Recent evolution of the UK and European trout markets and possibilities for new products

JIM MUNDAY

British Trout Association, 10 Barley Mow Passage, Chiswick, London W4 4PH, UK

SUMMARY
The paper briefly examines market opportunities for trout and farmed fish created by changing pattern of distribution in western Europe.

Key words: aquaculture, Europe, marketing, rainbow trout, trout, Oncorhynchus mykiss.

RÉSUMÉ
Evolutions recentes des marches Europeen et Britannique de la truite et opportunites pour de nouveaux produits

Cette communication examine brièvement les opportunités de marché pour la truite et les poissons d’élevage qui découlent d’un changement des modes de distribution en Europe de l’Ouest.

Mots clés: aquaculture, Europe, commercialisation, Oncorhynchus mykiss, truite arc en ciel.

YFIRLIT
Próður sílungsmarkaðarins í Breitlandi og Evrópu og möguleikar á nýri framleiðslu
Í greininni er í stuttu máli greint frá markaðsmöguleikum sílungs og annars eldisfísks með tilliti til breyttar háttta í dreifingum í Vestur-Evrópu.

INTRODUCTION
Talking to Icelanders about marketing fish seems like telling birds how to fly, or advising fish how they might swim! However, it is important to realize that the food market is changing and that the fish market changes with it.

There are a few general principles worth remembering. No farmer, even fish farmers, has any right to the consumer’s purse. Any farmer who produces a crop without first finding a market is at best a fool and at worst irresponsible. Any new enterprise will be successful, if driven by the desire to fulfil the requirements of today’s consumer.

These general statements apply to all crops, but are equally relevant to farmed fish.

In looking to new markets the golden rules are simple:
1. First identify your market.
2. Provide the right product for the market; consistently to build and secure a market for the future.

The development of the United Kingdom market, which has many parallels in the rest of Europe, is having a distinct influence on the market for farmed fish.

UK FISH MARKET
In 1990 Britain’s retail market for sea fish was 174 000 tons, some 3000 tons higher than in 1988. The catering market has shown a slight decline and is about 162 000 tons.
Therefore the total markets for seafish, and seafish products, is estimated at around 336,000 tons. A fall of just over 1% since 1989. It is big market, which is growing slowly. Growth has been fuelled by switch from eating and an interest in fish for more healthy eating. An opposing influence is the price of fish, which has been rising.

THE IMPORTANCE OF FARMED FISH
Over and above this seafish consumption, the farmed fish industry in Britain has seen steady growth. Trout consumption has tripled to 15,000 tons per annum in the last 10 years. Salmon consumption has grown even faster. In 1986 wholesale value of farmed fish in Britain was £60 million and in 1990, £140 million. With the United Kingdom catch, which accounts for £420 million, farmed fish is 25% of the British fish industry.

Across Europe trout is the most important farmed species. In the European Community this accounts for some 160,000 tons in 1989, compared with 34,000 tons of salmon. In Britain the situation is slightly reversed, with trout being roughly 50% of salmon consumption, at 15,000 tons. Retail value of the trout market in Britain is in the order of £70 million. It is a big market, and in total food terms matches the market in Britain for corned beef or tomato sauce, two of the staples of our diet.

WHO SELLS FISH TO THE CONSUMER?
There are fairly reliable statistics on the sale of seafish in Britain. In the last two years there has been a shift in the retailing of seafish, moving towards the supermarket chains. In 1988 the market shares were as follows:

- Fishmongers 49%
- Market stalls 16%
- Mobiles 7%
- Multiples 15%
- Other 13%

In two years, by 1990, market shares became:

- Fishmongers 49%
- Market stalls 13%
- Mobiles 7%
- Multiples 20%
- Other 11%

The increasing dominance of major multiple retailers in the British food market is now beginning to have a serious influence on the sale of wet fish. Marks & Spencer's, as well as selling more ladies' underwear than any other retailer in Britain, now claim to be quite Tesco and Safeway, are hard on their heels. With the top five multiples, Safeway, ASDA, Sainsbury, Tesco and Gateway controlling nearly 60% of total food sales in Britain and when you include other multiple grocers, this shoots up to over 80%. One-stop shopping has arrived in Britain. A similar situation has evolved in the rest of Europe.

RETAILERS OF FARMED FISH
Although there are no reliable statistics on the retailers of farmed fish, it is clear that the traditional fishmongers have, in general, been slow to accept the arrival of farmed fish. The same is not true with multiple chains, who have welcomed the opportunity of regular supplies of product to specification in their supermarkets. To contrast with the market shares of seafish retailers a useful estimate for farmed fish would be:

- Fishmongers 27%
- Market stalls 10%
- Mobiles 3%
- Multiples 33%
- Other 27%

So the first conclusion is that in a slowly growing fish market in Britain, farmed fish is more readily acceptable and sold through supermarket chains.

HOW DO THEY SELL IT?
In recent large store openings by the grocery multiples, such as Sainsbury and Tesco, wet
fish counters have been a major feature. They are also common in other chains such as Waitrose. The wet fish counter’s regularly stocked display is obviously one of the rare islands of human contact in a large supermarket. In addition to wet counters some chains run CAP packs of fillets, gutted and grilled fish, together with more convenience lines, such as crumbed, battered and breaded products. The convenience appeal of fish with sauces; novel presentations; snack presentations; goujons; scallops; smoked; cold and hot smoked fillets are all growing. There is considerable opportunity for further simple but novel presentations.

Similar patterns are emerging in Europe, with major hypermarket chains such as Auchan and Prisunic in France, GB in Belgium, Tengelmann in Germany all taking increasing share in total food trade.

The fish range of a chain such as Prisunic is as follows:

- Whole fish. 9 varieties with at least 3 luxury items (monk fish, sole, salmon) to give credibility to choice/image.
- Fish fillets. 6 varieties. They are the mainstay of stock and cash turnover.
- Selection of shrimps and prawns. 4 kinds.
- Processed products. 10–15 items; smoked fish, fish salads, fish terrines, roasting cuts.

Sales:

- Whole fish 14%
- Shrimps/prawns 20%
- Smoked fish 17%
- Fish terrines 13%

It is interesting to note that now, in all western European countries, buying power is concentrated into fewer hands, food turnover is concentrating into a limited number of highly professional retailers. If we look at western European countries and see the concentration of food turnover (food store turnover by top 5 buyers):

- Finnland 90% +
- Sweden 80% +
- Switzerland 80% +
- Germany 70% +
- Danmark 60% +
- Belgium 50% +
- Great Britain 50% +
- France 40% +

So the question was the evolution of trout markets and possibility of new products. The possibilities of new products are simple – they must be interesting, innovative and give the consumer what they want. That is nice edible flesh, no eyes, no bones, no fins; presentation must by clean and good. If it is novel, in terms of saucing, covering, coating this can help. It must be very easy to cook and serve. The place for opportunities clearly lies with the major multiples. The traditional fishmonger trade will continue but they are conservative and less likely to change. New opportunities therefore are best served by retailers keeping pace with the consumer marketplace.

To seize those opportunities you must get your product right, it must be right for the consumer, right for the retailer and it must have marketing support right to the consumer.

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