

Explanations

EXPLANATIONS OF THE TABLES

		Total	Natural fresh	Natural frozen	Prepared fresh	Prepared frozen	Smoked
SEAFOOD	Share/value	100 %	62 %	24 %	5 %	4 %	3 %
	Change						
	Value	2 %	-1 %	6 %	9 %	3 %	13 %
	Volume	-3 %	-5 %	1 %	5 %	-1 %	9 %
	Price	5 %	4 %	5 %	3 %	3 %	4 %
PRAWNS	Share/value	12 %	4 %	30 %	26 %	29 %	
	Change						
	Value	4 %	-1 %	6 %	2 %	2 %	
	Volume	2 %	-2 %	4 %	-3 %	0 %	
HAKE	Share/value	11 %	11 %	15 %	1 %	19 %	
	Change						
	Value	1 %	-6 %	15 %	117 %	3 %	
	Volume	-3 %	-11 %	11 %	104 %	-1 %	
	Price	4 %	5 %	4 %	7 %	3 %	

Value share: Value share of total seafood consumption. **Example:** 4 percent of the value consists of prepared frozen products.

Value share: Value share of total seafood consumption. **Example:** 12 percent of the value consists of prawn-related products.

Value share: Value share of total seafood consumption. **Example:** 29 percent of the value for prepared frozen seafood consists of prawn-related products.

Change: Changes in value, volume and price. **Example:** The value of natural fresh prawn-related products declined by 1 percent in 2017 compared to 2016.

EXPLANATIONS OF THE TABLES (RETAIL)

		MERCADONA			
		Share of value	Value change	Average price (EUR)	Price change
SEAFOOD	Total	27 %	6 %	7,24	5 %
	Natural fresh	24 %	5 %	6,74	6 %
	Natural frozen	32 %	10 %	7,62	5 %
	Prepared fresh	30 %	-1 %	8,34	-2 %
	Prep. frozen	35 %	10 %	6,15	3 %
	Smoked	34 %	14 %	21,36	6 %
PRAWNS	Total	28 %	5 %	10,27	1 %
	Natural fresh	20 %	-1 %	10,10	0 %
	Natural frozen	28 %	7 %	10,70	0 %
	Prepared	36 %	3 %	9,47	1 %
	Prepared fresh	33 %	-5 %	9,60	2 %
	Prep. frozen	40 %	14 %	9,32	1 %

Value share: The retailers value share of total seafood. **Example:** Mercadona has a value share of 27 percent for total seafood.

Value share: The retailers value share for a specific category. **Example:** Mercadona has a value share of 28 percent for natural frozen prawns.

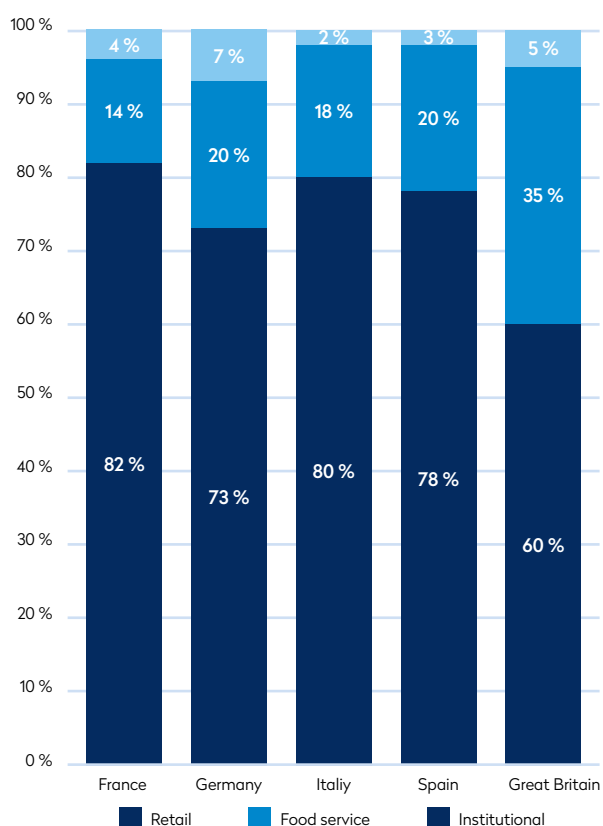
Average price: Average price for a category in local currency per kg. **Example:** The average price for natural fresh prawns at Mercadona is 10,10 EUR/kg.

