

Norwegian-UK Seafood Summit 2018: UK, Norway 'not far apart' in hopes for Brexit

By [Neil Ramsden](#) Jan. 24, 2018 09:47 GMT



 House of Parliament, London. Credit: Maurice, on Flickr

Undercurrent News is reporting live from the annual meeting of the Norwegian and UK seafood industries, at which Brexit will be a key focus of the agenda.

Organized by the Norwegian Seafood Council, the program will see speakers including the state secretary at the Norwegian ministry of trade, industry and fisheries, Veronica Pedersen Asheim; Icelandic Seachill's Nigel Edwards; and Barrie Deas, chief executive of the National Federation of Fishermen's Organisations.

Keep checking back for live updates as the day progresses.

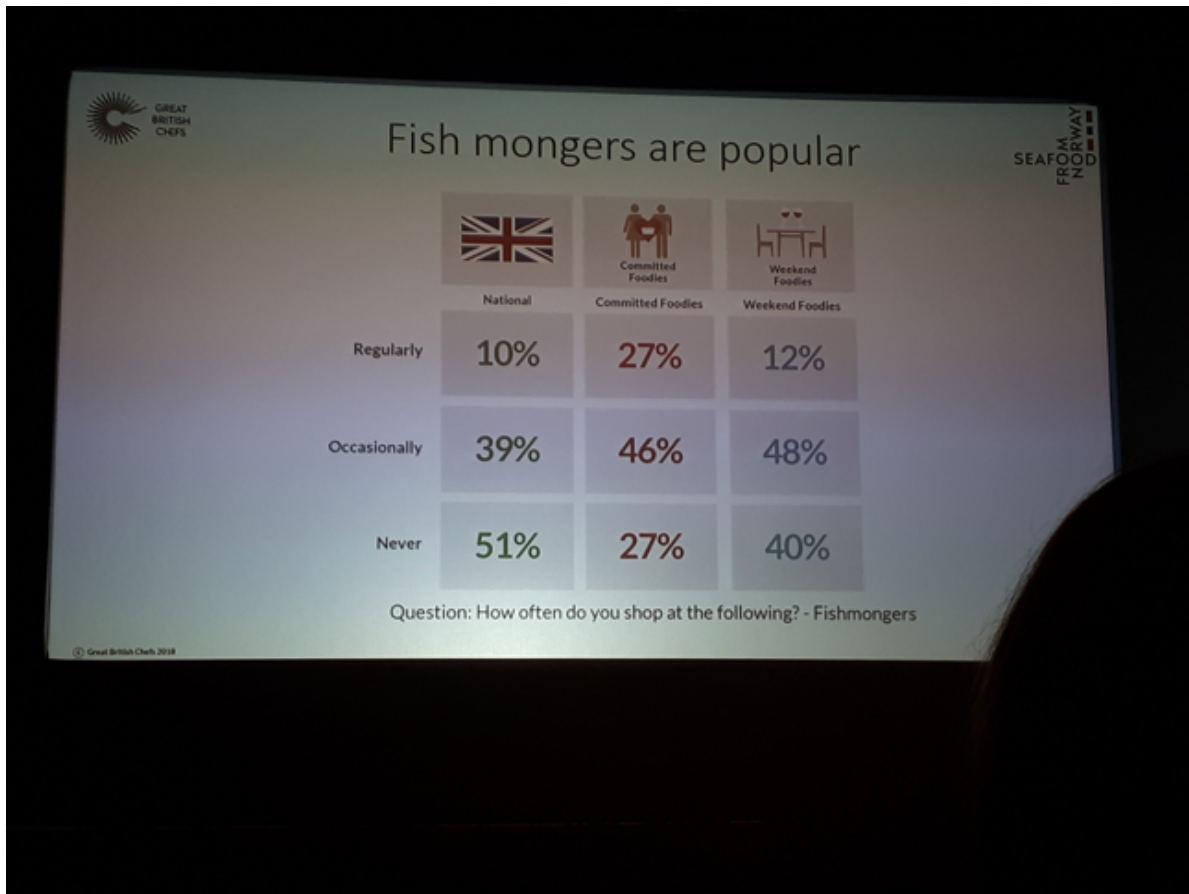
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UK 'foodies' driven to fishmongers for perceived quality

The UK's "foodies" — people dedicated to preparing good food at home — are being driven to fishmongers, and avoiding supermarkets, for their ingredients over a perceived difference in quality, according to research by Great British Chefs.

