Status and trends of most important Groundfish markets

FRANCE

SJÁVARÚTVEGS RÁÐSTEFNAN 2018

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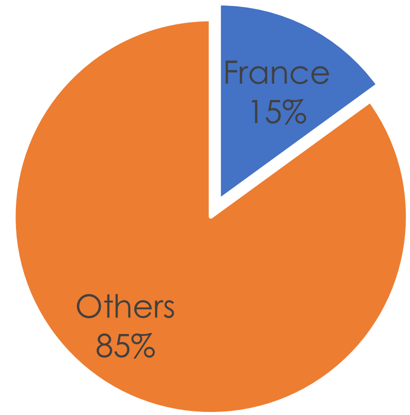
Session C4

Benoit VIDAL-GIRAUD

Context and definitions

- ➔ France accounts for 15% of E.U. aquatic products apparent consumption.
- ➔ Slight decrease (volume only) of apparent consumption in France since the 2000', 2 million tons in 2015
- ➔ Whitefish account for about 24% of total apparent consumption (LWE 2015)

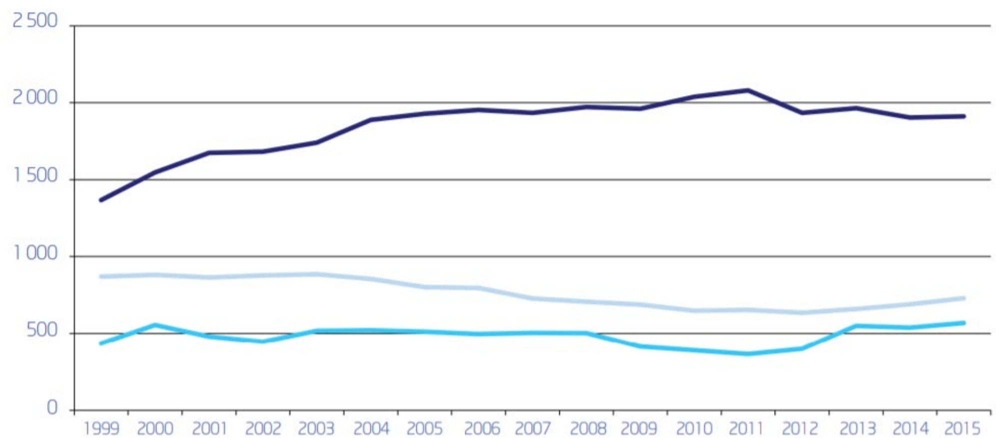
Share of France in EU apparent consumption of aquatic products (FAM and EUMOFA)



Species considered as whitefish:

- Cod
- Haddock
- Saithe
- Ling
- Whiting
- Hake
- Redfish
- Alaskan Pollock

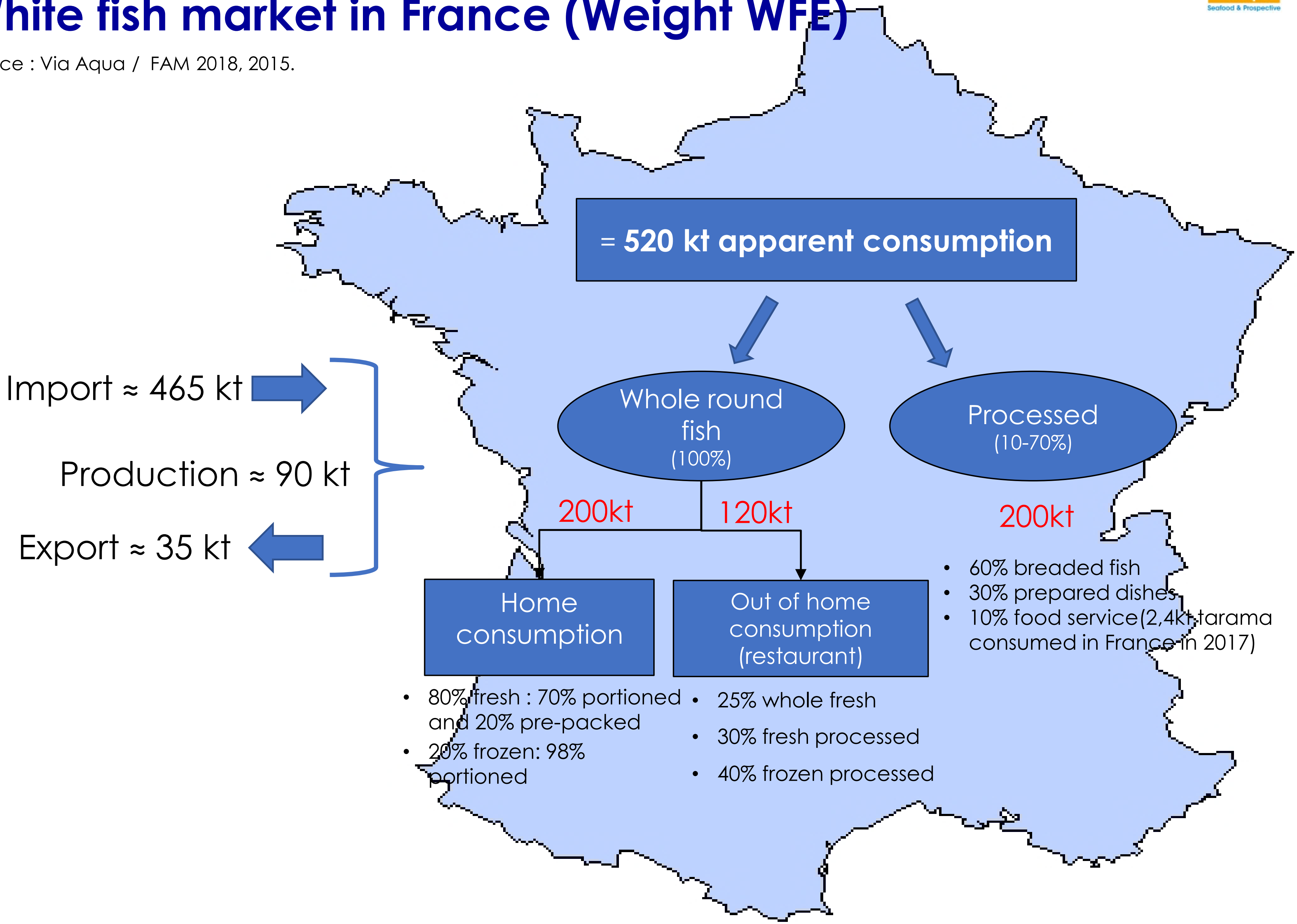
Evolution of French production, import and export (kt LWE) (FAM, 2018)



Estimation of whitefish share → 18% 18% 22% 24%

White fish market in France (Weight WFE)

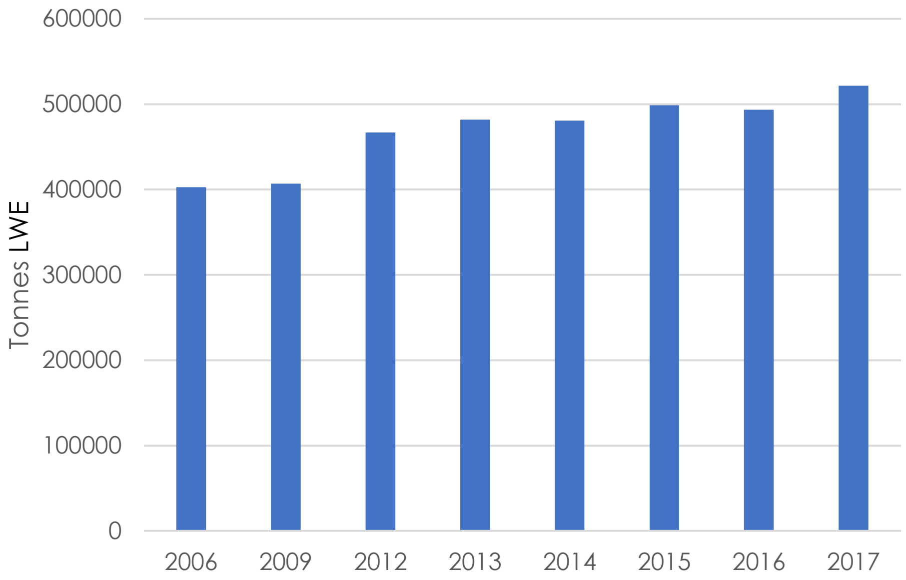
Source : Via Aqua / FAM 2018, 2015.



