

CATCH-UP

Summer 2022

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



directseafoods.co.uk

Food shortages could force 'a third' of fish and chips shops to close

Source (full article): news.sky.com

Britain is reliant on Ukraine for sunflower oil and Russia for white fish so the future of a Friday night fish supper is in jeopardy.

Business leaders in the fish and chip industry are calling on the government to offer a "long-term strategy" to their food shortages crisis - or face a third of chippies closing.

The National Federation of Fish Friers (NFFF) has warned the four key ingredients that make up a traditional fish and chip meal are deeply affected by the on-going conflict between Russia and Ukraine - and are forcing shops to change their menus, increase prices, or in the worst instance, close down.



UK seafood industry irked by latest Good Fish Guide

Source (full article): seafoodsource.com

Some of the latest ratings provided by the Marine Conservation Society (MCS) Good Fish Guide have drawn criticism from the U.K. seafood industry, with a number of popular varieties being added to its "Fish to Avoid" list.

While herring and sardines have joined the guide's "Best Choice" list alongside mackerel and some tuna, monkfish from the North Sea and west of Scotland has been categorized as a "Fish to Avoid," as has some Scottish brown crab and lobster, with the charity citing that population levels were "suffering across the board, largely due to poor management, with no catch limits in place."

BUYER RECOMMENDS...

Good picks this season include:

- **Gilthead Bream**
- **Meagre**
- **Mackerel**
- **Megrim Sole**
- **Sardines**

SOCIAL CATCH-UP...

[@Direct_Seafoods](https://twitter.com/Direct_Seafoods)

Norwegian farmed salmon price reaches record high in April amid continued cost inflation and tight inventories

Source (full article): mintecglobal.com

The Mintec price of farmed Norwegian salmon (wholesale FCA Oslo) averaged NOK 105.2/kg in April 2022, representing a price increase of NOK 20.95/kg (+25%) m-o-m.

The Norwegian salmon price has increased by 49% during the first-four months of the calendar year, and the April price was the highest monthly average since Mintec started tracking the series in January 2008. Indeed, the latest monthly average price surpassed that of April 2021 by NOK 43.72/kg (+71%).

The bullish market fundamentals are attributed to declining Norwegian biomass caused by high feed costs leading to under-nutrition in some regions. Higher-than-average fish mortality rates are also prompting some early harvests, consequently reducing the portion of larger-sized fish (>5kg) and further inflating salmon spot prices. Moreover, Norwegian frozen inventories are said to be at some of the lowest levels recorded in almost two decades.

FISH MARKET REPORT

Summer 2022

OVERVIEW

Welcome to the summer 2022 newsletter which aims to cover the June to August period for the supply of fish. Summer can be a difficult time for some species as mussels and native oysters are out of season due to the warm water, and some other bivalve molluscs are weaker during this time. Sadly, whilst the idea of eating a bowl of mussels or a seafood platter al fresco in the sunshine is an appealing prospect for many, the reality is not quite so simple! However, there should be plenty of species available which will suit those lighter summer dishes, salads or the barbecue.

The recent Marine Conservation Society (MCS) Good Fish Guide update has been received with some amount of concern throughout the UK seafood industry. This is due to some of the new ratings moving a number of fisheries that were considered 'okay' to consume into the 'fish to avoid' category. The two main fisheries in question are the Scottish monkfish fishery and the Scottish crab fishery. For Direct Seafoods, the second of these will be of little impact as we source 95% of our crab from the south west of the UK, and from fisheries in the Project UK fisheries improvement project (FIP). However, monkfish from Scotland may be of greater concern. Scotland has been an important source of this ever popular species historically, and those customers who work closely with the MCS will need to proactively source monkfish from the south west, which still retains its 'okay but needs improvement' status. On the more upbeat side of the story, our iconic UK caught sardines from the south west and queenie scallops from the Isle of Man inshore fisheries have both moved up the ratings. MSC certified sardines join the recommended fish to eat rating, and the queen scallops move from a 5 rating to a 3 rating. There are also a number of our langoustine fisheries that are starting to move up the ratings due to all the good works being done by the fisheries improvement programme they are involved with. So not all bad news!

