



Market Report

A Snapshot of your Market Sector

Shellfish Production

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 September 2018. 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 **2.2%** of overall aquaculture industry revenue in the current year. Most of the shellfish farmed in the United Kingdom are mussels, although small quantities of oysters and scallops are also farmed. The proportion of revenue derived from shellfish farming has increased over the past five years. According to the Scottish Salmon Producers' Organisation, the **value and production of shellfish increased by 6% and 31% respectively in 2016**. (IBISWorld, *Aquaculture in the UK*, July 2018).
- ◆ **85% of adults eat fish or shellfish**, showing that seafood has an ingrained role in British diets. Fish is the most popular category by a long way, eaten by 85% of adults, **while 51% eat shellfish**. (Intel – *Fish and Shellfish, UK*, December 2017).
- ◆ **Exports** are expected to account for **over 60% industry revenue** in the current year, so operators that have a strong presence in export markets are likely to do particularly well. (IBISWorld, *Aquaculture in the UK*, July 2018).
- ◆ According to **Bank of Scotland Trade Portal** the top 5 countries that imported crustaceans for human consumption from the UK in 2016 are **USA, Japan, China, Spain and France**.
- ◆ Mussel production increased by **6% in 2017 to 8,232 tonnes**. This is the highest level of mussel production recorded in Scotland. The greatest contribution in regional mussel production was from Shetland, accounting for **6,647 tonnes or 81% of Scotland's total**. There was a **69% increase** in the production of mussels for on-growing in 2017. Pacific oyster production increased by **42% from 2016**. The Strathclyde region produced **61% of Scotland's farmed Pacific oysters**. Queen scallop production increased by **76% since 2016** and the production of farmed scallops **increased by 34%**, both these sectors continue to target small niche markets. (Marine Scotland, *Scottish Shellfish Farm Production Survey 2017*, May 2018 tinyurl.com/y7jdy9k6)
- ◆ The national organisation for this industry is [Shellfish Association of Great Britain](#). Other industry bodies include [Association of Scottish Shellfish Growers](#), [Scottish Fishermen's Federation](#), [Marine Scotland](#), [Scotland's Aquaculture](#), [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 (July 2018)**. While the perception of seafood has improved in recent years, industry products remain highly discretionary due to their high prices. As a result, changes in household disposable income affect demand for industry products. In 2018-19, real household disposable income is forecast to increase slightly to support industry demand. Scotland contains the largest number of industry establishments, accounting for 56.8% of the total.
- ◆ **Mintel - Fish and Shellfish – UK (December 2017)**. The sustainability of fish and shellfish remains a hot topic in the market and UK supermarkets have ramped up their game in responsible sourcing over 2016-17. The Sustainable Seafood Coalition (SSC), a British business partnership that works to improve seafood sustainability, revealed that 80% of seafood sold in UK supermarkets was labelled and sourced responsibly in a study published in May 2017, up from 68% in 2011.
- ◆ **IBISWorld - Seafood Retailers in the UK (November 2017)**. IBISWorld estimates that revenue derived from the sale of fresh and frozen shellfish will account for approximately 34.7% of industry revenue. The fresh and frozen shellfish product segment includes prawns, crabs, crayfish, oysters, mussels, cockles and lobster. Prawns make up the overwhelming majority of products sold in this category. Highest quartile income earners are a big market for fish and high-quality shellfish such as lobsters. Demand from this market is expected to remain relatively consistent, and generate an estimated 33.5% of revenue in 2017-18.

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

- ◆ **Scotland Food and Drink, Aquaculture Growth to 2030** (tinyurl.com/y8vhujld) In shellfish production there is potential to reach 21,000 tonnes of mussels per annum by 2030 and to significantly increase the value of oyster production.
- ◆ **Scottish Government, Scottish Sea Fisheries Statistics 2017** (tinyurl.com/ya3dhcrp) 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.
- ◆ **SEAFISH, UK Domestic Aquaculture Reports** (tinyurl.com/ybztlv3) The Seafish Domestic Aquaculture Strategy Programme offers aquaculture reports and guides, produced to help increase understanding of the importance, diversity and potential of UK aquaculture.
- ◆ **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 [Retaining and Grow Your Customer Base](#) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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 Account](#)" 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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