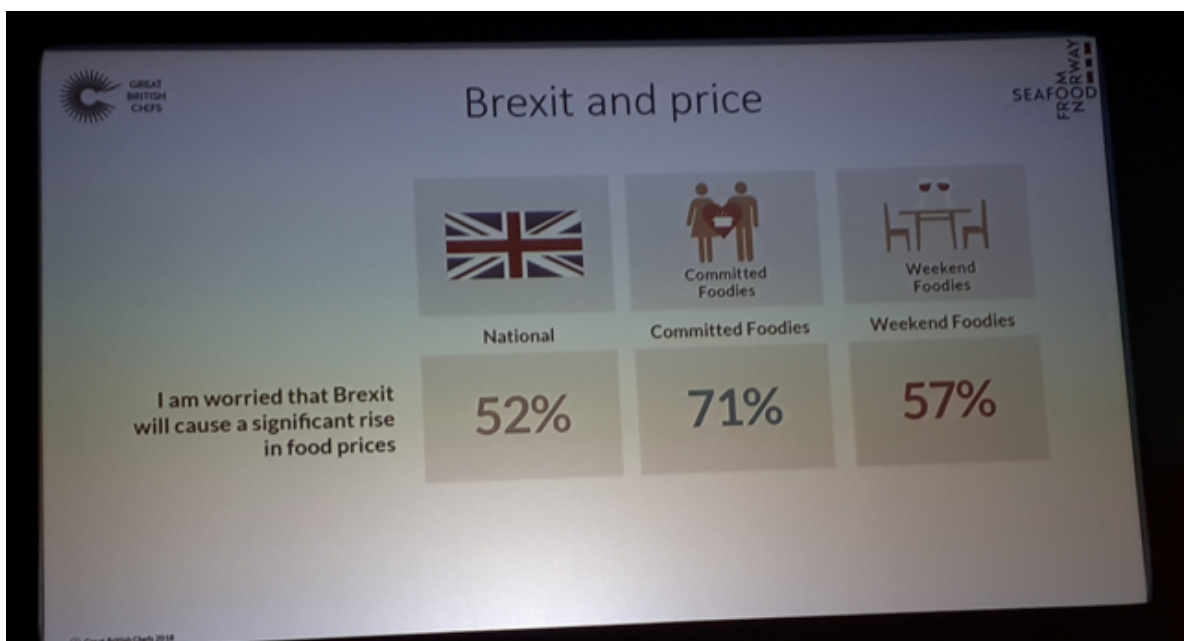
The group says 13% of UK consumers are committed foodies, and 17% "weekend foodies" (more casual, still dedicated).



This category largely shops at Tesco and J. Sainsbury, said Great British Chefs CEO Ollie Lloyd; mainly because these are the most common supermarkets. However, they are avoiding these large retailers when it comes to buying their food ingredients.

Fishmongers are popular for their perceived greater quality, and knowledge of preparation and traceability, he said.

Foodies are also comfortable cooking a wide variety of global dishes, he noted.



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NFFO: UK, Norway 'not far apart' in thinking re: Brexit

The UK and Norway are “not far apart” in their thinking regarding the ideal post-Brexit landscape, believes National Federation of Fishermen’s Organisations (NFFO) chief Barrie Deas.

Continuity is the watchword for the UK’s ongoing relationship with Norway, he said; a maintenance of smooth trade flows and port access between the two is highly desirable.