ABOUT THE NUMBERS IN THIS REPORT

This issue of *Fish Market* covers numbers for 2017, and the comparisons are made between 2017 and 2016 if nothing else is stated.

The numbers for the European markets are based on numbers collected through household panels by Europanel/Gfk. The numbers are representative for the households purchase of products that they bring home for consumption, and do not include out of home consumption.

The graph below presents the estimated share between in and out of home consumption in selected countries.



Source; EUMOFA, based on Euromonitor

The numbers for the US are collected by Nielsen and capture sales and price data for some of the largest retailers in the US. The numbers are collected directly from the retailers, where the products are scanned at check-out. The numbers cover about 85 percent of the retail market in the US.

The prices stated in the tables are always shown as the average price for the category in local currency per kilo.

PRODUCT EXPLANATIONS

Natural fresh and frozen products

Seafood that is only handled with a knife, and not processed further in any other ways. Light-salted products are categorized as natural.

Prepared fresh and frozen products

Greater processing than natural products. Here the products are salted, breaded, or added sauce or spices. Examples of prepared products are fish cakes, fish sticks, other breaded products, fish with sauce/spices, marinated products etc. Also sushi and sashimi are categorized as prepared.

Smoked products

Cold- or hot smoked seafood.

Canned products

Products that are canned (metal only, products in glass packaging are categorized as prepared fresh).





Hungry for seafood

Seafood sales in Italy increased by 3 percent in 2017

Effects from the downturn that followed the 2008 financial crisis remain, however macroeconomic indicators in Italy showed a slight improvement in 2017. GDP, unemployment rates, interest rates and inflation all had a slight positive development. The same went for the seafood market, where the value of seafood increased by 5 percent. This was a result of seafood prices increasing by 2 percent, while volume increased by 3 percent.

Traditionally, Italians prefer fresh seafood. Over 60 percent of the seafood sold in Italy is fresh product sold as natural, smoked or prepared. Of this proportion, fresh natural seafood makes up 53 percent of the total market value. Fresh natural seafood showed a value growth of 5 percent in 2017, and was the category with largest growth measured in euro.

In addition to fresh seafood, Italians love canned seafood. No other country has a higher consumption per household than Italy, and canned tuna is particularly popular. Tuna makes up 83 percent of the total value of canned seafood. The product fits well with popular Italian dishes like pizza, pasta and sandwiches.

The importance of canned seafood in Italy surpasses most countries in Europe, and corresponds to 25 percent of the fish volume. Only in a handful of countries, such as the Czech Republic and Slovakia, does canned seafood make up a larger part of the total seafood consumption than it does in Italy.

Italians have traditionally bought little frozen seafood. The category makes up just 13 percent of the value



DID YOU KNOW THAT

- ♦ Almost 60 percent of Italian costumers state that the country of origin is either very important or extremely important when they buy seafood.
- ♦ Like the Poles and Checs, Italians spend 17 percent of their total consumption on food and non-alcoholic beverages.

of seafood in Italy. In 2017 however, it is interesting to note that this category has seen a strong value increase of 12 percent.

The value increase was not as large for natural or prepared products. Furthermore, no other country exhibited as large a value increase on frozen products as Italy in 2017.



Conventional products (i.e. stockfish, clipfish) made up around 2 percent of the value of seafood, and grew by 2 percent – lower than that of the wider seafood market. This was mainly due to increased prices.

Geographical differences in seafood consumption

Seafood is a popular product in Italy however, Italian consumers tend to eat less than their counterparts in Spain, Portugal and Norway for example. Italian households spent an average of 211 euro on seafood in 2017. This represents an increase of 10 euro compared to the previous year.

Within Italy, there are also large differences in the amount spent by households on seafood. Numbers from Europanel show that households in the south spent more money on seafood than those in the north. This is contrary to expectations, with Northern-Italy considered one of the wealthier parts of the country. Southern households buy almost 10 kilos more seafood in a year than households in northeast Italy

for example. On average, the price they pay for the seafood is also higher in the north than in the south.

Salmon advancing

Salmon is advancing in Italy. The category exhibited value growth of 8 percent in 2017. This was primarily due to prices increasing by 7 percent. An interesting trend in Italy during 2017 was that, despite increased prices, the number of households who bought salmon products increased.