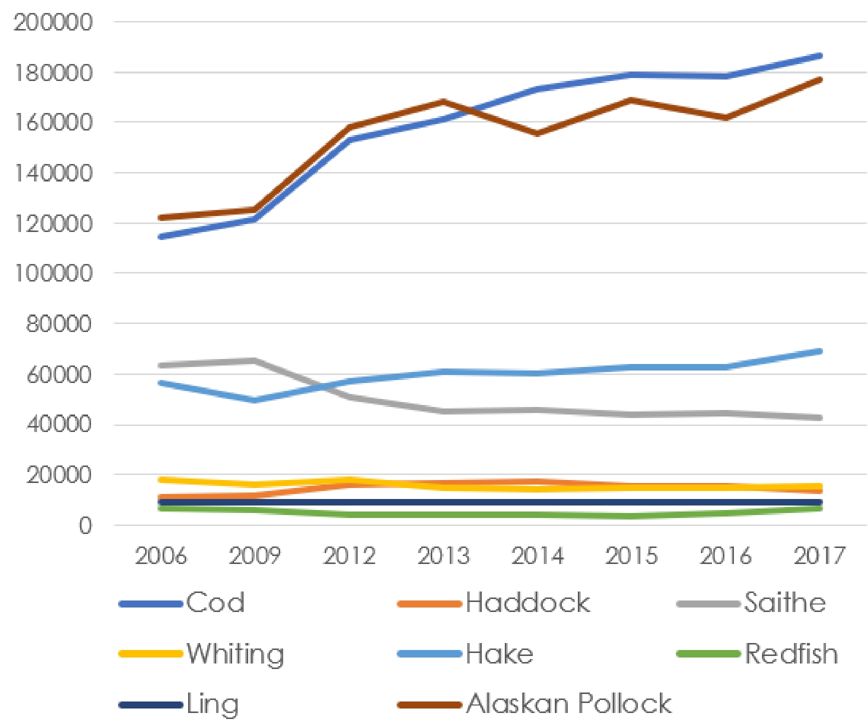
White fish market in France (Weight WFE)

Source : Via Aqua / FAM 2010 - 2018

Evolution of white fish apparent consumption (t WFE)



Total white fish



Detail per species

White fish import in France (Net weight)

Source : Via Aqua / FAM 2018

Cod

Presentation	Volume (t net)	Price (mean)	Origin
Whole, fresh	12 895	5.49	**NO**(30%) **DK**(21%) **PL**(16%) **UK**(14%)
Fresh filets	20 810	8.98	**IS**(45%) **DK**(22%) **NO**(12%)
Whole, frozen	6 790	3.8	**USA**(82%)
Frozen filets	29 238	5.4	**CN**(34%) **IS**(12%) **RU**(10%) **NO**(9%) **PL**(8%)

Alaskan pollock

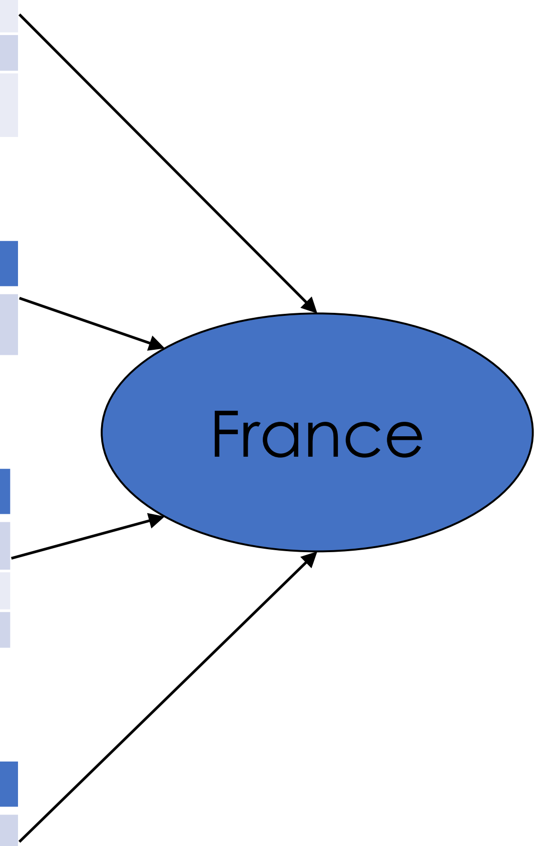
Presentation	Volume (t net)	Price (mean)	Origin
Frozen filets	63 000	2.31	**CN**(51%) **USA**(22%) **RU**(15%)

Saithe

Presentation	Volume (t net)	Price (mean)	Origin
Whole, fresh	6 960	1.98	**UK**(31%) **DK**(30%) **NO**(20%)
Fresh filets	4 749	4.93	**DK**(49%) **UK**(23%) **IS**(20%)
Frozen filets	7 227	3.89	**FO**(31%) **CN**(25%) **IS**(17%)

Hake (misc.)

Presentation	Volume (t net)	Price (mean)	Origin
Whole, fresh	4 000	3.07	**CA ES**
Frozen filets	10 000	3,5	**Extra EU** (Namibia, South Africa, Argentina)



White fish import in France (Net weight)

Source : Via Aqua / FAM 2018

Red fish

Presentation	Volume (t net)	Price (mean)	Origin
Whole, fresh	6 009	1.88	**IS**(78%) **DK**(4%)
Fresh filets	519	7.19	**IS**(83%)
Frozen filets	962	4.77	**IS**(51%) **CN**(32%)

Haddock

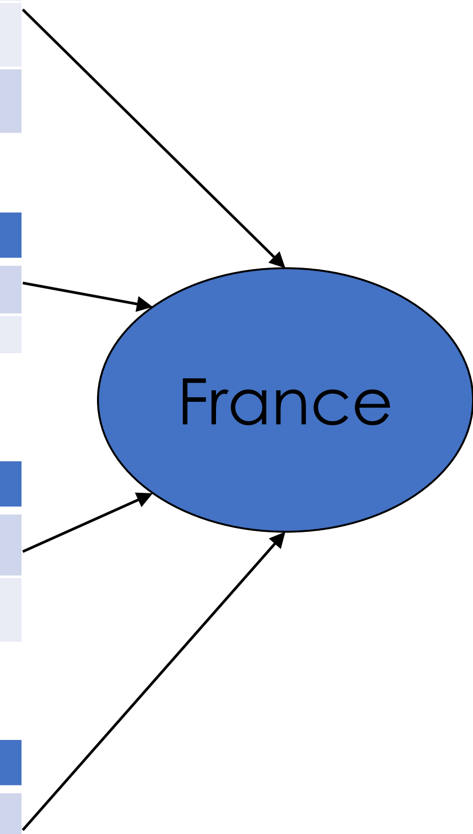
Presentation	Volume (t net)	Price (mean)	Origin
Whole fresh	3 333	2.48	**NO**(66%) **DK**(15%)
Frozen filets	1 428	5.16	**RU**(40%) **IS**(18%) **CN**(13%) **PL**(10%)

