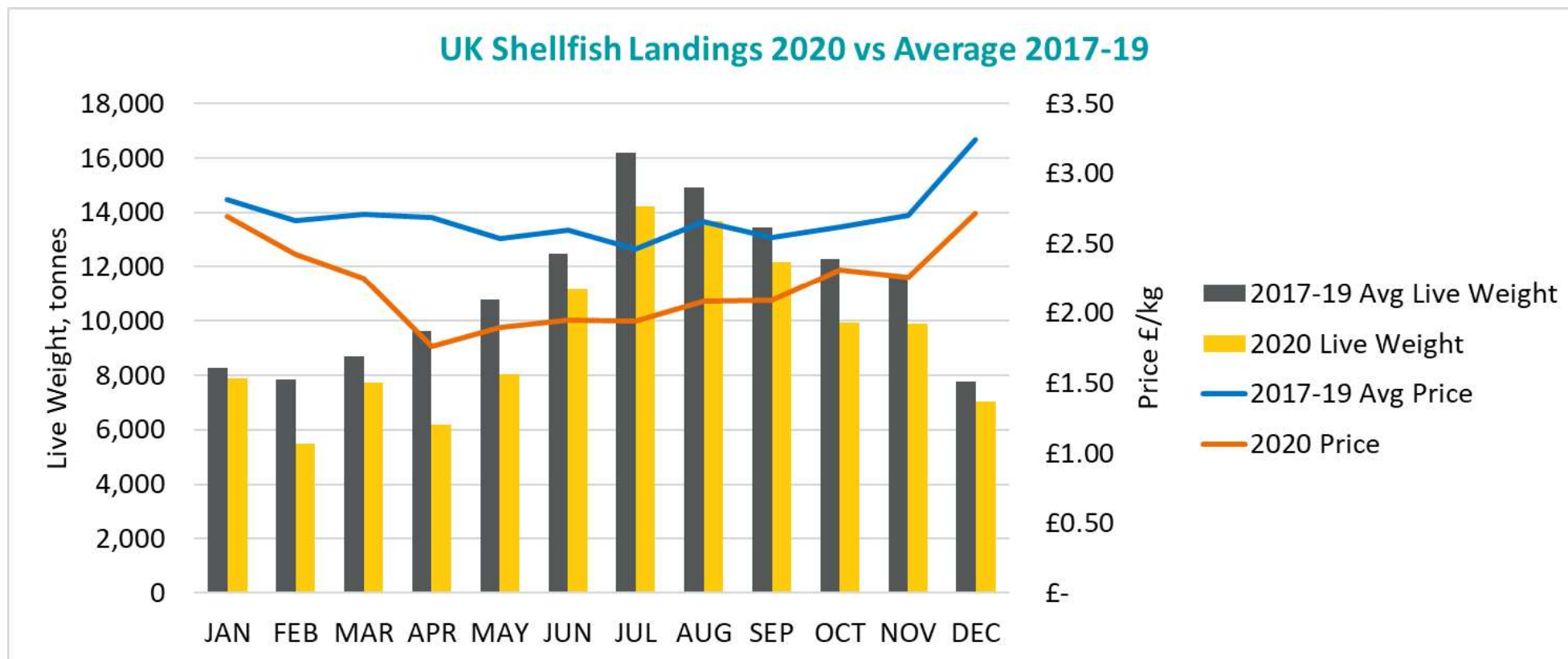
PART 2:

