



# FISH & SEAFOOD OUTLOOK

JANUARY 2018



## JANUARY AT A GLANCE

- **Salmon** - Christmas holidays mean that harvesting will recommence during the first week of January with deliveries into the UK the following week.
- **Farmed Sea Bream** - prices likely to increase due to tighter supply.
- **Frozen inflation in January** will include Alaskan Pink Salmon (low supplies), Hake (strong demand and reduced quotas), coated whitefish (quota cuts and ingredient cost rises) and Coldwater Prawns (quota cuts in Canada).
- **Wild Bass** - fishery will again close on the 1<sup>st</sup> February for 2 months during the spawning season to help protect stocks.
- **Chilled Crayfish** - high demand in the Chinese market is pushing raw material prices up.



Best of Skipper's Catch: live Crab, Flounder, Cornish Mackerel

### CURRENCY (As of 18<sup>TH</sup> December 2017)

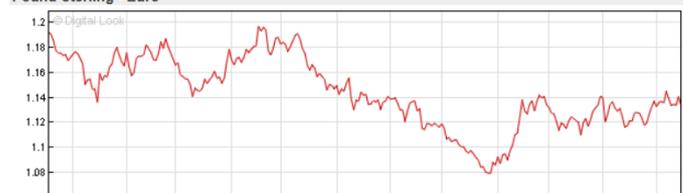
The Pound has fallen back slightly from the relative highs it reached at the start of December amid on-going Brexit concerns.

It continues to trade in the 1.12-1.14 against the Euro despite some peaks and troughs on a daily basis.

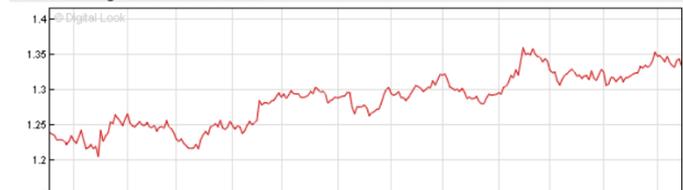
Against the USD, GBP continues to be in the 1.30-1.35 range although during December the trend has been towards the top end of this.

Sterling has continued to strengthen against NOK which has helped check the Salmon pricing and seems to have settled around 11.15.

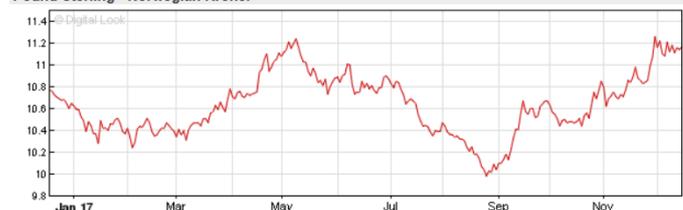
Pound Sterling - Euro



Pound Sterling - United States Dollar



Pound Sterling - Norwegian Kroner



Source: BBC website

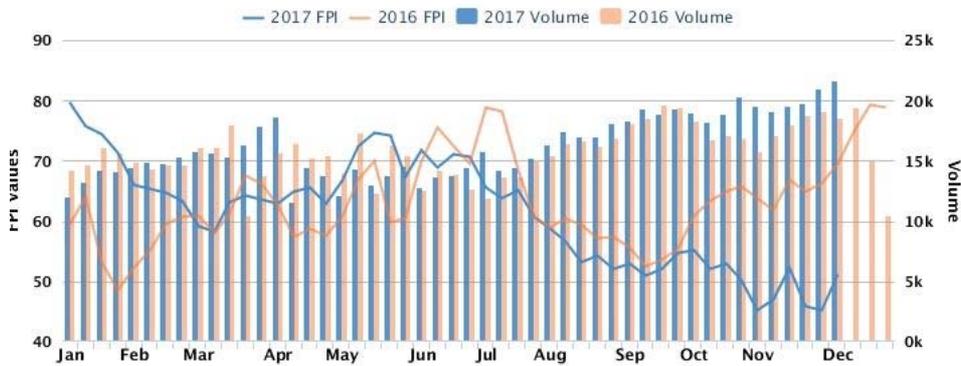


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## FRESH SALMON

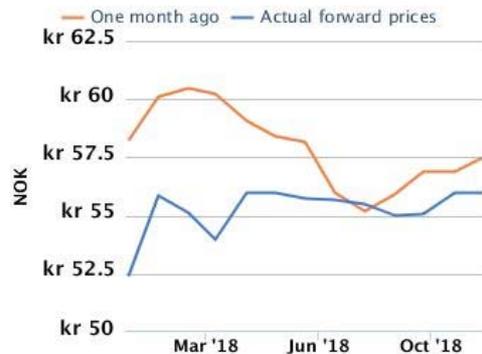
- Harvests have been reduced due to the Christmas period, this will continue into the new year. Farms should be back to normal harvesting from the first week of January for deliveries into the UK the following week.
- Prices remain high as we are approaching Christmas however, not as high as expected a few months ago. There is a view that, if the market responds in the same way as in 2017, prices may start easing back in January as global production volumes continue to outstrip reduced demand, especially in Europe.
- Overall global harvest volume is expected to rise by 6% in 2018 - predominantly driven by Norway (10.5%) and Chile (10%) with reductions in volume from the UK and Faroe Islands.