I am sure that none of you reading this have been immune from the recent severe salmon price increases that have affected all fresh, smoked and frozen lines. Never in our wildest imagination would we have expected the levels that we have seen of late – these being 50% higher than previous records. A combination of factors have been at play to cause this, but it does reinforce the need for us to be less reliant on this species. I am sure that all of you know that the UK continue to depend on 5 species for their fish needs – these being salmon, cod, tuna, haddock and prawns. With salmon and smoked salmon featuring so broadly on menus (26% of our sales are in these lines alone), we continue to put ourselves firmly in the hands of the salmon farmers. With spot prices changing weekly, this offers us no time to react to changes and we know that it is impossible for customers to reprint menus at such short notice. We can only encourage more diverse menu offerings to reduce this reliance, and this will take a huge amount of effort to educate customers. Please be assured that we resist and wear these increases as far as is possible before passing them on, and we take no pleasure in doing so. We would also like to thank you for your understanding of this issue in recent weeks. The vast majority of you have been so sympathetic to the issue and have taken the time to read and understand the industry news we have provided to explain the issues. Your collaborative approach and understanding of the necessity of emergency increases has really heartened us. Thank you.

We all continue to be under pressure from the current cost of living crisis. For our industry, we are not immune from increases in fuel prices, utilities and packaging which filter through to all the products we buy and sell on a daily basis. We feel we have lurched from one set of challenges to another over the past 6 years – be that Brexit, the pandemic, and now the cost of living which has been exacerbated by the invasion of Ukraine. We also know that other key food categories are seeing massive inflation on key lines. We therefore encourage you to talk to your account managers to see where product switches can be made, or portion sizes altered in order to mitigate some of this inflation. We are constantly seeking new and sustainable product lines to feature in our offering that will increase the diversity of your menu and reduce dependency on the key species. We do not think the current situation is likely to ease any time soon, so flexibility is key.

Natalie Hudd, Director of Sales, Direct Seafoods.

FARMED FISH

Species	Comments
Sea Bass & Gilthead Bream	Both sea bass and gilthead bream remain sensible choices for menus. Whilst neither have been immune from increased transport / labour / packaging rates, they are still cost effective and reliable choices. There have been some shortages on smaller bass sizes due to slow growth which has created a little pressure on the 300-400g and 400-600g fish. Gilthead bream, however, is shorter in availability on the larger size (600-800g) so these have risen in price for June. Gilthead bream offers a price advantage against sea bass and this is because it is a less popular species. Promoting this species instead of bass would see a saving on the menu, and bream is ASC and Global GAP certified just like sea bass so sustainability credentials will not be affected. Try a summery gilthead bream ceviche with citrus vinaigrette and lime zest.
Salmon	Where do we begin?! I don't think anyone genuinely has any idea of what the prices are likely to do for the rest of this year. Historical trends tell us that the price should go down in the warmer months as the fish are more active and feed and grow more, and therefore need to be harvested. It is our opinion that we will see easing from the current astronomical levels, but the question is how much? The issue is that biomass is low. There is demand from the USA due to a reduction in Chilean output as a result of algae blooms. A hugely disproportionate amount of fish have winter sores with one Norwegian farm reporting 89% of fish affected. These fish have to be sold as production grade and offered to the domestic market first. We believe that low availability is likely to continue to some degree for the rest of the year, but the current high prices are not sustainable. Our prediction is that you can expect an easing of price through the next 3 months, but do not expect prices that are anywhere near levels seen in previous summers. If we can get to our previous highest price paid before 2022, then that would be a significant drop. Please consider alternatives such as trout or even completely different species to combat these increases.
Trout	Normally we find that sea reared large trout from both Norway and Scotland increases in line with salmon costs. These farms are subject to the same inflation in operational costs as salmon which has caused rises in price. However, we are not seeing increases on the scale of salmon as we are not seeing the same reports of biomass issues as a result of the issues reported above. For that reason, we do recommend this fish as a valuable alternative, in addition to UK farmed ChalkStream® trout. We can't promise that the likely extra demand will not create some upward price pressure, but we don't expect this to reach the current levels we are seeing on salmon. The smaller rainbow trout (300g-450g) is not a popular fish at all, but it should be stable over the summer so some creativity with the species on your menu could help with cost mitigation.
Halibut	There continue to be availability issues with farmed halibut due to the biomass reducing significantly. Our feeling is that prices are unlikely to rise much further over the summer, but availability will remain difficult. The Norwegian farmers usually close down for maintenance in August which will further exacerbate the shortage. For that reason, we recommend that you use as a special only as any prolonged spot on the menu may see an interruption in supply at some point. Farmed turbot could be a good alternative here.
Other Farmed Species	Farmed turbot prices have eased further on the back of improved biomass and continued good growth. These fish don't, however, represent a low value option for any menu. The yield is not as good as halibut, but the supply line should be more robust. They are also rated a sustainable 2 by the Marine Conservation Society due to being reared in onshore tanks. Meagre prices have reduced a little for June. As a large 3kg+ round fish that can be portioned into supremes, this has to be an option to replace salmon – despite the flavour and texture profile being different. We recommend you try this fish. Our certified fish are rated a 3, so a decent option for the sustainability conscious. Those who have tried it absolutely love it.

