Maritime Research & Advice

THE DUTCH FLATFISH INDUSTRY

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The Nordic Flatfish workshop

Copenhagen, 29-30 October 2019

Presentation

Current situation

1. Sources of raw material
2. Processing
3. Markets

Outlook

1. External factors
2. Internal factors

Conclusions

EU flatfish landings by MS and species, 2016

	Common sole	European plaice	Grl/Atl halibut	Megrims	Other species	Total	Total 4 species	Share 4 species	Share total MS
	Volume, 1000 tonnes								
BEL	2.6	9.4	0.0	0.3	2.3	14.6	12.3	84%	8%
DEU	0.9	5.1	6.3	0.0	1.8	14.2	12.4	87%	8%
DNK	0.6	26.9	0.1	0.0	5.8	33.5	27.8	83%	18%
ESP	0.3	0.0	4.5	4.6	0.6	10.0	9.4	94%	5%
FRA	5.2	2.2	0.4	5.5	3.0	16.3	13.3	82%	9%
GBR	2.0	21.2	0.7	4.9	5.4	34.2	28.8	84%	18%
ITA	2.4	0.0	0.0	0.0	0.2	2.6	2.4	91%	1%
NLD	9.7	33.7	0.0	0.0	6.4	49.7	43.4	87%	27%
Other MS	1.3	1.4	1.9	3.5	2.2	10.2	8.0	79%	6%
Grand Total	24.9	100.0	13.9	18.9	27.6	185.3	157.7	85%	100%
	Value, million euro								
BEL	28.3	15.4	0.0	0.7	12.0	56.4	49.4	88%	8%
DEU	9.2	7.8	21.4	0.0	4.6	42.9	40.9	95%	6%
DNK	7.0	43.1	0.9	0.2	19.1	70.3	57.6	82%	10%
ESP	4.3	0.1	20.0	20.1	2.6	47.0	45.6	97%	7%
FRA	67.6	3.9	1.3	17.5	22.1	112.4	102.0	91%	16%
GBR	22.4	34.5	2.6	18.1	26.4	104.0	86.3	83%	15%
ITA	28.1	0.0	0.0	0.0	4.1	32.2	30.9	96%	5%
NLD	100.7	54.0	0.0	0.0	27.2	182.0	170.8	94%	26%
Other MS	7.8	0.1	0.0	0.2	1.7	9.8	9.4	96%	1%
Grand Total	281.6	161.3	53.0	67.6	128.3	691.8	622.4	90%	100%
Other species: Brill dab, lemon sole, trubot, witch									
Other MS: IRL, PRT, SWE									