Ling

Presentation	Volume (t net)	Price (mean)	Origin
Whole, fresh	2 719	2.32	**UK**(59%) **DK**(12%) **IS**(10%)
Frozen filets	275	4.52	**IS**(61%) **UK**(23%)

Whiting

Presentation	Volume (t net)	Price (mean)	Origin
Whole, fresh	2 234	2.69	**UK**(38%) **NL**(34%) **IE**(17%)
Frozen filets	790	5.31	**UK**(53%) **IE**(17%) **NL**(18%)

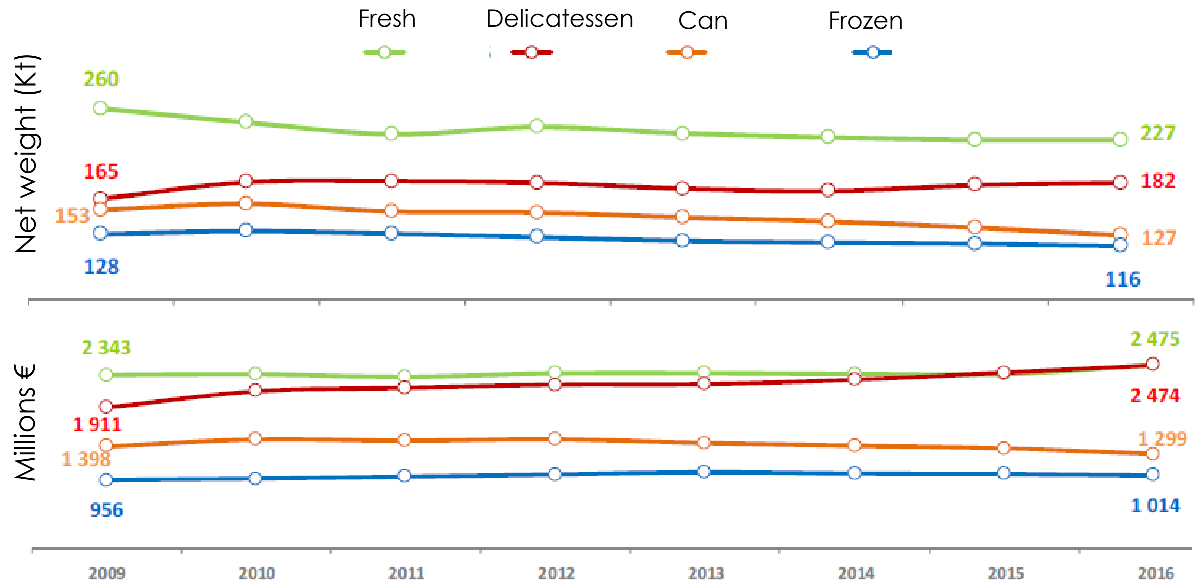


Evolution of seafood households consumption in France

Source : Via Aqua / Kantar WorldPanel 2017

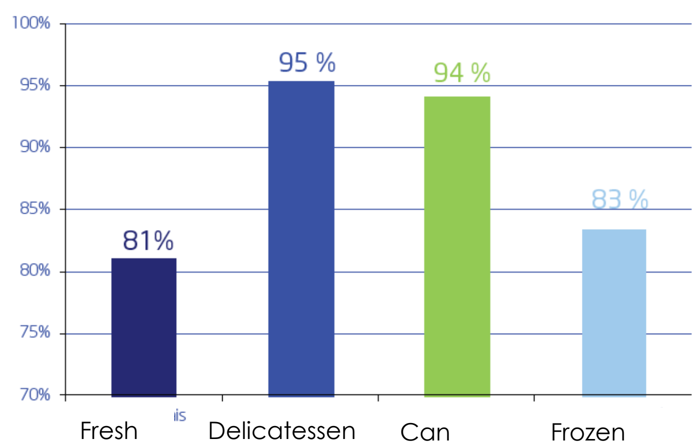
Decrease in volume, mainly in fresh and frozen, but prices are raising

Only food service volumes keep increasing

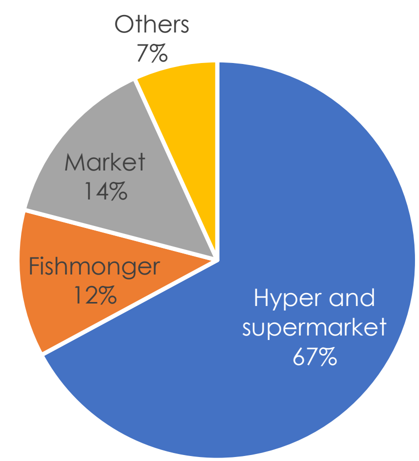


20% of French households do <u>not</u> buy fresh seafood

Ta Seafood household penetration rates



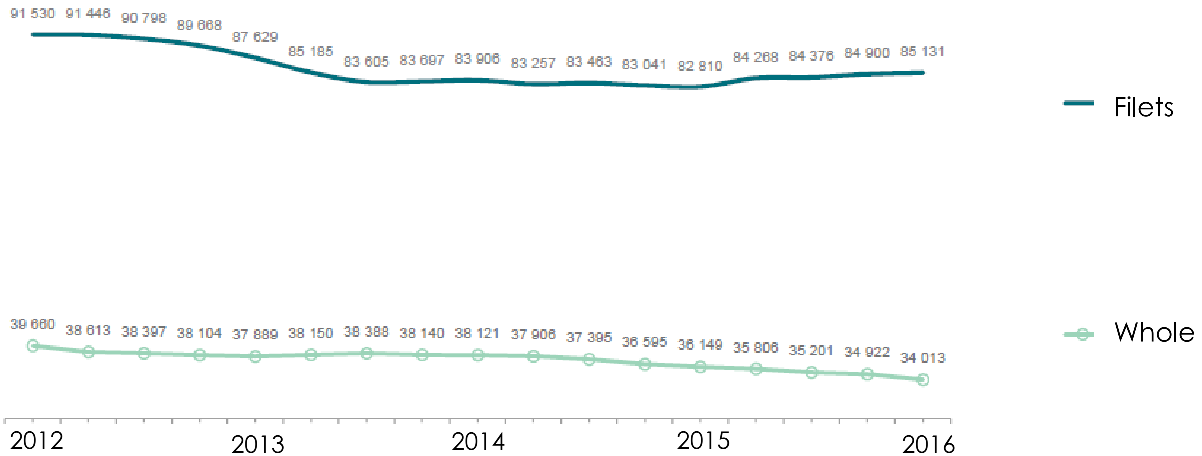
French distribution channels (t)