COVID arrives....and stays



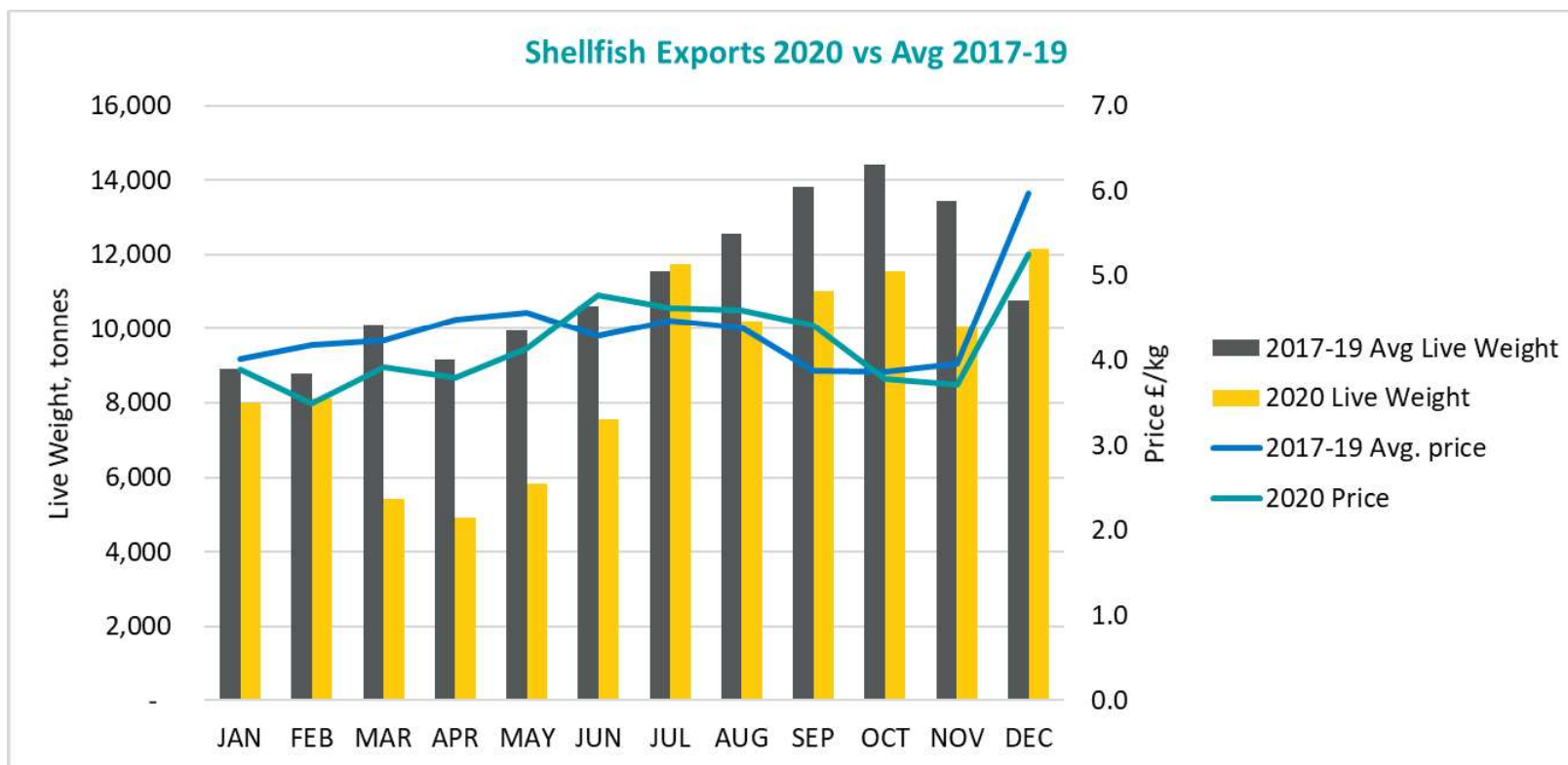


Shellfish landings in 2020



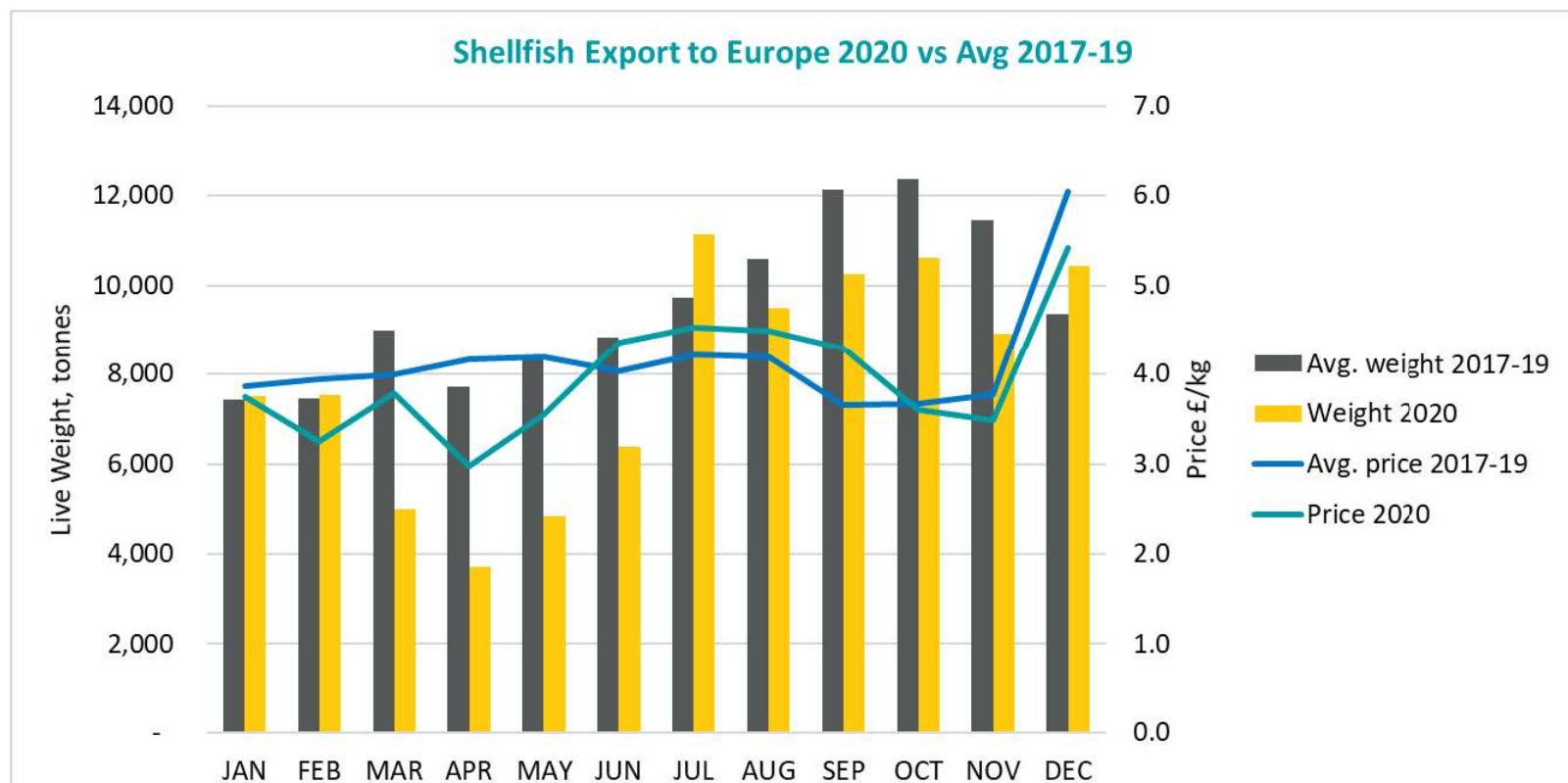
Annual Totals	2020	Average 2017-19	2020 Vs Avg 2017-19
Value (£000)	£ 245,837	£ 356,085	-31%
Live Weight, tonnes	113,445	134,037	-15%
Price £/kg	£ 2.17	£ 2.66	-18%

Shellfish exports in 2020



Annual Totals	2020	Average 2017-19	2020 Vs Avg 2017-19
Value £000	£454,437	£580,918	-22%
Live Weight, tonnes	106,560	134,104	-21%
Price £/kg	£4.26	£4.34	-2%

Shellfish exports to Europe in 2020

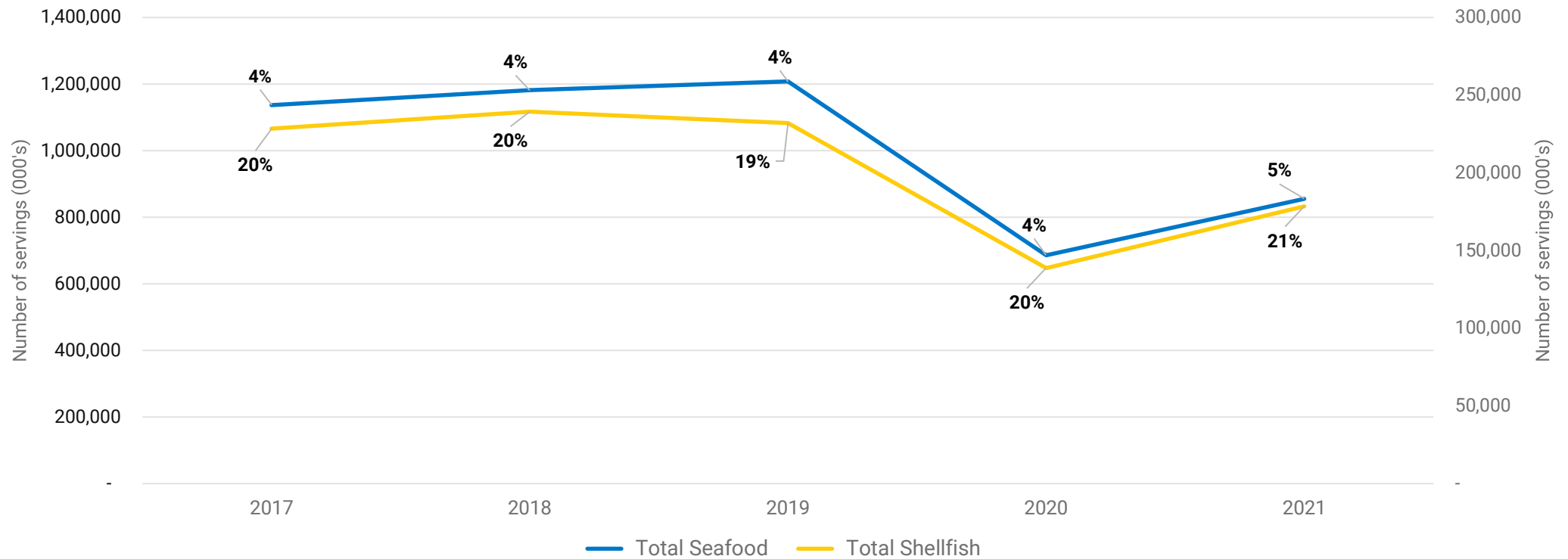


Annual Totals	2020	Average 2017-19	2020 Vs Average 2017-19
Value £000	£390,311	£471,572	-17%
Live Weight, tonnes	95,825	114,371	-16%
Price £/kg	£4.07	£4.12	-1%

