CATCH-UP

Spring 2022

FEATURING THIS SEASON'S **MARKET REPORT**, OUR FISH **BUYERS' PICKS** AND A ROUND-UP OF FISHY **INDUSTRY NEWS**

Direct Seafoods

A Passion For Fish

directseafoods.co.uk

Norwegian salmon ranked as most sustainable protein production

Source *(full article)*: fishfocus.co.uk

Norwegian salmon ranked as most sustainable protein production four years in a row

For the fourth year running, the Coller FAIRR index of the world's most sustainable protein producers has ranked Norwegian aquaculture companies as best in class. Of the seven companies ranked as "low risk" for various parameters linked to sustainability, three are Norwegian aquaculture companies.

On the list of the 60 largest, publicly listed protein producers globally, Mowi, the world's largest salmon farmer, continued to hold on to the top spot, with Grieg Seafood bagging second place and Lerøy Seafood on their heels in fourth place.

"Norwegian aquaculture continues to lead the way for protein producers across the world, and it is a great source of pride for the industry to see that their hard work is being recognized," says Renate Larsen, CEO of the Norwegian Seafood Council.

First stock of juvenile clawed lobsters released

Source *(full article)*: fishfocus.co.uk

First stock of juvenile clawed lobsters released into the wild by Orkney Shellfish Hatchery.

Orkney Shellfish Hatchery, the multi-species aquaculture hatchery focused on supplying premium shellfish products to the restoration and farming markets, has announced the release of its first stock of land-raised European clawed lobster juveniles into the ocean.

The release, which saw 500 of the hatchery's advanced lobster juveniles deployed directly onto the seabed at the historical Churchill Barriers in Orkney, Scotland, was supported by local diving school, Kraken Diving, whose expert divers executed the deployment on behalf of the hatchery.

BUYER RECOMMENDS...

Good picks this season include:

- **Skrei Cod**
- **Gilthead Bream**
- **ChalkStream® trout**
- **Hake**

SOCIAL CATCH-UP...

@direct_seafoods

Farmed seafood supply at risk if we don't act on climate change

Source *(full article)*: fishfocus.co.uk

Farmed seafood supply at risk if we don't act on climate change. The supply of farmed seafood such as salmon and mussels are projected to drop 16 per cent globally by 2090 if no action is taken to mitigate climate change, according to a new UBC study.

Ocean-farmed seafood or mariculture is often seen as a panacea to the problems of depleted stocks of wild fish and growing human demand, and is expected to grow substantially in the coming years, says lead author Dr. Muhammed Oyinlola (he/him), a postdoctoral research fellow at the Institute for the Oceans and Fisheries (IOF). But the new modelling study highlights the industry is as vulnerable to the effects of climate change as any other. "If we continue to burn fossil fuels at our current rate, the amount of seafood such as fish or mussels able to be farmed sustainably will increase by only eight per cent by 2050, and decline by 16 per cent by 2090."

By comparison, in a low emissions scenario where the action is taken to mitigate climate change, mariculture is projected to grow by about 17 per cent by the mid-21st century and by about 33 per cent by the end of the century, relative to the 2000s.

FISH MARKET REPORT Spring 2022

OVERVIEW

Welcome to the spring 2022 newsletter which aims to cover the March to May period for the supply of fish. Spring is a hugely transitional period for many species where we see wild fish either coming out of spawning periods or going into them. Many species favour cooler temperatures so whilst the sun may start to shine, the quality of all species does not!

We are in an unusual situation as far as supply lines are concerned at the moment. Due to the uncertainty of the last two years, many fish farmers globally have shown reluctance to put the same volume of fish into their pens / tanks due to concerns over pandemic restrictions preventing trade. This would leave them with excess stocks and no avenues via which to sell. As we hopefully see trade levels return to pre-pandemic levels, it is inevitable that demand will outstrip supply in some areas – certainly in the first 6 months of 2022. This may necessitate some flexibility around product switches to ensure continuity of supply. Indications are that prices are likely to remain firm on the majority of lines – certainly for the first half of 2022. In addition to the potential shortages highlighted above, you will all be aware of the increasing cost to serve throughout the supply chain. Fuel, electricity, gas, and labour costs are affecting all of us, and this has been well documented in the media. In April, businesses are due to be affected by rises in employers national insurance contributions and the National Living Wage, additional withdrawals of covid support from the government, VAT returning to 20% and business rates relief being reduced. It is imperative we work collaboratively together in order to overcome this next round of challenges.