Evolution of seafood consumption in France

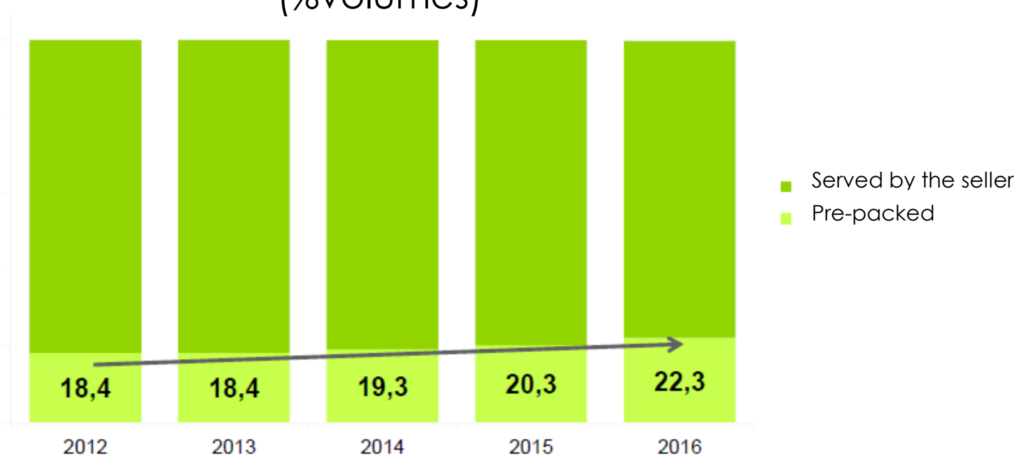
Source : Via Aqua / Kantar WorldPanel 2017

Type of fresh fish sold to consumer (net volumes in tons)



Whole fish are less and less purchased: -9% in volume between 2016 et 2017

Packaging of fresh fish sold to consumer (%volumes)



1 client out of 2 purchased pre-packed products in 2017.

CSU = a strong trend of self-service in retailer store, with both own CSU and industrial CSU

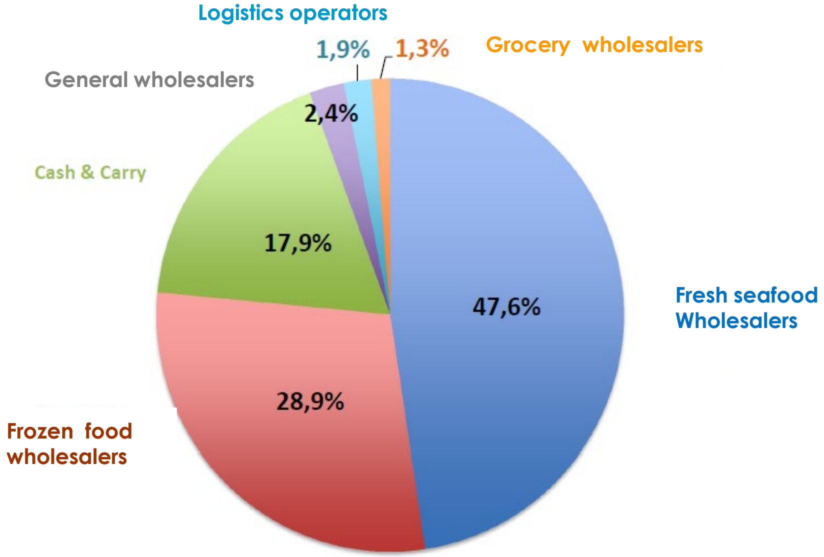
Grand Frais store

Intermarché Fishcounter

Focus on Food Service

Source : GIRA Foodservice 2018, FAM 2015

Sources of procurement by restaurants (value)



Commercial catering

Chains of restaurants: stringent specifications

Gastronomic restaurants: fine and seasonal fish, whole / certified products

Traditionnal : portioned filets

Institutional catering

Long term price policy

Very strict products specifications: skinless, boneless, fixed weight

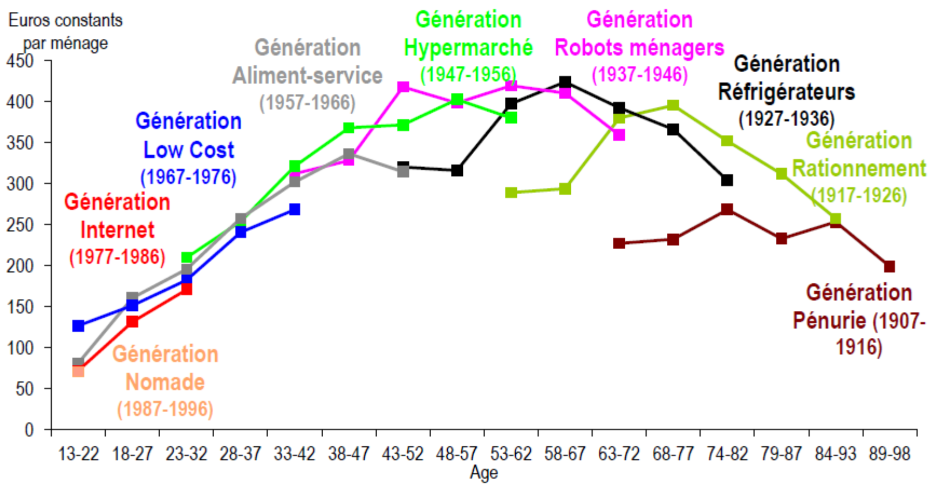
Increasing demand for fresh products

Increasing demand for sustainable products: MSC & ASC represents 10% in volumes

Evolution of fish consumption in France

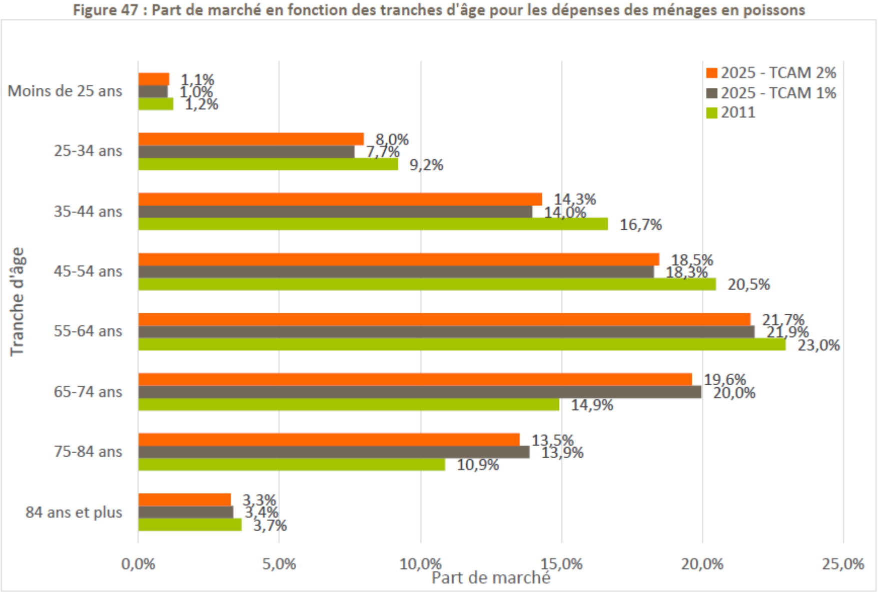
Source : Via Aqua / Blézat 2017

Figure 46 : Effets d'âge et de génération sur le coefficient budgétaire des ménages en poissons et fruits de mer



Source : Insee, Enquête « budget des familles », exploitation CREDOC

Figure 47 : Part de marché en fonction des tranches d'âge pour les dépenses des ménages en poissons