Shellfish meals out of home 2017 - 2021



Total seafood and shellfish servings in commercial out of home (OOH) with servings share

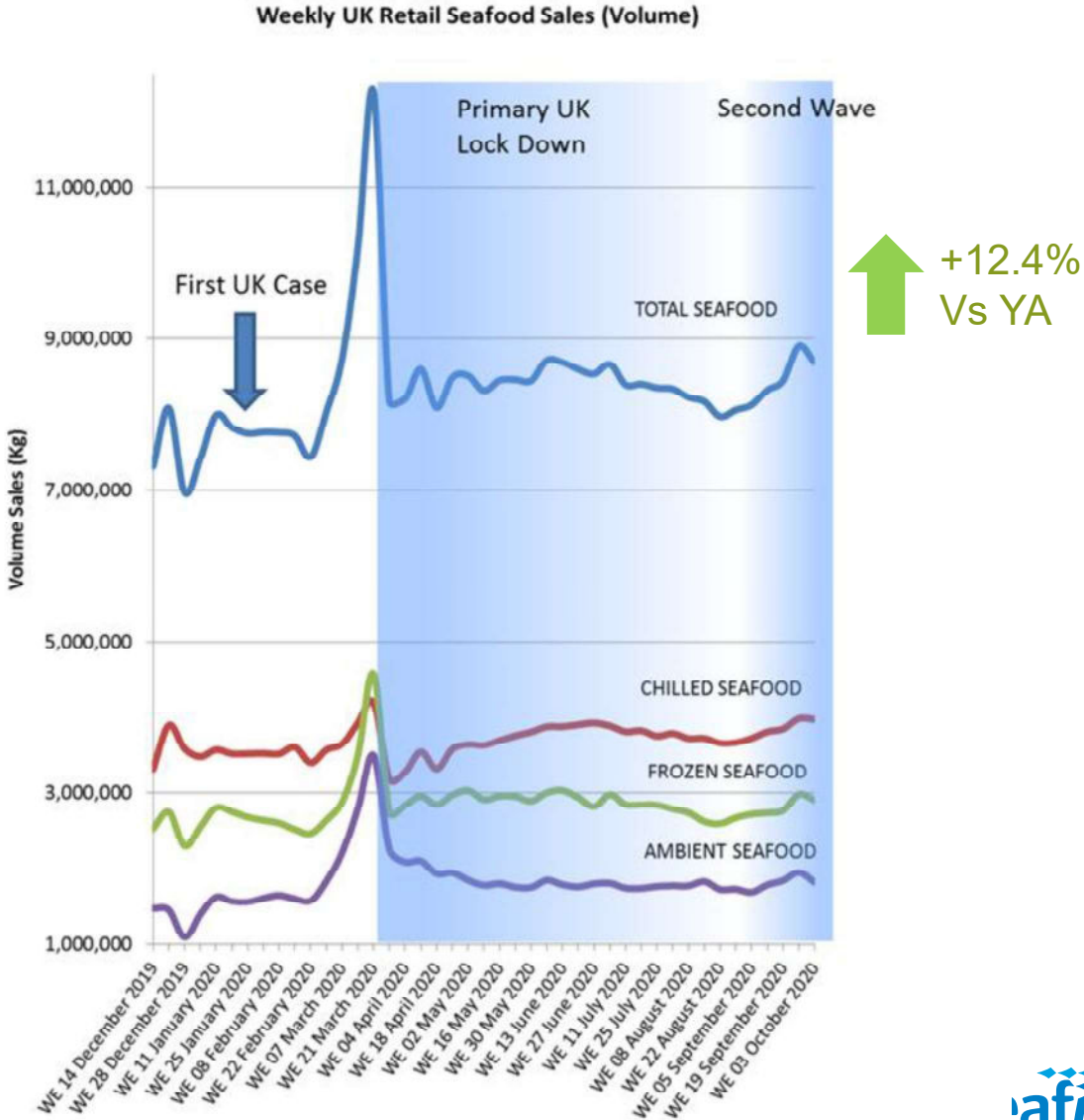


Source: The NPD Group, GB data to 52 weekending December 2021

Out of Home Consumption: Shellfish trends

	Avg 2017/2019	2020	2021	% Change 2021
Total OOH	28,692,633	16,184,810	18,975,750	66%
Total Seafood	1,175,252	686,006	855,832	73%
Total Shellfish	233,266	138,680	178,476	77%
Mussels	15,865	6,314	9,374	59%
Calamari	19,837	13,949	18,943	95%
Scampi	38,348	17,247	19,518	51%
Prawn	113,741	81,035	96,050	84%
Shellfish Filling	45,475	20,134	34,591	76%

Retail and unexpected boost for Retail Seafood Sales



And what did that look like for shellfish...

Volume of Sales ('000) - 2020 & 2021 comparisons

Product	2017-19 Average	2020	2020 vs 2017-19	2021	2021 vs 2017-19
Warm Water Prawns	23,369	26,910	15%	26359	13%
Cold Water Prawns	15,167	13,838	-9%	15077	-1%
Scampi	5,362	6,907	29%	7447	39%
Mussels	4,447	4,587	3%	4874	10%
Squid (Calamari)	1,244	1,554	25%	2018	62%
Crab	1,385	919	-34%	800	-42%
Scallops	754	798	6%	826	10%
Shrimps	436	682	57%	725	66%
Lobster	309	354	14%	285	-8%

“ We shifted to local sales- covered fixed costs and enabled me to turn over the gear but not enough to live on – we had savings that we could draw on but not everyone did.

Social Media was key – almost by accident we created a brand and a media presence.

Unusually we didn't accept cash - was a benefit. All our sales are done by bank transfer which meant people could still buy from us even when they were not able to get out to the bank.