Total EU production

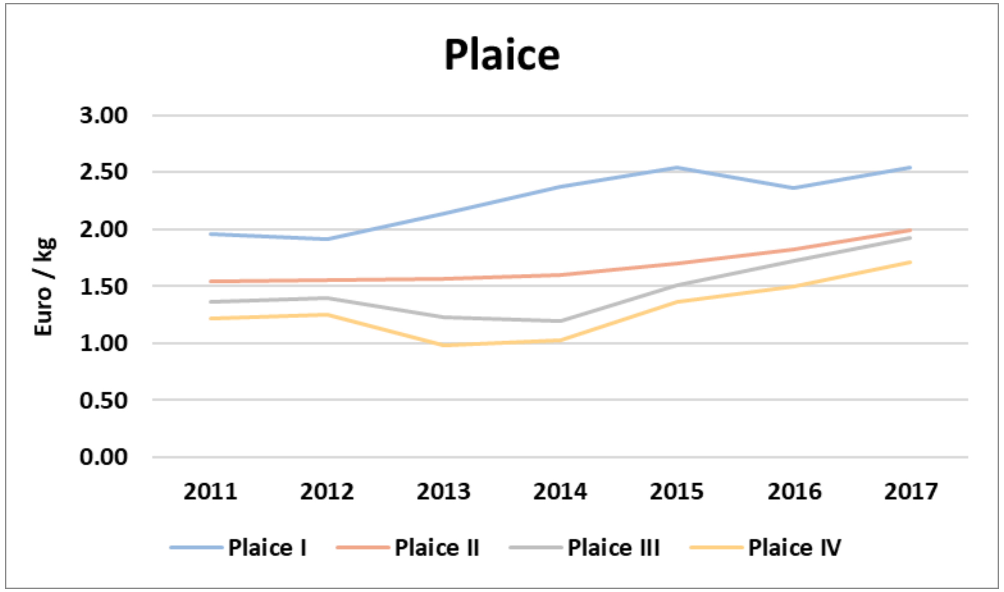
- 5 mln tonnes
- 8.2 bln Euro

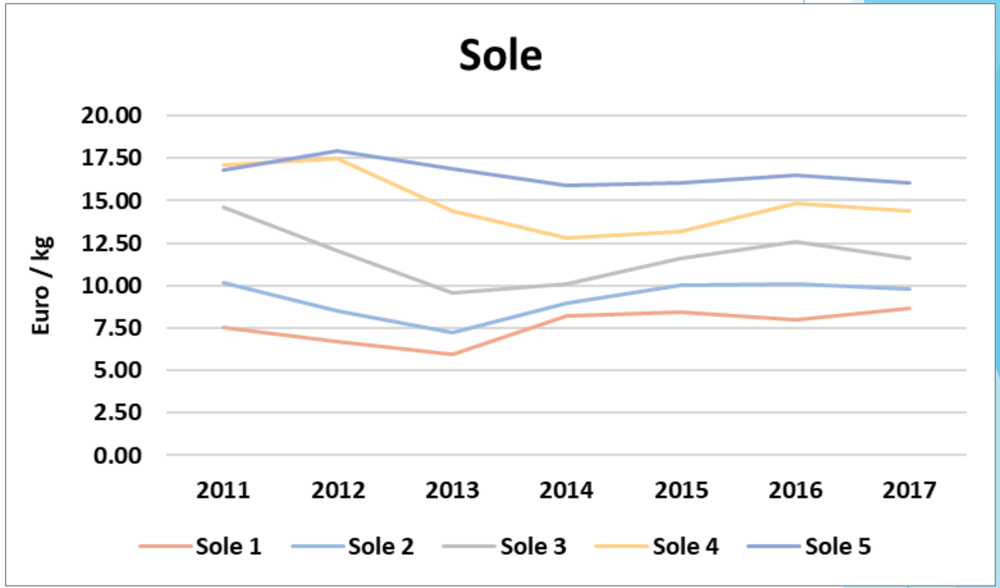
Flatfish represents

- 3.7% in volume
- 8.4% in value

Source:
DCF, AER, 2018

NL auction prices and composition of landings – sole and plaice by size grade





Plaice - Average compositionn of landings by size

	Weight (gr)	Lenght (cm)	Share 2014-17
I	>600	>41	8%
II	400-600	35-41	20%
III	300-400	31-35	30%
IV	150-300	27-31	42%

Sole - Average composition of landings by size

	Weight (gr)	Length (cm)	Share 2014-17
1	120-170	24-27	7%
2	170-250	27-30	6%
3	250-330	30-33	4%
4	330-500	33-38	3%
5	>500	>38	1%

State of main stocks

Specie	Area	Catch (t) (estimate 2015-18)	Fmsy	Fpa / Flim	MSY Btrigge	Bpa / Blim
Sole	7.a	<100				
	8.a–b	4,000				
	8.c and 9.a	500-700	?	?	?	?
	7.e	1000-1200				
	7.f and 7.g	800-1000				
	7.h–k	200-400				
	20–24	400-600				
	4	**10-15,000**				
Plaice	**4 and 20**	**100-150,000**				
	21–23	4-5,000				
	7.b–c	<100	?	?	?	?
	24–32	700-2,400				
	7.f -g	1,000-1,200				
	8 and 9.a	150-200	?	?	?	?
	7.h–k	150				
	7.a	1,000				
	7.e	2-3,000				
	7.d	5-8,000				
Halibut	1 and 2	20-25,000	?	?	?	
	5, 6, 12, and 14	20-25,000		?		
Megrim	4.a and 6.a	3,000				
	7.b–k, 8.a–b, 8.d	1,200	?	?	?	?
	8.c and 9.a	1-2,000				
	7.b–k, 8.a–b, 8.d	15,000				
	8.c and 9.a	300-400				