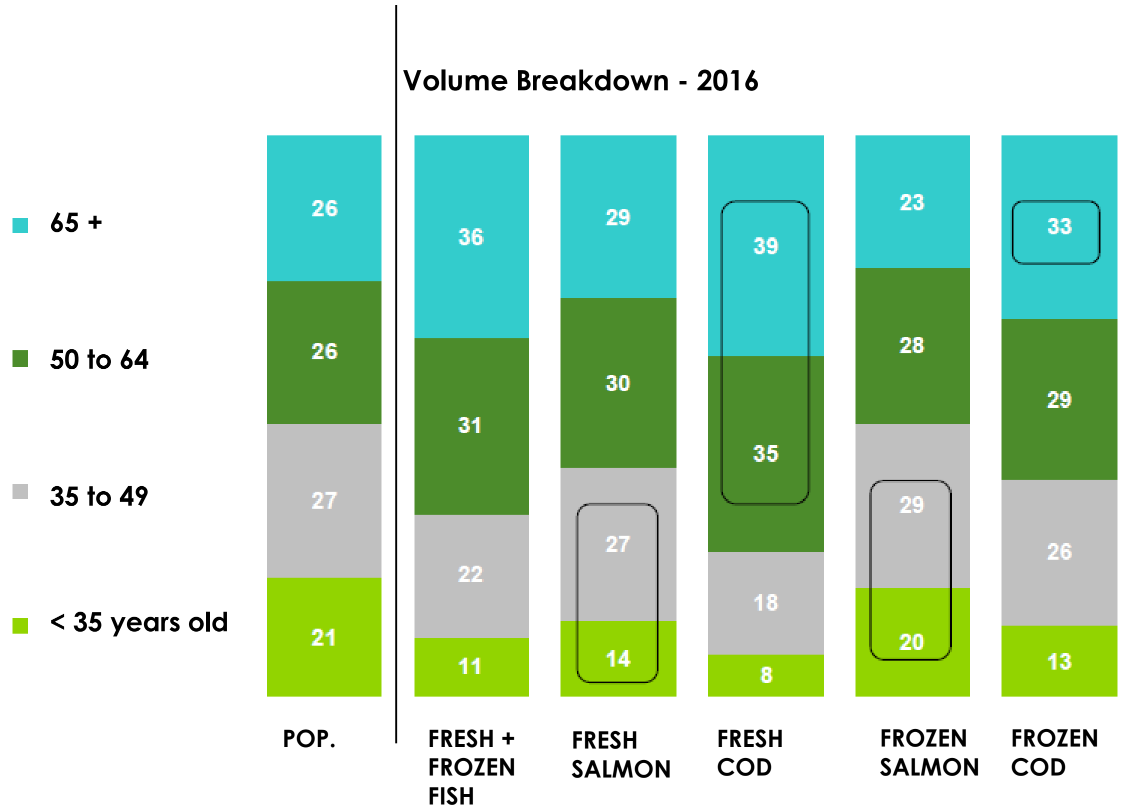


Source : Insee, Enquête « budget des familles », exploitation CREDOC

- Cross generation phenomenon: youngsters consume little seafood but increase consumption when they get older
- Market share of 65+ consumers should increase sharply by 2025

Evolution of fish consumption in France

Source : Via Aqua / Kantar WorldPanel 2017

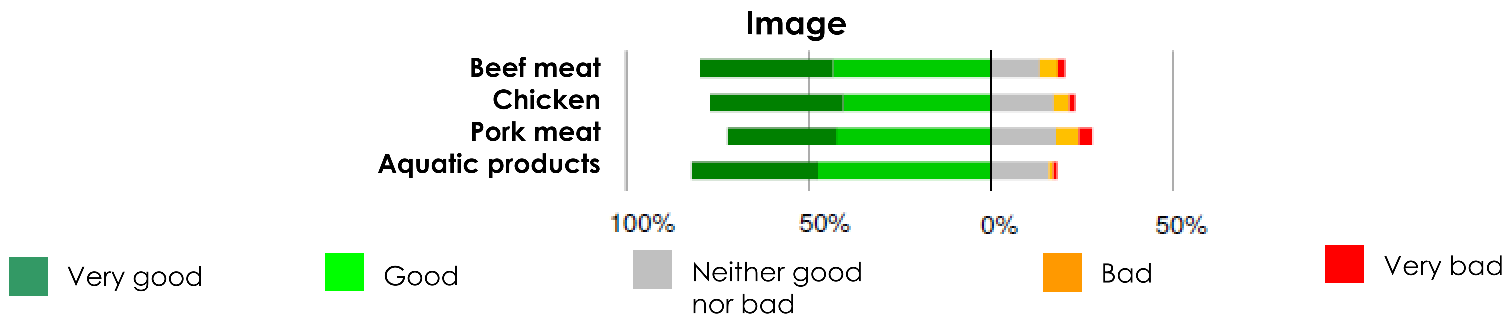


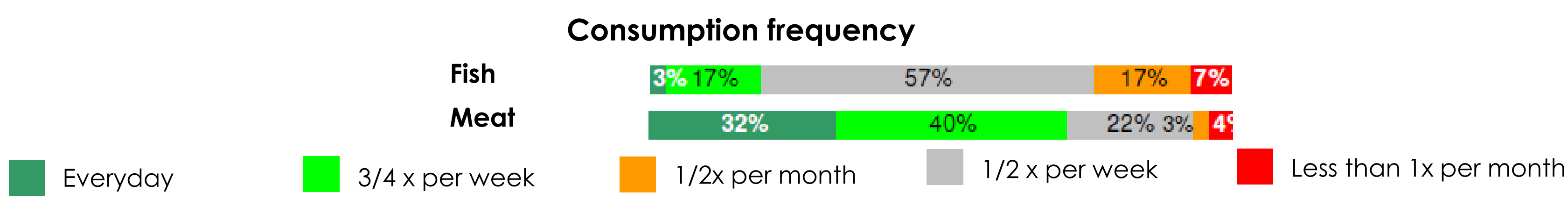
Senior consumers over-consume cod and other white fish