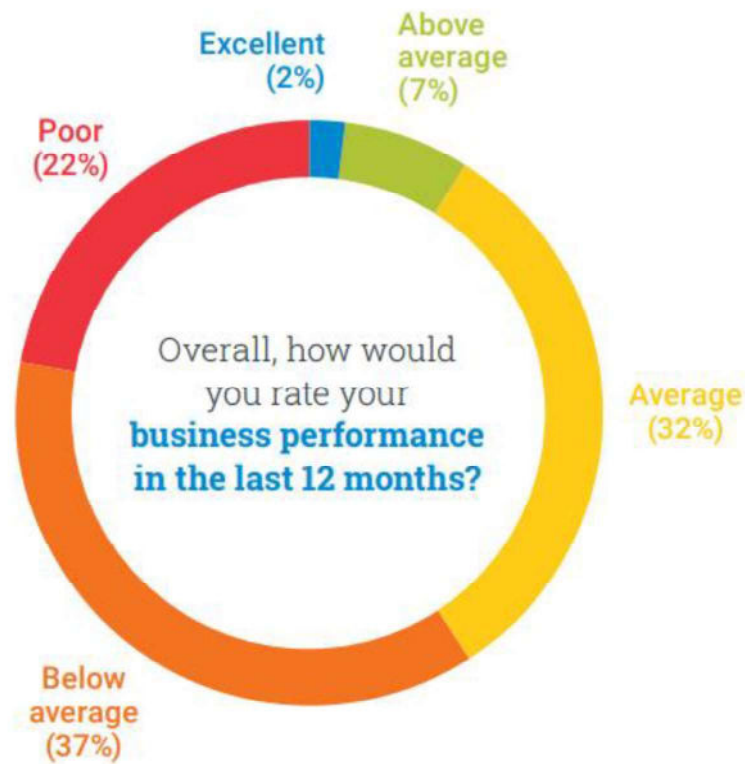
We have seen a longer-term shift in how we operate. Pre Covid we sold approx. £13k to the local hotel and restaurant trade – this is now at £37k. ”

Iain Matheson
Lochbay Shellfish



2020 Fleet Survey: Key results

- Total turnover £843m - down 17%
- Operating profit £217m - down 19%
- Operating costs £626m - down 17%

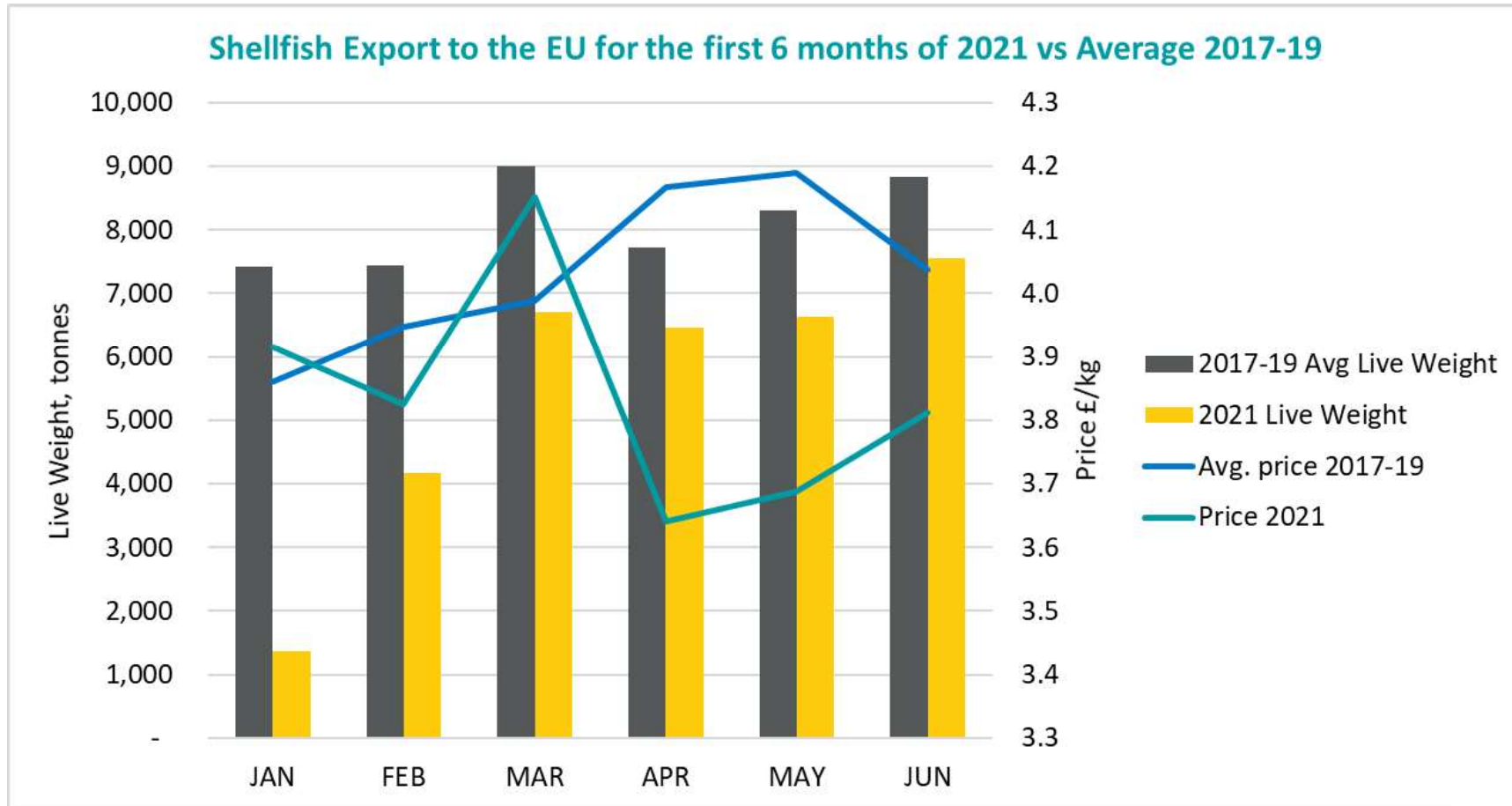


PART 3:

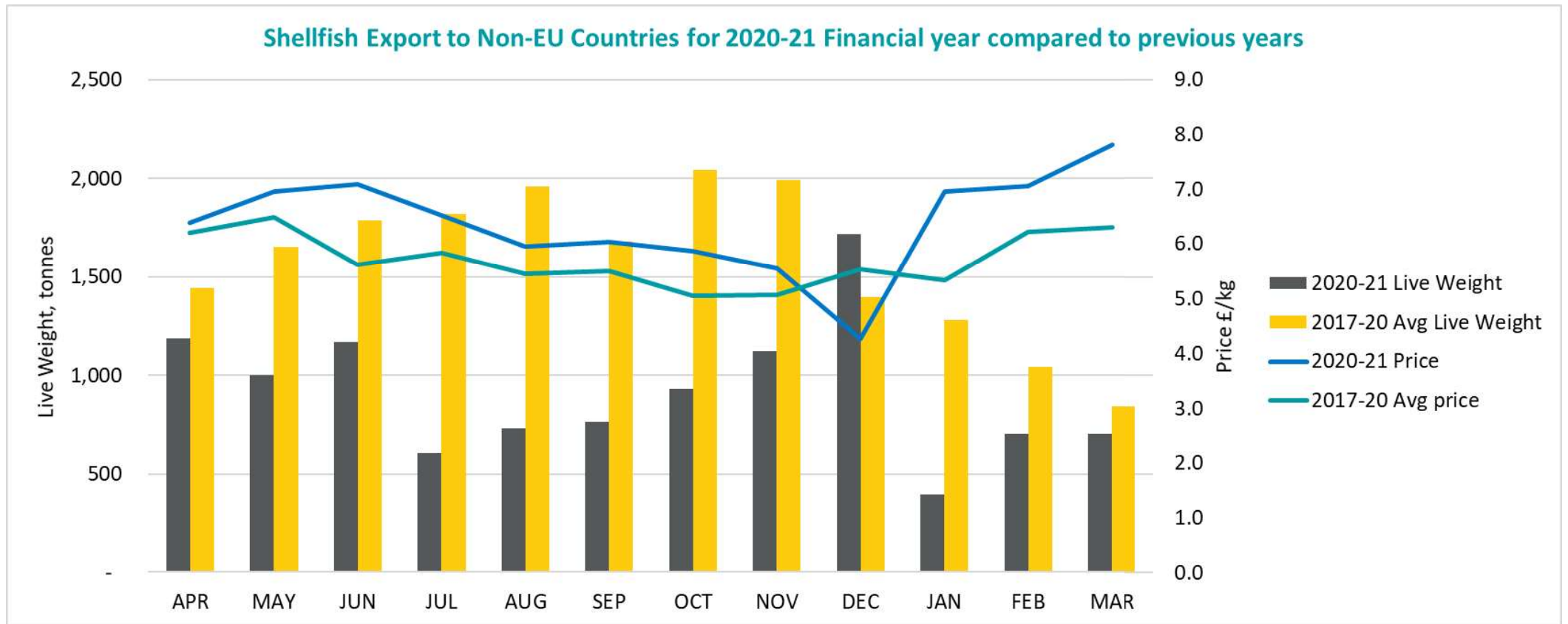
'Chaos' of EU EXIT



Comparing shellfish exports to the EU in the first half of 2021



Shellfish exports to Non-EU countries for 2020/21 Financial Year



“

Early 2021 it was utter madness – it took us almost two months to move to organised chaos.

Impacts of Brexit have had, and continue to have, a substantial impact on exports from the UK, including significant additional costs.....and have had a more significant impact on food and drink exports than Covid had.

Cooperation, consensus and compromise is needed to stabilise and rebuild EU trade and fisheries relations.

”

Andrew Brown
Macduff Shellfish



Brexit: UK fishermen fear losing their homes as export ban bites

The EU has stopped UK fishermen selling oysters, scallops, clams, cockles and mussels caught in so-called "Class B" waters.

 Dan Whitehead
News correspondent @danwnews

NEWS

Brexit: Welsh Shellfish producers facing block on exports to EU

By Sarah Dickins
BBC Wales economics correspondent

2 February 2021

 Brexit

https://www.bbc.co.uk



“

Overnight I went from having a thriving export business to nothing. In the last 15 months I have only managed to export one small consignment.

The realisation that there wasn't an immediate solution was sobering, and the difficulty in getting people to acknowledge and then understand the problem, let alone to try and fix it, was very, very difficult.

My challenge over the last 12 months has been to demonstrate why my mussel beds should attract a higher classification – I have had to really get into the detail of how the classification system operates which has been eye-opening. It is a relief that there is work is underway to improve how the system is implemented but it may be too little too late.

James Wilson
Deepdock

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PART 4:

The challenges continue...

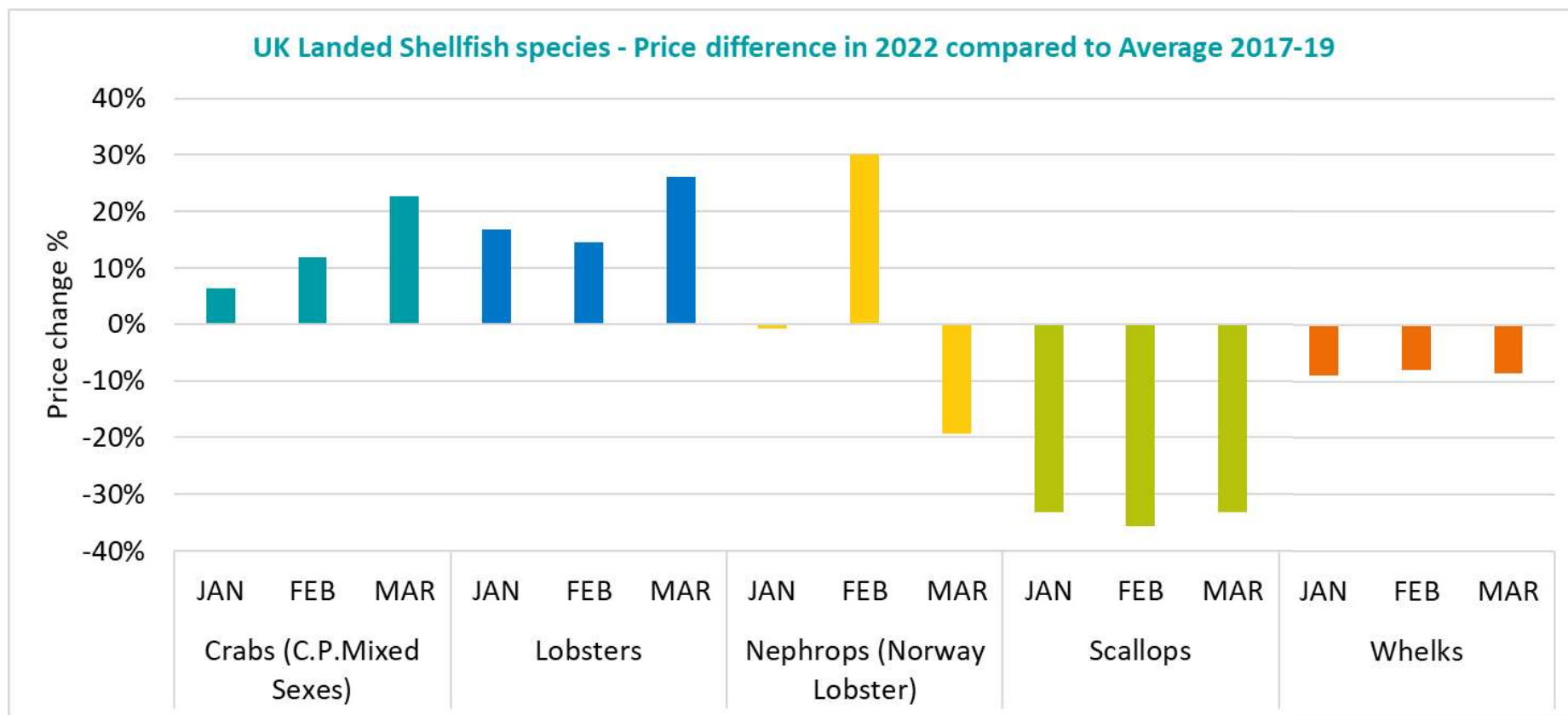


Ongoing issues – old and new

- Export challenges
- Cost of living crises
- Climate change
- Geo-political context
- Access to labour
- Rising fuel prices



Landing price of key species for start of 2022 compared with 2017-19 Average



2021 Fleet Survey: labour issues

% of people who reported crewing issues affected their recent business performance by fleet segment