You may be aware that we have an extra bank holiday this year for the Queen's platinum jubilee. The jubilee marks 70 years of service to the people of the United Kingdom, the Realms and the Commonwealth, and culminates in a four day UK bank holiday weekend from Thursday 2nd to Sunday 5th June. We expect that it will be very busy – particularly if the weather is favourable. As such, we can confirm that we will be delivering as normal over this period. We would, however, appreciate you notifying us of your requirements as far in advance of this 4 day weekend as you can. This will enable us to plan our staffing accordingly which will be at lower than usual levels on Thursday the 2nd and Friday the 3rd of June.

In our last catch up newsletter, we mentioned that there were issues over access to the Norway sector for cod, haddock, hake, pollock and coley due to our exit from the EU. This contributed to availability issues and, therefore, pricing pressure in 2021. We have seen some positive progress since then. On the 21st of December 2021 the UK reached an agreement with Norway on fisheries access and quotas for 2022. This marked the start of a new arrangement between the UK and Norway, in which both parties permit some access to each other's waters and exchange a number of fish quotas in the North Sea and the Arctic. The agreement allows respective fleets more flexibility to target the stocks in the best condition throughout the fishing year which will support a more sustainable and economically viable fishing industry. The UK fishing industry will, as a result of this, gain access to 30,000 tonnes of whitefish stocks, such as cod, haddock and hake, in the North Sea, providing a welcome boost for 2022.

We are seeing worrying trends in farmed salmon prices currently. At time of writing, fish have reached astronomical levels – well in excess of what the industry predicted. There are a number of reasons for this which we cover in the body of this report. It is not unusual to see these spikes in price at this time of year – particularly in the run up to Easter. What we are expecting is that prices will stay extremely firm until Easter at the very earliest. There may be some easing thereafter, but we don't expect significant reductions until potentially the summer. Talk to your account manager about mitigation which may include a species switch, or reducing portion size or specification.

In more general terms, we can expect a few things in the spring season. Cod and haddock are likely to deteriorate in quality as the weather warms up. This will see premium prices for line caught fish which should be better quality. Mussels will go out of season as we enter the spring, but we should start to see the native lobster season commence. The Canadian lobster season, weather dependent, should also start in earnest at the end of March. With both native and Canadian fish in season, we hope to see a reduction in prices and good supplies. Plaice should be back in season at the end of April and this will see some great quality fish. Frozen fish and seafood supplies remain affected by road transport availability and high freight rates (four times more expensive than they should be). There are also continuing issues with frozen pollock supplies due to the closure of Dalian port in China to Russian fishing vessels. That being said, much of the price pressure on frozen lines has already been felt, so we hope for some element of stability in the next 3 months.

On a happier note, it feels like pandemic restrictions on our operations are likely to stay lifted. With that in mind, we are hoping to return to trading relationships with you all that focus on menu development, sustainability, and offering a great range of options for your specials boards. This is as opposed to temporary site closures, reduced operating hours and reduced menus. As the sun starts to shine in the sky, we really hope that we can enjoy restriction free trade so that your customers have the freedom and confidence to enjoy the great dishes you create.

Natalie Hudd, Director of Sales, Direct Seafoods.