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Source:
ICES assessments 2019

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Utilisation of TACs, 2016

	Common sole	European plaice	Grl/Atl halibut	Megrims
Total EU				
• Catch (1000 t)	24.9	100.0	13.9	18.9
• TAC (1000 t)	23.7	161.1	16.3*	29.3
• Utilisation	105%	62%	85%	64%
NL				
• Catch (1000 t)	9.7	33.7	0	0
• TAC (1000 t)	10.0	48.9		
• Utilisation	97%	69%		

*Greenland halibut only

Sources:
DCF, Council Reg. 2016/72

Imports 2018 Mln Euro

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EU-28

	EU28_INTRA	EU28_EXTRA	FO	GL	IS	NO
Grand Total	19,734.8	21,033.1	522.4	370.7	1,131.5	6,631.8
- Total flatfish	920.1	382.7	14.1	133.3	36.3	35.2
- Share flatfish	5%	2%	3%	36%	3%	1%
Halibut	88.1	191.5	12.2	116.7	6.2	32.1
Flatfish	318.8	150.6	0.8	16.6	12.0	0.5
Sole	178.4	19.2	0.3	0.0	4.3	0.0
Plaice	184.7	18.4	0.7	0.0	13.1	1.2
Megrim	53.9	0.6	0.0	0.0	0.6	0.0
Turbot	96.1	2.4	0.0	0.0	0.0	1.4

Netherlands

	EU28_INTRA	EU28_EXTRA	FO	GL	IS	NO
Grand Total	1,060.5	1,952.7	71.1	8.1	470.6	239.2
- Total flatfish	173.7	45.8	1.2	0.1	12.9	1.5
- Share flatfish	16%	2%	2%	2%	3%	1%
Halibut	5.9	4.1	1.2	0.1	1.1	1.5
Flatfish	64.4	30.2	0.0	0.0	3.7	0.0
Sole	32.6	1.5	0.0	0.0	1.4	0.0
Plaice	59.5	10.0	0.0	0.0	6.6	0.0
Megrim	4.3	0.1	0.0	0.0	0.1	0.0
Turbot	7.1	0.0	0.0	0.0	0.0	0.0

Source: Eurostat

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NL flatfish imports, 2018, mln Euro

	Halibut	Flatfish	Sole	Plaice	Megrim	Turbot	Total
EU28_INTRA	5.9	64.4	32.6	59.5	4.3	7.1	173.7
BE	*1.4*	*22.7*	*10.9*	*20.9*	*1.5*	*2.5*	*60.0*
DK	*2.1*	*33.9*	*2.9*	*10.4*	*0.1*	*1.3*	*50.7*
GB	*0.8*	*3.4*	*8.5*	*14.8*	*2.0*	*0.6*	*30.0*
DE	*0.9*	*2.0*	*7.7*	*9.9*	*0.1*	*1.4*	*22.1*
FR	*0.0*	*0.8*	*2.3*	*2.8*	*0.3*	*0.0*	*6.4*
ES	*0.0*	*0.2*	*0.1*	*0.0*	*0.1*	*1.1*	*1.6*
EU28_EXTRA	4.1	30.2	1.5	10.0	0.1		45.8
CN		*23.6*					*23.6*
IS	*1.1*	*3.7*	*1.4*	*6.6*	*0.1*		*12.9*
RU				*3.3*			*3.3*
NO	*1.5*						*1.5*
CA	*0.1*	*1.1*	*0.1*				*1.3*
FO	*1.2*	*0.0*	*0.0*				*1.2*
GM	*0.0*	*1.2*	*0.0*				*1.2*

Source: Eurostat

Sources of raw material – summary

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		EU-28	NL
TACs	1000 t	230.4	58.9
Catch	1000 t	157.7	43.4
Catch	mln Euro	691.8	182.0
Imports			
- Intra-EU	mln Euro	920.1	173.7
- Extra-EU	mln Euro	382.7	45.8
* Nordic c.	mln Euro	218.8	15.8