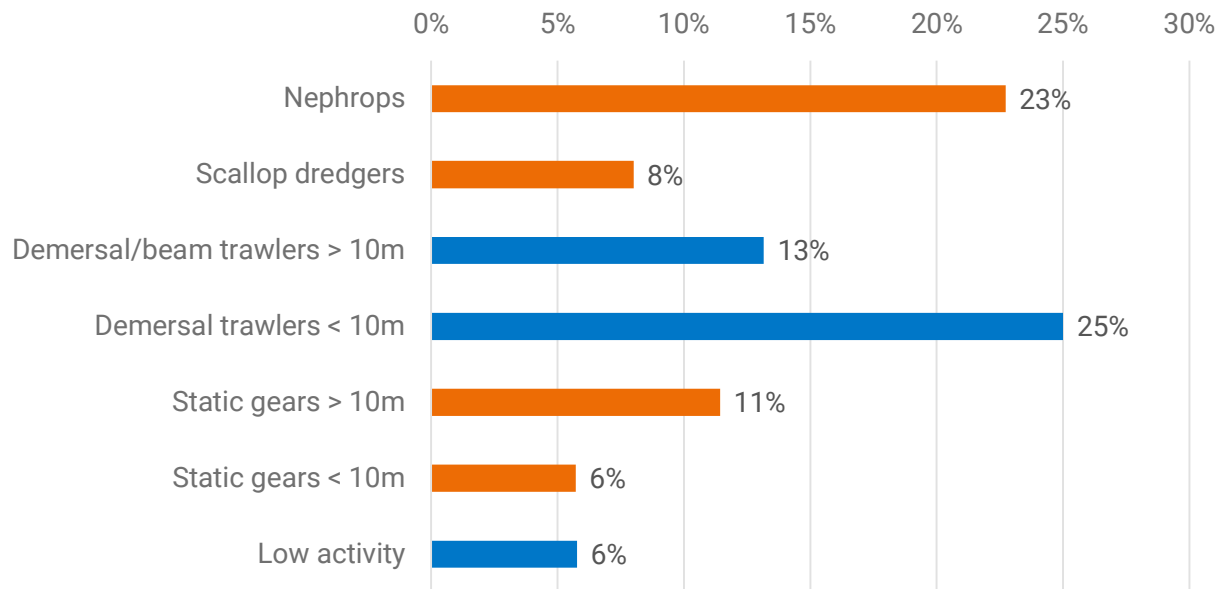
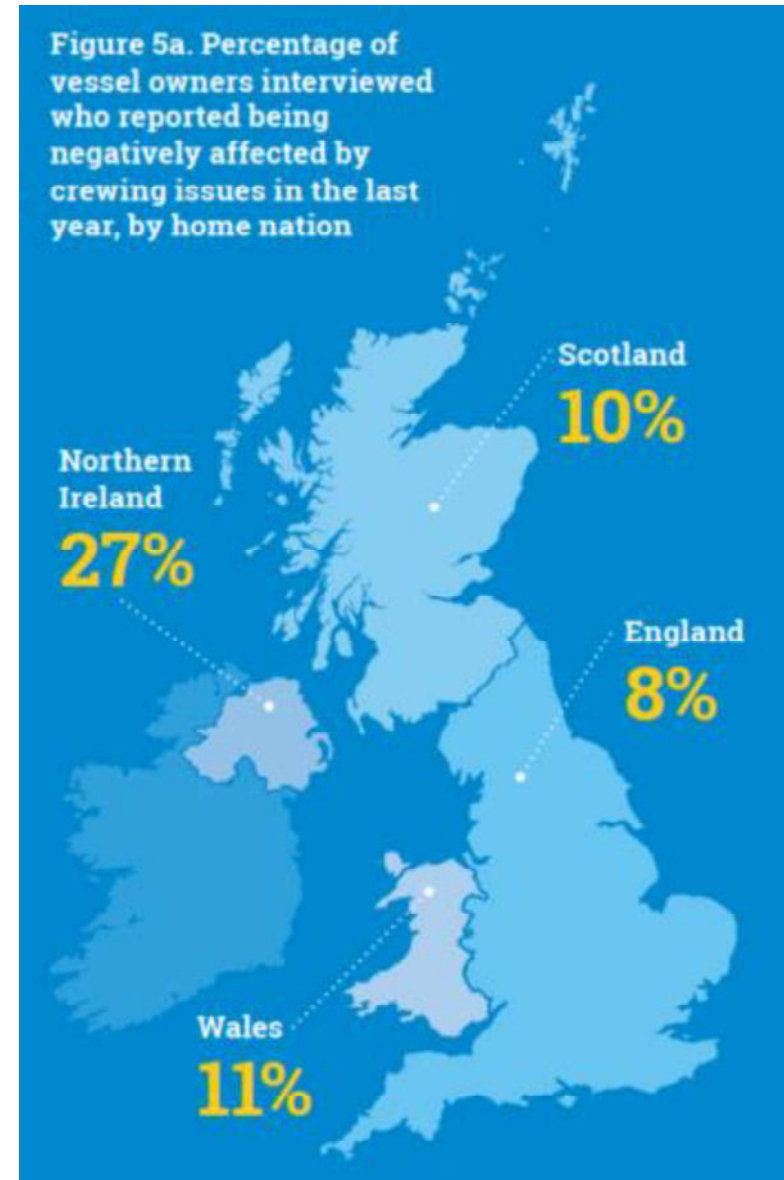


Figure 5a. Percentage of vessel owners interviewed who reported being negatively affected by crewing issues in the last year, by home nation



Modelling fuel price impacts on shellfish fleet

3 scenarios modelled to assess impact of fuel increase on fleet.

- **S1:** pessimistic – fuel price increases to and remains at £0.9 alongside fish prices at 2019/20.
- **S2:** mid – fuel prices peak in April at a level of £0.9 and falls to £0.68 in May, fish prices same as 2019/20.
- **S3:** optimistic – fuel price as in S2 but whitefish prices up 20-30%, other seafood prices remain at 2019/20 levels.

- Parts of the fleet using towed gear - nephrops trawl, scallop dredgers most impacted.
- Profitability will be an issue – with some segments being unprofitable across all scenarios.
- Passive gear fleet (pots and traps) is not expected to be as significantly impacted and will remain profitable.