WILD FISH

Species	Comments
Flat Fish	Plaice is now firmly back in season and great quality. Like many species, however, the price does remain surprisingly firm although we are predicting some reductions for June and ongoing. Lemon soles are also well in season and great quality. The price on these has fluctuated less than other species so far this year, but they are not a cheap option. They should, however, be available throughout the summer so a reliable choice of wild fish. Dover soles become scarcer at this time of year as they move offshore, so prices are likely to be too high for most. Megrimms (or "Cornish sole") are now at their best. Talk to your account manager about adding these to your menu for a lower cost flat fish. They are rated 2-3 by the Marine Conservation society, so a responsible choice. There should be increased landings of brill and turbot over the summer, but the current market is still seeing these at levels which make them prohibitively expensive. Keep in touch with your account manager as possible options for occasional specials if there are good landings.
White Fish	All intel suggests we may be heading for a bumpy ride where cod and haddock are concerned. Considering both of these popular white fish in the current climate, whilst prices have been firm they have not been as much of an issue as some other species. June should see prices and availability at similar levels to current, but we anticipate some difficulty as we get into the latter part of July and August. The Icelandic quotas will be finished until September and this will create shortages. Additionally the warmer water is not conducive to the quality of either. European demand for cod has never been higher, and issues with exchange rates, freight costs, and quota cuts are creating price pressure like never before. Forward prices for fish and chip size cod and haddock are looking quite scary, so we encourage you to review ways in which you can prepare for this with your account manager. Hake certainly doesn't look likely to drop in price to the levels we used to see pre-pandemic, but there should be decent availability over the summer and it is such a tasty and versatile alternative to cod and haddock. Pollock will be in its prime and line caught fish will be exceptional quality. However, this is one for the specials board as it can be hit and miss in terms of availability and gradings. Coley from UK waters is rated a 4 by the MCS (needs significant improvement). We have been sourcing some MSC coley from Iceland which is a much more favourable 1 rating. Ask your account manager about availability. Prices are little higher on coley than earlier in the year due to demand, but still very reasonably priced.
Round Fish	Mackerel will be in season now after being rather short in supply for the last 3 months due to the Scottish quota finishing. Mackerel are a brilliant choice for the sustainability conscious amongst us, and a fabulous summer fish. There are so many recipes utilising this fish in salads, on the barbecue, or ceviche style with pickled cucumber. Like all species, there has been a bit of inflation in mackerel price compared to last year, but it is still a very economical choice. Sardines should also start to make a showing around our native coastline during the summer, but probably a better choice from late July onwards which has historically seen better availability. The recently improved MCS rating means these are another great summer choice with a lower price point. Monkfish prices have eased a little, but are still at a level that occupies a more premium spot on the menu. Talk to your account manager about yields and how to make the most of the whole fish, including monkfish cheeks - an amazing product delivering better value than fillets. Continue to avoid gurnard in the summer. These are a winter fish, and prices have increased in recent weeks.
Cephalopods	All UK squid, cuttlefish and octopus are rated 4 and 5 by the Marine Conservation Society. Additionally, squid is now out of season. We cannot recommend any of these species due to the concerns about sustainability. If you must use squid, then frozen tubes are a slightly better choice, but still not better than an MCS 4. No easy alternatives to this core, and wildly popular, menu line unfortunately.
Exotics	There may be some challenges on tuna during the summer months due to the monsoon season in Sri Lanka affecting fishing effort which has the potential to reduce availability and inflate pricing. There still isn't much good news on the sustainability rating of yellowfin tuna. The availability of better rated origins and MSC certified fish is limited, so we find ourselves with a species that is predominantly rated a 4, 5, or a 4.5 FIP (Fishery Improvement Project). Swordfish is a better picture with our major sources rated a 3. The availability of Chilean swordfish (as the season is now in full swing) will help to mitigate any issues arising from the monsoon season in Sri Lanka.
Shellfish	Mussels are now one to avoid as they are out of season. Pockets of product will be available, but we will likely be switching to different farms on a regular basis to avoid spawning stocks. The product will also be weaker due to the warmer weather, so you should be prepared for reduced shelf life after packing date. There will no native oysters now until September at the earliest, but pacific rock oysters will be available and are a sustainable choice. Crab meat, whilst expensive, should not be subject to the shortages we saw last year. Our crab comes from the South West, so is not affected by the recently publicised sustainability down rating of the Scottish crab fishery. Canadian lobster prices have started to ease as the season gets underway. That being said, the 2022 version of "easing" still sees them at levels we would have considered extortionate 3 years ago. As native lobsters start to show around UK shores, this should assist with improved availability and we hope that prices will reduce further. Summer is the native lobster season, so the time to use them is upon us. Contact your account manager about prices. USA roeless scallops have peaked again now that the Japanese season has finished. They remain a great product, but we do not foresee them reducing in price any time soon with continued high demand from around the globe and quota reductions. Beware of cheaper product being offered as this may have higher water content or other additives. Native scallop prices remain firm on the back of the higher USA price, but availability should be good. Clams from Poole are now MSC certified. The MSC season runs from the end of May to the end of December. Like mussels, clams tend to be weaker in warmer months, so consider this if you are adding to your menu. Brown shrimps are currently very expensive. Landings are low and this is fuelling the high prices. The female shrimp travel offshore at this time of year to hatch larvae, so this reduces catches. We expect that it will be around July time when shrimp move back inshore, so any improvement in price is not expected until then.

