



Market Report

A Snapshot of your Market Sector

Shellfish Production

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 **Shellfish Production** 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 **July 2022**. 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 Shellfish Production 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:

- ◆ Shellfish are expected to generate **3.6% of industry revenue in the current year**. The proportion of revenue derived from shellfish farming has increased over the past five years, as consumers have become more adventurous in their tastes. Production dipped in 2018 due to biological issues affecting output. Demand for shellfish is expected to have been constrained by the closure of the hospitality sector, though **demand is expected to increase during 2021-22**, benefiting the industry. (IBISWorld, *Aquaculture in the UK*, December 2021).
- ◆ **Prawns** are the most popular shellfish by a considerable margin, **72% of fish/shellfish users eating them compared to 32% eating crab**, the second most popular type. Prawns are more affordable than other types of shellfish, as well as being more approachable, taste and texture-wise. (Mintel, *Fish and Shellfish – UK - 2022*).
- ◆ **Shellfish are expected to account for 30.7% of industry revenue in 2021-22**. According to the MMO, landings of shellfish by UK vessels fell by 10.9% in 2018, though rose by 6% over 2019. The value of landings fell by 4% and 5% over 2018 and 2019 respectively. **During 2020, landings of shellfish fell by 18%**. As a result of the products' high profit margins, shellfish landings are expected to increase over the next five years (IBISWorld, *Marine Fishing in the UK*, November 2021).
- ◆ Mussel production, **increased by 52% in 2021** to 8,590 tonnes. This is the highest level of mussel production recorded in Scotland. The greatest regional contribution to mussel production was from **Shetland, accounting for 6,850 tonnes (80%) of Scotland's total**. **Pacific oyster production increased by 70% from 2020**. The production of **farmed scallops increased by 42%** while production of **native oysters decreased by 77%**. There was a very small amount of queen scallop production during 2021 as the main producer reported no production during 2021 due to impacts from the COVID-19 pandemic. The average price of Pacific oyster was £0.37 per shell; native oyster, £0.60 per shell; scallop, £2.31 per shell; queen scallop, £0.13 per shell and mussel £916 per tonne. (Scottish Government Marine Scotland Science, *Scottish Shellfish Production Survey 2021* - tinyurl.com/mru4uknv).
- ◆ The national organisation for this industry is [Shellfish Association of Great Britain](#). Other industry bodies include [Scotland's Aquaculture](#), [Association of Scottish Shellfish Growers](#), [Scottish Fishermen's Federation](#), [Marine Scotland](#), [Sea Fish Industry Authority](#) and [Seafood Scotland](#).



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Where can I find more information on my market?

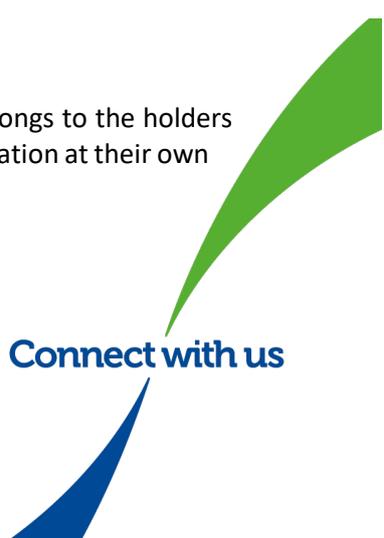
The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Marine Fishing in the UK (November 2021):** Scotland is estimated to contribute the most to industry revenue in the current year. An estimated 53.1% of industry establishments are located in Scotland. The country is the largest marine fishing area in the United Kingdom, accounting for the majority of all seafood caught in the United Kingdom. Scotland has the three highest grossing ports in the United Kingdom as measured by the value of seafood landings. The Marine Management Organisation reported that Peterhead accounted for 72% by quantity of all landings by UK vessels in 2020.
- ◆ **Mintel – Fish and Shellfish – UK (2022):** 61% of fish/shellfish users only eat one or two types of shellfish. Repertoires of shellfish usage are highest amongst higher earners, 53% of those whose household income is £75,000 or over eating at least three types of shellfish, compared to just 18% of those with a household income of under £15,500. This demonstrates how the higher cost of shellfish is prohibitive for many, with usage of most shellfish types rising among higher-income households, prawns being the only exception.
- ◆ **Euromonitor – Fish and Seafood in the United Kingdom (December 2021):** The lockdown periods in 2020 heavily affected international trade and highlighted the dependence of the British fish and seafood industry on exports. The limited demand for fish and seafood from abroad left British fish processors with a high stock of produce unable to be absorbed by local consumers. The subsequent oversupply led to a decline in the average unit price in 2020 and generated losses in the fishing industry. In 2021, as total volume sales start recovering, retail prices are increasing, boosting the category's retail value sales.

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

- ◆ **Scottish Government Marine Scotland Science, *Scottish Shellfish Production Survey 2021***, June 2022 (tinyurl.com/mru4uknv). This report is based on the return of an annual survey questionnaire sent to all active authorised shellfish farming business in Scotland. Statistics on employment, production and value of shellfish from Scottish shellfish farms are also included.
- ◆ **DEFRA – Fish, Shellfish or Crustacean Farm Authorisation** (tinyurl.com/y24gix39). This site contains information on the necessary authorisations and regulations for setting up a shellfish or crustacean farm which may be useful for you at the start of your business.
- ◆ **Seafish – Farmed Seafood in Multiple Retail 2022** (tinyurl.com/3sedmt5z) This factsheet provides a summary of the performance of farmed seafood in multiple retail to May 2022.

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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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Updated by: Carla Bennett

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