



[Which trends offer opportunities on the European frozen tuna market?](#)

The European market for frozen tuna is under pressure, especially for yellow fin tuna. Sustainability of tuna fisheries is becoming a major issue of concern to policymakers and international organisations in Europe and worldwide. Your tuna fishery's level of sustainability will therefore be the key to success. Value addition also offers interesting opportunities.

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1 . Growing focus on sustainability

Consumers are becoming more aware of the level of sustainability of tuna fisheries. Consumer awareness will continue to grow over the short to long term. The responsible sourcing of tuna will become even more important for tuna suppliers who want to export to the European market.

The retail segment, although with regional differences, is increasingly focusing its attention on the story underpinning the tuna product. Retailers are aiming to assure customers that the tuna which they sell has been responsibly sourced.

Tuna fishing quotas are put or kept in place to protect stocks. The situation of yellow fin tuna is not positive. As a result of poor fishing, prices are increasing worldwide (not only prices for yellow fin but also skipjack prices have been affected).

The Indian Ocean Tuna Commission (IOTC) adopted a reduced catch of yellow fin tuna starting 2017. Encouraged by the World Wide Fund for Nature (WWF) and the International Sustainable Seafood Foundation (ISSF), IOTC is further amending the plan to rebuild stocks.

The declining yellow fin stock was also one of the reasons that the Maldives pole and line fishery lost its [Marine Stewardship Council \(MSC\)](#) certification.

Tips:

- You are not required to be MSC approved so as to have a sustainable fishery.
- Examples of how you can incorporate sustainability into your business operations include membership of tuna fishery commissions, sourcing from handline or pole-and-line fishers, obtaining certification from MSC and [Friend of the Sea](#), working with [WWF](#) and becoming engaged in [support programmes for sustainable tuna fisheries](#).
- Ensure that your marketing strategy includes the story underpinning your tuna product. Be transparent about your business relationships with fishermen and about the fishing methods used to catch your tuna.
- Try to invest in community-related activities and also in social activities for your staff in order to add more value to the story underpinning your product.
- See our fact sheet about the [organic seafood](#) market in Europe and our study of [competition on the European frozen tuna market](#).
- See our fact sheet about [the frozen tuna market in Europe](#) for more information about market developments.

2 . Convenience food on the rise

As a result of busy lifestyles and consumers who do not know how to prepare tuna, demand is increasing for ready-to-eat and easy-to-cook value-added tuna products.

Examples are marinated tuna steaks and skewers. The production of these value-added products is currently taking place mainly in Europe, but it will be increasingly outsourced to exporters from developing countries in the years to come. The main objective of European companies for outsourcing is to control their production costs.

Another example of value addition and greater convenience is super-frozen tuna. Read more about this trend below under “New freezing technologies”.

Tips:

- Discuss with your buyers whether they are interested in value-added products and discuss potential investment opportunities.
- You may be able to increase the market potential and value of your products if you are able to invest in the value-added processing of your tuna.

3 . New freezing technologies are there to stay

There is a good demand for super-frozen (blast frozen) tuna on high-end markets in Europe. Once caught, the tuna is frozen to minus 60 degrees Celsius. Throughout the entire supply chain, the tuna is kept at that temperature until it is sold and consumed as sashimi.

Due to a lack of super-frozen cold storage facilities along the supply chain, there will only be a gradual increase in supply volume. This offers opportunities for exporters who are able to provide super-frozen facilities at all stages of the supply chain. Investments are high and must be made at

various levels in the supply chain. However, the market prices for super-frozen tuna are considerably higher than for traditional frozen tuna.

Tip:

- Discuss with partners whether it would be beneficial to invest in super-frozen processing equipment in order to meet the growing European demand for this high-value product.

4 . Change in glazing rates

For some specific markets, European importers of tuna have started to accept higher glazing rates in recent years. This is to keep tuna competitive against other products. In times of economic welfare (before 2009), the standard for glazing was at around 10%. Since the European economy has been under pressure, buyers have been increasingly accepting glazing of up to 15–20%. This is especially the case in southern and eastern Europe. Although the economy in the affected markets may have improved since a few years, the higher glazing rates are expected to stay for years to come.

Tips:

- Being able to apply higher glazing rates can be important for meeting the requirements of customers. You should discuss with your buyers what glazing rates they anticipate for the various channels and segments. Note that if the higher glazing rate is not mentioned on the label, the producer can be held liable for a faulty product.
- Changes in glazing are making business in Europe quite difficult. Integrity is becoming increasingly important in Europe and you will be pushed to compete only on price. You should do your best to stay away from such price competition, as that will not lead to a profitable business in the long run.

5 . Growth in outsourcing of processing activities

To control production costs, parts of the tuna industry's processing activities are already being outsourced to overseas suppliers. A remarkable example is France. While the French seafood industry is relatively conservative, there are some initiatives of outsourcing the processing of raw material to overseas processors.

Cooking is one potential outsourcing activity. Given that tuna prices are rising, this trend may well persist. At the same time, continued improvements in the processing capacity of Asian countries might stimulate the relocation of processing activities to those countries.

Tips:

- You should let your potential partners know of your interest to become involved in more value-adding activities. Then you can decide to invest in value-added processing.
- Talk with your European buyers about the desirability of re-locating their processing operations from Europe to your country. If this would be desirable, give further consideration to the possibility of investing in processing machinery.

6 . More client-specific production

Product specifications are changing rapidly and becoming more diverse for Europe's various countries and market segments. Consequently, client-specific production has become more and more important.

Tips:

- If you were to increase your processing activities as well, it would become necessary for you to manage the range of product specifications on the European market. For this reason, communication with your buyers is likely to become even more important.
- See our study of [market channels and segments on the European market for frozen fish and seafood](#) for a general view of channels.

7 . Increasing market differentiation

As the economy in many European countries improved in recent years, the demand for high-value frozen tuna products such as loins and fillets has increased. However, there are still several European countries where people spend less on luxury food products than before. Therefore, the demand for low-value frozen tuna products such as tuna products with skin and bones is definitely there to stay.

To deal with both the high- and the low-value segment, European buyers increasingly have a premium product line but also a low-budget line of tuna products.

Tip:

- It is important to differentiate your product assortment in order to meet the requirements of European buyers.

8 . From manufacturer brands to private brands

Despite some difficult years in southern European countries, leading to pressure on spending on luxury food products, tuna remains a favourite for many southern European consumers. As tuna is not easily replaceable by other products, consumers tend not to switch to other products.

Consumers do tend to switch from manufacturer brands to supermarket private-label brands. Supermarkets try to attract customers with cheap, standard products and increase their margins by simultaneously introducing a premium product line with value-added products under their private-label brand.

It is expected that consumers will not easily shift back to manufacturer brands after shifting to supermarket private brands. In the long term, this will put your margins under pressure, as traders also have to deal with smaller profit margins.

Tip:

- Try to discuss with your buyer whether you can introduce any value-added premium products, which provide you with higher margins than standard products under the supermarkets' private-label brands.

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