



Market Report

A Snapshot of your Market Sector

Fish Farming

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 2023**. 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 included in the industry, but IBISWorld expects **93.6% of industry revenue to be generated from salmon farming in 2022-23**. Industry revenue is highly dependent on global salmon price trends 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. **Over the five years through 2022-23, industry revenue is forecast to fall at a compound annual rate of 0.7% to £1.4 billion.** (IBISWorld, *Aquaculture in the UK*, September 2022).
- ◆ Seafood usage remains almost universal, **89% of adults eating fish or shellfish**, demonstrating its well-established and enduring role within the British diet. Fish usage is higher than that of shellfish, **88% compared to 67%**. **Frozen is the most popular** type of both fish and shellfish, at **82% and 62% of people respectively** (Mintel, *Fish and Shellfish - UK* - January 2022).
- ◆ Fish/shellfish is estimated to see volume sales **decline by 4% to 379 million kg in 2021**, with value sales declining by 2.9% to £4.04 billion. Our central forecast sees the market **grow by 7.4% over 2021-26** to stand at £4.33 billion, but with volume sales declining by 7.8% to 349 million kg (Mintel, *Fish and Shellfish - UK* - January 2022).
- ◆ In 2021, the production of **rainbow trout increased by 580 tonnes, an increase of 8%, to 8,156 tonnes**. Seawater production accounted for 5,144 tonnes (63%) and freshwater production the remaining 3,012 tonnes (37%). The total production of **Atlantic salmon** during 2021 was **205,393 tonnes, an increase of 13,264 tonnes (7%) on the 2020 total**. This was the highest level of production recorded in Scotland. The production of brown/sea trout (*Salmo trutta*) showed a small decrease, with the majority of production being for the angling restocking market. (Marine Scotland Directorate, *Scottish Fish Farm Production Survey 2021*, October 2022). (tinyurl.com/269p3uxh)
- ◆ According to **Bank of Scotland Trade Portal** the top 6 countries that imported fish, fresh or chilled in 2021 are Sweden, USA, France, Spain, Poland, 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](#).



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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 (September 2022).** Export demand is expected to increase over the next five years, supported by a growing world population and environmental pressure on land depletion and wild fisheries. These developments could dampen seafood catch volumes and present an opportunity for growth in demand for farmed seafood. Much of the industry's focus will be on increasing production capacity to meet the high demand in key export destinations. Additionally, increasing health consciousness and household expenditure on fish should support an increase in domestic demand. However, operators are expected to come under pressure from environmental concerns to make salmon farming sustainable, which could increase operating costs as firms invest in clean technology.
- ◆ **Euromonitor – Fish and Seafood in the United Kingdom (December 2022).** In 2022 demand for fish and seafood is being highly challenged by inflationary pressure and the subsequent weakened purchasing power of consumers. Rising production costs due to the energy crisis, labour shortages, and increasing costs of raw materials and shipping, further fuelled by the war in Ukraine, have led to strong increases in the retail prices of fish, which were already traditionally more expensive than other animal-based proteins. With disposable incomes shrinking, retail volume sales of fish and seafood are expected to turn to decline in 2022, as consumers are being forced to trade down to cheaper sources of protein, such as eggs and poultry, as well as pulses.

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

- ◆ **Scottish Government Provisional Scottish Sea Fisheries Statistics 2022** (tinyurl.com/3r8r6x9y) contains a summary of provisional data on fish landings by Scottish registered vessels, the size of the Scottish fishing fleet, numbers of fishers working in Scotland and UK quota uptake in 2022.
- ◆ **Scottish Government Scottish Salmon and Sea Trout Fisheries: Provisional Statistics 2022** (tinyurl.com/3vpjandm) Provisional statistics from the Scottish salmon and sea trout fisheries contains a summary of provisional data on the number and weight of fish caught in Scotland. This is provided for East and West coast, fishing method, and sea age.
- ◆ **Scottish Environment Protection Agency (SEPA), 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.
- ◆ **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**



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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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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