NFFO would like to see total allowable catches for jointly managed stocks set tri-laterally between the UK, Norway and EU, with discussion still based on advice from the International Council for the Exploration of the Sea.



Access arrangements should be part of bilateral discussions, covering access to waters and quota shares, he added, while transfers of quota should be part of these bilateral discussions.

He confirmed the NFFO is hoping that production and trade can be kept separate as negotiation tools; the EU is likely to want to use market access as a tool to leverage continued access to UK waters, he suggested.

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UK can 'easily' grow its catching sector to take on all its own-water catches

In the event of the UK gaining access to all of the fish in its own waters post-Brexit, it would be able to expand its catching sector to absorb those catches denied EU countries "easily", said Sebastian Metz, CEO and fisheries economist with Sakana Consultants.

The surplus catches — especially pelagics — which would be left when EU vessels couldn't enter UK waters have been held up by some outside the UK as a negotiating tool; a way to maintain access to raw materials that perhaps the UK won't have the capability to utilize, Metz said.

However, he ruled this out. “The UK will be able to catch this surplus itself, easily. In five years it will have made the investments it needs to catch everything.”

He suggested it would require perhaps two more pelagic plants, maybe in Shetland and Peterhead.

“The question is, who's going to *eat* that surplus? Because that won't be the UK consumer,” he said.

The UK industry is hoping to separate production and markets in terms of negotiations, so as to get the best of both worlds. Metz, though, ruled this out.

“I don't think you can separate trade and production. Norway tried it, but couldn't. It will be kept sectoral,” he said.

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UK gov't has cash available for 'hard borders' post-Brexit

The UK government has recently told the seafood industry it has funds available to try and ease trade flows in a “hard border” situation.

This was according to Nigel Edwards of Icelandic Seachill, who also represents the UK Seafood Industry Association — a body formed to work closely with the government and represent the processing and supply sector.

One element of Brexit that has yet to really be focused on in terms of trade is how seafood may flow from Norway (raw materials) to the EU via the UK (as a processor).

“A ‘hard border’, with new inspection measures, is a worst-case scenario, and one we hope we can avoid” he said.

“Border inspections could potentially have a big impact, on costs and when it comes to time and quality on fresh goods. But just recently the government has said it has funds available for Defra [Department for Environment, Food and Rural Affairs] to work on this.”

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Tough currency picture means UK consumers may buy less seafood

When it comes to consumer sentiment regarding the coming year or so, it's a mixed picture, said Icelandic Seachill's Nigel Edwards.

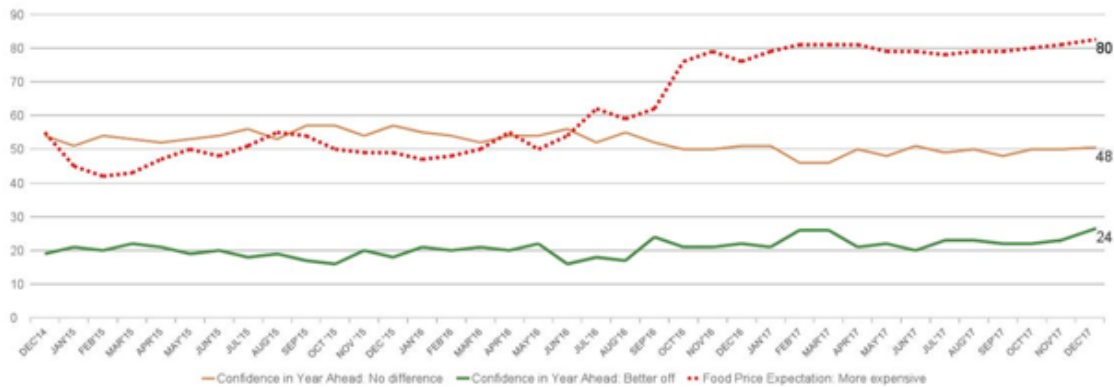
In December 2017 UK consumer confidence apparently fell to its lowest point in four years; some 80% of shoppers expect their grocery shopping to become more expensive as a result of Brexit and currency fluctuations, he noted. However, because of pre-adopted coping strategies, most do not expect to be any worse-off.