Operating profit estimates modelled by fleet groups

	Baseline (2019-20)	% change compared to baseline		
		S1	S2	S3
Nephrops trawlers	1.9	-733%	-439%	-399%
Scallop dredgers	5.1	-169%	-105%	-105%
Passive gears	40.0	-45%	-28%	-24%
All others	162.4	-37%	-24%	-12%

>100% change indicates that fleets total operating profits under the scenario turns to negative

For more details see [Fuel price impact on the seafood industry](#)

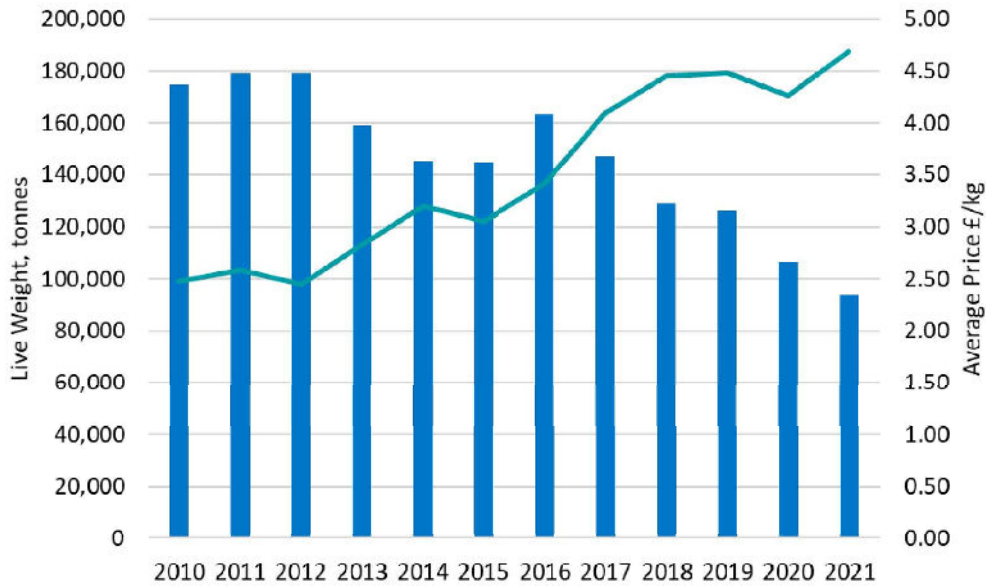
PART 5:

When will there be
good news!?



Good news #1: Landings and Exports

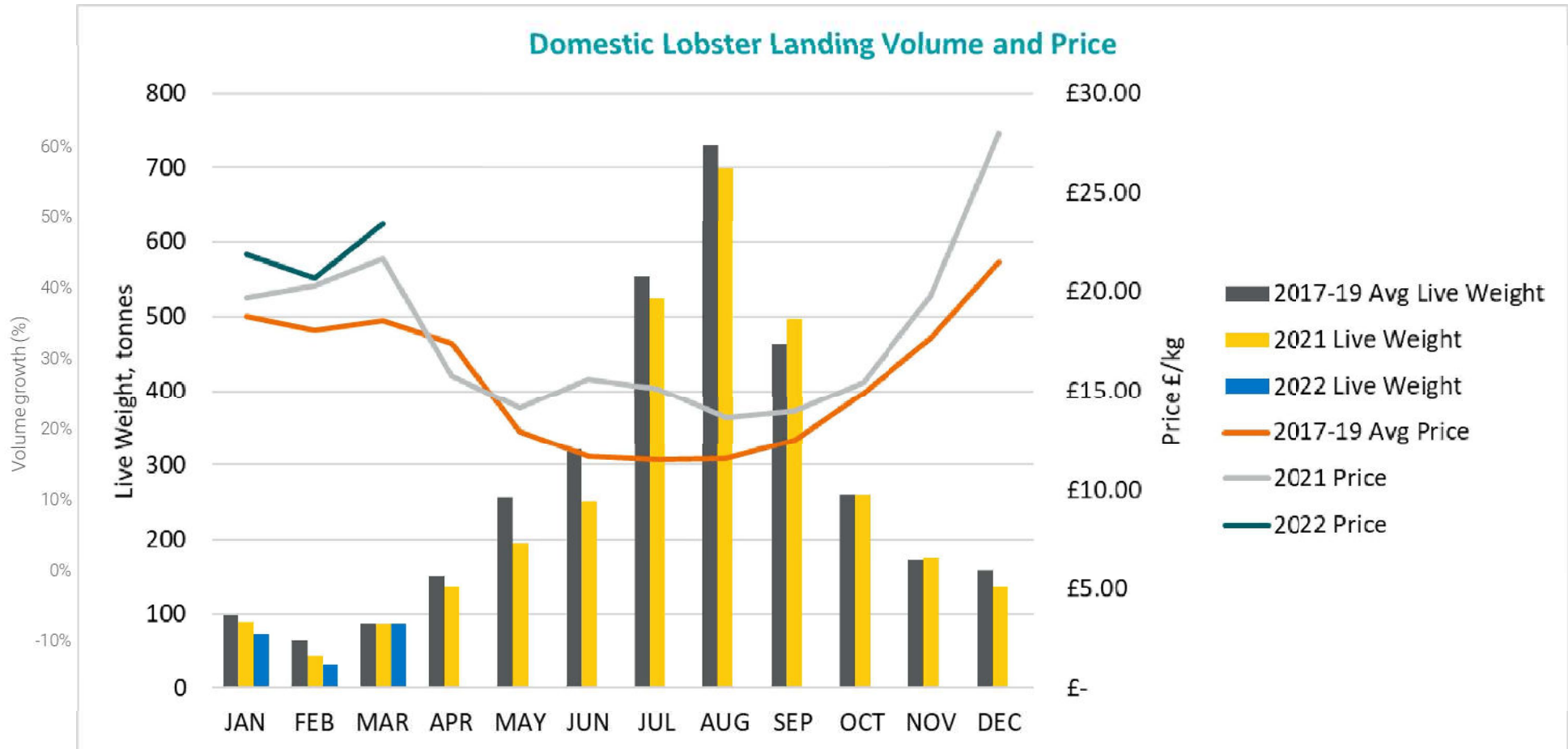
UK Shellfish Export Volume and Price by Year