## Salmon prices ease as supplies recover

14 Dec 2017 | By Michael Liberty

Smoked salmon will be an expensive treat in the mullets this Christmas, but commodity prices are starting to ease



## FRESH COD & HADDOCK

- Availability on both species looks stable for the next few weeks although this is somewhat subject to when fisherman go out during the festive season. We do have defrost products as a contingency for times when fresh fish is short.

## FRESH FARMED FISH

- Sea Bass availability and price should remain steady but we may see Sea Bream prices increasing slowly due to tighter supply, potentially up to 10% over the next three months. Exchange rate fluctuations will also be one of the factors affecting prices.



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## FRESH QUOTAS FOR 2018

Good news for many of the key species locally landed as 2018 quota changes have been announced showing some healthy increases (remember that local fish represent a small proportion of the overall landings in most cases). This is the last round of EU negotiations before Brexit:

- North Sea Cod\* - up by 10%.
- North Sea Haddock\* - up by 23%.
- North Sea Monkfish - up by 20%.
- Irish Sea Cod - up by 377%
- Irish Sea Haddock - up by 55%.
- Eastern Channel Sole - up by 25%.
- Eastern Channel Ray - up by 20%.
- Bristol Channel Sole - up by 9%.
- EU has, however, cut Mackerel TAC (total allowable catch) by 20%.

\*Stocks of both Cod and Haddock were accredited as sustainable by the Marine Stewardship Council.

## EU cuts main mackerel TAC 20%, ups herring, cod

By Undercurrent News Dec. 13, 2017 09:38 GMT



Mackerel sold at Billingsgate market. Photo: Undercurrent News

Source: Undercurrent News

## FRESH WILD SEA BASS

- Once again, the European Commission has issued a ban on all forms of Bass fishing during the spawning season in February and March to try and stem declining stock levels.
- In addition quotas for next year have been cut by 50% to just 5mt including rod and line fisheries.

## SKIPPER'S CATCH LANDINGS



- **Beesands (Devon):** Owners of the Britannia of Beesands, Nick and Anita Hutchings (photo), will continue potting for live Crab.
- **Poole:** The crew of the Little Oscar skippered by Louis Schmidt will be out looking for Flounders.
- **Christchurch:** Local boat the Poppy with skipper Steve Bewley will be netting for Soles and Ray.
- **Hayle:** The Hope, Peter Pan and Lady Jacqueline will be on the hunt for Cornish Mackerel.
- **Poole & Portland:** The Happy Hooker II owned by Poole's Ian Gilbert and Ian Taylor's vessel the Shaman will be out hunting Bass before the closure of the fishery on 1st Feb.

## FRESH TUNA & SWORDFISH

- There will be a limited supply of Tuna and Swordfish in the first week of January as the fishermen go back to sea. Prices should start easing as we go into February.
- We will be relying on Sri Lanka, the Seychelles and the Maldives as we are still experiencing problems with supply from India in the aftermath of Cyclone Okhi.
- We also expect historical annual inflation on other exotics like Snappers, Red Mullet and Mahi Mahi.



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## FROZEN COLDWATER PRAWNS (CWP)

- In late summer 2017 CWP prices rose rapidly, a climb from which they have only just stabilised.
- Quota cuts in Canada are adding pressure to Norwegian stocks, affected by poor fishing and shortages of larger sizes 100/200 & 150/250.

## Iceland cooked and peeled coldwater shrimp, 150/250

NOV 2017  
GBP 9.3 (+1%)



## FROZEN HAKE

- There is strong demand for South African fish from other countries including Spain, Italy, and USA.
- Sales of Hake are Euro related and have been affected by the weakness of the GBP since Brexit
- In the coming months we could see more uncertainty due to the South African government looking to reassess the quota distribution, which has been reduced by 10% since 2016.

## FROZEN COATED COD

- Inflation is driven by 2018 quota reductions of 13% and an increase in UK processing costs (packaging and other ingredients such as oils and crumb for coating).

## FROZEN SEA BASS

- Mostly larger fish are being farmed currently therefore we will see inflation on smaller fillets. This is also driven by the depreciation of the GBP vs. EUR.

## 'Worse than expected' Canadian catches see coldwater shrimp prices soar, contract flurry

By Neil Ramsden Aug. 9, 2017 09:22 GMT



Cooked and peeled coldwater shrimp. Credit: Neil Ramsden, Undercurrent News

Source: Undercurrent News

## FROZEN WILD SALMON

- This year supplies of Alaskan Pink Salmon are extremely low due to poor 2016 catches. As a result buyers came in strongly early in the season driving prices up YOY.
- The alternative, Russian fish, was of poor quality and that pushed demand for Alaskan Salmon and, in turn prices, even higher.

## CHILLED CRAYFISH

- High demand for Crayfish in the Chinese market is pushing raw material prices up, making it more expensive for European producers to purchase.
- Prices normally soften in August but this year they increased nearly 70% due to flooding in certain Chinese regions.
- Inflation is partly driven by the unstable exchange rate.

## FROZEN MAHI MAHI

- Mahi Mahi is in short supply so raw material prices have risen, also affected by the fluctuating GBP/USD exchange rate.