Typically, a price increase will lead to a volume reduction however, in this case the accompanied volume increase indicates increased demand for salmon. Surveys also show that salmon is the most preferred fish species.

All salmon categories grew in value terms. The product category exhibiting the greatest increase was smoked salmon. The price of smoked salmon products increased by 10 percent, while volume decreased by

		Total	Natural fresh	Natural frozen	Canned	Prepared fresh	Prepared frozen	Smoked
SEAFOOD	Share/value	100 %	53 %	8 %	25 %	4 %	5 %	3 %
	Change							
	Value	5 %	5 %	12 %	2 %	8 %	12 %	8 %
	Volume	3 %	3 %	7 %	2 %	3 %	8 %	-2 %
TUNAFISH	Share/value	21 %		2 %	83 %			
	Change							
	Value	2 %		59 %	2 %			
	Volume	1 %		54 %	1 %			
COD	Share/value	11 %	5 %	24 %		8 %	68 %	
	Change							
	Value	7 %	5 %	23 %		-17 %	9 %	
	Volume	4 %	4 %	13 %		-17 %	3 %	
SALMON	Share/value	7 %	5 %	4 %	3 %		4 %	100 %
	Change							
	Value	8 %	5 %	15 %	10 %		42 %	8 %
	Volume	1 %	0 %	3 %	-1 %		30 %	-2 %
SEABREAM	Share/value	5 %	9 %	2 %			1 %	
	Change							
	Value	3 %	2 %	63 %			4 %	
	Volume	2 %	1 %	60 %			4 %	
	Share/value	1 %	1 %	2 %			0 %	
	Change							
	Value							
	Volume							



only 2 percent. Smoked salmon was the only product category showing a reduction. The drop was relatively small, but was due to fewer households buying the product – a likely consequence of the strong price increase.

If we look at the percentage change, frozen salmon increased the most. Smoked salmon is a relatively small category making up only 8 percent of the total value for salmon, while frozen products made up 24 percent of value in 2017. Growth was high in

both prepared and natural frozen salmon. The value increase for frozen salmon was in large part driven by older consumers (over 50 years), but there was also a strong increase among families with children.

Fresh natural salmon also increased in value terms, but the value increase of 5 percent was lower than that of other salmon products.

Changes in cod consumption

Even though many people often associate stockfish with Italy, stockfish constitutes a relatively small proportion of the market – only around 8 percent of Italian households buy stockfish. Even though the proportion seems low, stockfish is consumed by around 2 million households, just under the total number of households in Norway.

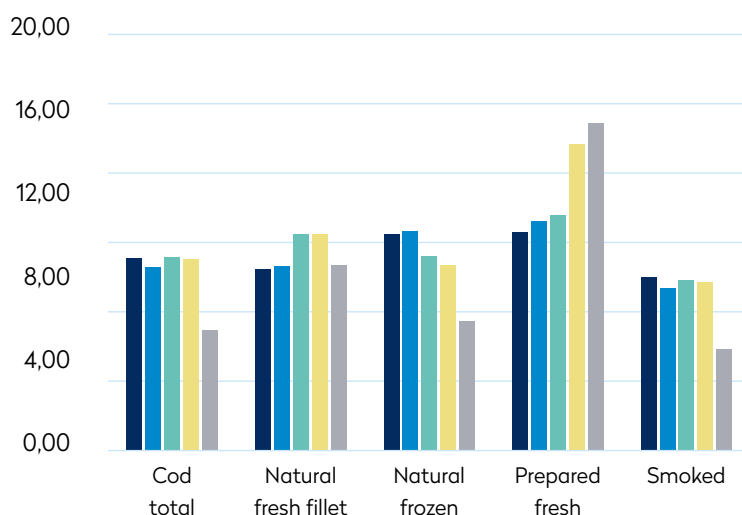
Italy remains the largest market for stockfish, measured in value terms. Even though the product has long traditions in large parts of Italy, stockfish only makes up around 8 percent of the total value of cod in Italy, and around 1 percent of the total value of seafood.