FARMED FISH

Species	Comments
Sea Bass & Gilthead Bream	Sea bass and gilthead bream have remained quite firm in price over the last three months. Both are examples of species that are affected by reduced levels of fish being put into the growing cycle during the pandemic. This is why prices remain very high when compared to prior years. That being said, both still represent good value when compared to a number of other species. The current exchange rate (which is reasonably favourable) means that the price should reduce a little for March. Supply is currently steady and we hope that this should continue throughout the spring making either a good longer term menu option. Sea bass typically proves to be far more popular than gilthead bream which is a shame as they offer considerably better value. Bream works very well in any ceviche dish, in addition to roasting, grilling or frying. Our bass and bream are ASC and Global GAP certified, so they are also a responsible choice for the sustainability conscious customer.
Salmon	We are now in a time of year when salmon prices have always typically escalated, and 2022 is no different. There are a number of factors at play with this species currently. The high prices are a direct consequence of the significant volumes that were harvested last autumn. The biomass is now negative compared to last year and we expect high prices until May as farmers are keeping the fish in the sea instead of harvesting. An additional reason why farmers are in no rush to harvest their fish is the fact that the growth rate is minimal at this time of year. This is because of the cold water temperatures which cause the fish to be less active and require less feed. A further issue is that we are approaching the Easter period which sees demand increase – pushing up prices. There is also an issue with higher volumes of winter sores on fish. The sores impact the fish quality, which in severe cases can result in the fish being downgraded to what's known as a "production fish." Production fish must first be offered to the domestic market before exporting overseas. This means there is less quality fish for our purposes available. Lastly, there are issues with Chilean farmed salmon. Algae blooms in the region have wiped out hundreds of thousands of fish. Whilst the UK does not draw supplies from Chile, the blooms are likely to cause issues in the supply to the USA which has historically lead to a greater demand for UK and Norwegian farmed fish from this part of the world. All in all, be prepared for some extreme increases over this period. Talk to your account manager about your options.
Trout	Sea reared large trout from both Norway and Scotland is very likely to increase in line with salmon costs. Unfortunately, when the producers of similar alternative species see demand increase, they typically capitalise on this. Clearly this makes everyone's lives more difficult when seeking to replace salmon on their menus. That being said, early indications suggest that whilst the price on these fish are likely to increase, it probably will not be to such high prices as those we are expecting for salmon. UK farmed ChalkStream® trout is also going to escalate in price in the spring months. However, this increase is actually in line with inflation and rising costs to produce as opposed to being a direct response to rising salmon prices. As a valued supply partner, Chalk Stream hold their prices as long as possible which helps with stability of cost on menus. This means that their sustainably farmed 2-4kg fish yields a lovely main course or starter sized portion for your spring menu. Of course we also carry a range of small rainbow trout (300g up to 450g) which, whilst not at all popular these days, offers a fresh fish at an economical price point.

FARMED FISH cont

Species	Comments
Halibut	Farmed halibut biomass has reduced significantly. Halibut are very slow growers and this shortage does present what, we hope, is a temporary challenge. The end of January did see some significant challenges with availability, but we believe that fish of all sizes should remain available throughout the spring. Higher demand and reduced supply does mean that prices have risen. We anticipate that this situation should improve by the middle of spring.
Other Farmed Species	Farmed turbot prices are finally lowering on the back of improved biomass and continued good growth. These fish still don't present the best value, but they are a reliable and sustainable option being reared in onshore tanks. Meagre prices have stabilised. Contrary to our winter report, 3-4kg fish are now more abundant than other sizes. As meagre are extremely fast growers, the 2-3kg fish that were plentiful in the winter are now bigger and creating better availability in the larger size grading. This fish is hugely popular and worth a try if you have not yet experimented with it. Do talk to your account manager about options. For those of you who love sushi and sashimi, our frozen hiramasa fillets are a fantastic option. The price on these is currently stable and reasonable value for a premium sashimi grade fish.