Source: Eurostat

NL fish flat- and roundfish processing, 2013

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		Total		Average	
Size (turnover)	No companies	Turnover	Employment (FTE)	Turnover	Employment (FTE)
<10 mln	38	135	595	3.6	15.7
>10 mln	22	545	1010	24.8	45.9
Total	60	680	1605	11.3	26.8

- **Most processing: frozen fillets, some value added products (e.g. breaded)**
- **78% processed in NL (56% own premisses), 22% abroad;**
- **70% European flat and roundfish, 30% other products**
- **80% wholesale packaging, 1/3 fresh, 2/3 frozen, 20% consumer packaging**
- **84% export, through wholesale (33%), retail chains (14%), horeca/institutions (24%), other (13%)**

Source: Beukers, 2015

Important trends / factors

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- Sustainability certification (MSC)
- Pursuit of new markets (Asia, Eastern Europe)
- Expansion to new products/species to offer a complete range
- Vertical integration, reduces supplies through auctions

Most important processors

van de Gruiter zeevis	Linked to: Platvis / P&P
BERTUS-DEKKER Seafood BV	Employment: 40 Owned by: Vrolijk
VAN DER LEE SEAFISH	Turnover: 45 mln Euro Volume: 9,000 t Employment: 150
NORTH SEAFOOD	Owned by: v.d. Zwan
NEERLANDIA-URK SINCE 1972	Volume: 12,500 t Employment: 80 full time+ 160 part time
PLATVIS	Employment: 85 Co-owned by: P&P (50%)

NL exports by species and country (mln Euro, 2018)

	Halibut	Flatfish	Sole	Plaice	Megrim	Turbot	Total
EU28_INTRA	6.5	92.2	91.3	108.0	4.3	20.7	323.0
IT	0.4	23.1	30.6	47.5	1.6	4.0	107.1
DE	1.3	11.9	10.6	21.3	0.6	3.0	48.7
BE	0.9	15.8	18.1	11.5	0.1	1.3	47.8
ES	0.0	5.7	20.5	0.8	1.5	8.7	37.2
FR	1.5	17.1	9.2	3.9	0.1	2.2	34.0
GB	0.8	8.4	0.3	9.4	0.0	0.3	19.2
SE	0.0	4.9	0.1	4.7	0.2	0.4	10.3
DK	0.4	2.1	0.1	5.1	0.0	0.0	7.8
EU28_EXTRA	4.4	4.4	11.0	7.1	0.0	1.0	28.0
US	0.1	0.0	8.1	2.9	0.0	0.0	11.1
CN	3.3	0.7	0.0	3.0	0.0	0.0	7.0
CH	0.0	1.9	1.6	0.5	0.0	0.9	4.9
JP	0.5	1.4	0.0	0.0	0.0	0.0	1.9
CA	0.3	0.0	0.7	0.0	0.0	0.0	1.1
IL	0.2	0.0	0.3	0.4	0.0	0.0	0.9

Source: Eurostat

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National market

- National market takes only 15% of the production
- Flatfish not mentioned in the annual GfK survey
- Dutch are not enthusiastic fish eaters
- Sole mostly consumed in restaurants
- Plaice consumed fried at fish monger
- Flatfish is very rarely available fresh (pre-packed) in SM, sometimes frozen

Outlook – external factors

Short term and long term threats for NL flatfish fishery:

- Prohibition of electric pulse trawl
- Landing obligation
- Other users of North Sea – wind farms
- Restrictive legislation
- Brexit

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Consequences of Brexit, 2015 data

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EU catch in EU and UK EEZ, 2015 (tonnes)

	EU EEZ	UK EEZ	Total	% UK EEZ
Dab / flounder	5,046	1,182	6,228	19%
Gr. halibut	78	700	778	90%
Lemon sole / witch	4,535	3,718	8,253	45%
Megrim	11,547	5,537	17,084	32%
Plaice	57,953	17,665	75,618	**23%**
Sole	10,230	6,337	16,567	**38%**
Turbot / brill	3,842	1,775	5,617	32%
Total	**93,230**	**36,915**	**130,145**	**28%**

NL catch in EU and UK EEZ, 2015 (tonnes)