SMOKED, DELI & FROZEN FISH

Species	Comments
Smoked Fish	The price of smoked fish is directly correlated to the price of fresh fish. You just have to also consider that there are additional increases that the processing of these species adds. As a result, smoked salmon is also at never before seen levels. This is so damaging to our industry. We are in full event season where smoked salmon is an integral feature of many menus. The end consumer simply expects to see it on menus, and yet it is completely unaffordable at current levels. We are hopeful that current levels will reduce and this will impact the smoked salmon price accordingly, but feel it will not be enough to save the summer period sadly. Alternatives are smoked sea reared trout or smoked ChalkStream® trout – the latter of which is also available hot smoked. Smoked haddock prices have eased a little from the highs we have seen in recent months, but this may be short lived if the shortages of fresh haddock we expect later in the summer materialise.
Deli	Prawns in brine and crayfish in brine have increased again due to the ever inflating transport and fuel rates. This is coupled with an increase in the raw material cost due to unstable sourcing. We are hopeful that the latest round of increases will carry us through to the end of the summer, but we have concerns over prawns in particular due to some severe increases we are seeing in frozen cold-water prawn prices (see below). That being said, either are versatile in salads or as part of prawn or crayfish cocktails which are great summer dishes. Other deli lines such as anchovies in oil, seafood salad, caviars, and terrines look to be stable in price. The relatively long shelf life on these lines mean you can get in front with stock and reduce wastage.