➔ An opportunity to support the white fish demand in the coming years

Consumer perception and motivation

Source : FAM 2017, Image survey

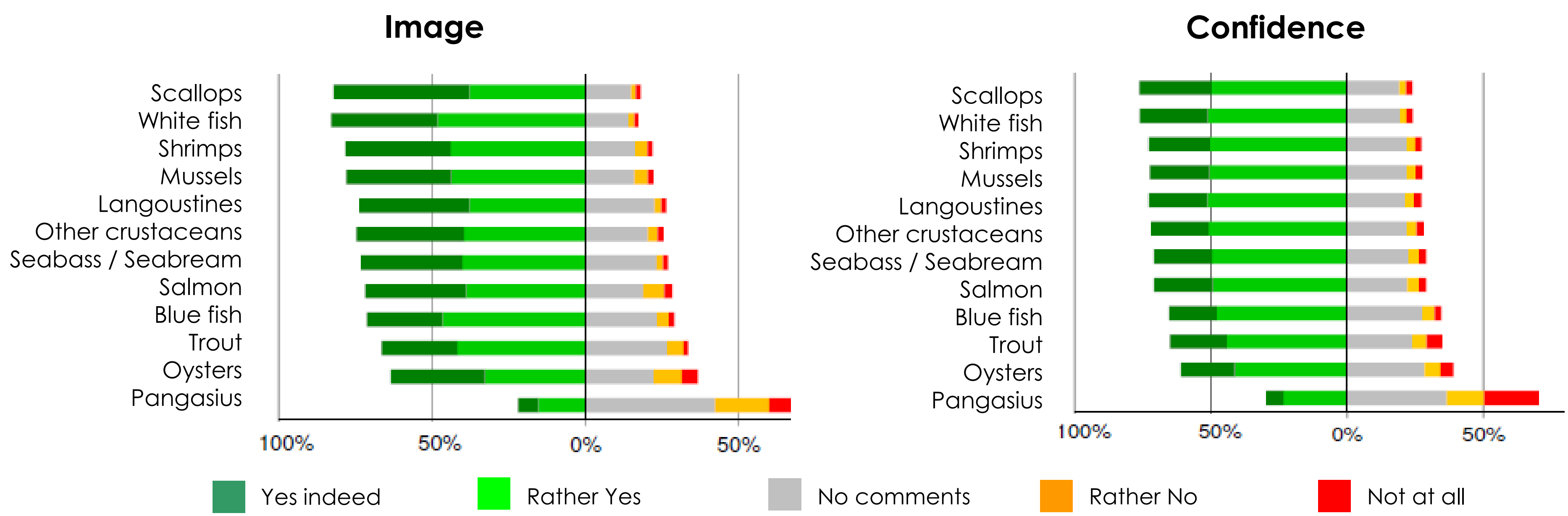




Motivations	Limits
Taste Health benefits	Price Inconvenience

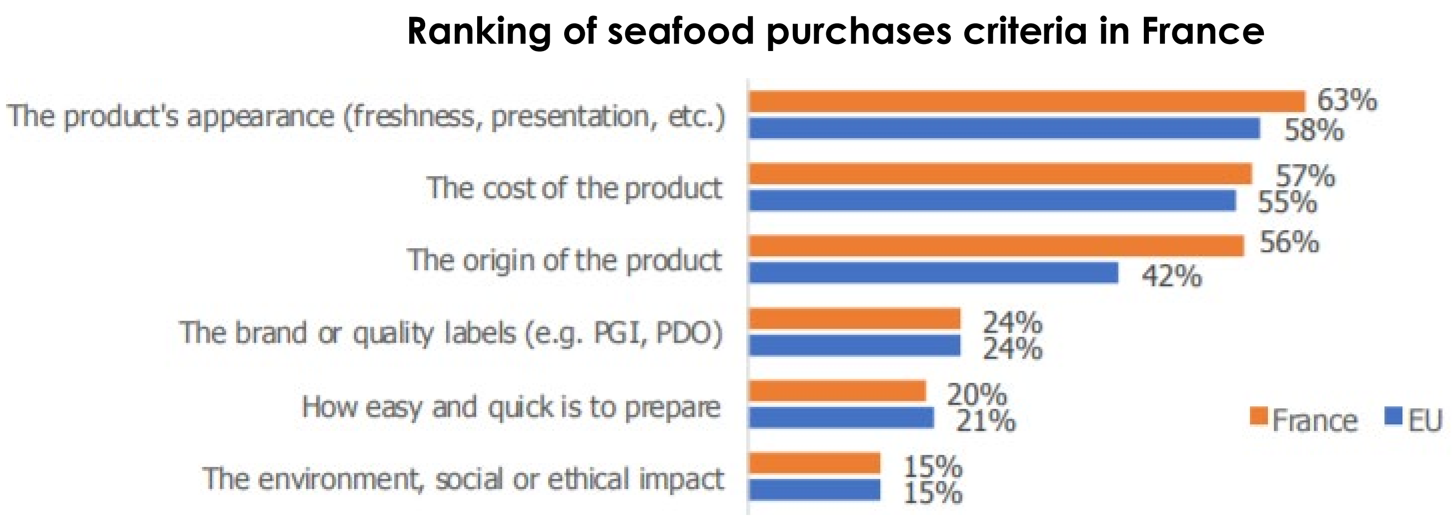
Consumer perception and motivation

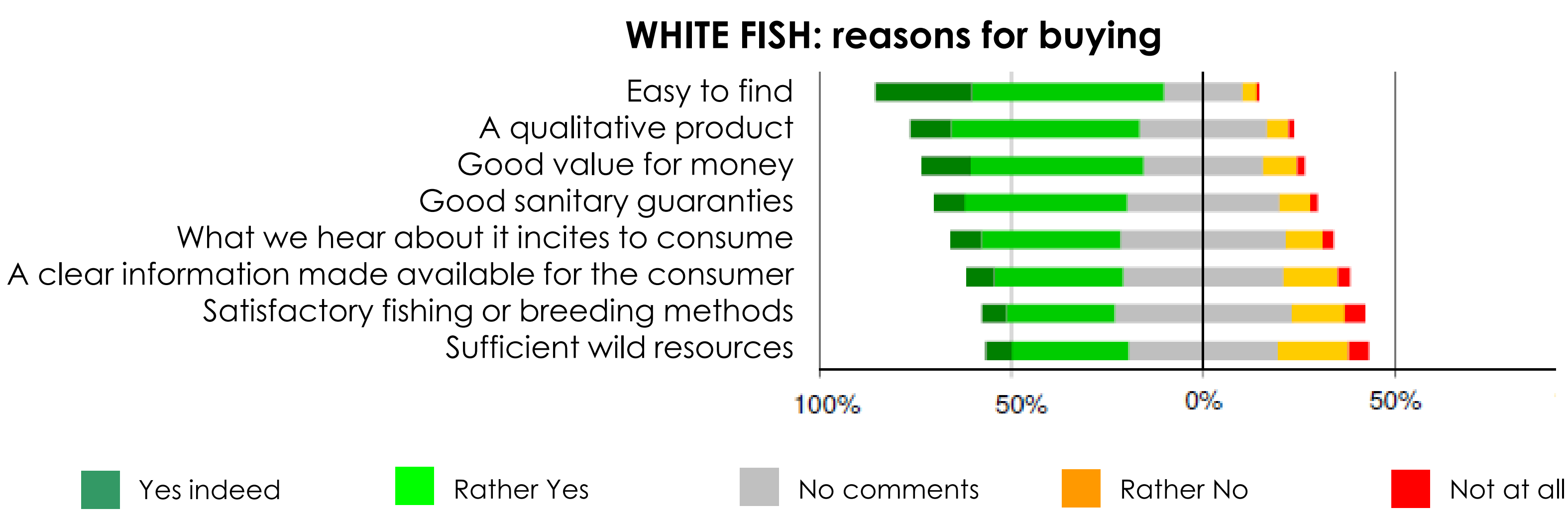
Source : FAM 2017, Image survey



Consumer perception and motivation

Source : FAM 2017, Eurobarometer 2017

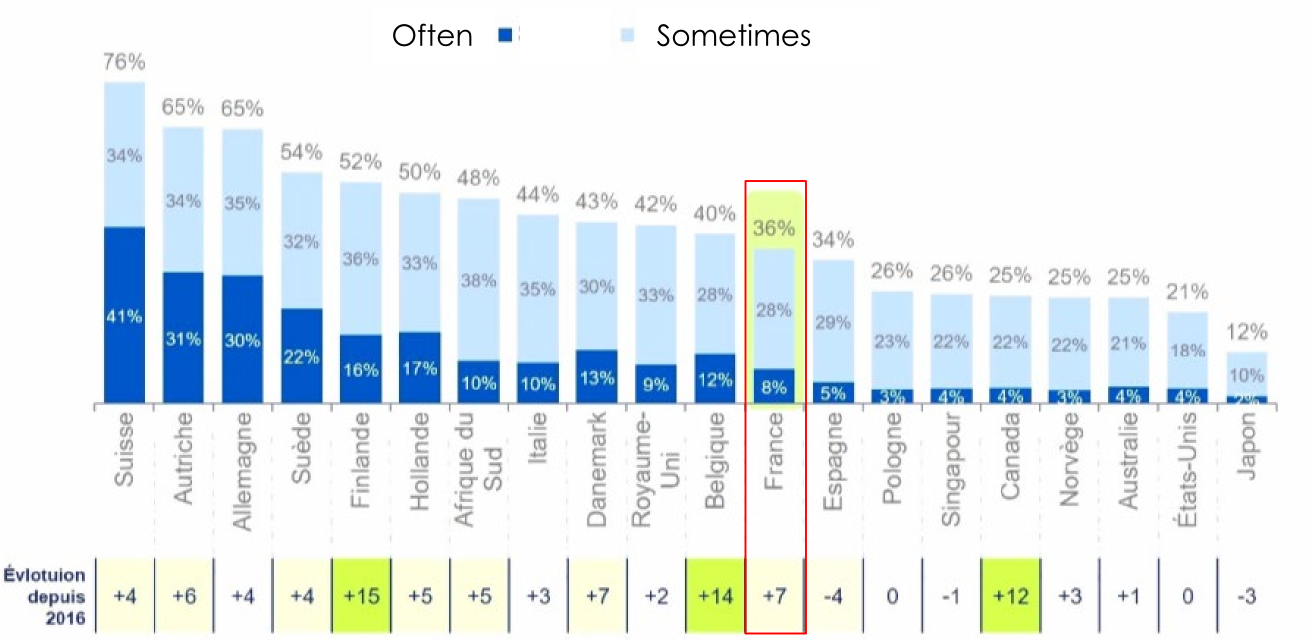




