

FISH MARKET REPORT

SUMMER 2020



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OVERVIEW

As we ease out of lockdown into what is being described as the “New Normal” what can we learn from the past few months? Probably the biggest lesson we all learned in the early days of the lockdown was when we faced empty shelves in the supermarkets despite there being plenty of available stocks of food for the nation. This highlighted how rigid our supply chains are, and their inability to flex to the crisis. That was retail, but what about Foodservice where we all operate? Virtually overnight the seafood industry saw the market close on a £92m per week foodservice market and £34m per week UK export trade following the Prime Minister’s announcement to the country’s hospitality sector to close its doors - putting the foodservice industry into hibernation.

On the flip side the UK saw retail sales surge by up to 60% in the first few weeks of lockdown as consumers started to stockpile and panic buy. Foodservice wholesalers who tried to compensate for the lack of sales into the restaurant/hotel trade and had identified opportunities in the retail market were hampered by the additional labelling requirements to operate in this sector and were forced to furlough their workforces and put their businesses into survival mode with skeleton staff and reduced services. All this whilst trying to support front line workers. For the first few weeks of the lockdown, many fishing fleets nationwide self-imposed restrictions on their days at sea to try and help each other survive what has been a devastating period in our industry. Needless to say, once retail sales returned to their normal patterns and volumes, the fleets had no choice but to tie up in harbour rather than use their quotas and land fish that there was no demand for. Please spare a thought for the estimated 1,000 non EU crew members aboard some of the UK’s fishing fleet that have been unable to return to their families due to travel restrictions and unable to earn a wage due to being tied up in harbour, along with having to still live aboard the vessel. Conditions can be tough at sea, but can be even tougher when in port.

So what lies ahead for us? As the foodservice industry tentatively starts to reopen their doors to the public we are starting to see the green shoots of a slow return to normality in the fish industry with export markets also starting to wake up as restrictions are lifted. The fresh markets are open although there is some disparity between supply and demand. It is worth mentioning that due to reduced capacity in the restaurants/bars imposed by the 1+ metre ruling, this in turn means we are seeing a reduced demand overall. In turn we have to purchase less to reflect the current downturn. It is advisable to give us as much notice as possible of your requirements during these uncertain times. Please speak to your account manager or telesales about availability. Don’t forget we have a vast range of frozen/smoked and deli lines as alternatives. The incentives of reduced VAT and the “eat out to help” promotion offered by the chancellor are a welcome support and will hopefully give a much needed boost to the sector in trying to regain customer confidence and entice them back into the bars and restaurants. If you are planning any special menus in line with the “eat out to help” promotion, please speak to your account manager on what we can advise to help with menu slots.

In the spring edition of our market report, we spoke about the early signs of the COVID-19 outbreak in China possibly causing us disruption in the white fish processing industry and how intrinsically global markets are linked. Little did we know at that time what we now know in July and how the world market has changed in those few months. We also spoke about spring time being a transitional period in the calendar. It certainly feels like the entire year is transitional with the government ploughing ahead with Brexit and the ongoing negotiations around the EU fishing policy and how that will be managed once we regain ownership of our waters next year. Originally the 30th June was set as the deadline for those negotiations to be complete. However, this has now passed and although it would appear that both sides have given some ground in the talks, agreement has yet to be reached. Talks were set to resume this week and we will keep you posted on how those talks progress and what the likely implications of the outcomes will be to us in the foodservice market.

In late March, when the lockdown was implemented, the evenings were still quite dark and everything was a bit surreal. We were confined to our homes (some living amongst a stockpile of toilet rolls, dried pasta, long life milk and rice) wondering what lay ahead of us with some trepidation. Then slowly, as we adjusted to the situation, we could see a way out of it as the country hit the peak of the curve and the infection numbers slowly started to decrease and thankfully the “Nightingale Hospitals” were there as a backup but not used to their capacity. The evenings started to get brighter and then lockdown fever took over. The dog had been walked to within an inch of its life and we all waited impatiently wondering when the pub will reopen or when we will next be able to go out for a meal with the family. Well, that time has come and we are starting to venture out again, baby steps at first but we are already seeing a noticeable increase in footfall to the bars and restaurants that are open. Early feedback from consumers is that they have felt safe and comfortable in the new environment which is encouraging.

So on a positive front, we have now entered the months where some of our wild species are entering prime condition and there will be bargains to be had. Lemon sole, megrims, hake, and mackerel are all at their best - not to mention this being a prime time for UK Devon Crab for those summer salads. Please see species information below and remember to keep in touch with your account manager about availability, price and more importantly what your reopening plans are for the months ahead so we can support you. The government are noticeably promoting the population to become healthier in these uncertain times and seafood has long been associated with a healthy diet, so let’s get consumers eating more fish.