The consumption of stockfish varies across different regions in Italy, and is highest in the south. Around 50 percent of all households buying stockfish live in Southern Italy or Sicily, and pay one to two euro less for their stockfish than people pay in the rest of Italy. The stockfish Italians buy in stores is mostly soaked, and these consumers are buying increasing amounts of this pre-soaked product. In 2015, soaked stockfish made up 56 percent of the value of stockfish in Italy, while in 2017, this increased to 62 percent.

Italians state that they eat more fresh cod and clipfish than stockfish. Cod is largely a fish species eaten at home, and few people eat cod in upmarket restaurants. People also use different types of cod in different situations. Fresh cod is largely used as part

COD Price EUR per kilo

- Carrefour
- Conad
- Coop
- Esselunga
- Eurospin

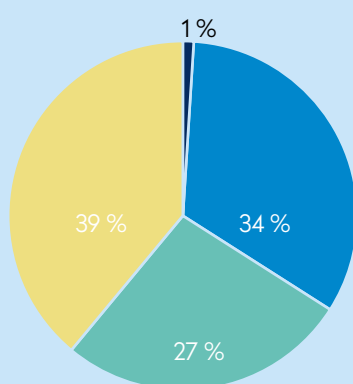


NORWEGIAN SEAFOOD IN ITALY

- ♦ 65 percent of the Italian seafood imports in 2016 was of Norwegian origin.
- ♦ Cod and salmon are the two largest consumer species. 90 percent of the salmon and 53 percent of the cod in 2016 came from Norway

TOTAL FLOW

- Norwegian direct export
- Norwegian fish through HUBs
- Other imports
- Domestic production

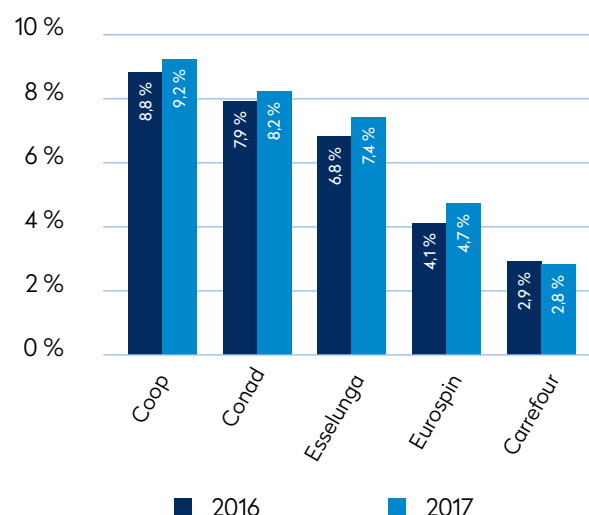


of a weekday dinner, while clipfish and stockfish tend to be more served at parties. Salmon, on the other hand, has a slightly different profile, being more of an "allrounder", choosing salmon for many different occasions – at home on the weekdays, for a weekend meal and at parties, but also when dining in upmarket restaurants.

Retail

Italians like to shop groceries often, and in small quantities. These habits tend to be better suited to smaller supermarkets. 39 percent of all seafood sales take place in supermarkets and specialty stores, compared to 25 percent in traditional stores and only 16 percent in hypermarkets. Italy is similar to Spain where 47 percent of the seafood sales are in supermarkets and 10 percent in hypermarkets. In France however, the picture is different, with hypermarket sales making up 46 percent of total seafood sales, and supermarkets holding just 22 percent market share.

MARKET SHARES – SEAFOOD TOTAL



All forms of distribution, with the exception of the open fish markets, saw a value growth in 2017. The growth was largest in low price chains, which saw a value increase of 22 percent and an absolute sales value increase greater than that of the supermarkets.

Growth from low price chains came from the prepared seafood category. This is the largest seafood category in value terms, with canned seafood in particular contributing to the increase.

An important trend for low price chains was the increase in prepared fresh seafood. Despite the category making up only 4 percent of the total market value of seafood, it increased by 484 percent last year. This could indicate that low price chains in Italy are increasingly focusing on fresh prepared seafood, a trend seen in many other European countries.

Supermarkets saw a growth in seafood sales of 5 percent, which is lower than that of low price chains. The growth primarily came from customers buying more seafood each shopping visit, as the number of households shopping in supermarkets decreased. As seen in low price chains, supermarkets also saw a strong positive increase in prepared fresh seafood, mainly driven by the growing number of households buying these products.

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