



Market Report

A Snapshot of your Market Sector

Fish Farming

This pack has been designed to provide information on setting up a business in the **Fish Farming** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **August 2021**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Fish Farming market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The Aquaculture industry is dominated by the farming of Atlantic salmon in Scotland. Trout, mussels and other shellfish are also farmed, but 93.2% of revenue is expected to be generated from salmon farming in 2020-21. Industry revenue is highly dependent on trends in global salmon prices and supply conditions in other countries. Domestic demand for salmon has increased over the past five-year period in line with rising health consciousness and an overall increase in disposable income. **Revenue is forecast to grow** at a compound annual rate of **1.5% over the five years through 2020-21 to reach £907.8 million. (IBISWorld, Aquaculture in the UK, March 2021).**
- ◆ Estimated at **£3.9 billion in 2020**, the **UK fish and shellfish market grew by 14.1% over 2015-20**. However, this was mainly driven by inflation and masks a volatile volume sales performance. Levels of inflation within the category were also instrumental in driving volume sales changes. Volume sales for fish and shellfish are estimated to rise in 2020, with the growth coming mainly from the frozen and ambient segments, both of which benefited from the nationwide lockdown over March-July 2020. Meanwhile the slight decline in prices within the dominant chilled fish/shellfish segment partly offset the inflation seen in the frozen and ambient segments. **(Intel, Fish and Shellfish: Inc Impact of COVID-19 - UK - August 2020).**
- ◆ In 2019, the production of **rainbow trout increased by 992 tonnes, an increase of 15%, to 7,405 tonnes**. Seawater production accounted for 4,083 tonnes (55.1%) and freshwater production the remaining 3,322 tonnes (44.9%). The total production of **Atlantic salmon** during 2019 was **203,881 tonnes, an increase of 47,856 tonnes (30.7%)** on the 2018 total and the highest ever level of production recorded in Scotland. The production of **brown/sea trout (*Salmo trutta*)** showed an **increase**, with the majority of production being for the angling restocking market. **(Marine Scotland Directorate, Scottish Fish Farm Production Survey 2019, October 2020 (tinyurl.com/y5qyebxf))**
- ◆ According to **Bank of Scotland Trade Portal** the top 6 countries that imported fish, fresh or chilled in 2019 are Sweden, USA, France, Poland, Spain and Italy (tinyurl.com/y4hbja34)
- ◆ The national organisation for this industry is [Scottish Fishermen's Federation](#). Other industry bodies include [Marine Scotland](#), [Scottish Salmon Producers Association](#), [Scotland's Aquaculture](#), [Institute of Fisheries Management](#), [SEAFISH](#), and [Seafood Scotland](#).

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Aquaculture in the UK (March 2021).** Industry revenue is forecast to fall by 9.1% in the current year, as measures imposed to combat the COVID-19 (coronavirus) pandemic have reduced demand from key markets. Furthermore, export revenue is expected to fall overall during the five-year period through 2020-21 due to a sharp drop in the current year. This is despite the weak pound and rising export demand from China over the period. Salmon ranked second in the UK's top food and drink exports in 2018, according to the Defra. Additionally, disease outbreaks in Chile and Norway reduced international production during the period, boosting demand for Scottish salmon, while also causing prices to rise.
- ◆ **Euromonitor – Fish and Seafood in the United Kingdom (January 2021).** COVID-19 leads to a decline in total volume sales for 2020, however, retail sales rise as consumers create more meals within the home. Fish and seafood records a total volume decline of 10% in 2020 to reach 179,000 tonnes. Crustaceans record the weakest decline, registering a 6% decline in total volume sales for 2020. Fish and seafood is expected to post 2% CAGR in total volume terms over the forecast period to reach 193,500 tonnes in 2025.

There are also a number of online resources you may find helpful:

- ◆ **Scottish Government – Provisional Scottish Sea Fisheries Statistics 2020 (<https://tinyurl.com/hsk8fcz3>)** Scottish Sea Fisheries Statistics is a National Statistics publication produced by the Marine Analytical Unit (MAU) in Marine Scotland to provide detailed information on the Scottish fishing industry.
- ◆ **SEPA – Scottish Environment Protection Agency, Fish Farm Manual (tinyurl.com/y55769zz)** This manual has been produced to provide SEPA staff with detailed guidance on the legislation, policy and procedures which should be considered when regulating Scotland's marine cage fish farming industry. Including Covid-19 and EU Exit Regulatory Approach.
- ◆ **The UK Government – Foresight Future of the Sea (tinyurl.com/ycwe4uvw, see also tinyurl.com/y3cadjqz).** This report, funded by the UK government, looks at future trends, challenges and opportunities for a range of maritime industries, including aquaculture. The latter link is to an aquaculture specific report produced as part of the Future of the Sea project.
- ◆ **Marine Scotland, Salmon and Sea Trout Fishery Statistics - 2019 Season (tinyurl.com/y469xk7m)**
- ◆ **[The Aquaculture Directory](#)** is constantly updated with the latest aquaculture news and suppliers in the Aquaculture industry.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**

What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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Last updated: August 2021

Updated by: Lynda

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