The UK hospitality sector will recover and will return bigger and stronger although it is going to take some time. Direct Seafoods look forward to continuing to work with you all in helping to rebuild confidence in our customers and getting them back into our bars, restaurants and hotels in the coming months. Our very best to you all in these difficult times. We’ve missed you!

FARMED FISH

Species	Comments
Sea Bass & Gilthead Bream	Sea bass and bream prices are on the up as we near the end of the older generation fish and await the harvest of new season fish. Pressure is building on the 300-400 and 400-600 gm fish as stocks start to deplete. However prices on the 600-800gm fish and above are stable and fish are available. May be time to get creative and utilise larger fish and portion down the fillets.
Salmon & Trout	Mixed views on salmon this month as we should see some easing on price as the salmon farms need to harvest and volumes have dropped into the USA. Now that we are into the summer months we may see the supermarkets push through some volume on promotions that could affect pricing. Global demand remains high despite the virus. This is due to emerging economies in the far east and Poland. We are yet to see the consequences of the failure of a very large fish pen in Chile - resulting in a large escape of fish - and the effects this will have on demand. For price stability we would recommend utilising similar species such as ChalkStream® trout, reared in the fast flowing streams to produce a low fat flesh and unique taste. Available by various portion sizes or fillets. Other species to be considered are sea reared trout, very similar to salmon in texture with exceptional flavour and can be pan fried, grilled or poached. Arctic char, once very popular and sought after by chefs, is starting to reappear on menus and who knows we may even see potted Arctic char on a menu slot. Once a culinary delight that adorned the elite hotel menus in the West End of London.
Halibut	As we are all aware - wild halibut is on the endangered species list and therefore should not be used. However we offer 2 superb alternatives in our Scottish Gigha and Norwegian Glitne farmed halibuts that come in various sizes from 1-3kg to 5-7kg fish. Alternatively, why not buy pre-portioned supremes to help with yields and portion pricing. Both sources offer sustainable alternatives to chefs without compromising the incredible taste of the pure white delicate flakes associated with halibut. Both Gigha and Glitne farms offer a sustainable rating of 2.
Other Farmed Species	<p>With over 50% of seafood that is eaten coming from farmed species, it is no wonder that aquaculture is seen as one of the main factors of being able to feed the growing world population sustainably. Seafood farms aim to produce healthy, high quality seafood with a minimum impact environmentally. Huge advances over the years have resulted in a good selection of species now being available to chefs in the UK and around the world including hamachi/ yellowtail kingfish that is now farmed off the coast of the Netherlands and a prized species in many of the UK sushi bars as well as being utilised in other forms of Asian cookery. This fish is now available through Direct Seafoods and the farm is Global GAP and ASC accredited.</p> <p>Other species readily available to you are farmed turbot that come with an MCS rating of 2 and offer a great sustainable choice as opposed to the wild caught fish. They are also of an equal when it comes to the quality of flesh. Like turbot, and at the top end of the market, Direct Seafoods can now offer a sustainable alternative to wild caught dover sole – a fish which can typically have availability issues as well as fluctuating prices dependent on landings. This takes the form of a farmed sole that sees a range of grades including the portion size of 450-500gm. Like their wild relatives, farmed sole have a tight flesh texture that lends itself to grilling as the preferred cooking method. A delicate flavour that is best not overpowered by spices or flavourings. Global GAP and BAP certified, farmed sole offer the chef certainty around pricing and availability for that top of the menu slot.</p>

*We offer a great range of MSC certified, sustainable products.
Contact your account manager for more info.*

*Information about the many types of species of fish and seafood,
including seasonality, catch info and recipe suggestions, is available at
www.directseafoods.co.uk/fish-glossary*

Disclaimer - the market report is a guide using information from our buyers who have a wealth of experience. Other influences still effect greatly the market place, weather, seasonal changes, supply and demand in retail and catering alongside exchanges rates.