Research suggests shoppers are either buying less of their favorite seafood, or moving to better value species, he said; the good news being, they don't seem to be moving out of the category altogether.

“Consumers may be buying less partly because we, as processors, offer smaller portion sizes as raw material prices come up,” noted Edwards. “But the good news is that as these negotiations go on, we have loyal customers, as long as we can offer good value in the category.”

However, consumers seem to have developed strong coping strategies since the economic downturn in 2008 when it comes to grocery shopping...

...80% of shoppers expect grocery food prices to increase over the next year, but because of these previously adopted coping strategies, the majority of shoppers expect to be better off or see no change

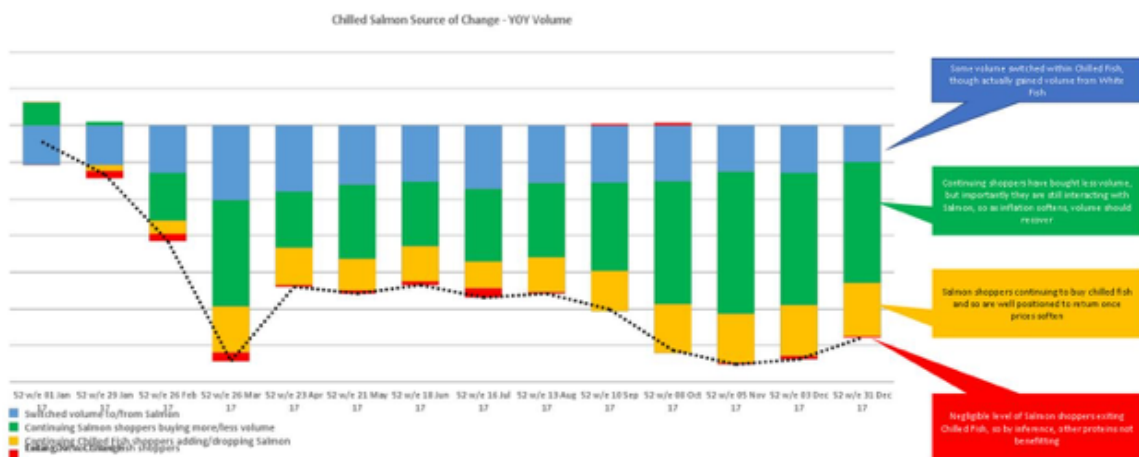


Source: IGD ShopperStats Monthly Tracking, December 2017
1,700 British grocery shoppers every month to explore their behaviors, moods, sentiment and preferences across an array of 40 direct key industry themes and topics

As a representative of the UK Seafood Industry Association, he said the organization — which talks closely with the UK government’s Department for Environment, Food and Rural Affairs — is putting emphasis on maintaining trade flows as well as possible.

“From speaking with the UK government we don’t expect to see either it or the EU become more protectionist as a result of Brexit,” he said.

“If anything I think we could end up being more open as a market.”