8 Year Overview of Domestic Shellfish Landings

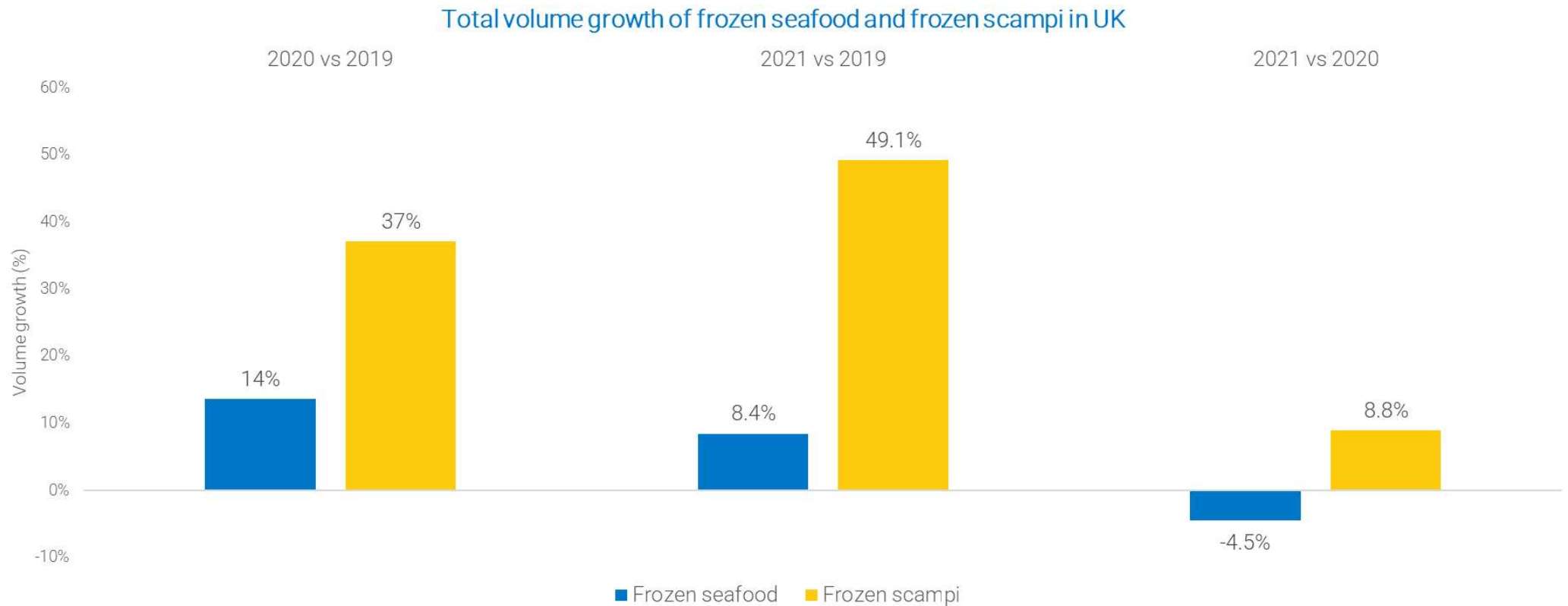


Good news #2: Lobster prices



Source: NielsenIQ, ScanTrack data to 52 weekending 01.01.2022

Good news #3: Frozen scampi sales in retail



Source: NielsenIQ, ScanTrack data to 52 weekending 01.01.2022

Good news #4



Food Standards Agency
food.gov.uk

Food you can trust

FSA Strategy 2022-2027



Food is safe



Food is what it says it is



Food is healthier and more sustainable

Feed delivery programme

The FSA is responsible for commissioning the delivery of feed Official Controls through local authority partners. The UK's departure from the EU along with the need for the feed sector to contribute to sustainable food production has created the environment for a swiftly changing landscape in feed supply chains.

For example, there have been developments in the use of insect proteins and feed additive applications, which their developers hope will have positive environmental impacts. The FSA has a role to play to ensure that feed regulation is sufficiently agile to respond to the fast pace of innovation.

We will work with our stakeholders to ensure safety and continued public health protection. We will support our local authority delivery partners by:

- Making best use of the capability and capacity of enforcement partners.
- Developing tools and mechanisms to speed up the identification of feed imports, thereby focusing resource on matters of most impact.
- Updating our Official Control directions and guidance to provide timely clarity where fast paced developments require this.

Shellfish site classification

The FSA is responsible for the classification of shellfish harvesting areas which is a pre-requisite for shellfish production. Sites are classified depending on the level of contamination indicated by E.coli testing. The UK's departure from the EU placed additional focus on this sector and on the classification programme.

We are refining our approaches to delivering shellfish official controls, working within the current legal framework to support businesses as they adapt to new export requirements and making sure any changes are evidence-based and public health is protected. We will continue to work with our stakeholders to modernise the way these controls are delivered.



Food Standards Agency
food.gov.uk

FARMED MUSSELS



Low Environmental Footprint



High-Quality Protein



Omega-3 Fatty acids



High in B12/Iron



Phytostrols



Low in Trace metals



Thank you

For more insight and research on a range of topics and sectors in the seafood industry, please visit:

www.seafish.org/insight-and-research

Aoife Martin

aoife.martin@seafish.co.uk

Sources:

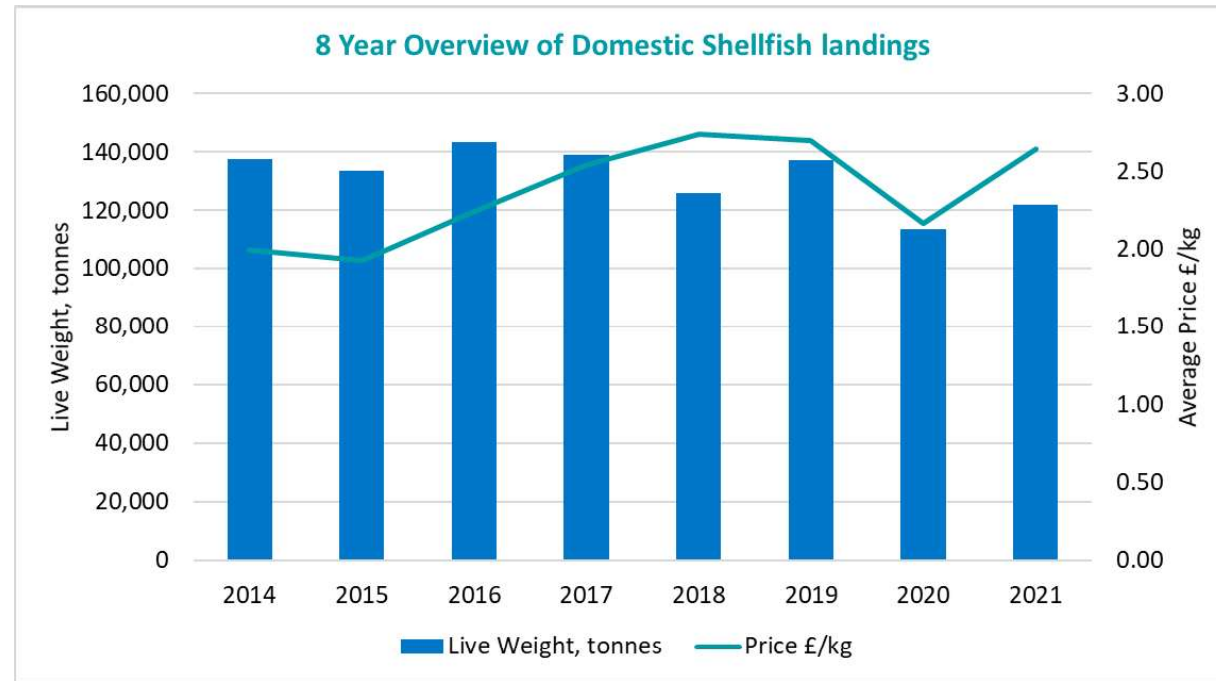
- Landings data – Marine Management Organisation – UK and foreign vessels landings by UK port
- Export data – HMRC Trade data.
- Foodservice data – The NPD Group
- Retail data – NielsenIQ
-

Shellfish Landings Overview

Shellfish Landings	2021	Pre-Pandemic 2017-2019	2021 vs PP	2021 vs 2020	2020 vs PP
Value £000	£321,644	£ 356,085	-10%	31%	-31%
Live Weight, tonnes	121,800	134,036.92	-9%	7%	-15%
Price £/kg	2.64	2.66	-1%	22%	-18%

Note:

Recovery in total Shellfish landings in 2021.
Overall value of landings in 2021 similar to 2016.





52nd Annual Conference

Shellfish Association of Great Britain

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