WILD FISH

Species	Comments
Flat Fish	August should see lemon sole and plaice both be at their prime and offering good value and excellent quality. There should be some good availability on all sizes of plaice including some larger fish. Dover soles will be available from the Hastings fishery but pricing will be high at this time of year. We should start to see some good landings of brill down in the South West along with turbot, but again prices will remain high. Do look out for occasional seasonal offers on some of our more underutilised species such as witch / torbay sole which is from the same family as lemon sole but has a slightly softer texture. Fully trimmed and simply grilled with an anchovy and parsley butter offers a great affordable alternative to its more expensive relatives. Other less used species such as the megrim (south coast) or dabs (North Sea) will be available in varying landings and can be utilised in a similar way on your menus.
White Fish	Cod and haddock prices should remain stable, but firm. Availability may be patchy at times as we near the end of the yearly quotas and boats will tie up or switch species. There is still a lot of soft haddock being landed so opt for line caught fish if haddock is still your choice. Other factors to affect price and availability are holiday periods in Norway and Iceland when we see vessels undergoing yearly maintenance, whilst a 50% reduction in cod quotas from an area in the North Sea – set by the European Commission - will affect the Scottish fleet. As a country of cod and haddock lovers for our fish and chips, we should not forget some excellent alternatives if there are supply issues. These include hake, which is in season and will be landed from the south coast to Scotland. Slightly softer flesh and a sweeter taste, but a versatile fish, like cod, that lends itself well to all manner of cooking methods. Hake should be plentiful in supply and prices have eased back somewhat from the giddy heights we saw earlier in the year. Coley is much underutilised and offers an excellent alternative to cod for fish and chips as the grey reddish flesh, once cooked, turns to a beautiful translucent white with big fleshy flakes. If not in batter, this fish can also withstand some strong flavouring spices. Pollock will be in its prime at this time of year, although its recent popularity has seen prices rise to levels which are the same as cod and even higher. The flesh tends to be a bit coarser and drier than cod, but again can withstand robust flavours such as peppers, tomatoes and chilli.
Round Fish	Lighter mackerel dishes are often a firm favourite at this time of year along with sardines. Both should see some good landings during August. Both are high in omega 3 so fit the healthy eating trend, and with barbecue season upon us, these are an ideal buy. Prices will reflect a good GP opportunity. Both are rated as 2 on sustainability so a good all round option. We should see good landings of that all year round champion monkfish. Prices should ease - weather permitting. Red mullet of varying sizes will make an appearance, although prices will remain firm - especially on the 500gm + sizes.
Cephalopods	Summer months see cuttlefish come in to the shallower waters around the UK and although the vast majority of UK landings are exported we are now starting to see this species appear more on menus at home. Treat similar to squid. A favourite cuttlefish dish of mine was simply created by sautéing the cleaned fish and adding to a sauce of Tomatoes, onions, fennel and white wine. Simple but makes a great starter. Squid landings generally are lower at this time of year as they head to deeper waters after spawning and reappear around late August/ early September. So if you want to use squid, take advantage of our wide offering of frozen alternatives including our UK quality frozen squid processed in house. Sustainability ratings can vary, so please check with your account manager with regards to catch areas.
Exotics	Tuna and swordfish supplies are expected to be steady. However, the monsoon period dominates on that side of the world and this can cause unexpected delays in supplies. Once we get further into August, we should be past the most uncertain period. Swordfish supplies remain steady with the Chilean season still in full swing. Do consider, however, that low import volumes due to the pandemic are causing air freight prices to increase which in turn is putting pressure on prices.
Shellfish	Native mussels are out of season and should be avoided at this time. We do have supply of the Dutch mussels that are just coming into season and are harvested in Zeeland. Other frozen alternatives are available until the return of UK product in September. UK Devon crab is plentiful currently and an ideal summer addition to the menu as crab salad, barbecue crab claws, or simply dressed crab. Native oysters are out of season but there are good supplies of the Pacific rock variety. Calmer sea conditions should mean that there will be a good supply of diver scallops. Supply of brown shrimp are extremely short at the moment and this will affect the potted product eventually. Price increases are off the scale for the fresh product. Native lobsters are well in season, as are their Canadian cousins. There should be deals to be had on both lines – although a poor exchange rate, combined with freight costs – can affect the Canadian price.

SMOKED, DELI & FROZEN FISH

Smoked Fish	Along with the traditional smoked salmon, we are able to offer a vast range of different cures and flavours to compliment your offering. Please ask your account manager for details. As well as the fresh ChalkStream® farmed trout we are now offering this product in a smoked range to include cold and hot smoked, D sliced or long sliced. So instead of ordering the traditional hot smoked rainbow trout fillets, why not try the ChalkStream® trout as a point of difference for your menu. It's very versatile and can be used in salads, wraps, or simply warmed through with a potato and watercress salad. We live in a time where anything home grown is an ideal choice, and this fish hits the mark on so many levels.
Deli	We can supply a comprehensive delicatessen range of seafood that includes coldwater prawns in brine, anchovies in oil, seafood salads, crayfish in brine, along with various sea vegetables such as samphire and sea lettuce. Various fish terrines are also available along with a luxurious Devon crab pâté and a large marinated herring range. Please ask your account manager for details of what we have in stock or can source for you.
Frozen Fish	Due to the pandemic, stocks of frozen across the UK have not been moving at the run rates that would have normally been expected. The exchange rate has worsened compared to when we last purchased, but the lack of requirement means that this has not hit current prices offered. We are seeing prices on some key species lowering at origin due to the lack of demand. However, we are not able to take advantage of these prices whilst we have existing stock to move. We have plentiful stock of most core frozen lines, and are offering a number of these on promotion to help you in kick starting your businesses. These include frozen cod, haddock, prawns, scampi and fish cakes. Please speak to your account manager to get items listed that will help in earning valuable margin.



Please contact your local Direct Seafoods depot with any seafood queries, and for information on daily landings, new products or assistance with menu planning.
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