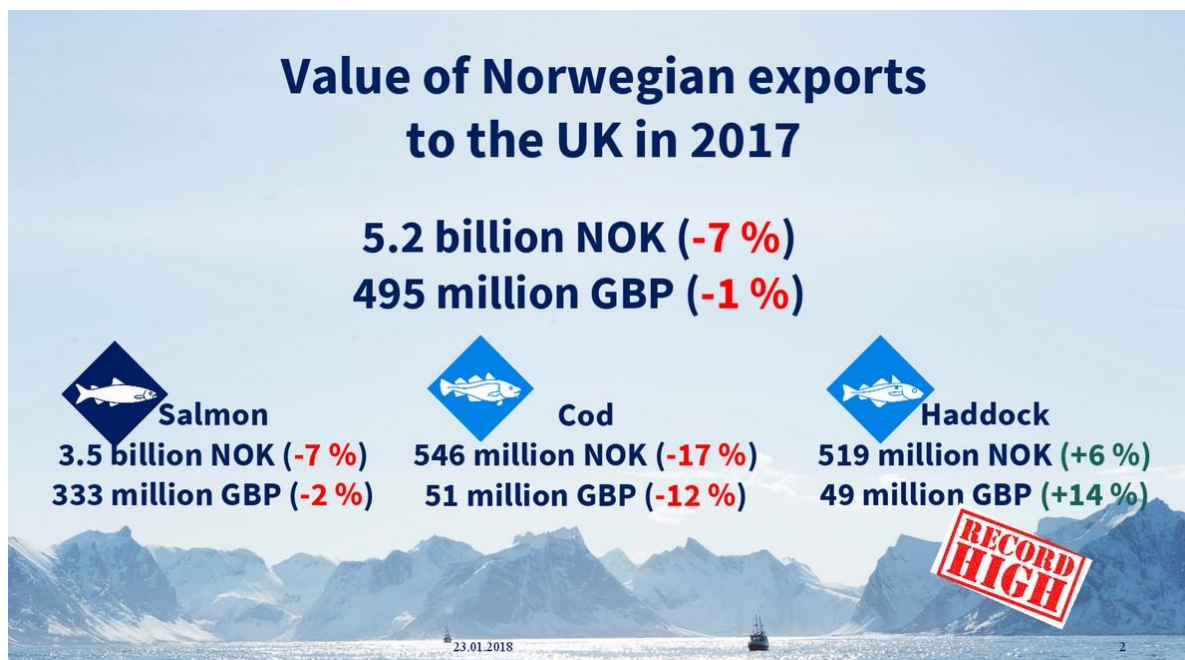


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High prices saw UK buyers swap cod for haddock in 2017

Norway saw cod sales to the UK fall in 2017, with higher prices causing buyers to look elsewhere; including to haddock, which did not see as much of a price hike.

The Norwegian Seafood Council (NSC)'s analyst, Ingrid Kristine Pettersen, said UK import statistics — as well as Norwegian data — showed the drop in sales of cod was greater than that in haddock, suggesting some substitution had taken place.



Norwegian research also revealed that in 2016 around half of the cod and haddock which was caught in Norway and consumed in the UK went elsewhere in the interim, for processing (a large portion to China).

One in four of the cod landed by Norway — and half of the haddock — ended up in the UK, she said.

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NSC to research UK market, online retail in 2018

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The Norwegian Seafood Council (NSC) will be conducting research into the UK market, and the potential for online retail and seafood, in 2018, said Asbjorn Warvik Rortveit, director of market insights.

He stressed that the results of the research, as well as a database of trade and consumer information going back years, was available to NSC partners. The NSC has faced a reduced budget and cuts to some of its work [since the fall of 2017](#).

Surveys and focus groups will be conducted in the UK to try and help Norwegian suppliers better understand what drives consumers to their products. Some of its work will focus on consumer understanding of the salmon market, said Rortveit.

He stressed to those attending the summit that the NSC aims to provide its partners with competitive advantages.

Norway wants 'new framework of cooperation' with UK, EU

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Norway is hoping to secure a "new framework of cooperation" with both the UK and the EU following Brexit, said state secretary at the Norwegian ministry of trade, industry and fisheries, Veronica Pedersen Asheim.

2017 has been a challenging year for UK businesses, with volatility in its currency continuing as a result of the uncertainty around Brexit talks. Norway is hoping to see a smooth transition of trade between all parties when Brexit finally occurs (planned for Spring 2019).

UK industry body Seafish wants to see fish consumption double by 2040, and Asheim hopes Norwegian suppliers can play a key role in that, she said. At the same time, she acknowledged Norwegian seafood consumption is [declining dramatically](#), and that Norway and the UK can learn from each other's attempts to reverse this trend.