Consumer perception and motivation

Source : MSC 2018

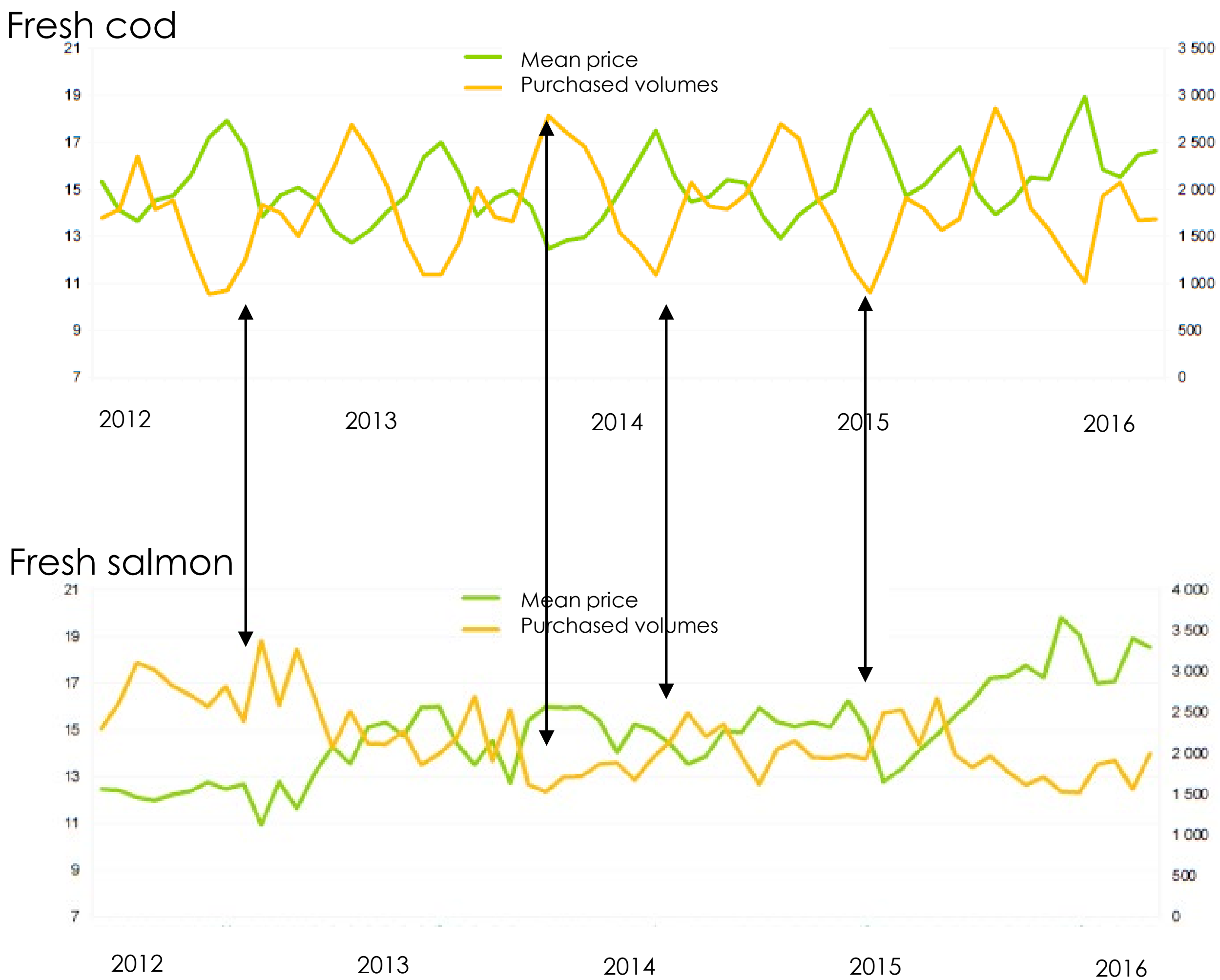
- Major concern with respect to oceans: overfishing and pollution
- Increasing reputation of the MSC label in France (+ 7% between 2016 and 2018) and in Europe



- 8 out of 10 people expect companies to communicate more about the sustainability of the seafood they use
- Sustainability becomes a prerequisite for B2B sales

Focus on price sensitivity

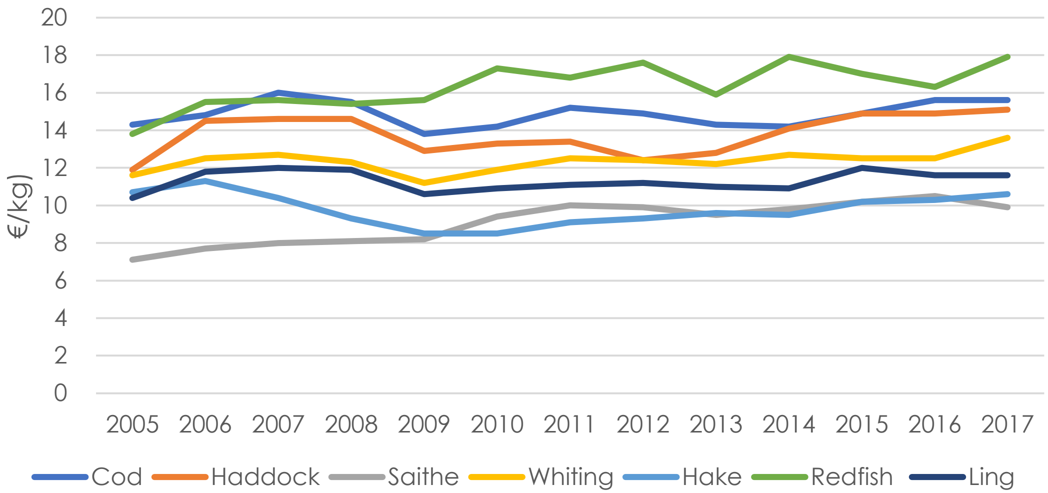
Source : Via Aqua / KantarWorldPanel 2017