WILD FISH

Species	Comments
Flat Fish	Plaice remain out of season for most of March, but quality should start to improve as we head into April. Prices remain very firm currently. The poor yields on fillets, due to the spawning season, are creating very high prices. As such, plaice should ideally not be considered an option until after Easter. Lemon soles occupy a space as runner up to dover sole when considering premium flat fish. This does mean that they also cost that bit more. Prices are still firm at the moment, but looking stable. Most lemons soles are rated a 3 by the Marine Conservation society (MCS), but bottom trawled fish from Cornwall are rated a 4 so should be avoided. The buoyant export market is keeping dover sole prices very high. This is unlikely to improve as we head into warmer months as fish become scarcer. Sadly this premium fish, which hits peak quality in April, really is prohibitively expensive for most. Similar to the plaice season, megrims (or "Cornish sole") will be spawning until May when we will start to see them at their best. We do encourage you to try them at this time as any utilisation of these lesser known species eases the pressure on other more popular choices. Brill prices have eased of late and quality should be excellent in the spring. Sweet and firm flesh, this cheaper alternative to turbot would make a fabulous special. Wild turbot prices have also eased since the highs of the winter, but it is best to wait a bit longer to feature these from a season and price perspective.
White Fish	Skrei cod is now in season and running well. Skrei are a migratory cod that undertake a long and rigorous swim from the Arctic to the northern coast of Norway at this time of year. The fish are extremely lean when they enter the Norwegian fishing grounds to spawn. It is this which gives them their unique texture and flavour. They are also reported to have the highest nutritional value of all cod. Skrei is in season until the end of April. We missed most of the season last year due to the lockdown, so we advise you make the most of this wonderful species this year. Cod and haddock prices have eased slightly in recent weeks. This is despite continuing unprecedented demand for cod in particular. We expect prices to remain reasonably stable over the spring, but both species will start to spawn. This will see a softening of the fish and a deterioration in quality. Coley quality will be good throughout the spring and remains an economical choice compared to other white fish – despite prices firming of late in response to high cod and haddock prices. As detailed in the last catch up, UK caught coley is now rated a 4 by the Marine Conservation Society. North East Arctic and Icelandic fish represent the most sustainable option. Hake prices, whilst still typically double the price of a few years ago, have eased of late. The new deal brokered between the UK and Norway should see better access to hake stocks this year. We advise waiting until April to list on your menus as spring can see hugely variable catches. Hake is caught using gill nets, but these can't be used during periods of strong tidal flows, so most hake netters will stop fishing during spring tides.
Round Fish	Monkfish prices crept up over the course of last year and have remained there. Being such a versatile and tasty fish creates consistently strong levels of demand. That being said, we believe prices will ease back a little for spring. This is following the winter season where festive demand sees the fish hit their highest price point. Fish from the Celtic Seas (south), Bay of Biscay, and Cornwall are the most sustainable stocks currently. Omega 3 packed sardines and herrings should be available mostly from the Devon and Cornish pelagic fisheries. April sees them peak in quality before they come inshore to spawn later in spring and summer. Both options are economically priced and make great additions to the specials board. Gurnard is a winter fish, so one to avoid as the weather gets warmer. Mackerel supplies have been better than expected with a good proportion of imported fish currently. Prices are expected to be stable, but it may be worth waiting until later in the spring and summer months for native fish at lower prices.
Cephalopods	All UK squid, cuttlefish and octopus are rated 4 and 5 by the Marine Conservation Society. A 4 rating means that stocks need significant improvement and you should try to find alternatives if possible. A 5 rating means that there are significant environmental concerns with these stocks and no credible work is underway to make improvements. This means that the recommendation is to avoid it. We cannot recommend use of any of these species on that basis. In any event, the warmer waters do not favour squid in particular. As such, it is worth seeking alternatives such as frozen squid tubes which, whilst under review by the MCS, are not yet rated negatively.
Exotics	Traditionally March is a good fishing month in the Indian ocean. There are no supply concerns for this month and prices are expected to be lower. However, Ramadan is from the 3rd of April this year and will last until early May. Fishing effort in the Indian ocean will reduce as a direct consequence of this (and also Easter), so prices are likely to rise before falling again in May. The Chilean swordfish season starts in May and runs until the end of October, so this should increase availability.
Shellfish	Mussels will go out of season in May so take advantage from now until then. Any unseasonably warm weather before that time may accelerate the deterioration in quality of this much loved and sustainable species. Crab meat prices are also increasing again due to continued challenges at the processing factory that include shortage of product, shortage of staff, increased labour costs, and increases in the cost of utilities, distribution and packaging. We are hopeful that this is the last of the crab meat increases in 2022, and we have some potential alternative products of different grades that we can offer to help keep prices down. Talk to your account manager about availability. Canadian lobsters have been at historic highs for months. Chinese New Year and Valentine's Day creates extra demand at a time of year when there is no fishing and we are drawing from penned stocks. The new season will start, weather permitting, at the end of March. However, if the weather is exceptionally cold in Canada, ice may delay fishing. We should not expect prices to ease until April at the earliest. A warm spring in the UK, however, may see our native lobster season starting earlier so keep in touch with your account manager regarding availability. Native oysters will go out of season in May, but Pacific rock oysters will stay in season all year round. Oyster prices have risen in line with most other species, but we would expect them to be stable throughout the spring. Native scallop meat prices have reduced since January and we expect availability to be good and prices to remain steady over the spring. Diver caught scallops will continue to command a premium – especially the larger sizes. USA scallops have reduced very marginally, but we anticipate that prices will remain firm whilst demand continues to outstrip lower stock availability. Palourde clams and cockles are readily available at reasonable prices, and the MSC clam season is due to start in May for those who seek this accreditation. Peeled brown shrimps have reduced in price, so it could be a good opportunity to use these in a brown shrimp butter garnish to a pan fried fish dish or even as a potted shrimp starter.