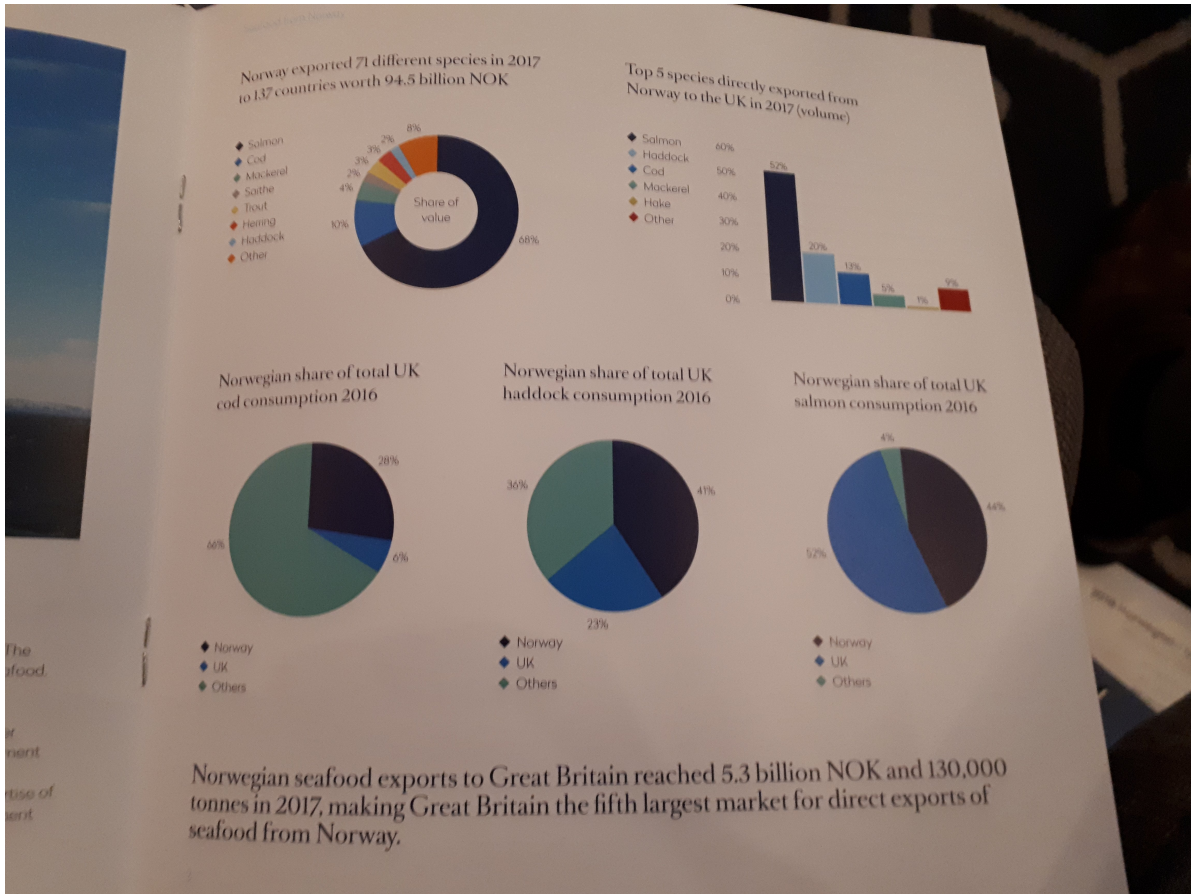
Asheim and the Norwegian Seafood Council's UK director, Hans Frode Kielland Asmyhr

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UK key market for Norwegian exports in 2017

As the below pie charts illustrate, the UK was a key market for Norwegian exports in 2017.

Overall Norwegian seafood exports to the UK reached NOK 5.3 billion (£482.7 million) and 130,000 metric tons, making it the fifth-largest market for direct exports.



Contact the author neil.ramsden@undercurrentnews.com

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