	EU EEZ	UK EEZ	Total	% UK EEZ
Plaice	21,208	6,382	27,591	**23%**
Sole	5,439	2,388	7,827	**31%**
Turbot / brill	1,802	599	2,401	25%
Grand Total	**28,449**	**9,370**	**37,819**	**25%**

Source:
DCF / FDI 2016

Outlook – internal factors

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Several internal threats exist:

- Loss of confidence in the future
- Lack of next generation
- Lack of crews
- Decreasing size of the sector

Consequence: increasing concentration

Conclusions in keywords

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Current situation

1. Sourcing: stocks good / high imports, but not from 4 NCs
2. Processing: sustainability (MSC) and concentration
3. Markets: Italy and Spain (frozen); NL market is small

Outlook

1. External factors: pulse trawl, Brexit, user conflicts
2. Internal factors: lack of people, concentration of ownership

THAT’S IT.

EU landing by MS and species, 2016

	Volume, 1000 tonnes												
	Brill	Common dab	Common sole	European plaice	Grl/Atl halibut	Lemon sole	Megrims	Turbot	Witch flounder	Grand Total	Total 4 species	Share 4 species	Share total MS
	BLL	DAB	SOL	PLE	GHL/HAL	LEM	/LEZ/ADB	TUR/SCF	WIT	TOT			
BEL	0.4	0.4	2.6	9.4	0.0	0.8	0.3	0.6	0.1	14.6	12.3	84%	8%
DEU	0.1	1.3	0.9	5.1	6.3	0.1	0.0	0.3	0.0	14.2	12.4	87%	8%
DNK	0.3	1.9	0.6	26.9	0.1	1.3	0.0	0.8	1.5	33.5	27.8	83%	18%
ESP	0.0	0.0	0.3	0.0	4.5	0.1	4.6	0.1	0.4	10.0	9.4	94%	5%
FRA	0.5	0.4	5.2	2.2	0.4	0.9	5.5	0.9	0.3	16.3	13.3	82%	9%
GBR	0.5	0.5	2.0	21.2	0.7	2.5	4.9	0.9	1.1	34.2	28.8	84%	18%
IRL	0.1	0.0	0.2	0.8	0.0	0.5	3.3	0.2	0.6	5.7	4.2	75%	3%
ITA	0.1	0.0	2.4	0.0	0.0	0.0	0.0	0.2	0.0	2.6	2.4	91%	1%
NLD	1.0	2.9	9.7	33.7	0.0	0.5	0.0	1.9	0.0	49.7	43.4	87%	27%
PRT	0.0	0.0	0.4	0.0	1.9	0.0	0.1	0.0	0.1	2.7	2.5	92%	1%
SWE	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.2	0.7	0.4	57%	0%
Other cou	0.0	0.0	0.7	0.2	0.0	0.0	0.1	0.2	0.0	1.2	0.9	80%	1%
Grand Tot	3.2	7.4	24.9	100.0	13.9	6.7	18.9	6.0	4.4	185.3	157.7	85%	100%
	Value, million euro												
BEL	2.5	0.4	28.3	15.4	0.0	4.0	0.7	5.0	0.2	56.4	49.4	88%	8%
DEU	0.6	1.0	9.2	7.8	21.4	0.4	0.0	2.6	0.0	42.9	40.9	95%	6%
DNK	1.5	1.5	7.0	43.1	0.9	6.4	0.2	6.4	3.4	70.3	57.6	82%	10%
ESP	0.4	0.0	4.3	0.1	20.0	0.2	20.1	1.2	0.9	47.0	45.6	97%	7%
FRA	5.3	0.5	67.6	3.9	1.3	3.9	17.5	11.8	0.7	112.4	102.0	91%	16%
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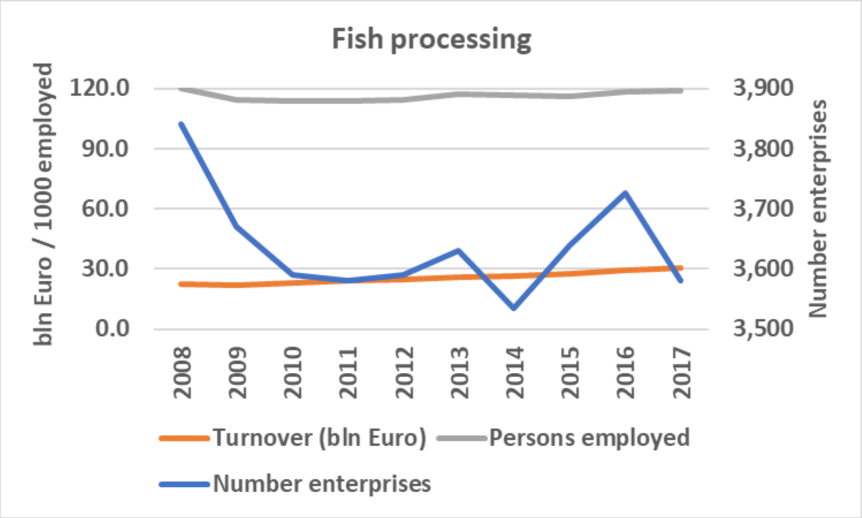
IRL	0.7	0.0	1.9	1.4	0.0	1.5	10.6	2.1	1.1	19.2	16.0	83%	3%
ITA	1.3	0.0	28.1	0.0	0.0	0.0	0.0	2.8	0.0	32.2	30.9	96%	5%
NLD	6.5	2.5	100.7	54.0	0.0	2.0	0.0	16.0	0.1	182.0	170.8	94%	26%
PRT	0.5	0.0	4.2	0.2	6.7	0.0	0.2	0.9	0.5	13.2	12.2	92%	2%
SWE	0.1	0.0	0.2	1.0	0.0	0.1	0.0	0.2	0.9	2.4	1.3	54%	0%
Other cou	0.4	0.0	7.8	0.1	0.0	0.0	0.2	1.3	0.0	9.8	9.4	96%	1%
Grand Tot	23.0	6.4	281.6	161.3	53.0	30.4	67.6	58.9	9.7	691.8	622.4	90%	100%