SMOKED, DELI & FROZEN FISH

Species

Comments

Frozen Fish

It's been a difficult few months for frozen product. The surge in demand for frozen whitefish following the easing of pandemic restrictions in the UK has outstripped supply. Processing capacity remains reduced in countries like China due to COVID, so we simply cannot replace product fast enough. FAS (frozen at sea) cod and haddock prices are rocketing, and the reduction of Russian raw material available is causing shortages. We have seen a wave of severe increases in the spring which has also affected coated lines – these also suffering from price increases on a range of ingredients that are required for breadcrumbs and batter. Frozen pollock was already in short supply due to the pandemic, and with a huge proportion of this species fished by Russian vessels, we are seeing huge increases. We have increased our stocks of South African hake in order to offer a viable alternative to this. In more positive news, we are hopeful that the product we currently have, with no change to expected run rates, will cover us for the summer period with no further increases until later in the year. Cold-water prawns are a concern currently. Our annual price on the key lines has recently expired, and this has resulted in an expected initial increase on interim stock with further increases expected. Sales prices are increasing to take account of higher processing, fishing and logistics costs. There was also a raw material shortage ahead of the spring fishery in the Barents sea, so we are playing catch up. We are benchmarking the prices we have been presented with for July to ensure we achieve the best price possible, but an increase of 20-30% is currently being suggested which is not good news. Frozen king prawns are, however, reasonably stable currently. These are a good choice for your summer menus. Frozen salmon prices are up and inventory is being used up quickly due to the fresh price increase. Availability is limited and prices are high.

Impressive results with english trial of new beam gear

Source (full article): fishfocus.co.uk

Impressive results with English trial of new beam gear. The results of the Sumwing Trial on the English beam trawler, Margaret of Ladram, have now been published by Seafish.

The trial results showed an extremely promising 42% saving in fuel consumption. Adam Cowan-Dickie (skipper of the vessel) has also noted that since the trial, when fishing normally, he's noticed a continued saving of 30% or around 60-70 litres per hour. This also has the environmental benefit of reduced CO2 emissions.

Supergenes protect cod against environmental changes

Source (full article): fishfocus.co.uk

Supergenes protect cod against environmental changes. Researchers have found that Atlantic cod possess a set of 'supergenes' that enable them to quickly adapt to environmental changes.

In a new article published in the highly respected journal PNAS, scientists at the Institute of Marine Research and the University of Agder (Centre for Coastal Research) show how three so-called supergenes may provide good news for cod:

"In practice, this means that cod can adapt to changes in the environment quite quickly. This includes short-term changes, such as year-to-year variation in temperature, precipitation and currents, and longer term changes such as the climate change we are now experiencing. As a species, cod is very flexible," explains researcher and lead author Marte Sodeland.

Did you know that all our depots are certified by the British Retail Consortium (BRC) to grade A or higher. We understand that knowing where your ingredients come from is vital, whilst product safety, integrity, legality and quality is crucial. Therefore, to help provide our customers with peace of mind, we only accept the #BRC accreditation in our depots.

European eel farms fully switch to seg standard

Source (full article): fishfocus.co.uk

European eel farms fully switch to SEG standard. All Northern European eel farms have fully switched to SEG-certified glass eels for the 2021/2022 season. With this, the eel farms are taking a big step towards sustainability in eel supply within the European Union.

The SEG Standard certifies glass eel fishery and awards glass eel traders, eel farms and smokehouses/traders with chain of custody certification. This means each eel supplied can be traced back to its source, from glass eel catch to end product.

Growing interest in certified fish in commercial kitchens

Source (full article): fishfocus.co.uk

Growing interest in certified fish in commercial kitchens. Survey by fish international indicates opportunities for the fish industry.

Increasingly, chefs in commercial kitchens are turning to raw products from certified fisheries and sustainable production. This is revealed in statements by leading representatives of community catering in a survey conducted by the fish international.

Recipe Corner

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

- Poached plaice with creamy mushroom sauce
Source (full article): fishfocus.co.uk
- Crab and ginger cakes with soy dipping sauce
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