SMOKED, DELI & FROZEN FISH

Species	Comments
Smoked Fish	Smoked salmon sits at the top of most popular smoked fish we offer, and this is unlikely to change in our lifetimes! It's a menu staple for so many of our customers, and this is why any severe increase in the fresh salmon price (as detailed above) has such far reaching effects. We have typically found that salmon and smoked salmon combined make up circa 30% of an average hotel spend (as an example). The reliance on salmon makes it very easy for salmon farmers to dictate the market, and this has happened all too often over the last 5 years. Until switches are made to other species that dilute our reliance on salmon, these uncomfortable price negotiations will continue. With this in mind, expect increases in smoked salmon prices over the spring which will ease when the fresh salmon price eases. High fresh haddock prices have seen the cost of smoked haddock increase accordingly. There are historically lower volumes of 340g-450g and 450g-1kg fillets available during March and April, so we expect smoked haddock prices to remain high.
Deli	Most deli lines are expected to remain stable in the spring months following month upon month of increases. Prawns in brine and crayfish in brine are always a reliable go to for simple salads and a variety of starters. We also carry a broad range of seaweeds which have increased in popularity over recent years. For an easy low labour option, try our salmon, white fish and red mullet terrine.
Frozen Fish	We have seen further increases on our frozen smoked mackerel lines. As we detailed in the winter issue of fish catch up, our frozen smoked mackerel and smoked haddock supplier has actually pulled out of supplying foodservice due to being unable to operate profitably. Our new supplier has seen their raw material price increase, their factory cost increase and their labour costs increase. In addition to this, the mackerel quota cut is causing shortages. This has resulted in increase upon increase. Both tilapia and pangasius are also going to see increases once our current stock levels are exhausted. This is not going to happen immediately, but is inevitable within the next 3 to 4 months due to erratic supply, more difficult farming conditions and increased freight rates. Pollock remains exceptionally short in the market. It is very expensive as there is so little product available due to the recent shutdown at Dalian port in China. The port is now open, and we have product on order. However, there is uncertainty as to how long it will take this product to arrive. Frozen at Sea Cod (FAS) is in very short supply at the moment. This will lead to a shortage in IQF fillets in due course. The IQF haddock fillet price has risen in China. This may result in increases in the UK in 3 to 4 months. Warm water prawn prices remain firm. The best time to purchase is April and September. We are waiting for the April prices as this will help us gauge the likely prices for the rest of the year. Continuing shipment delays should keep prices firm. Both frozen squid tubes and small squid tubes and tentacles remain very short in the market place.

Consumers are increasingly interested in sustainable seafood

Source *(full article)*: fishfocus.co.uk

Consumers are increasingly interested in sustainable seafood. Consumers are increasingly interested in the environmental performance of the seafood they eat, a long-awaited trend that may have been fuelled by the COVID-19 pandemic.

GlobeScan data showed that in 2020, 38 percent of consumers surveyed said they were willing to buy products from companies they consider to be responsible. This is significantly higher than the results of polls conducted since 1999, when the figure was about 20 percent.

Bluefin tuna tagged for the first time in UK waters

Source *(full article)*: fishfocus.co.uk

Bluefin tuna tagged for the first time in UK waters. Bluefin tuna have been tagged with state-of-the-art acoustic tracking tags for the first time in UK waters.

The huge fish, which in UK waters can be up to 2.5 m long, are commercially valuable and biologically fascinating.

The 7cm long tags send individually coded sound (acoustic) messages to listening stations moored on the seabed, allowing the team to record how long bluefin tuna are in UK waters each year.

The project team has attached acoustic tags to 30 bluefin tuna.

At Direct Seafoods, we wanted to help expand the menu offerings for care home residents. We have put together a selection of fish and seafood species with care home residents in mind. Please contact your account manager for more infomation.

Iceland will end whaling in 2024 amid controversy and dwindling demand

Source *(full article)*: digitaljournal.com

Commercial whaling in Iceland could be banned within two years after a government minister said there was little justification for the practice. The northern European country is one of the few places worldwide to allow whale hunting.

Commercial whaling was banned in 1986. However, Japan, Norway, and Iceland have killed nearly 40,000 large whales since then. Over 100,000 dolphins, small whales, and porpoises are also killed in various countries each year.

Recipe Corner

Looking for some seasonal menu inspiration? Take a look at these delicious recipes, which utilise one of our buyers picks for spring.

- Cod with chestnut, parmesan and parsley stuffing
  Source *(full article)*: fishfocus.co.uk
- Pan fried cod provençale
  Source *(full article)*: fishfocus.co.uk

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