Price and sales trends (net weight in tons, home consumption)

Possible fish substitutions

Source : Via Aqua / FAM 2018



Trends in consumption prices (fresh fish, current €)

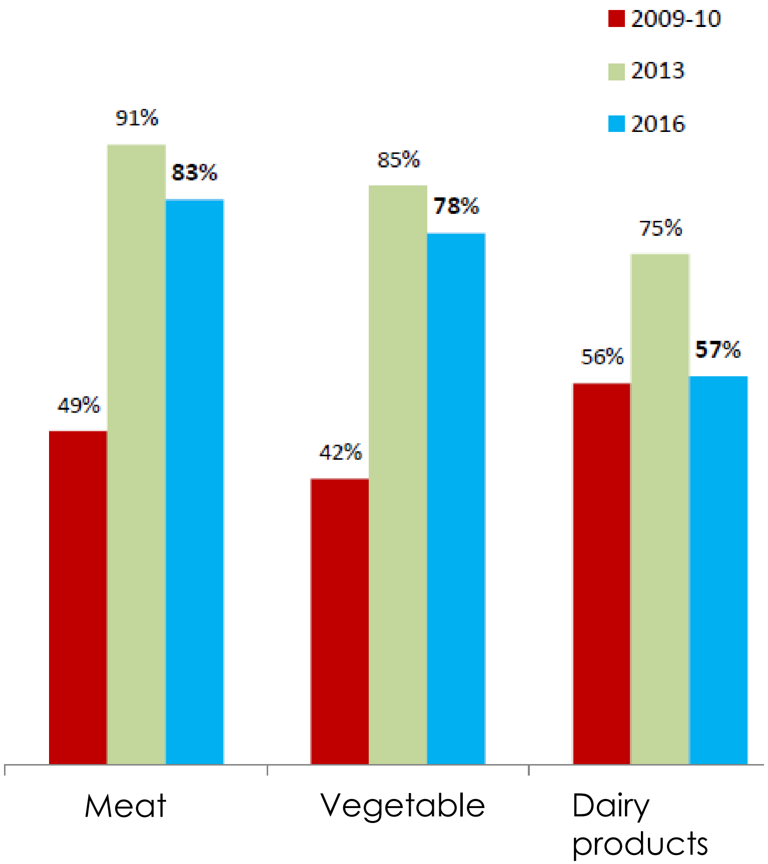
Penetration rate 2017 for fresh white fish species (home consumption)

Species (fresh)	Penetration rate
Cod	**41%**
Saithe	20%
Whiting	18%
Ling	13%
Hake	11%
Haddock	10%
Redfish	2%
Salmon	**42%**

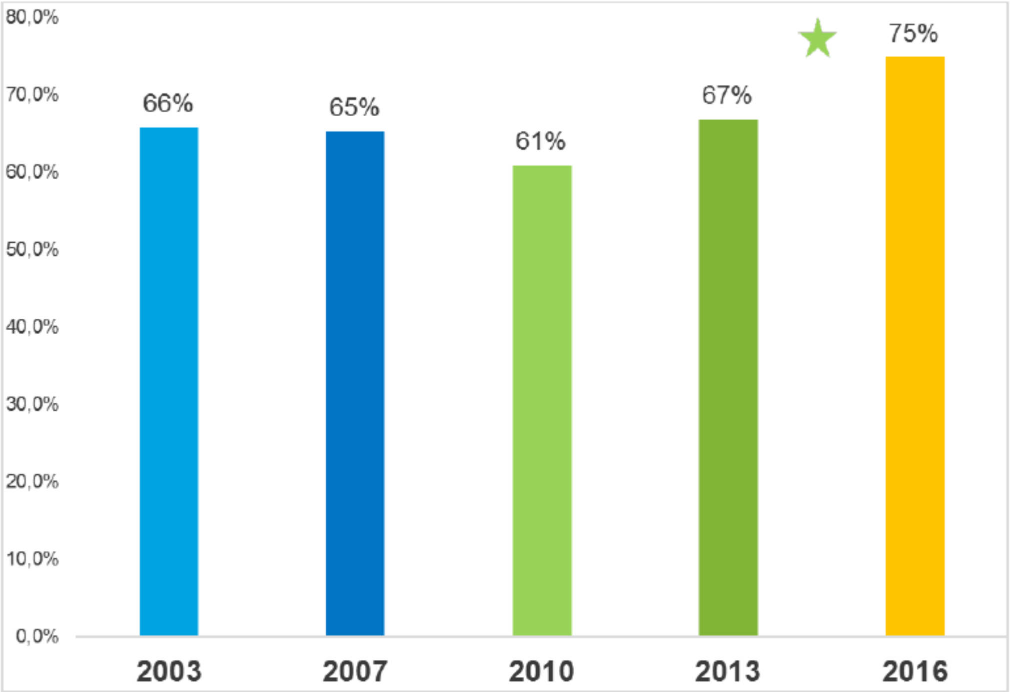
Global evolution of food consumption

Source : Crédoc 2016 & 2017

Evolution of the level of concern regarding food products (%)



Do you agree with the following sentence:
I am willing to pay 10% more for a better product
("Yes indeed" + "Rather Yes")



Global evolution of food consumption

Source : Crédoc 2017

Open question: If I say "quality food", what are the words that come to your mind ...?

Distributors purchasing criteria

Trends and challenges for groundfish on the French market: a SWOT analysis

STRENGTHS:
- Good image and high level of consumer confidence in seafood in general
- Evolution of expectations related to Quality favouring seafood
- Outcome of CFP favouring consumer reassurance

- Specific positive attributes of whitefish in consumer's mind matching seafood purchasing criteria
- Rising proportion of whitefish in overall seafood consumption
- Groundfish species together do constitute a product range that, as such, provides various advantages (versatility, substitution, robustness of image,..)

WEAKNESSES:
- Category is highly price sensitive
- Groundfish are not/not enough perceived as being sustainably produced

Trends and challenges for groundfish on the French market: a SWOT analysis

THREATS:
- Seafood consumption slightly decreasing, as any source of animal protein
- Consumer do easily start to worry (media, NGOs, ..): contaminants and residues, animal welfare, environment issues, …

OPPORTUNITIES:
- Ageing population
- Delicatessen on the rise
- Self-service counter (prepacked) on the rise
- Addressing consumer wariness with groundfish reassuring attributes
- Various growing expectations (at home consumption and restaurants)
    - Consumer more and more ready to pay more for Quality
    - Sustainability and societal responsibility
    - Labels and communication
    - Origin
    - Wholesome and raw products
    - Convenience (portions, refresh, ..)
    - Packaging issues (shelf life, overpackaging, polluting plastics, ..)

- Increase penetration rates of certain groundfish species based on the general advantages of the groundfish range (versatility, substitution, ..)

Thank you for your attention!