FISH PROCESSING AND TRADE

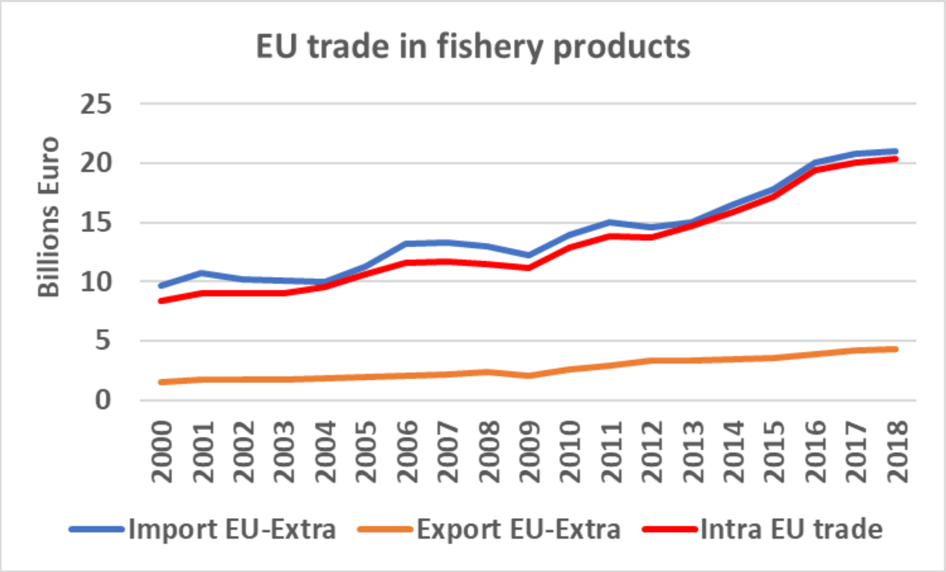


Parallel increase of inter-EU trade with imports from other countries

Main imports: salmon, shrimp and tuna – difficult to replace by EU substitutes

'Constant' size of the sector with rising turnover

Workforce composed of women



Source: Eurostat